√ Included in the PDF posted on December 10, 2021

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MEETING AGENDA

Monday, December 13, 2021
OPEN SESSION: 5:30 PM

Location: REMOTE VIA ZOOM

Open Session : Remote Via Zoom

Join Zoom Meeting – Open Session- December 13, 2021
Time: 5:30 PM Pacific Time (US and Canada)
Join Zoom Meeting
https://us02web.zoom.us/j/89459970608?pwd=RXZvSlVBVHhxNm9yNUZKWXUybjlWUT09
Meeting ID: 894 5997 0608| Passcode: 921318
One tap mobile
+16699006833,,89459970608# US (San Jose)
Dial by your location: +1 669 900 6833 US (San Jose)

Office of the Clerk: 510-263-8223

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. √Brown Act Resolution — **ENCLOSURE (pages 4-5)** — Tom Driscoll

V. Adjourn into Executive Closed Session

VI. Closed Session Agenda

	A.	Call to Order	Mike Williams
	B.	Report on Healthcare Trade Secrets	Health and Safety Code Sec. 32106
	C.	Adjourn to Open Session	

VII. Reconvene to Public Session

A.	Announcements from Closed Session	Michael Williams

VIII. General Public Comments

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A.	Guest Speaker		
√	1)	Huron Consulting- Alameda Health System Strategic Plan **ENCLOSURE (pages 6-13)**	Shaun Cleary, Emily Graff Angelica Richardson, Leslie Grimmer, Martin McKittrick Huron Consulting

IX. Regular Agenda

A.	YTD AHS Reporting **INFORMATIONAL**		
√	1)	Alameda Health System / Alameda Hospital Update / Status of 2020 Alameda Hospital Seismic Project **ENCLOSURE (page 14)**	Mark Fratzke, Interim COO
√	2)	Patient Experience **ENCLOSURE (pages 15-17)**	Ronica Shelton, VP of Patient Care Services
√	3)	Financial Update **ENCLOSURE (pages 18-28)**	Kimberly Miranda, AHS CFO
√	4)	Anthem Blue Cross, Payor Contracting Strategy **ENCLOSURE (pages 29-35)**	Sandra Wellington, Manager, Payor Relations AHS
	5)	Alameda Hospital Medical Staff Update	Catherine Pyun, DO

B.	District & Operational Updates **INFORMATIONAL**		
	1)	District Reports	
		a. President's Report	Michael Williams
√		b. Alameda Health System Board Liaison Report **ENCLOSURE (page 36)**	Tracy Jensen
		c. Alameda Hospital Liaison Report Contracts and Surprise Billing, Intensive Care Unit Staffing	Robert Deutsch, MD
√		d. Executive Director Report **ENCLOSURE (pages 37-38)**	Debi Stebbins
√		e. Alameda Hospital Strategic Planning Committee Report **ENCLOSURE (pages 39-42)**	Gayle Codiga
		f. Report From Community Advisory Board	Stewart Chen

C.	Consent Agenda		
√	1)	Acceptance of Minutes, October 11, 2021 Board Meeting, **ENCLOSURE (pages 43-47)**	
√	2)	Acceptance of September and October 2021 Financial Statements **ENCLOSURE (pages 48-61)**	
√	3)	Acceptance of Proposed District Board Meeting Calendar FY 2021-2022 **ENCLOSURE (page 62)**	

D.	Action Items		
√	1)	Review and Approve 2020-2021 Audit **ENCLOSURE (pages 63-81)**	

√ Included in the PDF posted on December 10, 2021

√	2)	Recommendation to Approve True-Up Tax Distribution to AHS **ENCLOSURE (pages 82-83)**
√	3)	Engagement of Political Consultant **ENCLOSURE (pages 84-85)**

E.	February 14, 2022 Agenda Preview	
	1)	Acceptance of December 13, 2021 Minutes
	2)	December Tax Installment to AHS
	3)	Distribution from Jaber Funds to AHS

F.	Informational Items:
	YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)

X. General Public Comments

XI. Board Comments

XII. Adjournment

Next Scheduled Meeting Dates (2nd Monday, every other month or as scheduled) **February 14, 2022**	Open Session 5:30 PM

City of Alameda
HEALTH CARE DISTRICT

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 13, 2021

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

FROM: Deborah E. Stebbins, Executive Director

SUBJECT: Authorization to Continue the Use of Teleconferences

Whereas, on September 10, 2021, both houses of the California Legislature voted to approve AB 361 (Rivas), "Open Meetings: State and Local Agencies: Teleconferences." The Governor signed AB 361 and it took effect immediately as an urgency statute; and

Whereas, A.B. 361 amended Government Code section 54953 to provide more clarity on the Brown Act's rules and restrictions surrounding the use of teleconferencing to conduct meetings during a declared state of emergency as defined under the California Emergency Services Act. In addition, the District Board must determine that, as a result of the emergency, meeting in person presents imminent risks to the health or safety of attendees; and

Whereas, if those circumstances apply, then the amended Brown Act provides an exemption from certain of the Brown Act's existing requirements and creates alternate measures to protect the statutory and constitutional rights of the public to appear before local legislative bodies. When the District Board elects to hold a virtual or remote meeting because the emergency and public health and safety criteria are met, the following alternate set of requirements apply:

1. The District must provide adequate notice of the meeting and post an agenda as otherwise required by the Brown Act;

2. Where there is a disruption in the public broadcast of the call-in or internet-based meeting service, the District Board must take no further action on agenda items until public access is restored;

3. The District is prohibited from requiring public comments to be submitted in advance of the meeting and cannot close the comment period or opportunity to register online until the timed public comment period has elapsed; and

4. The District Board, acting under these teleconference exemptions, must make periodic findings about whether the circumstances explained above apply. Specifically:
    - The Board must find that it considered/reconsidered the circumstances of the state of emergency and that one of the following circumstances exist: (i) the emergency continues to directly impact the ability of members to safely meet in person, or (ii) state or local officials continue to impose or recommend measures to propose social distancing.
    - If the District Board cannot make these findings by majority vote, then it will no longer be exempt from the physical public access, quorum, and public comment opportunity rules applied to teleconference meetings under subsection 54953(b)(3) of the Brown Act.

CITY OF ALAMEDA HEALTH CARE DISTRICT

NOW THEREFORE, BE IT RESOLVED THAT:

1. This Board finds that, after due consideration of the current circumstances of the state of emergency caused by the pandemic, the emergency continues to directly impact the ability of members and the public to safely meet in person; and
2. Prior to conducting any business described on a posted agenda for a duly called future meeting, this Board shall find that it reconsidered the circumstances of the state of emergency and that one of the following circumstances exists at the time of such meeting: (i) the emergency continues to directly impact the ability of members to safely meet in person, or (ii) state or local officials continue to impose or recommend measures to propose social distancing.

AHS Strategic Plan Development

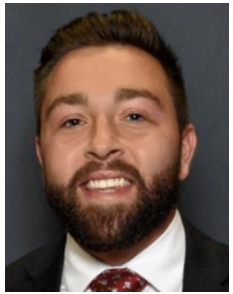
December 13, 2021

Introductions

Leslie Grimmer
Managing Director
Strategy Leader

Martin McKittrick
Senior Director
Engagement Lead

Angelica Richardson
Associate
Project Management Lead



Quentin Smith
Associate
Modeling and Analytics

Emily Graff
Analyst
Modeling and Analytics

ALAMEDA HEALTH SYSTEM

About Huron

- Formed in 2002
- More than 3,800 full-time professionals
- 2020 revenue of $844 million
- Headquartered in Chicago
- Publicly traded on NASDAQ
- Served more than 1,700 organizations and institutions in 2020

STRATEGY AND INNOVATION

CARE TRANSFORMATION

FINANCIAL AND OPERATIONAL EXCELLENCE

TECHNOLOGY AND ANALYTICS

LEADERSHIP EXCELLENCE

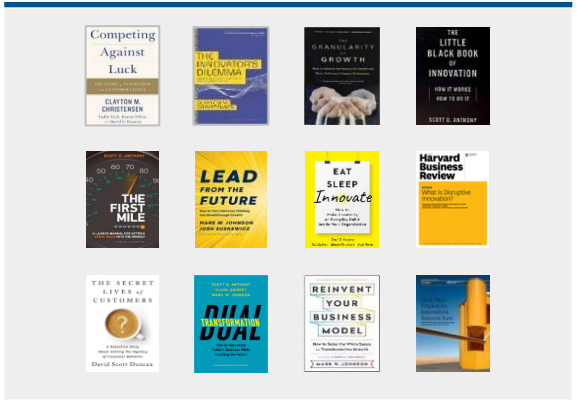
HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2021 for LGBTQ Equality
100% CORPORATE EQUALITY INDEX

For **eight years in a row**, we have been recognized by the Human Rights Campaign Foundation for receiving a perfect score of 100 on the Corporate Equality Index and the designation as a “Best Place to Work for LGBTQ Equality.”

Best Firms to Work For
2011-2021
Consulting Magazine

Best Management Consulting Firms
2018, 2019, 2020
Forbes

Thought Leadership



ALAMEDA HEALTH SYSTEM

Goals of AHS' Strategic Plan

AHS seeks to develop a three-to-five-year strategic plan which will support the following journey:

- Refresh and clarify the Mission, Vision and Pillars
- Enhance alignment between the board, leadership, and physicians, and staff
- Chart a course to Redesign, Reposition & Reimagine AHS
- Analyze & prioritize market opportunities for growth
- Analyze & prioritize opportunities to optimize value delivered to the community
- Equip AHS to drive toward the following outcomes:
  - Clinical, Cultural & Operational Excellence
  - High Reliability Organization
  - Financial Stability
  - Growth and Retention of Key Patient Volumes

Our Strategic Planning Approach

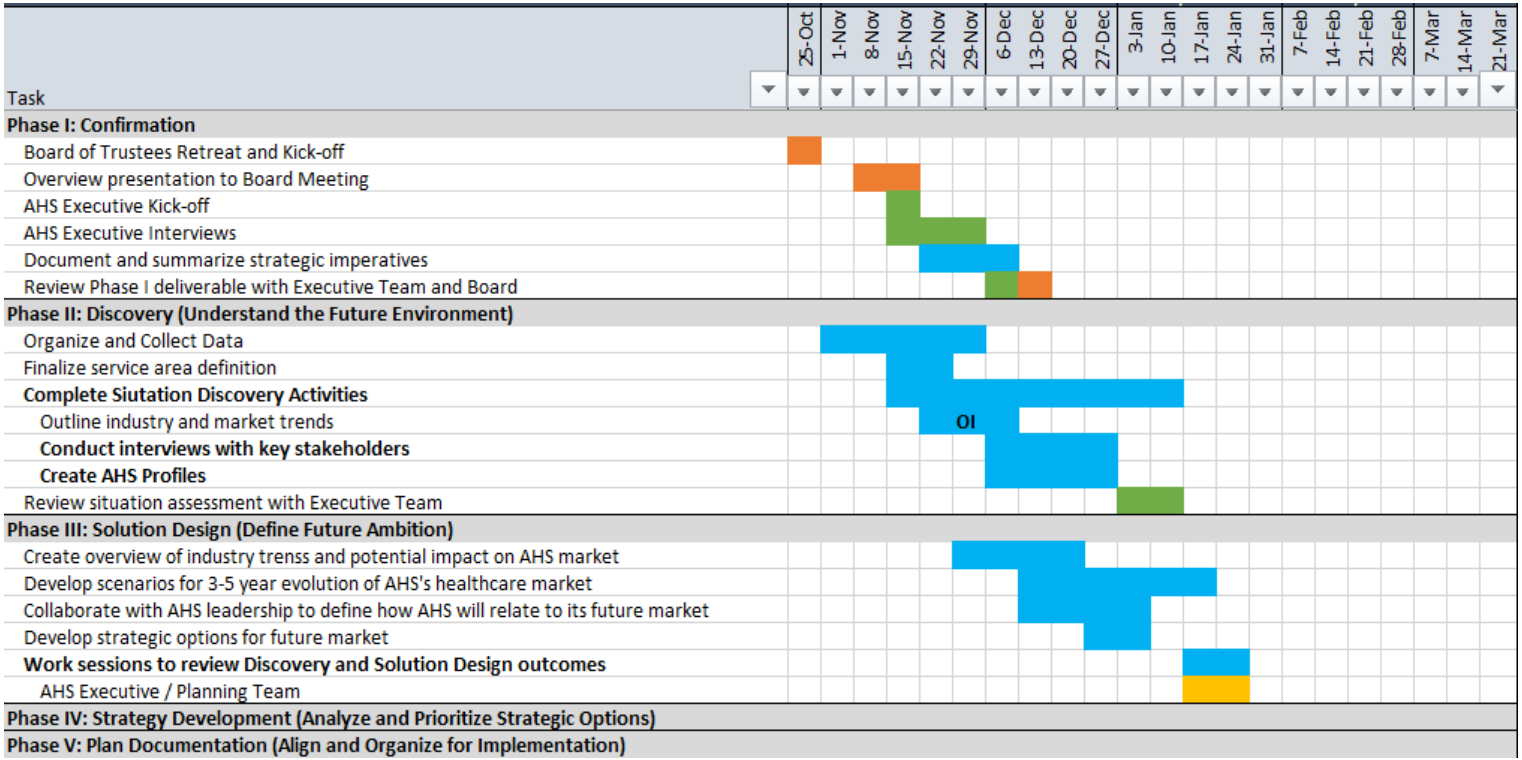
Understand Future Environment	Define Future Ambition	Analyze and Prioritize Strategic Options	Align and Organize for Implementation
• Assess industry trends and local market dynamics to develop an aligned view of the world • Understand historical strengths and challenges of AHS's delivery model • Develop implications of view of the world on AHS's ability to succeed in the future • Determine pace and magnitude of change required and current degree of readiness	• Define who AHS wants to be in the future, including market positioning, sources of differentiation, and role in community • Define size and scope of AHS's strategic and financial growth ambition • Determine implications of ambition on strategic priorities (what to start, stop, or accelerate) • Identify organizational blockers and capability gaps to overcome	• Develop strategic options to achieve AHS's aspirations • Prioritize options based on their strategic attractiveness and financial value • Assess current assets and capabilities and identify key gaps • Estimate investments needed to close gaps, including organizational commitment and leadership bandwidth	• Develop near-term and longer-term roadmaps with key activities and milestones • Identify key risks and assumptions to validate in the near-term • Determine owners and change agents for implementation • Develop implications on operating model and governance • Share communication and stakeholder alignment considerations
What is the future?	***Who Should We Be?***	***How Do We Get There?***	***Get There!***

ALAMEDA HEALTH SYSTEM

Key Questions for Consideration

1. What does future success look like for AHS?
2. What mission-driven considerations represent “non-negotiables” in any planning effort?
3. How does AHS’ ongoing diversity, equity, and inclusion effort align with the strategic plan?
4. What is AHS’ current “brand” in the market?
5. What are the most pressing healthcare needs of the AHS community over the next five years?
6. How is AHS currently positioned to meet these evolving healthcare needs? What is the size and shape of the gap?
7. Where are patients within the AHS service area currently receiving healthcare services, particularly specialty care?
8. What are key areas of strength and opportunity for AHS (clinically, operationally and financially)?
9. What clinical service lines and programs should be expanded, which should be maintained, consolidated, exited, and which represent partnership opportunities?
10. What are the macro-level recruitment, space, capital equipment and financial considerations associated with any service line or programmatic expansion or partnership?
11. How should AHS go about implementing the new strategic plan?

Timeline



Thank You

Alameda Health Care District Board

- Strategic Planning – stakeholder interviews underway
- POCU – meeting to consider how to roll out practice
- Rounding – x3 week for all leaders (standard practice)
- AH and JC – soon, window closed November 30
- Kickoff throughput BEST initiatives – ED throughput, transfer center, MDR's
- Centralized sterile processing – Director and management positions being interviewed
- CNO – Ro Lofton, RN DNP started November 29

Patient Experience Alameda Hospital

October 2021

Alameda Hospital October 2021

H-CAHPS (N=26) *N may vary by question*	FY21 Baseline	FY22 Goal	FY22 YTD	October 21
Overall Hospital Rating	55.18	61.73	63.22	71.08
Communication with Nurses	69.28	74.7	67.66	69.87
Communication with Doctors	74.97	77.85	72.38	78.68
Responsiveness of Hospital Staff	60.5	70.18	64.45	70.77
Communication about Medicines	48.49	59.39	44.39	50.68
Cleanliness and Quietness of Hospital Environment* *(*2 questions-noted below)*	52.53	51.01	57.33	55.07
Cleanliness (no separate goal set)	62.04	NA	61.72	58.74
Quietness (no separate goal set)	43.02	NA	52.94	51.40
Discharge Information	79.98	84.14	77.57	87.88
Care Transitions	44.58	46.04	44.02	58.96

Metrics with opportunity for improvement	Follow-Up Actions	Date of Completion
Rate the Hospital and key drivers	• Actions to drive patient experience across AHS. 1. Standards - GIFT is the service standard for the organization and replaces AIDET 2. Build organizational knowledge – implement Patient Experience Boot Camps for all leaders to complete with action plans, metrics and sign off by one-up leadership 3. Daily Work – leaders to integrate patient experience into their daily work practices (audits, monitoring, metrics) • Olivia Kriebl attending monthly AH Leadership to discuss patient experience and actions for all departments • Posting and discussion of HCAHPS data and patient comments with staff • Data shared at physician and staff department meetings. Patient comments shared. • ED Patient Experience Council to address patient concerns/issues and improve patient experience. Focus will be communication/working on an ED patient real time survey. • SMILE board (Safety, Metrics, Issues, Logistics, Encouragement) on all units • Sentact Rounding (EOC, TJC readiness, and patient rounding) done weekly on units • Plan for Medication Education sheet roll out	Ongoing
Care Transition domain-preferences taken into account in d/c planning	• Care Transition Managers are focusing on Sentact patient rounding prior to discharge.	Ongoing

ALAMEDA HEALTH SYSTEM

Alameda District Board Presentation
12/13/2021

October 2021 Financial Report
Volume Highlights – Alameda Acute

	October	BUDGET	# VAR	% VAR	YTD	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
Alameda Hospital District											
Acute Care											
Patient Days	901	932	(31)	(3.3)%	3,361	3,604	(243)	(6.7)%	3,298	63	1.9 %
Discharges	198	216	(18)	(8.3)%	737	825	(88)	(10.7)%	713	24	3.4 %
Average Daily Census	*29.1*	*30.1*	(1.0)	(3.3)%	*27.3*	*29.3*	(2.0)	(6.8)%	*26.8*	0.5	1.9 %
Average Length of Stay	*4.6*	*4.3*	0.3	7.0 %	*4.6*	*4.4*	0.2	4.5 %	*4.6*	-	0.0 %
Occupancy	44%	46%	(2.0)%		41%	44%	(3.0)%		41%	*0.0 %*	
Observation Equiv Days	153	57	96	168.4 %	468	218	250	114.7 %	489	(21)	(4.3)%
CMI	1.409	1.414	(0.005)	(0.4)%	1.488	1.414	0.074	5.2 %	1.414	0.074	5.2 %
AHD Medicare CMI	1.446	1.514	(0.068)	(4.5)%	1.492	1.473	0.019	1.3 %	1.473	0.019	1.3 %
AHD Medicare LOS	4.7	4.3	0.4	9.3 %	4.4	4.0	0.4	10.0 %	4.0	0.4	10.0 %
Surgeries	181	185	(4)	(2.2)%	604	747	(143)	(19.1)%	345	259	75.1 %
IP Surgeries	40	40	-	0.0 %	123	163	(40)	(24.5)%	133	(10)	(7.5)%
OP Surgeries	141	145	(4)	(2.8)%	481	584	(103)	(17.6)%	212	269	126.9 %
Emergency Visits	1,181	1,298	(117)	(9.0)%	4,831	5,307	(476)	(9.0)%	3,945	886	22.5 %
Deliveries	-	-	-	0.0 %	-	-	-	0.0 %	-	-	0.0 %
Clinic Visits	1,072	1,175	(103)	(8.8)%	4,127	4,628	(501)	(10.8)%	4,052	75	1.9 %
										-	0.0 %
Paid FTEs	362	366	4	1.1 %	368	367	(1)	(0.3)%	387	(19)	(4.9)%
Prod FTEs	319	311	(8)	(2.6)%	321	312	(9)	(2.9)%	333	(12)	(3.6)%
Paid FTE Per AOB	8.99	8.86	(0.13)	(1.5)%	9.52	9.12	(0.40)	(4.4)%	10.75	(1.23)	(11.4)%
Worked Hours per AD	207	185	(22)	(11.9)%	216	194	(22)	(11.3)%	243	(27)	(11.1)%
Worked Hours per APD	45.0	43.0	(2.0)	(4.7)%	47.0	44.0	(3.0)	(6.8)%	53.0	(6.0)	(11.3)%
Adjusted Discharges	274	297	(23)	(7.7)%	1,043	1,134	(91)	(8.0)%	958	85	8.9 %
Adjusted Patient Days	1,248	1,281	(33)	(2.6)%	4,756	4,952	(196)	(4.0)%	4,429	327	7.4 %

October 2021 Financial Report
Volume Highlights and Payer Mix

	October	BUDGET	# VAR	% VAR	YTD	BUDGET	# VAR	% VAR	PYTD	# VAR	% Var
SNF											
Patient Days	4,747	5,260	(513)	(9.8)%	19,121	21,007	(1,886)	(9.0)%	19,458	(337)	(1.7)%
Bed Holds	68	64	4	6.3 %	167	254	(87)	(34.3)%	149	18	12.1 %
Discharges	13	22	(9)	(40.9)%	56	87	(31)	(35.6)%	63	(7)	(11.1)%
Average Daily Census	*153.1*	*169.7*	*(16.6)*	*(9.8)%*	*155.5*	*170.8*	*(15.3)*	*(9.0)%*	*158.2*	*(2.7)*	*(1.7)%*
Average Length of Stay	*365.2*	*239.1*	*126.1*	*52.7 %*	*341.5*	*241.5*	*100.0*	*41.4 %*	*308.9*	*32.6*	*10.6 %*
Occupancy	*85%*	*94%*	*(9.0)%*		*86%*	*94%*	*(8.0)%*		*56%*	*30.0 %*	
Paid FTEs	205	197	*(8.0)*	*(4.1)%*	204	198	*(6.0)*	*(3.0)%*	184	20	10.9 %
Prod FTEs	188	172	*(16.0)*	*(9.3)%*	181	173	*(8.0)*	*(4.6)%*	161	20	12.4 %
Paid FTE Per AOB	0.97	0.85	*(0.12)*	*(14.1)%*	0.93	0.84	*(0.09)*	*(10.7)%*	0.87	0.06	6.9 %
Worked Hours per AD	1,845	1,016	*(829.0)*	*(81.6)%*	1,601	1,018	*(583.0)*	*(57.3)%*	1,330	271	20.4 %
Worked Hours per APD	5.0	4.0	*(1.0)*	*(25.0)%*	5.0	4.0	*(1.0)*	*(25.0)%*	4.0	1.0	25.0 %
Adjusted Discharges	13	22	*(9.0)*	*(40.9)%*	56	87	*(31.0)*	*(35.6)%*	63	(7)	(11.1)%
Adjusted Patient Days	4,766	5,276	*(510.0)*	*(9.7)%*	19,178	21,070	*(1,892.0)*	*(9.0)%*	19,497	(319)	(1.6)%
Payor Mix - Combined											
Insurance	8.60%	7.61%	1.0 %	13.1 %	7.66%	7.59%	0.1 %	1.3 %	6.87%	*0.8 %*	11.6 %
Medi-Cal	35.60%	39.12%	(3.5)%	(8.9)%	46.24%	39.25%	7.0 %	17.8 %	43.98%	*2.3 %*	5.2 %
Medi-Cal MC	14.91%	13.58%	1.3 %	9.6 %	15.65%	13.59%	2.1 %	15.5 %	13.28%	*2.4 %*	18.1 %
Medicare	28.42%	27.09%	1.3 %	4.8 %	23.82%	26.98%	(3.2)%	(11.9)%	23.94%	*(0.1)%*	(0.4)%
Medicare MC	4.55%	6.72%	(2.2)%	(32.7)%	5.22%	6.72%	(1.5)%	(22.3)%	7.45%	*(2.2)%*	(29.5)%
Other Govt	4.60%	2.49%	2.1 %	84.3 %	3.76%	2.50%	1.3 %	52.0 %	2.56%	*1.2 %*	46.9 %
Self Pay	3.32%	3.38%	(0.1)%	(3.0)%	-2.33%	3.38%	(5.7)%	(168.6)%	1.94%	*(4.3)%*	(221.6)%

October 2021 Financial Report
AHD Statistic Highlights

- Alameda District Hospital has an acute average daily census of 29.1 for October which is 44% occupancy; mostly admissions coming through the ED. Med surg and Tele (58 beds), ICU census (8 Beds) and Clinics include Wound Care Clinic & Marina Wellness Center.
  - LOS was 4.6 days which is higher than budget and equal to prior year.
  - CMI is below budget for the month; however, trending higher than budget YTD and prior year.
  - Surgeries are increasing to pre-covid levels due to increased capacity of OR Rooms. Increases in Ophthalmology & Orthopedic cases.
  - FTEs were slightly favorable in October; 19 higher than prior year. On an adjusted basis labor statistics are negatively impacted by contract labor reclassified to wages. Registry usage is high.
- Skilled Nursing Average daily census in the Hospital (Subacute 35 beds), Park Bridge (120 beds) and South Shore (26 beds) was 153.1 in October and 155.5 for the year; falling below prior year of 158.2.
  - COVID isolation requirements, outbreaks and complex residents have negatively impacted the census and length of stay at Park Bridge.
  - Roof repairs at Park Bridge are in progress and rooms are still closed for repair. Should be completed by late December.
  - Alameda Sub-Acute has re-opened their 2 beds that were out of service due to seismic work and are focused on admissions. Running close to full if not full again.
- Payer mix was favorable for the month of October. Self pay includes retroactive reclassifications to other payers which can look strange. July IP had a reclassification of $2.9M in charges.

October 2021 Financial Report
Alameda Health System Summary

- Operating Revenue is favorable $14.4M and 15.5%. YTD is favorable $15.2M and 4.1%.
- Operating Expense is favorable $0.3M and 0.3%. YTD is unfavorable by $6.0M and 1.7%.
- Net Income is $18.0M and favorable to budget by $15.1M. YTD is $19.8M and favorable by $10.3M.
- EBIDA is $18.5M resulting in an EBIDA Margin of 17.2%; above budget by $14.7M. YTD is $22.7M with an EBIDA Margin of 5.9%; above budget by $9.4M.

	October 2021				Year-To-Date				FY 2021	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	$ 107,260	$ 92,861	$ 14,398	15.5%	$ 385,835	$ 370,624	$ 15,210	4.1%	$ 334,102	15.5%
Operating expense	89,435	89,722	286	0.3%	365,880	359,858	(6,021)	(1.7)%	365,214	(0.2)%
Operating income (loss)	**17,825**	**3,139**	**14,686**	**467.9%**	**19,955**	**10,766**	**9,189**	**85.4%**	**(31,112)**	**164.1%**
Other non-operating activity	137	(301)	437	145.5%	(109)	(1,202)	1,093	90.9%	(734)	85.1%
Net Income (loss)	**$ 17,962**	**$ 2,838**	**$ 15,123**	**532.8%**	**$ 19,846**	**$ 9,564**	**$ 10,282**	**107.5%**	**$ (31,846)**	**162.3%**
EBIDA adjustments	539	933	(395)		2,812	3,733	(921)		5,489	
EBIDA	**$ 18,500**	**$ 3,772**	**$ 14,729**		**$ 22,658**	**$ 13,297**	**$ 9,361**		**$ (26,357)**	
Operating Margin	16.6%	3.4%	13.2%		5.2%	2.9%	2.3%		(9.3)%	
EBIDA Margin	17.2%	4.1%	13.2%		5.9%	3.6%	2.3%		(7.9)%	

October 2021 Financial Report
Net Patient Services Revenue Highlights

- Gross patient service revenue is unfavorable to budget by $0.6M and 0.2% due to lower than planned volumes in inpatient and professional fees. The service mix and volume are recovering and charges approximate budget. As a reminder, FY22 Budget assumed volumes would ramp up to pre-covid levels.
- NPSR Collection ratio was 20.1% and higher than budget by 3.6%. YTD was 17.5% and 1% higher than budget.
- Other government programs are favorable $3.6M and 10.3% driven by FY20 QIP update based on CAPH model. YTD was $3.8M and 2.7% over budget.
- Other operating revenue is unfavorable $0.4M driven by timing of grants receipts. YTD, Retail Pharmacy exceeding budget $1.2M primarily from scripts for rheumatology medications and some oral oncology medication.

	October 2021				Year-To-Date				FY 2021	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Inpatient service revenue	$ 188,305	$ 188,410	$ (105)	(0.1)%	$ 741,097	$ 752,745	$ (11,648)	(1.5)%	$ 667,119	11.1%
Outpatient service revenue	92,564	92,312	252	0.3%	375,137	363,777	11,360	3.1%	295,970	26.7%
Professional service revenue	29,604	30,398	(794)	(2.6)%	111,896	120,727	(8,830)	(7.3)%	101,914	9.8%
Gross patient service revenue	310,473	311,119	(647)	(0.2)%	1,228,130	1,237,249	(9,118)	(0.7)%	1,065,002	15.3%
Deductions from revenue	(247,991)	(259,775)	11,784	4.5%	(1,013,470)	(1,032,679)	19,209	1.9%	(889,931)	13.9%
Net patient service revenue	**62,482**	**51,344**	**11,137**	**21.7%**	**214,660**	**204,570**	**10,090**	**4.9%**	**175,071**	**(22.6)%**
Collection % - NPSR	20.1%	16.5%	3.6%		17.5%	16.5%	0.9%		16.4%	
Capitation and HPAC	3,843	3,792	51	1.3%	15,362	15,169	194	1.3%	14,272	7.6%
Other government programs	38,487	34,891	3,596	10.3%	143,361	139,552	3,809	2.7%	132,740	8.0%
Other operating revenue	2,449	2,834	(386)	(13.6)%	12,451	11,333	1,118	9.9%	12,042	3.4%
Total operating revenue	**$ 107,260**	**$ 92,861**	**$ 14,398**	**15.5%**	**$ 385,835**	**$ 370,624**	**$ 15,210**	**4.1%**	**$ 334,125**	**15.5%**

October 2021 Financial Report
Expense Highlights

- Labor costs approximate budget in October and are unfavorable for the year $5.3M. High registry usage at significantly higher rates are more than offsetting the favorable FTE variance of 100 in October and 28 for the year.
- Purchased services continue to trend favorable for the month and year, driven by management consulting (YTD $0.7M) and software licenses (YTD $1.3M).
- Material and Supplies are unfavorable $1.0M and 13.5% driven by higher pharmaceuticals expenditures ($0.5M) and medical supplies/PPE ($0.5M). YTD, unfavorable $3.6M and 11.8%, driven by higher pharmaceuticals ($2.0M), other medical supplies/PPE ($1.3M), and lab reagents ($0.5M) offset by surgical supplies ($0.4M) consistent with lower volumes.
- Facilities are favorable $0.7M and 21.4% driven by timing differences for utility costs ($0.2M) and equipment/facility repairs & leases ($0.5M). YTD favorable $1.3M and 10.7%, driven by the same categories.

	October 2021				Year-To-Date				FY 2021	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Labor costs	$ 65,395	$ 65,238	$ (157)	(0.2)%	$ 266,935	$ 261,651	$ (5,283)	(2.0)%	$ 267,304	0.1%
Physician contract services	2,882	3,117	234	7.5%	11,893	12,317	424	3.4%	12,507	4.9%
Purchased services	5,987	6,657	669	10.1%	24,911	26,617	1,705	6.4%	24,485	(1.7)%
Materials and supplies	8,442	7,439	(1,002)	(13.5)%	33,608	30,049	(3,559)	(11.8)%	32,504	(3.4)%
Facilities	2,395	3,047	652	21.4%	11,007	12,330	1,324	10.7%	12,050	8.7%
Depreciation	2,562	2,503	(59)	(2.4)%	10,249	10,012	(237)	(2.4)%	10,514	2.5%
General and administrative	1,771	1,721	(50)	(2.9)%	7,276	6,882	(394)	(5.7)%	5,849	(24.4)%
Total operating expense	**$ 89,435**	**$ 89,722**	**$ 287**	**0.3%**	**$ 365,879**	**$ 359,858**	**$ (6,021)**	**(1.7)%**	**$ 365,214**	**(0.2)%**

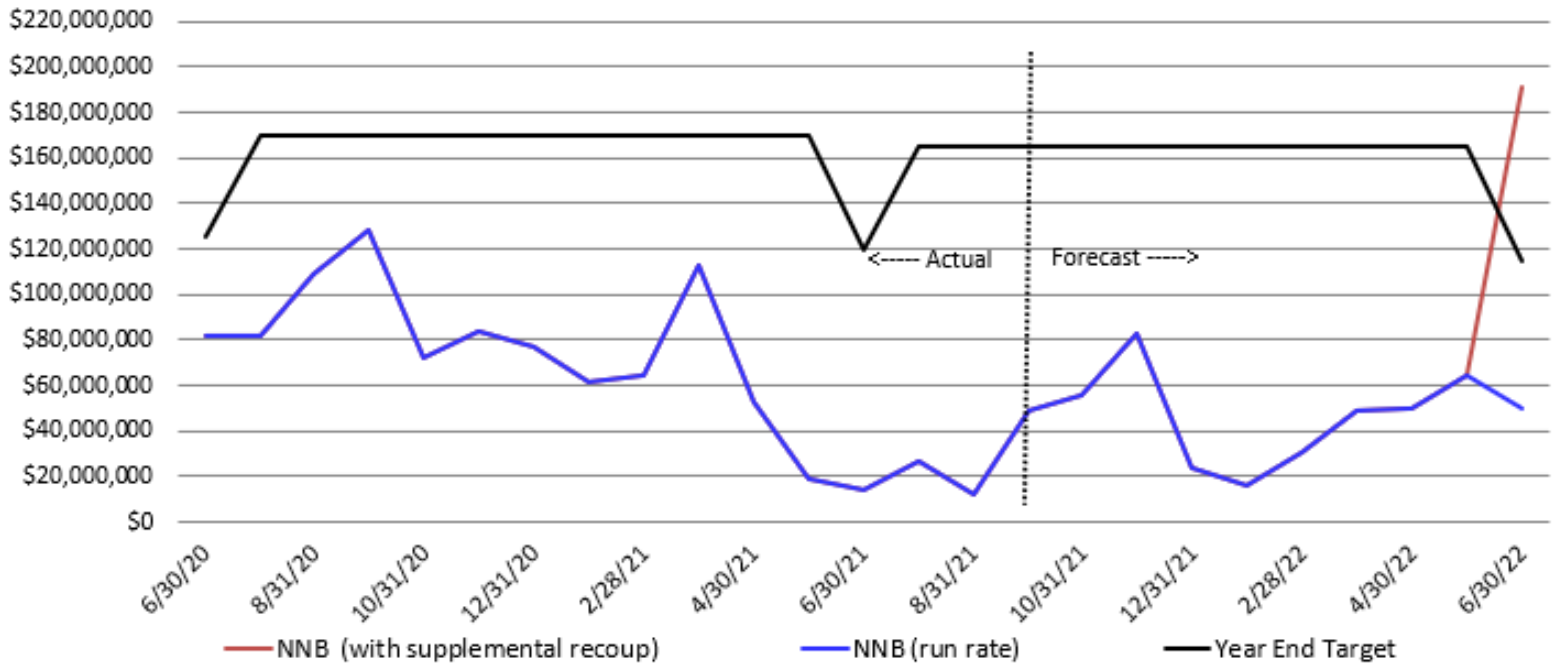
October 2021 Financial Report
Balance Sheet Key Metrics

- Days in Cash is timing variance caused by month end and the difference between draws and pay dates.
- AR Days increased 1.3 days from the prior month reflecting staffing challenges.
- Days in Accounts Payable increased due to timing and available funding. The target is 30 days. Percent AP Over 60 days at 9.1% and higher than the prior month from resolution of older vendor credit balances that were offsetting the over 60-day category.
- Net Position continues to be negative, however, YTD net income of $19.8 M has improved the position.
- Net Negative Balance $56.9M and is below the June 30, 2022 ceiling of $115.0M.

	Oct-21	Sep-21	FY 2021
Days in Cash	8.6	7.1	2.5
Gross Days in AR	57.6	56.3	62.7
Days in Accounts Payable	28.8	22.8	24.6
% of AP Over 60 days	9.1%	2.9%	0.3%
Current Ratio	1.3	1.2	1.0
Net Position (Fund Balance)	$ (209,456)	$ (227,418)	$ (229,443)
Net Negative Balance (LOC)	$ 56,874	$ 50,424	$ 15,690

October 2021 Financial Report
Line of Credit (NNB) Forecast

- FY22 Cash Flow from Operations Forecast is expected to be below NNB limit (blue line).
  - Anticipated cash flow from FY22 budget including lift from performance improvement initiatives ($25.6M).
  - Supplemental revenue is forecasted based on the latest information available.
  - Capital budget cash flow at $32.4M and currently running below plan. Total spent to date is $5.0M.
- NNB at 6/30/22 forecast consistent with prior month
- PY Recoupments were pushed out to the end of the fiscal year, reflected in the red line, and far exceed the NNB Limit. No new information is available on the timing of these payments.

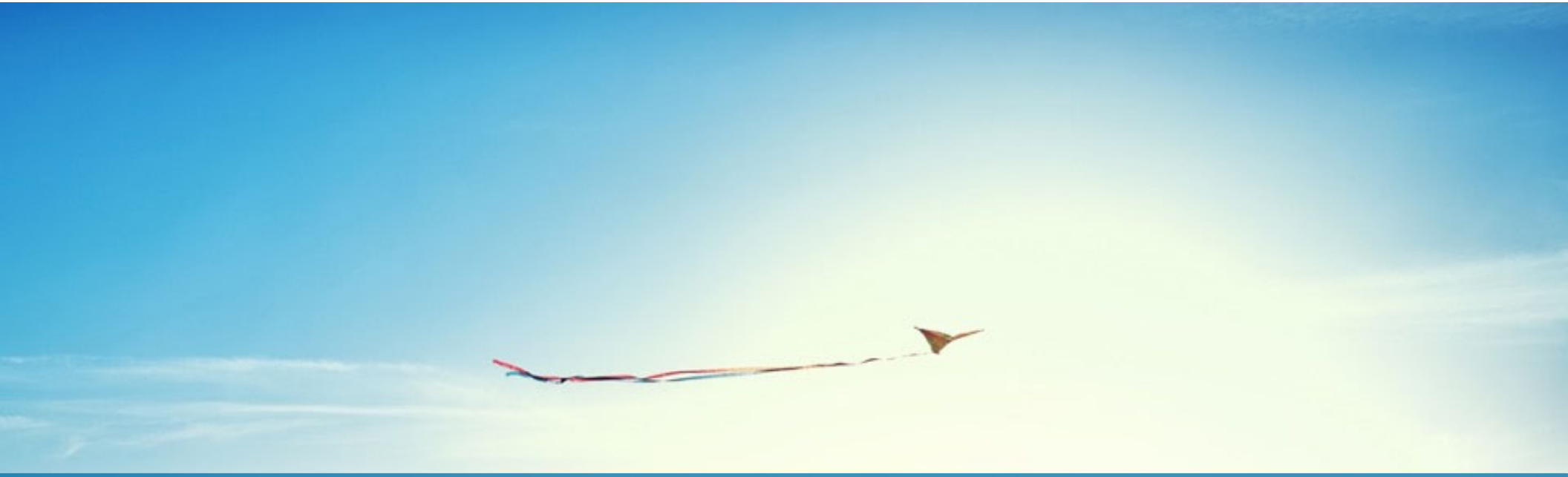


Appendix

AHS Volume Statistics

October 2021 Financial Report
AHS Volume Highlights

	October	BUDGET	#VAR	%VAR	YTD	BUDGET	#VAR	%VAR	PYTD	#VAR	%Var
ACUTE											
Acute Patient Days	8,527	8,986	(459)	(5.1)%	34,420	35,354	(934)	(2.6)%	33,472	948	2.8 %
Acute Discharges	1,524	1,661	(137)	(8.2)%	6,122	6,505	(383)	(5.9)%	6,018	104	1.7 %
Average Daily Census	275.1	289.9	(14.8)	(5.1)%	279.8	287.4	(7.6)	(2.6)%	272.1	7.7	2.8 %
Average Length of Stay	5.6	5.4	0.2	3.7 %	5.6	5.4	0.2	3.7 %	5.6	-	0.0 %
Acute Adjusted Discharges	2,323	2,523	(200)	(7.9)%	9,434	9,842	(408)	(4.1)%	8,925	509	5.7 %
Acute Adjusted Patient Days	12,995	13,650	(655)	(4.8)%	53,041	53,491	(450)	(0.8)%	49,639	3,402	6.9 %
CMI	1.551	1.457	0.094	6.5 %	1.550	1.552	(0.002)	(0.1)%	1.552	(0.002)	(0.1)%
ED Visits	7,605	8,527	(922)	(10.8)%	31,737	34,694	(2,957)	(8.5)%	27,657	4,080	14.8 %
Trauma Cases	317	257	60	23.3 %	1,053	1,060	(7)	(0.7)%	969	84	8.7 %
Observation Equiv Days	179	97	82	84.5 %	725	373	352	94.4 %	801	(76)	(9.5)%
PES Equivalent Days	563	1,074	(511)	(47.6)%	2,242	3,218	(976)	(30.3)%	2,541	(299)	(11.8)%
Surgeries	712	740	(28)	(3.8)%	2,723	2,940	(217)	(7.4)%	2,111	612	29.0 %
IP Surgeries	358	338	20	5.9 %	1,425	1,340	85	6.3 %	1,263	162	12.8 %
OP Surgeries	354	402	(48)	(11.9)%	1,298	1,600	(302)	(18.9)%	848	450	53.1 %
Deliveries	108	108	-	0.0 %	503	428	75	17.5 %	422	81	19.2 %
SNF											
Patient Days	7,978	8,455	(477)	(5.6)%	31,854	33,684	(1,830)	(5.4)%	31,637	217	0.7 %
Discharges	16	29	(13)	(44.8)%	96	115	(19)	(16.5)%	95	1	1.1 %
Daily Census	257.4	272.7	(15.3)	(5.6)%	259.0	273.9	(14.9)	(5.4)%	257.2	1.8	0.7 %
Average Length of Stay	498.6	291.6	207	71.0 %	331.8	292.9	39	13.3 %	333.0	(1.2)	(0.4)%
CLINIC VISITS (total)	31,490	28,338	3,152	11.1 %	117,664	114,125	3,539	3.1 %	111,142	6,522	5.9 %
Clinic Visits	25,399				93,092				60,207	32,885	54.6 %
Telehealth	6,091				24,572				50,935	(26,363)	(51.8)%
Physician wRVU	96,167	92,989	3,178	3.4 %	366,976	366,485	491	0.1 %	291,585	75,391	25.9 %
Total Adjusted Discharges	2,297	2,518	(221)	(8.8)%	9,366	9,819	(453)	(4.6)%	8,825	541	6.1 %
Total Adjusted Patient Days	24,619	25,987	(1,368)	(5.3)%	99,822	102,404	(2,582)	(2.5)%	93,998	5,824	6.2 %



ALAMEDA HEALTH SYSTEM

Payor Contracting Strategy – Anthem Blue Cross

December 13, 2021

Anthem Negotiations

- Anthem entered into an Agreement with Alameda Hospital **only** in 2018. The remaining hospitals and professional services are all out of network, (Highland, John George, San Leandro and Fairmont).
- Unlike other large health plans, Anthem is the only health plan contracted at just one facility and no professional contracts.

	Facilities Covered by Contract				
Contracted Plan Name	**Alameda**	**Fairmont**	**Highland**	**San Leandro**	**John George**
Plan A	✓			✓	
Blue Cross - Commercial	✓				
Plan B	✓			✓	
Plan C	✓	✓	✓	✓	
Plan D	✓	✓		✓	✓
Plan E	✓	✓	✓	✓	✓
Plan F	✓	✓	✓	✓	✓

Anthem Negotiations

- The Milliman Actuarial study done for AHS in 2019, indicated that the negotiated Alameda Hospital rates were 16% below market. Over the last two years increases were limited to 2% annually.
- AHS opened negotiations in the summer of 2021, with the hope that we could bring all hospitals in network. The current contract was extended and expires February 1, 2022.
- AHS Proposal represented an increase that would allow AHS to be market competitive and protect trauma at 90% of billed charges consistent with other contracts and likely slightly below market
- Anthem has provided 3 counters and we still remain below market. If we were to accept the latest proposal, AHS would lose $1.1 Million annually based on FY19 utilization.

Anthem Negotiations

- An acceptable system wide agreement consistent with the AHS approved payer contracting strategy would include:
  - 90% of charges for trauma rates:
    - Plan A 90% (new)
    - Plan B 90% (new)
    - Plan C 95%
    - Plan D 95%
    - Anthem is proposing 85%
  - Significant increases in Emergency room rates across all facilities which covers current utilization. Elective rates are currently closer to market.
  - Professional services agreement for physicians across all facilities.

Anthem's Comparison to Other Payers for Alameda Hospital

- Anthem is our lowest cost coverage agreement at Alameda Hospital compared to all other top volume payors
- Anthem is the lowest payer at Alameda Hospital by 23%

Alameda Hospital
Commercial Top Health Plan Analysis
Accounts Discharged 10/1/19-9/30/2020
*** Alameda Hospital contracted with ALL Top Commercial payors**

Service	Cases	Charges	Reimb. Based on Zero Bal Acct (Contractual allowed)	Reimb as % Charge	Total Cost (2)	Net Income	Cost Coverage Rate (2)	Comm Payor Reimb % above (below) of Blue Cross
Total Inpatient and Outpatient								
Plan A	203	2,457,881	1,173,776	47.8%	667,280	506,496	176%	51%
Blue Cross (excl AHS empl)	664	7,505,559	2,373,475	31.6%	2,037,654	335,821	116%	0%
Plan B	281	2,917,469	1,299,654	44.5%	792,052	507,602	164%	41%
Plan C	132	1,133,970	591,479	52.2%	307,857	283,622	192%	65%
Plan D	129	1,570,994	621,676	39.6%	426,503	195,173	146%	25%
Plan E	51	365,598	162,133	44.3%	99,255	62,879	163%	40%
Plan F	380	2,973,819	1,845,491	62.1%	807,350	1,038,140	229%	96%
Plan G	259	2,637,144	959,124	36.4%	715,948	243,176	134%	15%
Plan H	391	5,043,488	1,616,937	32.1%	1,369,236	247,701	118%	
Total Inpatient and Outpatient	**2,490**	**26,605,922**	**10,643,745**	**40.0%**	**7,223,135**	**3,420,610**	**147%**	

Anthem Negotiations

Next Steps:

- Anthem will be sending AHS a new counter proposal
- If proposal is not favorable AHS can submit final counter proposal requesting market rates before terminating contract.
  - **Anthem does not typically respond until a termination notice is sent.**
  - All AHS hospitals will be out of network and should continue to be paid at usual and customary non-contracted rates.
    - Ongoing and increased litigation on non contracted claims being paid at less than usual and customary.
  - AHS should consider looking at alternatives for our employee network, AHS uses Anthem network.
  - AHS needs to take this opportunity to submit all unpaid claims greater than 90 days for expedited payment.

Anthem Negotiations – Needed from MEC

1. **Support from Alameda MEC to revisit termination discussions**
2. **Communication Plan**
   - Alameda MEC on 11/19
   - Alameda District Board on 12/13
   - CHA Response/Feedback TBD
   - Finance Committee on 1/5
   - Highland MEC to be arranged
   - Employee Communication
   - Physician Communication
   - Press Release/ Media Spots
   - Other Stakeholders

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: December 13, 2021
TO: AHCD Board of Directors
FROM: Tracy Jensen

BOARD OF TRUSTEES UPDATE

In November, AHS board member Jeanette Dong, appointed in November 2020, submitted her resignation to the board.

Board members have been meeting individually with the AHS strategic planning consultant Huron to share priorities and priorities and project expectations. The AHS Strategic Plan draft will be discussed early in 2022.

In keeping with Governor Newsome's extension, the AHS board with continue to meet remotely for the next

SYSTEM UPDATES
As of December 6, 2021, 95% of 5202 active AHS employees are fully vaccinated. The Omicron variant has been identified at AHS with transmissions occurring in Highland acute care staff. After a period of time without any COVID-19 patients, as of 12/7 there were 6 COVID patients receiving in-patient care, including 2 at Alameda Hospital, and 2 COVID-19 positive patients being cared for at AHS post-acute sites.

City of Alameda
HEALTH CARE DISTRICT

December 13, 2021

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

From: Deborah E. Stebbins
Executive Director

SUBJECT: EXECUTIVE DIRECTOR REPORT

1. Wilma Chan

I want to recognize the great loss for the District due to the untimely passing of Supervisor Wilma Chan. Wilma was a great friend and supporter of the District and Alameda Hospital as well as a resident of the city of Alameda. She was an important advocate in assuring that AHS met the 2020 seismic requirements.

Wilma's chief of staff, Dave Brown, was appointed as her replacement by the Board of Supervisors as her interim replacement. He does not plan to run in 2022 for her seat on the Board. I am reaching out to Mr. Brown to orient him to the issues facing the District.

2. Program Development at Alameda Hospital

The Alameda Hospital Strategic Planning Committee met on November 18th and reviewed presentations on two topics: Inpatient Gero -Psych services and Certification of the ED at Alameda Hospital for Geriatric Care. Patty Espeseth, the VP for Behavioral Health at AHS, gave an excellent overview of her experience with Gero-Psych programs, for which there is a significant need in the Bay Area. Dr. Nikita Joshi, the Medical Director of the Alameda Hospital ED, reviewed the ideas of pursuing certification of the Alameda Hospital ED for geriatric services.

The discussion of the programs was positive by the Committee. It appears that further development of these programs will be dependent on the path of the overall strategic planning process at AHS. The work of the parallel Strategic Planning Committee for San Leandro Hospital has been suspended pending the work of Huron Consultants on the overall Strategic Planning for AHS.

3. Thank you to Leta Hillman

I want to thank and recognize the work of Leta Hillman as the Clerk of the Board and my executive assistant. This Board meeting will be her last in this roll before her much deserved retirement. She has been a great asset and friend to the District, especially stepping in last February after our move to a new office right after my recovery from COVID ! I could not have survived without you, Leta !!

Minutes of the AH Strategic Planning Committee **Thursday, November 18, 2021**

Members Present:	Not Present	Also Present
Tracy Jensen, Kimberly Miranda, Luisa Blue, Gayle Codiga, Gerry Beaudin, Dr. James Yeh	Dr. Stephen Lowery, Dr. Catherine Pyun	Debi Stebbins. Mark Fratzke Guest Speakers: Patty Espeseth, Dr. Nikita Joshi Invited Guests: Drew Laine, Mario Harding
	Minutes Submitted by Leta Hillman	

Topic		Discussion
I. Call to Order		Gayle Codiga
II. Approval of Minutes, August 2, 2021	Minutes Approved by the Committee	Gayle Codiga
III. Overview of AHS Strategic Planning Project with Huron Consulting	Huron Consulting was selected and participated in the recent AHS Retreat. Huron presented their plan to the entire AHS board the following week. They have been invited and will present their overview at the December 13th District Board Meeting. They are doing some preliminary work which will take 4 months (the end of February)	Mark Fratzke
IV. New Program Ideas for Alameda Hospital	Debi Stebbins provided additional historical background related to the previous joint Strategic Planning Committee. The previous group made recommendations regarding the 2020 Seismic requirements and explore new programs at Alameda Hospital which would increase utilization, especially the Emergency Dept. Historically, about 70% of acute in patients come from the Emergency Department. To date, the seismic upgrades are close to being completed. The expansion includes a sub acute unit, recruitment of 2 orthopaedic surgeons, acquisition of The Park Street Nursing Facility, development of a wound program and development of a certified stroke program. Programs were oriented towards a geriatric population. Alameda is the 2nd	Debi Stebbins

		oldest demographic city within Alameda County, only Castro Valley is higher. 1)Development of an inpatient gero-psych program 2)Certification of the Alameda Hospital Emergency Dept. Currently, the only certified Emergency Dept is Kaiser. Debi Stebbins introduced Patty Espeseth who will present on establishing a gero-psych program. Alameda Health System, in the past had many challenges and new program development was not prioritized. Acute care was not seen as being needed. The seismic requirements was given priority during the previous administration.	
V.	Inpatient Gero-Psych Program	The presentation provided one model for developing this program. Many CA. counties do not run their own programs and rely on the transport of patients statewide. Alameda County needs this program because the other competing psych units do not have the resources to treat co-morbidities. It is recommended to lower the minimum age to 55+, not 65 years of age. A care team consists of: a medical director, occupational and physical therapists, internal medicine specialists, social workers, speech and recreational therapists, registered dieticians and nurses. This program is considered a CMS “acute care” program, where the patient’s medical status is poor enough with sudden onset symptoms. Either private or semi-private rooms can be used; in some cases it is beneficial to have shared space so patients have someone to look out for them and the environment is less lonely. There would be daily meetings with the psychiatric team. The goal is to provide a daily treatment plan to promote stabilization, safety, psychosocial and medical intervention with the end goal being the patient’s discharge to a less intensive level of care. Social workers have a key role, working with the numerous different counties and their differing resources. The social workers also assist with discharge planning, follow-up post discharge, group and family therapy.	Patty Espeseth

		There is a referral process that includes: 1. A psychiatric Evaluation, 2. Medical Clearance, 3. Lab Tests, 4. An EKG, 5. 5150 Legal Hold or Documentation This program is mostly a Medicare based program and the program plan would need submission and approval from The Joint Commission. A patient must have a primary psychiatric diagnosis to be admitted to the program and would be covered by Medi-Cal, Medicare and most private insurers. Prior authorization would be obtained and the insurance is billed so there are no unanticipated costs. There is a list of physical environment recommendations that would need to be built for the facility: Heavy furniture to prevent tipping over, special beds and a call system, Mounted handrails and special door handles, Special bathrooms and fixtures, Doors to have accordion hinges, A seclusion room, Doors are locked to get off the unit along with fire safety protocols. The primary source for admissions is the Emergency Room. There is inter-county referrals, with the counties agreeing to transfer back when the patient is discharged. There would be outreach and referral development during the first few years of operation. Licensing is held on the acute care license of the hospital. Mark Fratzke added there would be building remodeling to comply with the physical plant requirements. Mark estimated that the project would take two years to complete. There would be two hospitals in the Bay Area if Alameda Hospital set this up. (includes Seton Medical). Kaiser Permanente has a unit but only accepts Kaiser members. Kaiser is part of a geriatric surgical program, they receive certification through Medicare. Mark Fratzke added this might be a program to consider in the future. Size of the Unit: would be set up in increments of 6 for staffing (12/18/24). The district is working on several advocacy and seismic related initiatives. This program would justify the seismic exception at Alameda Hospital. This program would also be	

		a part of the Alameda Health System overall strategic initiative, supported by Huron Consulting. Gerry Beaudin asked about this program being specific to Alameda Hospital and how it would relate to other area hospitals. This program would complement the services at Alameda Hospital. The hospitalists at Alameda Hospital are skilled and have much experience with older patients and the program would also contribute positively to the AHS finances.	
VI.	Geriatric Certified Emergency Department	American College of Emergency Physicians (ACEP) have developed a program and created a standard towards accreditation. This would require a significant investment in training, staff and resources. Some of the listed protocols are already in place, at some level. It would require a timeline of either bringing in or training existing staff to meet these protocols. Mark Fratzke asked Drew Laine his thoughts on obtaining this certification. Drew added that historically, the Stroke Center Program and Certification has been successful. Training, education and assigning staff would need to be the main focus. Dr. Joshi shared information from the ACEP website. Staffing is the key, followed by maintaining ongoing education, equipment and supplies, policies and physical environment. Debi Stebbins asked if this program would be more beneficial if spread amongst other AHS hospitals, and Mark Fratzke agreed. Dr. Joshi recommended that Alameda Hospital be the main host hospital.	Dr. Nikita Joshi
VII.	Discussion	Debi committed to working with Mark Fratzke, Dr. Joshi, and Drew Laine and others in following up to integrate these processes into AHS's overall strategic plan.	
VIII.	Adjourn	There being no further business, the meeting was adjourned at 4:50pm	

City of Alameda Health Care District	**Minutes of the City of Alameda Health Care District Board of Directors- Held via ZOOM** Open Session Monday, October 11, 2021 Regular Meeting

Board Members Present:	Legal Counsel Present	Also Present
Tracy Jensen, Robert Deutsch MD, Mike Williams Stewart Chen DC, Gayle Codiga	Tom Driscoll	Debi Stebbins, Leta Hillman

Submitted by: Leta Hillman, Executive Assistant

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 5:30pm 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. General Public Comments	No public comments	
IV. Regular Agenda		
A. YTD AHS Reporting		
1)	Overview of Alameda Health Care District Insurance Coverage: Matt represents Alliant Insurance and has supported the District since 2010. His unit focuses on city, state and hospital entities and has 95% market share for all California healthcare districts. The insurance industry is in the midst of a "hard market" where costs are rising due to inflation, the pandemic, and extreme weather leading to billion dollar losses. 8 of the 10 most costly insured events happened during the 2010's. 8 of the 10 largest wildfires in California history burned in the last decade. There has been a substantial increase in ransomware claims, with public entities being the most frequently targeted sector. Future Outlook: Increased scrutiny of client data, increased retentions and caps on specific coverage (wildfire, silent cyber, strikes, riots and civic commotion. Rates for premiums covering "all risk" and "earthquakes" are expected to increase. Current District Coverage: Includes 1. "Alliant Property All Risk Property Program", the sub-program is HAARP (Hospital All Risk Program). This covers the building, weather events that might affect the building's structure, terrorism, cyber and pollution coverage. 2."Crime Coverage" covers: employee theft, inside premises burglary and theft, computer and funding fraud.	Matt McManus, Alliant Insurance

			3.”Special Liability Insurance”: This covers: automobile rentals, personal injury, operational products, and fire damage. 4.”Commercial General Liability” and “Commercial Excess Liability”. The District’s losses have been minimal during the past 5 years. Estimated premium rate increases may be between 10-15%.	
		2)	Alameda Health System/Alameda Hospital Update/ Status of 2020 Alameda Hospital Seismic Project Mark Fratzke introduced Mario Harding, the new Chief Administrative Officer for both San Leandro and Alameda Hospitals. 1. Throughput has been an issue within the Alameda Health System, especially at Highland Hospital. The system needs to think about what beds are available throughout all hospitals. Care givers meet with the patient and gets them ready for discharge, increasing fast track space in the Emergency Department, rounding on the floors, and community hospital discharges. 2. Patient Discharge: the number of patients have been decreasing since September. The hospitals try to return the Kaiser affiliated patients back to a Kaiser hospital. 3.Throughput Best Initiative: Building awareness and working with consulting partners to identify the processes that need improvement. The hospitals are not being run consistently as a 7 day facility. 4. Radiology Initiatives: Troy Ashford is the new Radiology Director. Saturday and Sunday MRI’s will be added at Alameda Hospital to decrease the backlog within 3 months. A 2nd mammography room has been added at Highland Hospital which will eliminate the backlog within 8 weeks. 5. GI/Endoscopy Unit Backlog: Additional staff have been hired and operating hours have been extended by changing nursing shifts. 6. New leadership team staff have been recently hired: Troy Ashford- Director of Radiology; a Director of Cardiology Service Line; Patty Espeseth, CAO John George; Mark Brown, CAO Highland Hospital; Mario Harding, CAO Alameda and San Leandro Hospitals. Interviews for Chief Nursing Officer completed on October 11th. Seismic Construction Update: The licensing board will inspect the kitchen in mid-October. The bridge will be completed in November. The roof at Park Bridge is in the midst of construction now. Dr. Deutsch offered a suggestion for throughput: The caregiver can add a brief narrative note in the electronic medical record. It is mandatory in the ICU and is being implemented on the floors. This would improve patient care. Multi-disciplinary rounds would also be helpful.	Mark Fratzke AHS Interim COO
		3)	Patient Experience Scores for August 2021 Met and Exceeded Goals: Overall hospital rating, quirt and cleanliness of hospital Scores Increased but Goals Not Met: Nurse communication, responsiveness of hospital staff, discharge info Scores Decreased: doctor communication, communication about medicines, care transition To increase scores, implement standards, build organizational knowledge, and integrate metrics, audits and monitoring into daily work practices.	Ronica Shelton VP of Patient Care Services

		4)	AHS Financials and Budget Update: Alameda Hospital financials shared: August 2021 Data: patient days off by 1.3%. YTD patient days off by 6.7% CMI Increased in August by 1.4%. YTD is 3.7% Outpatient surgeries only off by 4.1%. Skilled Nursing: Patient days off by 9.5% in August; YTD by 9.1% COVID isolation requirements have negatively impacted the numbers Roof repairs at Park Bridge are in progress Sub-acute unit has 2 beds out of service due to ongoing seismic work Park Bridge and Fairmont had COVID outbreaks in August and admissions were paused Alameda Hospital was 42% occupied in August. With the majority of admissions coming from Emergency Dept. (ICU-8 beds, surgery and telemedicine-58 beds). Length of stay increased due to difficulty with patient placements, observation days increased, surgeries are increasing to pre-covid levels due to increased capacity in OR rooms, ophthalmology and orthopedic cases. Alameda Health System Data: Net Income favorable to budget by $600,000 and total net income for August was $1.6 million. YTD is $2.7M and unfavorable to budget by $2.2M. EBIDA is $2.3M with margin of 2.5%, above budget by $0.4M. YTD is $4.2M with an EBIDA margin of 2.3%, below budget by $2.2M. Gross Patient Revenue favorable to budget by $0.8M and 0.3%. Net patient revenue is close to budget. Other operating revenue is favorable to budget by $0.4M, due to Retail Pharmacy ($0.3M). YTD Retail Pharmacy is favorable to budget by $1.0M due to scripts for rheumatology and some oral oncology medications. NPSR Collection ratio was 16.4% and consistent with budget. Expenses: Over budget in July. Total labor costs are $66.0M and favorable for the month $0.7M and 1.0%. Balance Sheet: AR days decreased 1.4 days from the prior month. The line of credit with the county remains low. Net Position is negative and improved, driven by YTD net income of $2.7M.	Kimberly Miranda, AHS CFO
		5)	Alameda Hospital Medical Staff Update- Dr. Pyun was unable to attend, no update provided.	Catherine Pyun, DO
	B.		District & Operational Updates	
		1)	District Liaison Reports	
			a. President's Report: Quarterly meeting held with the Alameda City Council. The district provided a seismic update and Alameda Hospital update. A new crisis intervention program will start in December, providing mental health and homelessness assistance, to be managed by the Alameda Fire Department.	Michael Williams
			b. Alameda Health System Liaison Report. There will be MRI scheduling at Alameda Hospital 7 days a week. James Jackson will schedule a walk through of Alameda Hospital on October 21st and Alameda Hospital will schedule a Board retreat on October 29th.	Tracy Jensen
			c. Alameda Hospital Liaison Report. The medical staff is concentrating on length of stay and acknowledges certain critical services remain unavailable.	Robert Deutsch, MD

			d. Executive Director Report and Board Updates The District worked with California Hospital Association to amend the seismic requirements. The budget trailer failed due to a trade-off with pandemic related hazardous pay. Focus on seismic requirements will resume in January 2022. The current focus is concentrating on lobbying for services at Alameda Hospital in the event of a significant future seismic event. Dr. Deutsch, Tracy Jensen and Debi Stebbins met with representatives of the California Nursing Association and had a productive discussion. The Strategic Planning Committee has been delayed on progress due to the interviewing and onboarding of new leadership. Focus on new programs: Inpatient Gero-Psych Program. Debi Stebbins met with Patty Espeseth, the new Chief Administrative Officer at Alameda Health System for Behavioral Health. She will attend the next Strategic Planning Committee meeting. Certified Geriatric Emergency Department at Alameda Hospital: There are three levels of certification and Alameda Hospital may already be close to Level One certification. Community Paramedicine Program met to discuss the discharge planning process at Highland Hospital and Alameda Hospital, to avoid readmissions and to reduce the frequent users of the Emergency Departments.	Debi Stebbins
			e. Alameda Hospital Strategic Planning Committee Report: No additions.	Gayle Codiga
			f. Report from Community Advisory Board: The group met on August 24th to discuss the budget trailer and seismic requirements.	Stewart Chen, DC
C.	Consent Agenda			
		1)	Acceptance of Minutes of September 9th, 2021 Special Board Meeting	A motion was made, seconded and carried to approve the minutes of the board meeting. 5 members in attendance
		2)	Acceptance of Financial Statements for July and August 2021	A motion was made, seconded and carried to accept the financial statement results. 5 members in attendance
		3)	Approval of Proposed District Board Meeting Calendar for 2021-2022. The Board members were asked to review.	The calendar dates will be approved in December.
D.	Action Items			
		1)	Election of Officers and Appointments to Liaison Positions. All assignments remain the same from the current year.	There was approval of the slate and the motion carried by all 5 members.

E.		December 13, 2021 Agenda Preview		
	1)	Acceptance of October 11, 2021 Minutes		
	2)	Second Review and Approval of District Board Meeting Calendar FY 2021-2022		
	3)	Recommendation to Approve True-Up Tax Distribution to AHS		
	4)	Presentation of the 2020-2021 Audit		
F.		Informational Items		
	1)	YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)		
VI.	**General Public Comments**			None
VII.	**Board Comments** The Board meetings will continue to use the Zoom format, per the Governor's most recent order. Tracy Jensen will be applying for a position on the ACHD Board of Directors for the next calendar year.			A letter, signed by the District board will be drafted and distributed in support of Tracy Jensen's candidacy.
VIII.	**Adjournment**			There being no further business, the meeting was adjourned at 7:00pm

Approved: _____

CITY OF ALAMEDA
HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

September 1-30, 2021

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT	As of 6/30/2021	As of 9/30/2021
Assets		
Current assets:		
Cash and cash equivalents	$ 881,844	$ 1,066,225
Grant and other receivables	309,139	1,470,000
Prepaid expenses and deposits	86,271	79,349
Total current assets	1,277,254	2,615,574
Assets limited as to use	678,596	722,816
Capital Assets, net of accumulated depreciation	2,446,447	2,399,420
	4,402,297	5,737,810
Other Assets	2,988	2,428
Total assets	$ 4,405,285	$ 5,740,237
Liabilities and Net Position		
Current liabilities:		
Current maturities of debt borrowings	$ 34,853	$ 36,941
Accounts payable and accrued expenses	15,729	19,628
Total current liabilities	50,582	56,569
Debt borrowings net of current maturities	842,184	831,840
Total liabilities	892,766	888,409
Net position:		
Total net position (deficit)	3,512,519	4,851,829
Total liabilities and net position	$ 4,405,285	$ 5,740,237

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2021	Actual YTD 9/30/2021	Budget YTD 9/30/2021	Variance	
Revenues and other support					
District Tax Revenues	$ 5,898,222	$ 1,470,000	$ 1,470,000	-	0%
Rents	189,737	46,412	56,250	(9,838)	-17%
Other revenues	7,481	-	375	(375)	
Total revenues	6,095,439	1,516,412	1,526,625	(10,213)	
Expenses					
Professional fees - executive director	123,321	45,583	33,750	(11,833)	-35%
Professional fees	-	-	14,950	14,950	100%
Professional fees	102,614	10,847	108,063	97,216	90%
Supplies	5,417	383	1,125	742	66%
Purchased services	3,850	-	2,500	2,500	100%
Repairs and maintenance	15,579	1,684	8,750	7,066	81%
Rents	27,015	5,255	5,334	79	1%
Utilities	13,085	2,418	2,888	469	16%
Insurance	92,786	25,134	22,356	(2,778)	-12%
Depreciation and amortization	187,024	47,588	47,588	0	
Interest	47,321	12,312	12,500	188	2%
Travel, meeting and conferences	352	5,850	1,750	(4,100)	####
Other expenses	69,253	20,047	71,550	51,503	72%
Total expenses	687,616	177,102	333,103	156,001	
Operating gains	5,407,824	1,339,310	1,193,522	145,788	12%
Transfers	(5,766,724)	-	(1,192,435)		
Increase(Decrease) in net position	(358,900)	1,339,310	1,087		
Net position at *beginning of the year*	3,871,419	3,512,519	3,512,519		
Net position at the *end of the period*	$ 3,512,519	$ 4,851,829	$ 3,513,607		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2021	Actual YTD 9/30/2021
Increase(Decrease) in net position	$ (358,900)	$ 1,339,310
Add Non Cash items		
Depreciation	187,024	47,588
Changes in operating assets and liabilities		
Grant and other receivables	(10,722)	(1,160,861)
Prepaid expenses and deposits	(79,643)	6,921
Accounts payable and accrued expenses	5,639	3,899
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	(256,603)	236,857
Cash flows from investing activities		
Acquisition of Property Plant and Equipment	(7,546)	-
Changes in assets limited to use	(31,845)	(44,220)
Net Cash used in investing activities	(39,391)	(44,220)
Cash flows from financing activities		
Principal payments on debt borrowings	(34,951)	(8,256)
Net cash used by financing activities	(34,951)	(8,256)
Net change in cash and cash equivalents	(330,945)	184,381
Cash at the beginning of the year	1,212,789	881,844
Cash at the end of the period	$ 881,844	$ 1,066,225

CITY OF ALAMEDA HEALTHCARE DISTRICT	District 6/30/2021	Jaber 6/30/2021	As of 6/30/2021	District 9/30/2021	Jaber 9/30/2021	As of 9/30/2021
Assets						
Current assets:						
Cash and cash equivalents	$ 881,844	$ -	$ 881,844	$ 1,066,225	$ -	$ 1,066,225
Grant and other receivables	309,139	0	309,139	1,470,000	0	1,470,000
Prepaid expenses and deposits	86,271	(0)	86,271	79,350	(0)	79,349
Total current assets	1,277,254	(0)	1,277,254	2,615,574	(0)	2,615,574
Due To Due From	14,925	(14,925)	0	14,925	(14,925)	0
Assets limited as to use	0	678,596	678,596	0	722,816	722,816
Capital Assets, net of accumulated depreciation	1,555,948	890,500	2,446,447	1,518,270	881,150	2,399,420
	2,848,126	1,554,171	4,402,297	4,148,769	1,589,041	5,737,810
Other Assets	2,988	0	2,988	2,428	0	2,428
Total assets	2,851,114	1,554,171	4,405,285	4,151,196	1,589,041	5,740,237
Liabilities and Net Position						
Current liabilities:						
Current maturities of debt borrowings	34,853	0	34,853	36,941	0	36,941
Accounts payable and accrued expenses	15,729	0	15,729	19,628	0	19,628
Total current liabilities	50,582	0	50,582	56,569	0	56,569
Debt borrowings net of current maturities	842,184	0	842,184	831,840	0	831,840
Total liabilities	892,766	0	892,766	888,409	0	888,409
Net position:						
Total net position (deficit)	1,958,349	1,554,171	3,512,519	3,262,788	1,589,041	4,851,829
Total liabilities and net position	$2,851,114	$1,554,171	$4,405,285	$4,151,197	$1,589,041	$5,740,237

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2021	Jaber 6/30/2021	Actual YTD 6/30/2021	District 9/30/2021	Jaber 9/30/2021	Actual YTD 9/30/2021
Revenues and other support						
District Tax Revenues	5,898,222	0	5,898,222	1,470,000	0	1,470,000
Rents	0	189,737	189,737	0	46,412	46,412
Other revenues	7,481	0	7,481	0	0	0
Total revenues	5,905,703	189,737	6,095,439	1,470,000	46,412	1,516,412
Expenses						
Professional fees - executive director	123,321	0	123,321	45,583	0	45,583
Professional fees	93,218	9,396	102,614	8,550	2,297	10,847
Supplies	5,417	0	5,417	383	0	383
Purchased services	3,850	0	3,850	0	0	0
Repairs and maintenance	0	15,579	15,579	0	1,684	1,684
Rents	27,015	0	27,015	5,255	0	5,255
Utilities	3,119	9,966	13,085	211	2,208	2,418
Insurance	92,786	0	92,786	25,134	0	25,134
Depreciation and amortization	149,624	37,400	187,024	38,238	9,350	47,588
Interest	47,321	0	47,321	12,312	0	12,312
Travel, meeting and conferences	352	0	352	5,850	0	5,850
Other expenses	64,152	5,101	69,253	24,045	(3,997)	20,047
Total expenses	610,173	77,442	687,615	165,560	11,542	177,102
Operating gains	5,295,529	112,295	5,407,824	1,304,440	34,870	1,339,310
Transfers	(5,648,874)	(117,850)	(5,766,724)	0	0	0
Increase(Decrease) in net position	(353,345)	(5,555)	(358,900)	1,304,440	34,870	1,339,310
Net position at *beginning of the year*	2,311,693	1,559,726	3,871,419	1,958,348	1,554,171	3,512,519
Net position at the *end of the period*	1,958,348	1,554,171	3,512,519	3,262,788	1,589,041	4,851,829

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2021	Jaber 6/30/2021	Actual YTD 6/30/2021	District 9/30/2021	Jaber 9/30/2021	Actual YTD 9/30/2021
Increase(Decrease) in net position	(353,345)	(5,555)	(358,900)	1,304,440	34,870	1,339,310
Add Non Cash items						
Depreciation	149,624	37,400	187,024	38,238	9,350	47,588
Changes in operating assets and liabilities						
Grant and other receivables	(10,722)	0	(10,722)	(1,160,861)	0	(1,160,861)
Prepaid expenses and deposits	(79,643)	0	(79,643)	6,921	0	6,921
Due To Due From	0	0	0	0	0	0
Accounts payable and accrued expenses	5,638	0	5,638	3,899	0	3,899
Net Cash provided(used) by operating activities	(288,448)	31,845	(256,603)	192,637	44,220	236,857
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	(7,547)	0	(7,547)	(1)	0	(1)
Changes in assets limited to use	0	(31,845)	(31,845)	0	(44,220)	(44,220)
Net Cash used in investing activities	(7,547)	(31,845)	(39,392)	(1)	(44,220)	(44,220)
Cash flows from financing activities						
Principal payments on debt borrowings	(34,951)	0	(34,951)	(8,256)	0	(8,256)
Net cash used by financing activities	(34,951)	0	(34,951)	(8,256)	0	(8,256)
Net change in cash and cash equivalents	(330,945)	(0)	(330,945)	184,380	(0)	184,380
Cash at the beginning of the year	1,212,789	(0)	1,212,789	881,844	(0)	881,844
Cash at the end of the period	881,844	(0)	881,844	1,066,225	(0)	1,066,225

CITY OF ALAMEDA
HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

October 1-31, 2021

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT	As of 6/30/2021	As of 10/31/2021
Assets		
Current assets:		
Cash and cash equivalents	$ 881,844	$ 1,017,582
Grant and other receivables	309,139	1,960,000
Prepaid expenses and deposits	86,271	71,355
Total current assets	1,277,254	3,048,937
Assets limited as to use	678,596	736,238
Capital Assets, net of accumulated depreciation	2,446,447	2,383,744
	4,402,297	6,168,919
Other Assets	2,988	2,241
Total assets	$ 4,405,285	$ 6,171,160
Liabilities and Net Position		
Current liabilities:		
Current maturities of debt borrowings	$ 34,853	$ 36,941
Accounts payable and accrued expenses	15,729	10,528
Total current liabilities	50,582	47,469
Debt borrowings net of current maturities	842,184	829,106
Total liabilities	892,766	876,575
Net position:		
Total net position (deficit)	3,512,519	5,294,585
Total liabilities and net position	$ 4,405,285	$ 6,171,160

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2021	Actual YTD 10/31/2021	Budget YTD 10/31/2021	Variance	
Revenues and other support					
District Tax Revenues	$ 5,898,222	$ 1,960,000	$ 1,960,000	-	0%
Rents	189,737	61,772	75,000	(13,228)	-18%
Other revenues	7,481	-	500	(500)	
Total revenues	6,095,439	2,021,772	2,035,500	(13,728)	
Expenses					
Professional fees - executive director	123,321	59,750	45,000	(14,750)	-33%
Professional fees	-	-	19,933	19,933	100%
Professional fees	102,614	25,364	144,083	118,720	82%
Supplies	5,417	863	1,500	637	42%
Purchased services	3,850	-	3,333	3,333	100%
Repairs and maintenance	15,579	2,190	11,667	9,477	81%
Rents	27,015	5,255	7,112	1,857	26%
Utilities	13,085	3,819	3,850	31	1%
Insurance	92,786	33,129	29,808	(3,320)	-11%
Depreciation and amortization	187,024	63,450	63,450	0	
Interest	47,321	16,434	16,667	232	1%
Travel, meeting and conferences	352	5,925	2,333	(3,592)	####
Other expenses	69,253	23,527	95,400	71,873	75%
Total expenses	687,616	239,706	444,137	204,432	
Operating gains	5,407,824	1,782,066	1,591,363	190,703	12%
Transfers	(5,766,724)	-	(1,589,913)		
Increase(Decrease) in net position	(358,900)	1,782,066	1,450		
Net position at *beginning of the year*	3,871,419	3,512,519	3,512,519		
Net position at the *end of the period*	$ 3,512,519	$ 5,294,585	$ 3,513,969		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2021	Actual YTD 10/31/2021
Increase(Decrease) in net position	$ (358,900)	$ 1,782,066
Add Non Cash items		
Depreciation	187,024	63,450
Changes in operating assets and liabilities		
Grant and other receivables	(10,722)	(1,650,861)
Prepaid expenses and deposits	(79,643)	14,916
Accounts payable and accrued expenses	5,639	(5,201)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	(256,603)	204,370
Cash flows from investing activities		
Acquisition of Property Plant and Equipment	(7,546)	0
Changes in assets limited to use	(31,845)	(57,642)
Net Cash used in investing activities	(39,391)	(57,642)
Cash flows from financing activities		
Principal payments on debt borrowings	(34,951)	(10,990)
Net cash used by financing activities	(34,951)	(10,990)
Net change in cash and cash equivalents	(330,945)	135,738
Cash at the beginning of the year	1,212,789	881,844
Cash at the end of the period	$ 881,844	$ 1,017,582

CITY OF ALAMEDA HEALTHCARE DISTRICT	District 6/30/2021	Jaber 6/30/2021	As of 6/30/2021	District 10/31/2021	Jaber 10/31/2021	As of 10/31/2021
Assets						
Current assets:						
Cash and cash equivalents	$ 881,844	$ -	$ 881,844	$ 1,017,582	$ -	$ 1,017,582
Grant and other receivables	309,139	0	309,139	1,960,000	0	1,960,000
Prepaid expenses and deposits	86,271	(0)	86,271	71,355	(0)	71,355
Total current assets	1,277,254	(0)	1,277,254	3,048,937	(0)	3,048,937
Due To Due From	14,925	(14,925)	0	14,926	(14,926)	0
Assets limited as to use	0	678,596	678,596	0	736,238	736,238
Capital Assets, net of accumulated depreciation	1,555,948	890,500	2,446,447	1,505,711	878,033	2,383,744
	2,848,126	1,554,171	4,402,297	4,569,573	1,599,346	6,168,919
Other Assets	2,988	0	2,988	2,241	0	2,241
Total assets	2,851,114	1,554,171	4,405,285	4,571,814	1,599,346	6,171,160
Liabilities and Net Position						
Current liabilities:						
Current maturities of debt borrowings	34,853	0	34,853	36,941	0	36,941
Accounts payable and accrued expenses	15,729	0	15,729	10,528	0	10,528
Total current liabilities	50,582	0	50,582	47,469	0	47,469
Debt borrowings net of current maturities	842,184	0	842,184	829,106	0	829,106
Total liabilities	892,766	0	892,766	876,575	0	876,575
Net position:						
Total net position (deficit)	1,958,349	1,554,171	3,512,519	3,695,239	1,599,346	5,294,585
Total liabilities and net position	$2,851,114	$1,554,171	$4,405,285	$4,571,814	$1,599,346	$6,171,160

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2021	Jaber 6/30/2021	Actual YTD 6/30/2021	District 10/31/2021	Jaber 10/31/2021	Actual YTD 10/31/2021
Revenues and other support						
District Tax Revenues	5,898,222	0	5,898,222	1,960,000	0	1,960,000
Rents	0	189,737	189,737	0	61,772	61,772
Other revenues	7,481	0	7,481	0	0	0
Total revenues	5,905,703	189,737	6,095,439	1,960,000	61,772	2,021,772
Expenses						
Professional fees - executive director	123,321	0	123,321	59,750	0	59,750
Professional fees	93,218	9,396	102,614	22,300	3,064	25,364
Supplies	5,417	0	5,417	863	0	863
Purchased services	3,850	0	3,850	0	0	0
Repairs and maintenance	0	15,579	15,579	0	2,190	2,190
Rents	27,015	0	27,015	5,255	0	5,255
Utilities	3,119	9,966	13,085	422	3,398	3,819
Insurance	92,786	0	92,786	33,129	0	33,129
Depreciation and amortization	149,624	37,400	187,024	50,984	12,467	63,450
Interest	47,321	0	47,321	16,434	0	16,434
Travel, meeting and conferences	352	0	352	5,925	0	5,925
Other expenses	64,152	5,101	69,253	28,049	(4,522)	23,527
Total expenses	610,173	77,442	687,615	223,109	16,596	239,706
Operating gains	5,295,529	112,295	5,407,824	1,736,891	45,175	1,782,066
Transfers	(5,648,874)	(117,850)	(5,766,724)	0	0	0
Increase(Decrease) in net position	(353,345)	(5,555)	(358,900)	1,736,891	45,175	1,782,066
Net position at *beginning of the year*	2,311,693	1,559,726	3,871,419	1,958,348	1,554,171	3,512,519
Net position at the *end of the period*	1,958,348	1,554,171	3,512,519	3,695,239	1,599,346	5,294,585

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2021	Jaber 6/30/2021	Actual YTD 6/30/2021	District 10/31/2021	Jaber 10/31/2021	Actual YTD 10/31/2021
Increase(Decrease) in net position	(353,345)	(5,555)	(358,900)	1,736,891	45,175	1,782,066
Add Non Cash items						
Depreciation	149,624	37,400	187,024	50,984	12,467	63,450
Changes in operating assets and liabilities						
Grant and other receivables	(10,722)	0	(10,722)	(1,650,861)	0	(1,650,861)
Prepaid expenses and deposits	(79,643)	0	(79,643)	14,916	0	14,916
Due To Due From	0	0	0	0	0	0
Accounts payable and accrued expenses	5,638	0	5,638	(5,201)	0	(5,201)
Net Cash provided(used) by operating activities	(288,448)	31,845	(256,603)	146,728	57,642	204,370
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	(7,547)	0	(7,547)	(0)	(0)	(0)
Changes in assets limited to use	0	(31,845)	(31,845)	0	(57,642)	(57,642)
Net Cash used in investing activities	(7,547)	(31,845)	(39,392)	(0)	(57,642)	(57,643)
Cash flows from financing activities						
Principal payments on debt borrowings	(34,951)	0	(34,951)	(10,990)	0	(10,990)
Net cash used by financing activities	(34,951)	0	(34,951)	(10,990)	0	(10,990)
Net change in cash and cash equivalents	(330,945)	(0)	(330,945)	135,738	(0)	135,738
Cash at the beginning of the year	1,212,789	(0)	1,212,789	881,844	(0)	881,844
Cash at the end of the period	881,844	(0)	881,844	1,017,582	(0)	1,017,582

CITY OF ALAMEDA HEALTH CARE DISTRICT

December 13, 2021

Memorandum to:	City of Alameda Health Care District Board of Directors
From:	Debi Stebbins Executive Director
RE:	Proposed Board Meeting Schedule 2022
	Major Action Items

2022

Monday, February 14	December Tax Installment to AHS Distribution from Jaber Funds to AHS
Monday, April 11	Review and Approval District FY 22-23 Budget Review Annual Audit Engagement
Monday, June 13	Adoption of Parcel Tax Levy Resolution Review and Approval of 2021-2022 Parcel Tax Budget
Monday, August 8	Mutual Certification and Indemnification with County Review of FY 2022-2023 Insurance Renewals Executive Director Evaluation and Contract Review
Monday, October 10	Review and Acceptance of FY 2021-2022 Audit Review of CY 2021-2022 Meeting Calendar Election of Officers and Appointments to Liaison Positions
Monday, December 12	Recommendation to Approve True-Up Tax Distribution to AHS

Audited Financial Statements

CITY OF ALAMEDA
HEALTH CARE DISTRICT

June 30, 2021

Audited Financial Statements

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2021

Management's Discussion and Analysis

CITY OF ALAMEDA HEALTH CARE DISTRICT

June 30, 2021

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, 2021 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, 2021 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, 2021, the District received $5,898,222 million in parcel taxes from the County of Alameda and $189,737 in rental income. The prior year taxes were $5,887,501 and rental income was $196,841.

Total District expenses for 2021 were $687,614, comprised of : $187,024 in depreciation and amortization, $47,321 in interest expense, $225,934 in professional fees, $92,786 in insurance and $134,549 in various other types of expenses. Transfers to the Alameda Health System were $5.8 million, leaving the District with a decrease in net position for the year of $(358,898).

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).

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, 2021, the District's current assets are comprised of $881,844 in operating cash, $309,139 in parcel taxes and other receivables and $86,271 in prepaid assets. Other assets include cash and cash equivalents of $678,596 which are restricted for specific purposes, $2,446,447 of capital assets, net of accumulated depreciation and $2,988 in debt issue costs. Current liabilities of the District include $34,853 of current maturities of debt borrowings and $15,727 of various accounts payable due to certain vendors. Long-term debt borrowings amounted to $842,184.

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.

Statements of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2021 and 2020, the District realized a decrease in net position of $(358,898) and a decrease in net position of $(1,907,499), respectively. The 2021 year approximated budget and expectations.

Next Year's Budget

The District annual budget for 2022 has been set at approximately $6.0 million in revenue sources. Operating expenses for 2022 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, 2021 and 2020, 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, 2021 and 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

JWT & Associates, LLP

Fresno, California
October 12, 2021

Statements of Net Position

CITY OF ALAMEDA HEALTH CARE DISTRICT

	June 30	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 881,844	$ 1,212,789
Other receivables	309,139	298,418
Prepaid expenses and deposits	86,271	6,627
Total current assets	1,277,254	1,517,834
Assets limited as to use	678,596	646,751
Capital assets, net of accumulated depreciation	2,446,447	2,623,684
	4,402,297	4,788,269
Deferred outflows of resources	2,988	5,229
	$ 4,405,285	$ 4,793,498
Liabilities		
Current liabilities:		
Current maturities of debt borrowings	$ 34,853	$ 34,421
Accounts payable and accrued expenses	15,727	10,090
Total current liabilities	50,580	44,511
Debt borrowings, net of current maturities	842,184	877,568
	892,764	922,079
Net position		
Invested in capital assets, net of related debt	2,446,447	2,623,684
Restricted, by contributors	678,596	646,751
Unrestricted (deficit)	387,478	600,984
Total net position	3,512,521	3,871,419
	$ 4,405,285	$ 4,793,498

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	
	2021	2020
Operating revenues		
Rent and other operating revenue	$ 197,218	$ 211,977
Total operating revenues	197,218	211,977
Operating expenses		
Professional fees	225,934	232,864
Supplies	5,417	5,399
Purchased services	19,429	29,358
Building and equipment rent	27,015	31,880
Utilities and phone	13,085	10,811
Insurance	92,786	59,728
Depreciation and amortization	187,024	190,351
Other operating expenses	69,603	90,081
Total operating expenses	640,293	650,472
Operating loss	(443,075)	(438,495)
Nonoperating revenues (expenses)		
District tax revenues	5,898,222	5,887,501
Interest expense	(47,321)	(52,015)
Transfers to AHS	(5,766,724)	(7,304,490)
Total nonoperating revenues (expenses)	84,177	(1,469,004)
Increase (decrease) in net position	(358,898)	(1,907,499)
Net position at beginning of the year	3,871,419	5,778,918
Net position at end of the year	$ 3,512,521	$ 3,871,419

See accompanying notes and auditor's report

Statements of Cash Flows

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2021	2020
Cash flows from operating activities:		
Cash received from operations	$ 186,497	$ 212,200
Cash payments to suppliers and contractors	(527,276)	(479,421)
Net cash (used in) operating activities	(340,779)	(267,221)
Cash flows from noncapital financing activities:		
District tax revenues	5,898,222	5,887,501
Transfers to AHS	(5,766,724)	(7,304,490)
Net cash provided by (used in) noncapital financing activities	131,498	(1,416,989)
Cash flows from capital financing activities:		
Purchases of equipment and other	(7,546)	
Principal payments on debt borrowings	(34,952)	(30,257)
Interest payments on debt borrowings	(47,321)	(52,015)
Net cash (used in) capital financing activities	(89,819)	(82,272)
Cash flows from investing activities:		
Net change in assets limited as to use	(31,845)	78,558
Net cash provided by (used in) investing activities	(31,845)	78,558
Net increase (decrease) in cash and cash equivalents	(330,945)	(1,687,924)
Cash and cash equivalents at beginning of year	1,212,789	2,900,713
Cash and cash equivalents at end of year	$ 881,844	$ 1,212,789

See accompanying notes and auditor's report

Statements of Cash Flows (continued)

CITY OF ALAMEDA HEALTH CARE DISTRICT

	Year Ended June 30	
	2021	2020
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss)	$ (443,075)	$ (438,495)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	187,024	190,351
Changes in operating assets and liabilities:		
Other receivables	(10,721)	223
Prepaid expenses and deposits	(79,644)	8,649
Accounts payable and accrued expenses	5,637	(27,949)
Net cash provided by operating activities	$ (340,779)	$ (267,221)

See accompanying notes and auditor's report

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 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.

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, 2021 and 2020, 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.

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, 2021 and 2020, the District had deposits invested in various financial institutions in the form of cash and cash equivalents in the amounts of $1,560,440 and $1,859,540 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.

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, 2021 and 2020.

NOTE D - OTHER RECEIVABLES

Other receivables as were comprised of the following Alameda County parcel taxes in the amounts of $301,657 and $298,418 as of June 30, 2021 and 2020, 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 $678,596 and $646,751 as of June 30, 2021 and 2020, 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.

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 $890,500 and $927,900 at June 30, 2021 and 2020, respectively. Capital assets as of June 30, 2021 and 2020 were comprised of the following:

	Balance at June 30, 2020	Adjustments & Additions	Retirements	Balance at June 30, 2021
Land and land improvements	$ 1,376,954			$ 1,376,954
Buildings and improvements	25,519,556			25,519,556
Equipment	3,739,728	7,546		3,747,274
Construction-in-progress				
Totals at historical cost	30,636,238	7,546		30,643,784
Less accumulated depreciation	(28,012,554)	(184,783)		(28,197,337)
Capital assets, net	$ 2,623,684	$ (177,237)	$	$ 2,446,447

	Balance at June 30, 2019	Adjustments & Additions	Retirements	Balance at June 30, 2020
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				
Totals at historical cost	30,636,238			30,636,238
Less accumulated depreciation	(27,824,444)	(188,110)		(28,012,554)
Capital assets, net	$ 2,811,794	$ (188,110)	$	$ 2,623,684

NOTE H - DEBT BORROWINGS

As of June 30, 2021and 2020 debt borrowings were as follows:

	2021	2020
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:	$ 877,037	$ 911,989
	877,037	911,989
Less current maturities of debt borrowings	(34,853)	(34,421)
	$ 842,184	$ 877,568

Future principal maturities for debt borrowings for the next succeeding years are: $34,853 in 2022; and $842,184 in 2023.

NOTE I - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2021 and 2020, 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, 2021 and 2020, were $27,015 and $31,880, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2021 and 2020 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, 2021 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.

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, 2021 and 2020 amounted to $5,766,724 and $7,304,490, respectively.

NOTE K - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through October 12, 2021, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

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

Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with the 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, the financial statements of the business-type activities of the City of Alameda Health Care District (the District) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JWT & Associates, LLP

Fresno, California
October 12, 2021

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: December 13, 2021

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

FROM: Deborah E. Stebbins, Executive Director

SUBJECT: Approval of FY 2020-2021 Parcel Tax True-Up Transfer to Alameda Health System

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Action

Recommendation to transfer the **$1,014,871** for Fiscal Year 2020-2021 as the parcel tax true-up transfer to Alameda Health System.

Background

The attached document outlines an analysis of fiscal period July 1, 2020 to June 30, 2021. As a reminder, the true-up transfer is recommended after the end of the fiscal year and after the annual audit is complete.

Total parcel tax revenue collected for the period was **$5,898,222** was a slight increase compared to taxes collected in the prior year. This number is reduced by the total District expenses for FY 2020, adjusted for depreciation (a non-cash item) and adding back the principal payment on the loan maintained by the District for a net available for transfer to AHS of **$5,412,871** a slight increase over the prior year distribution. Earlier transfers to AHS for the FY 2020 year totaled $4,398,000

The recommendation is to transfer **$1,014,871** immediately after receipt of the District tax revenue in mid-December, 2021.

City of Alameda Health Care District
Analysis of Asset Transfer
For the period July 1, 2014 through June 30, 2021

Purpose: To evaluate the past fiscal period July to June and true up the amounts transferred to the Alameda Hospital System based on terms of the agreements.

		6/30/2021	6/30/2020
Actual Property Taxes Received for the period 7/1 to 6/30:			
10/15/2019	954		954
12/5/2019	267		267
12/12/2019	2,937,219		2,937,219
1/21/2020	6,019		6,019
3/5/2020	3,787		3,787
3/24/2020	583		583
4/9/2020	1,154		1,154
4/16/2020	2,638,504		2,638,504
5/27/2020	596		596
8/29/2020	298,432		298,417
Actual Property Taxes Received for the period 7/1 to 6/30:			
8/28/2020	298	298	
8/28/2020	1,222	1,222	
12/15/2020	2,937,366	2,937,366	
2/9/2021	954	954	
2/9/2021	3,725	3,725	
3/10/2021	5,364	5,364	
4/15/2021	2,638,636	2,638,636	
5/11/2021	895	895	
5/25/2021	5,904	5,904	
6/30/2021	2,201	2,201	
8/31/2021	954	954	
8/31/2021	1,252	1,252	
8/29/2021	298,432	298,432	
8/31/2021	1,020	1,020	
		5,898,222	5,887,501
Interest income		7,481	15,136
Non-Cash Equity adjustments related to capital assets		0	0
Total District Revenue		5,905,703	5,902,637
Less Non Cash Items		-	-
Adjusted Revenue		5,905,703	5,902,637
Non-labor cash expenses of the district		610,173	615,541
Less depreciation and amortization		(149,624)	(152,951)
Adjusted Expenses		460,550	462,590
Capital Outlays of the District		-	-
Principal Payment on Mortgage		32,282	30,257
Subtotal Adjusted Outlays		492,832	492,847
Sub total Funds Available to Transfer (Revenues less Expenses)		5,412,871	5,409,790
Debt payment			
Actual Transfers for the period			
6/16/2020	(3,000,000)		(3,000,000)
6/17/2020	(1,125,723)		(1,125,723)
12/23/2020	(1,250,874)		(1,250,874)
6/16/2021	(3,000,000)	(3,000,000)	
6/17/2021	(1,398,000)	(1,398,000)	
		(4,398,000)	(5,376,597)
Sub total outlays and transfers		(4,398,000)	(5,376,597)
Residual balance due to JPA (from JPA)		1,014,871	33,193

December 13, 2021

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

From: Deborah E. Stebbins
Executive Director

SUBJECT: ENGAGEMENT OF POLITICAL CONSULTANT

Recommendation:

I am recommending that the District engage the services of political consultants, MJM Advocacy (Matt Moretti) and Third House, LLC (Jonathan Arambel) to provide advice on strategy specific to the unique circumstances in the City of Alameda with regard to the challenges of compliance with the current 2030 seismic requirements. The cost of services will be $15,000 per month for an estimated engagement of one year; however the contract for services may be cancelled by either party with 30 days notice.

Background:

The District has been a proactive advocate of the California Hospital Association's (and by the California Association of Health Care Districts). In the last round of State budget negotiations, CHA developed a budget trailer that would have focused the seismic requirements to maintaining an operational emergency department rather than an entirely retrofit acute care facility as well as extending the deadline for compliance by several years. However this trailer was not included in the final budget.

A new round of State budget negotiations will begin in January 2022. CHA has indicated they will mount another attempt to revise the current seismic requirements next year; however, we do not know what form that revision will take.

While it is probable that the District will continue to support whatever position CHA takes, it is prudent for the District to simultaneously explore advocacy for a strategy that is specific to the City of Alameda, especially with regard to its unique geographic vulnerability in the event of an earthquake.

Tom Driscoll and I had an opportunity a few weeks ago to talk with Lloyd Bookman and Mark Reagan of the law firm of Hooper Lundy Bookman. They suggested several potential political consultants who have had experience with the issue of seismic reform. After reaching out to these firms, I am recommending retaining MJM Advocacy and Third House, LLC for the next few months to assist the District in formulating a strategy specific to the District. If the CHA strategy is successful in 2022, it may be sufficient to protect the interest of the District; however, if not, developing a strategy specific to Alameda Hospital may be an important alternative.

Discussion:

Jonathan Arambel of Third House, LLC and Matt Moretti of MJM Advocacy are independent firms but regularly work collaboratively on advocacy efforts. They are very experienced in addressing the California seismic requirements and have worked on behalf of CHA in the past. While they are not working with CHA currently on this issue, they do not see a conflict of interest in advocating on behalf of the District. In addition to the interview I had with them, Tracy Jensen and I had an opportunity to discuss strategy with them a week ago. We were impressed with their knowledge of this topic, extensive contacts with legislators and ideas about a strategy that would fit the needs of the District.