√ Included in the PDF posted on JUNE 11, 2021

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

MEETING AGENDA

Monday, June 14, 2021
OPEN SESSION: 5:30 PM

Location: Remote via ZOOM

Open Session - Via ZOOM
Join Zoom Meeting – Open Session- June 14, 2021 Time: 5:30 PM Pacific Time (US and Canada) https://us02web.zoom.us/j/84441294886?pwd=RFdjR2NRc3J1NVE3bEh2RkJwRlJudz09 Meeting ID: 844 4129 4886 Passcode: 133729 One tap mobile: +16699006833,,84441294886# 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.	**Adjourn into Executive Closed Session**	
V.	**Closed Session Agenda**	
	A. Call to Order	Mike Williams
	B. Report on Health Care District Trade Secrets	Health and Safety Code Sec. 32106
	C. Annual Evaluation of Executive Director	
	D. Adjourn to Open Session	
VI.	**Reconvene to Public Session**	
	A. Announcements from Closed Session	Michael Williams
VII.	**General Public Comments**	

√ Included in the PDF posted on JUNE 11, 2021

VIII. Regular Agenda

B. YTD AHS Reporting **INFORMATIONAL**

√	1)	Alameda Health System / Alameda Hospital Update / Status of 2020 Alameda Hospital Seismic Project **ENCLOSURE** (pages 4-20)	Mark Fratzke, Interim COO
√	2)	Patient Experience **ENCLOSURE** (pages 21-23)	Ronica Shelton, VP of Patient Care Services
√	3)	AHS Financials and Budget Update **ENCLOSURE** (pages 24-42)	Kimberly Miranda, AHS CFO
	4)	Alameda Hospital Medical Staff Update	Catherine Pyun, DO

C. District & Operational Updates **INFORMATIONAL**

1) District Reports

	a.	President's Report: Discussion of Format for District Board Meetings	Michael Williams
√	b.	Alameda Health System Board Liaison Report **ENCLOSURE** (page 43)	Tracy Jensen
	c.	Alameda Hospital Liaison Report	Robert Deutsch, MD
√	d.	Community Advisory Board Update, Minutes from May 20th Meeting **ENCLOSURE** (pages 44-46)	Stewart Chen, DC Debi Stebbins
√	e.	Executive Director Report and Board Updates E1: Draft Position Paper on SB 1953 Seismic Requirements **ENCLOSURE** (pages 47-52)	Debi Stebbins

D. Consent Agenda

√	1)	Acceptance of Minutes, April 12, 2021 **ENCLOSURE** (pages 53-58)
√	2)	Acceptance of March and April 2021 Financial Statements **ENCLOSURE** (pages 59-72)
√	3)	Adoption of Resolution 2021-1: Levying the Parcel Tax for FY 2021-2022 **ENCLOSURE** (pages 73-74)
√	4)	Approval of Mutual Certification and Indemnification Agreement with Alameda County **ENCLOSURE** (pages 75-76)
√	5)	Approval of Resolution 2021-2: Extension of Spending Authority **ENCLOSURE** (pages 77-78)

√ Included in the PDF posted on JUNE 11, 2021

E. Action Items

√ 1) Resolution 2021-3: Affirmation of Support for Asian American and Pacific Islander (AAPI) Communities and Denunciation of Xenophobia and Anti-AAPI sentiment **ENCLOSURE** (pages 79-80) — Debi Stebbins

√ 2) Distribution of December 2020 and April 2021 Tax Installment to AHS **ENCLOSURE** (pages 81-82) — Debi Stebbins

√ 3) Approval of Recommendation on Distribution of Jaber Funds to Support AHS Capital Equipment Expenditures **ENCLOSURE** (pages 83-87) — Debi Stebbins

√ 4) Recommendation to Approve Amended FY 2021-2022 District Priorities **ENCLOSURE** (pages 88-90) — Debi Stebbins

√ 5) FY 2021-2022 Audit Engagement Letter **ENCLOSURE** (pages 91-97) — Debi Stebbins

F. August 9, 2021 Agenda Preview

1) Acceptance of June 14, 2021 Minutes
2) Report From The Alameda Hospital Strategic Planning Committee
3) FY 2021-2022 Insurance Renewals

G. Informational Items:

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

IX. General Public Comments

X. Board Comments

XI. Adjournment

Next Scheduled Meeting Dates (2nd Monday, every other month or as scheduled) **August 9, 2021**	Open Session 5:30 PM Remote via ZOOM

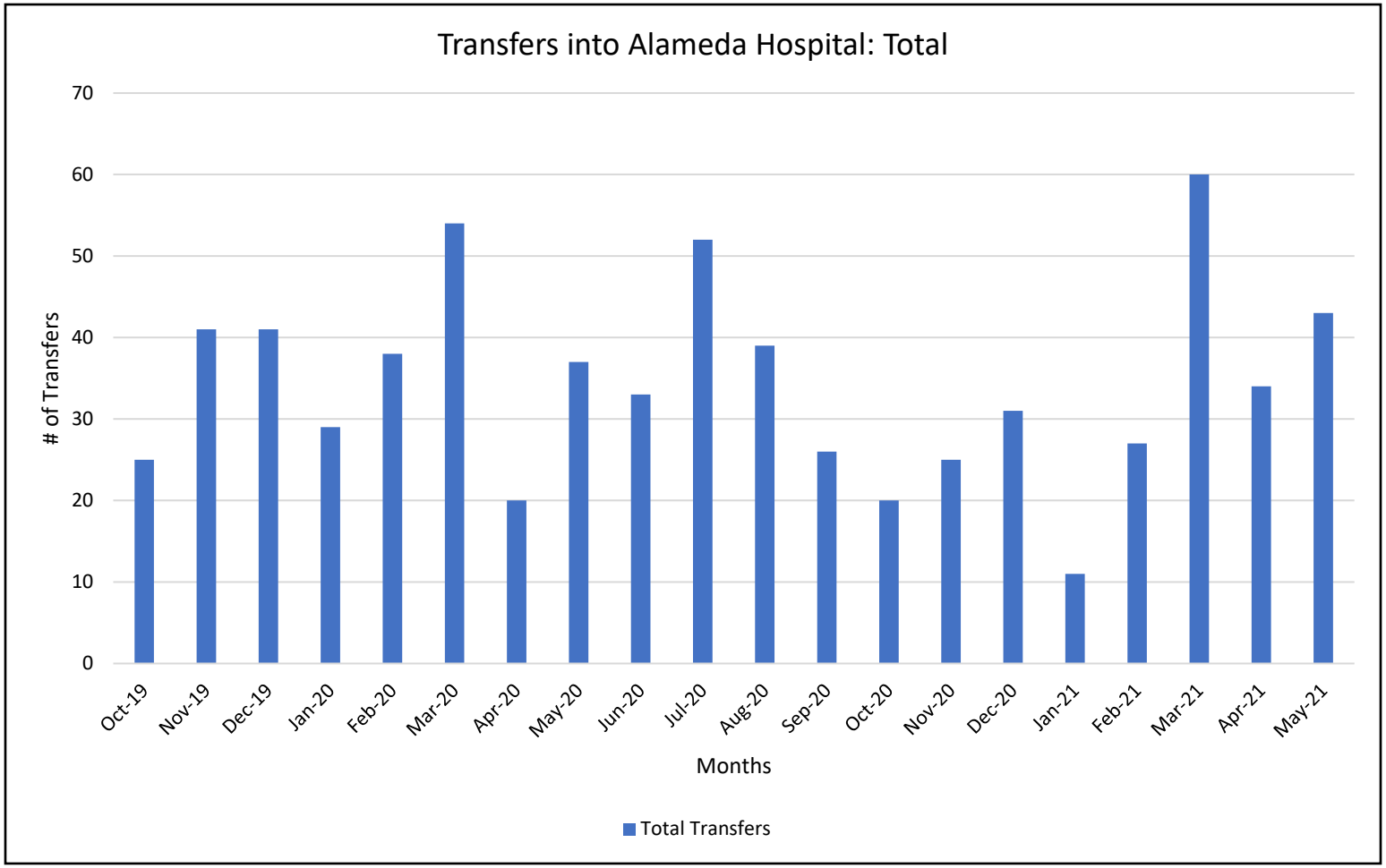
ALAMEDA HEALTH SYSTEM

COO's Report
Alameda Health Care District Board Meeting
June 14, 2021

Alameda Hospital Transfers May 2021

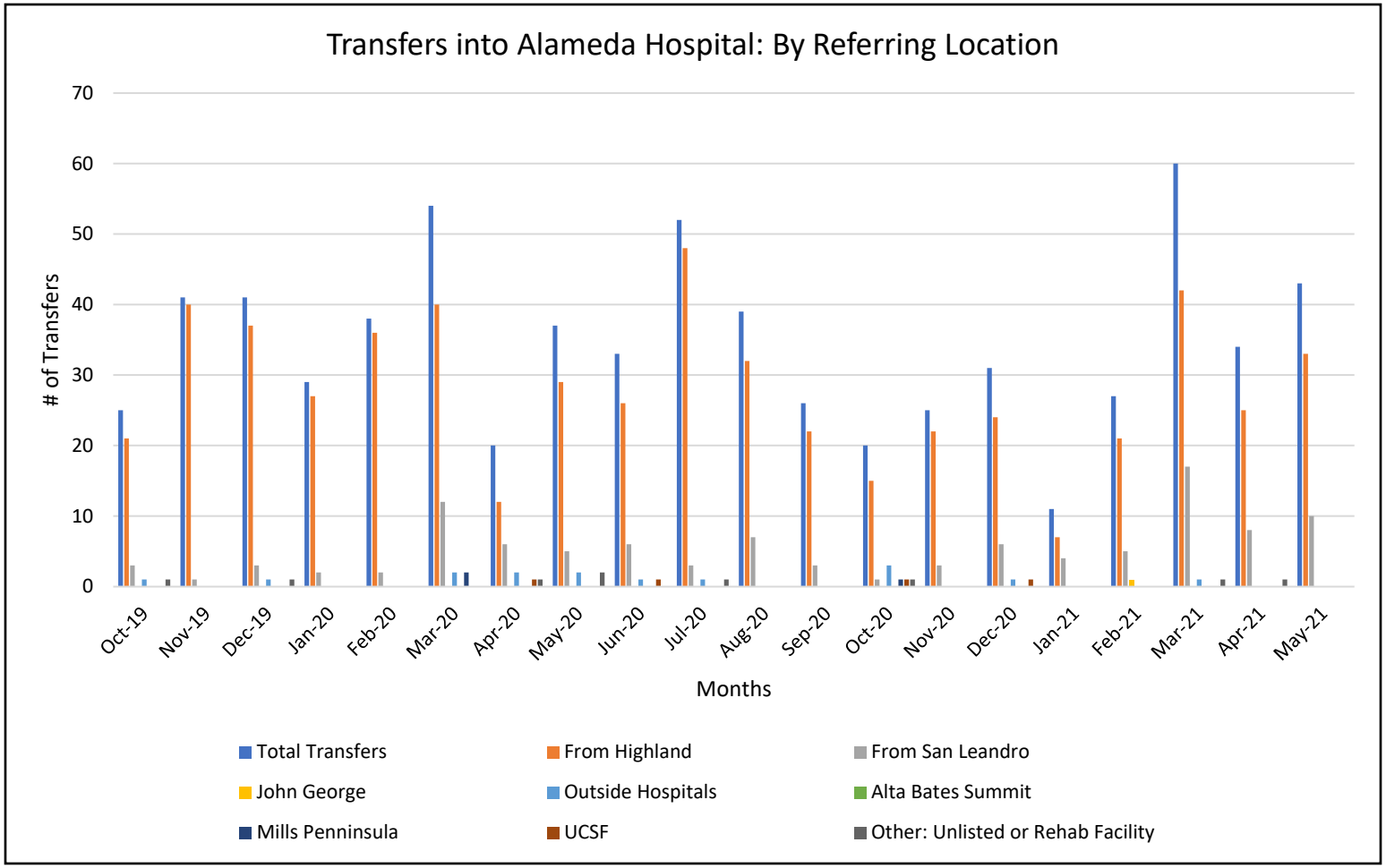
ALAMEDA HEALTH SYSTEM

Total Transfers into Alameda Hospital: Oct 2019 – May 2021



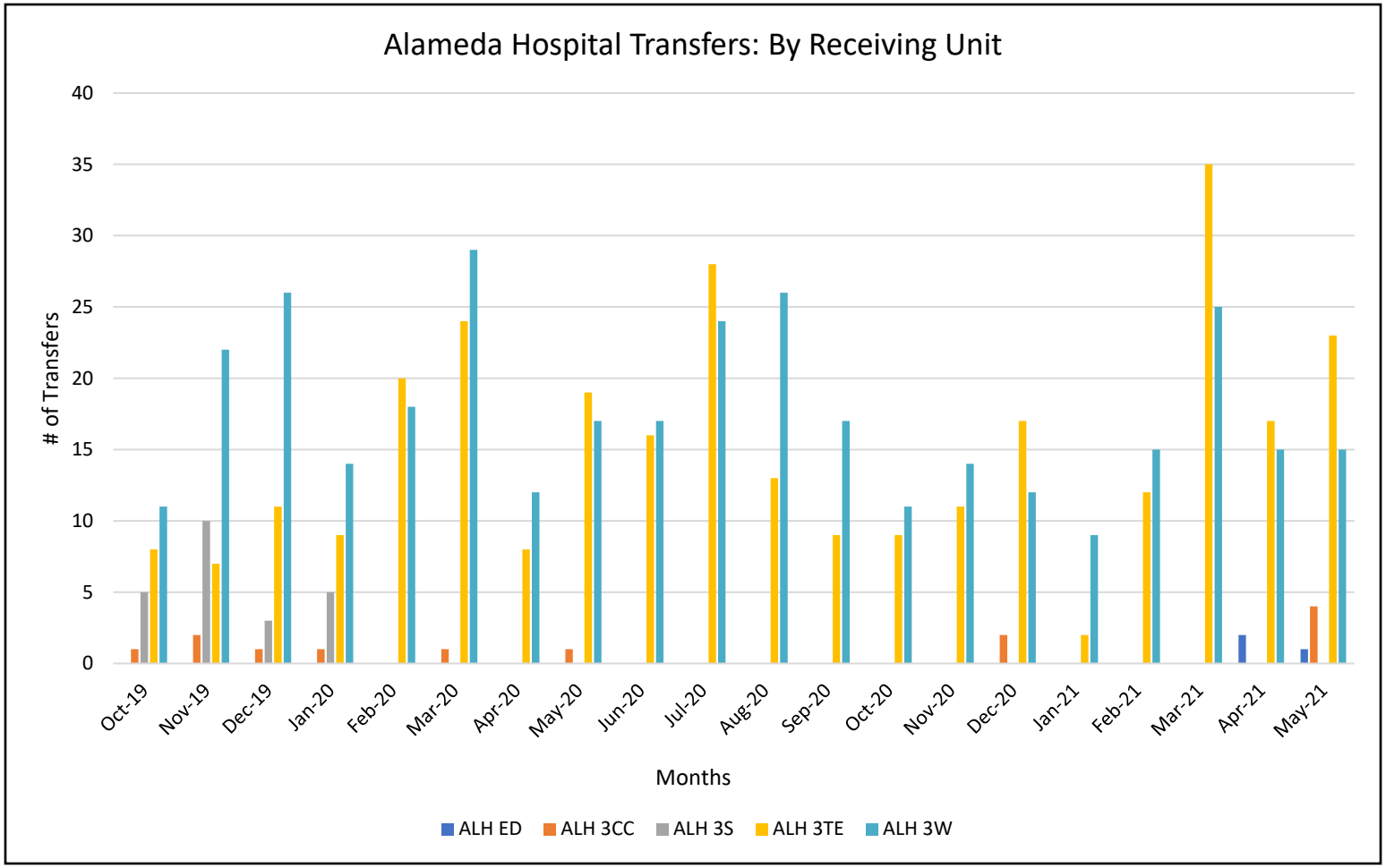
ALAMEDA HEALTH SYSTEM

Total Transfers into Alameda Hospital: Oct 2019 – May 2021

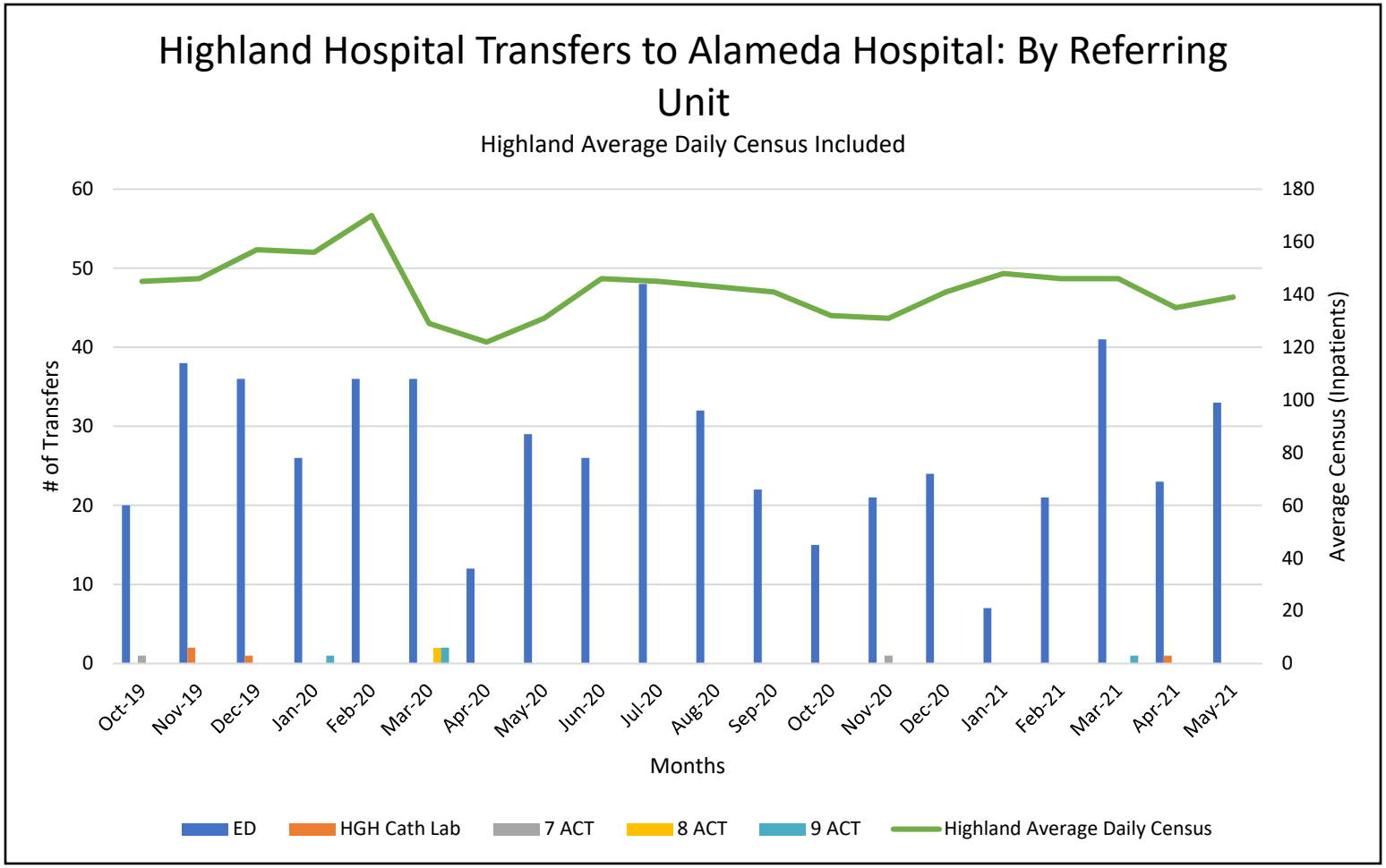


ALAMEDA HEALTH SYSTEM

Total Transfers into Alameda Hospital: Oct 2019 – May 2021

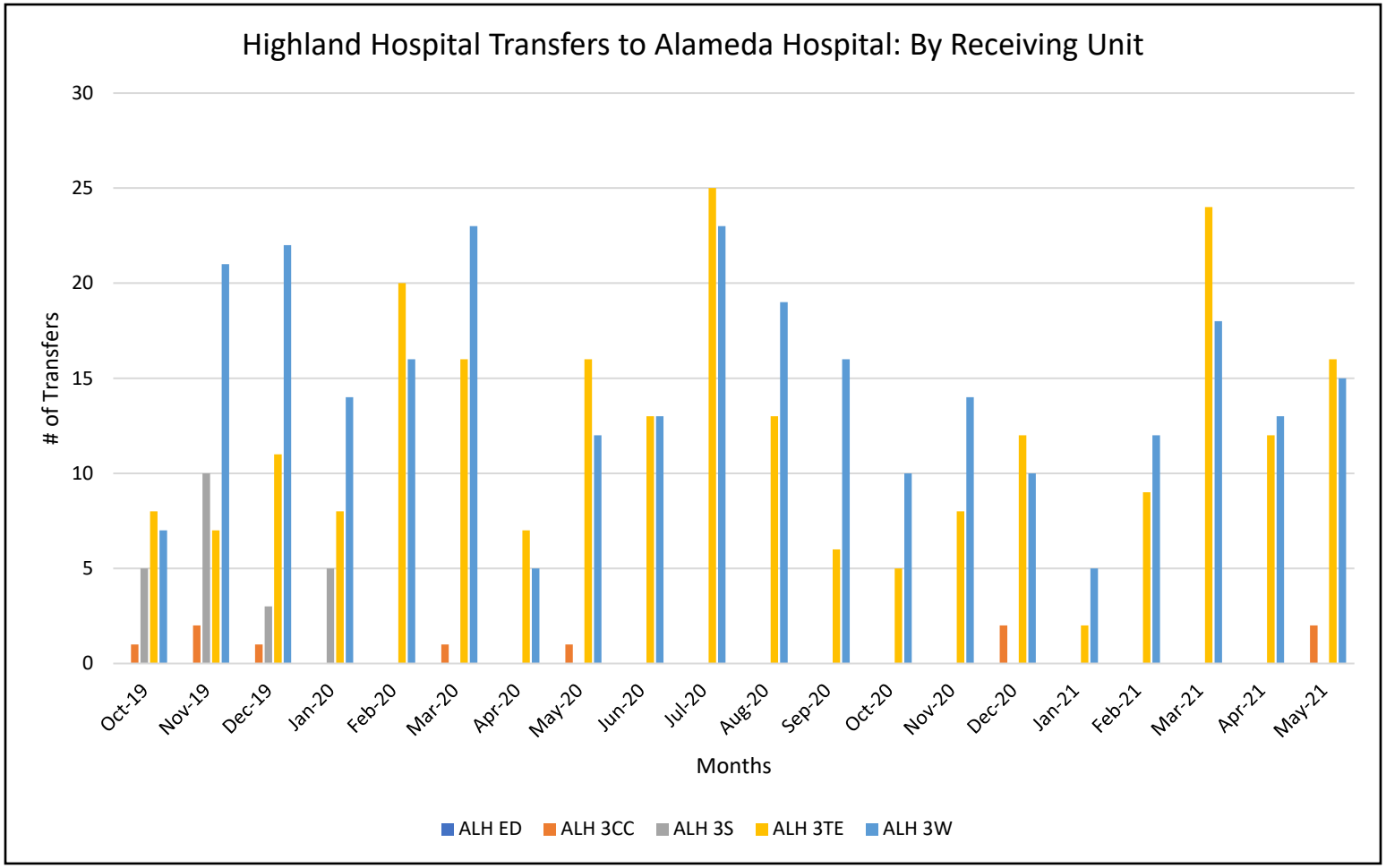


Total Transfers into Alameda Hospital: Oct 2019 – May 2021



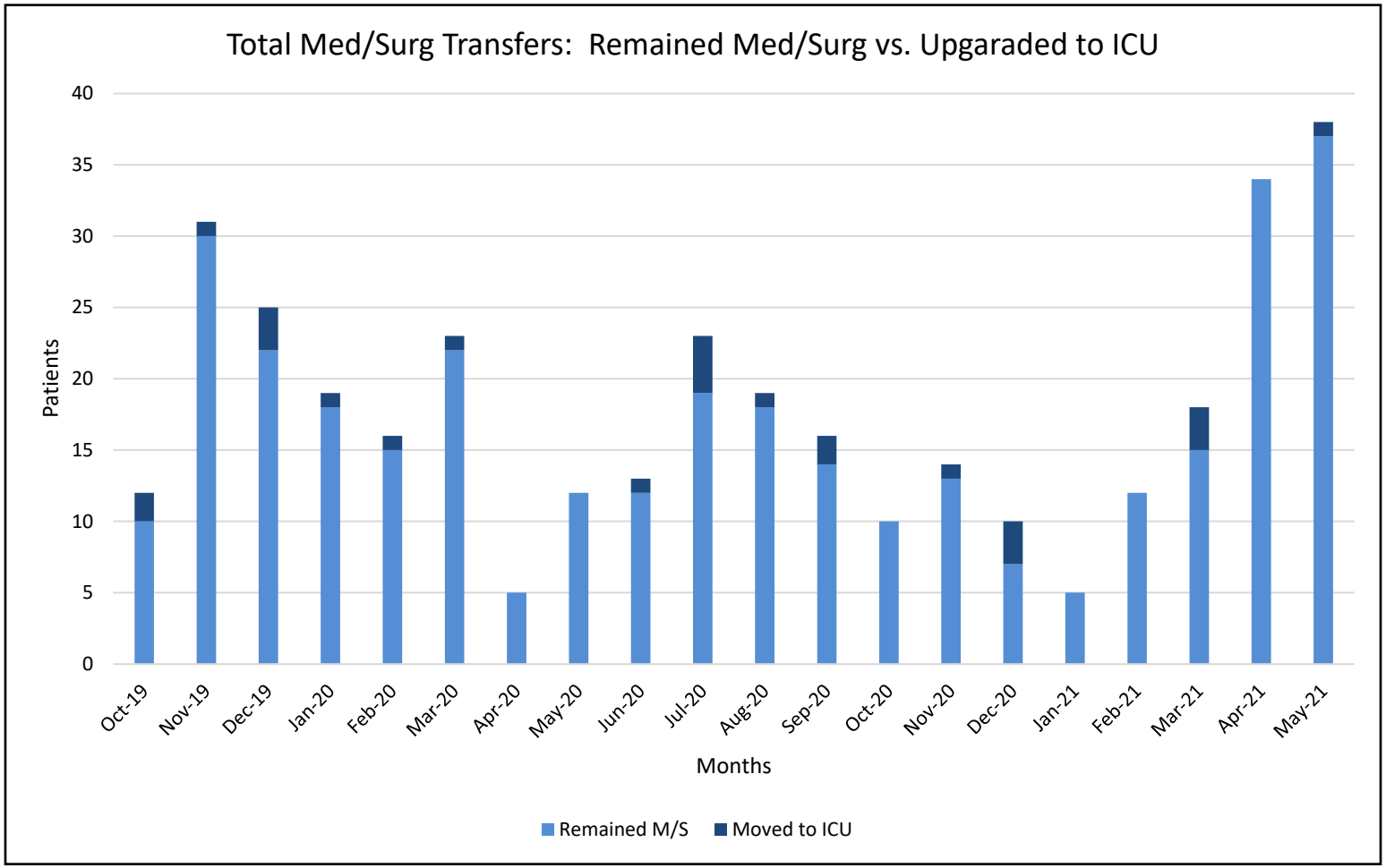
ALAMEDA HEALTH SYSTEM

Total Transfers into Alameda Hospital: Oct 2019 – May 2021



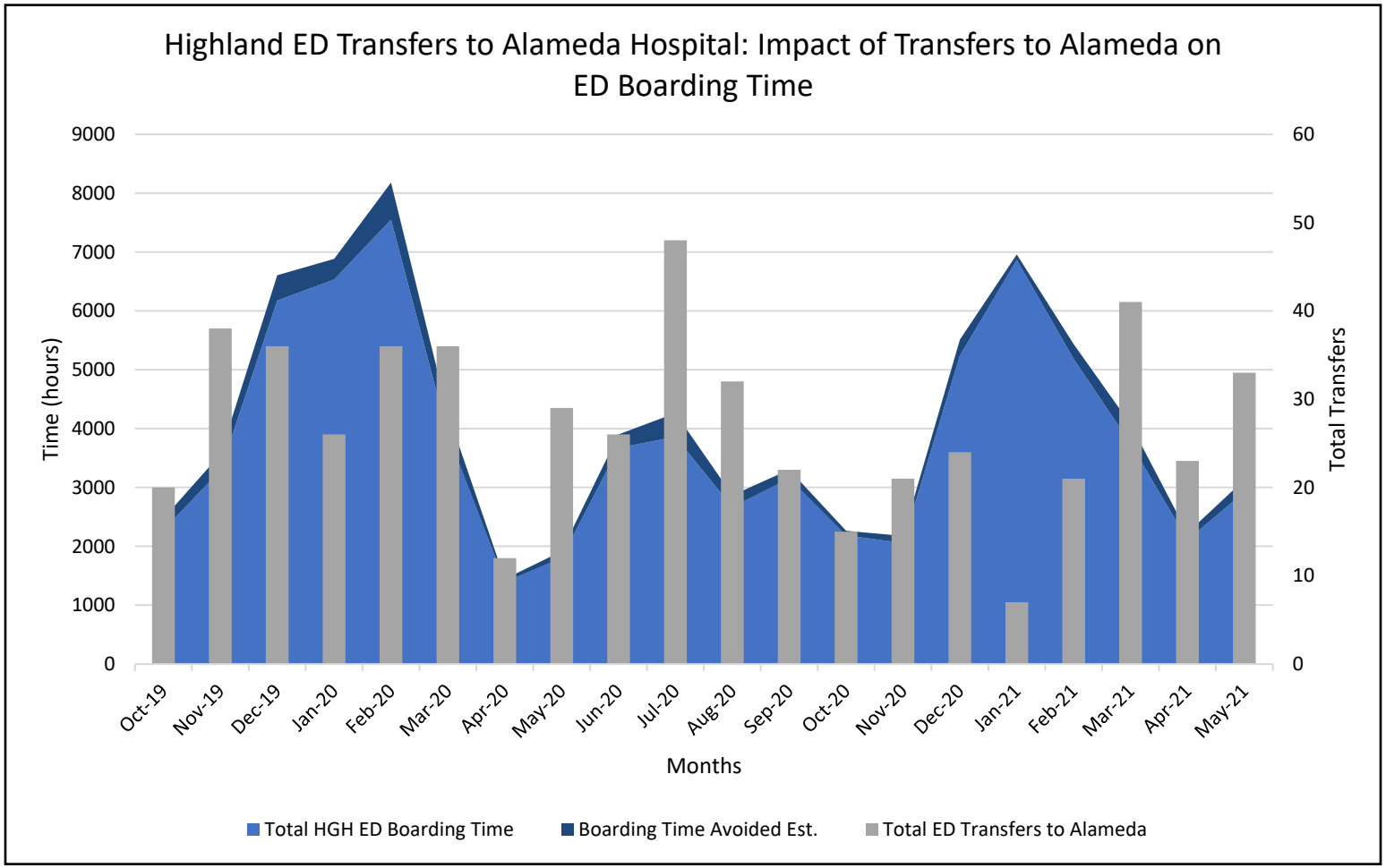
ALAMEDA HEALTH SYSTEM

Highland to Alameda Med/Surg Transfers: Oct 2019 – May 2021



ALAMEDA HEALTH SYSTEM

Highland ED Transfers to Alameda: Oct 2019 – May 2021



Highland ED transfers to Alameda reduce boarding time by an estimated 6% each month.

ALAMEDA HEALTH SYSTEM

Seismic Project

- Underground Plumbing = 100% complete and grease trap set in place
- Wall framing = 100% complete
- Over head ducts = 100% complete
- In wall and overhead electrical = 98% complete
- In wall and overhead plumbing = 95% complete
- Sheet Rock = 95% complete
- Installing ducts in Shaft = 100% complete
- Construction completion date under AB2190 is 10/31/2021 and we remain on target to meet this date.

Questions

ALAMEDA HEALTH SYSTEM

MEMORANDUM

TO: Neighborhood Community Group

FROM: Mark Fratzke, Interim Chief Operating Officer
Ronica Shelton, Vice President, Patient Care Services

DATE: June 1, 2021

SUBJECT: Alameda Hospital

Thank you for contacting us to express your concerns regarding the seismic renovation project. We have reviewed your concerns and have held multiple internal meetings to discuss current operations, and explore potential options to address your concerns or minimize the impact to our neighbors.

Generator noise

The Hospital back up generator is the size of a car and the noise penetrates a dozen or so residential homes around the Hospital at high decibels. It ran already on 2 consecutive Sundays this month and will run again all day March 15 and 16. In addition to the regular testing, long generator runs (days, weeks, months) are necessary in case of a major power outage, earthquake, or breakdown of the power to the Hospital. We would like the Hospital to explore solutions to bring down the decibels to an acceptable level, for example enclosing the generator in a sound poof building.

The Hospital is required to have Emergency Generators to support Hospital operations, in the event of a disaster, for a minimum of 96 hours. These generators are also required to be inspected and tested weekly, monthly, and annually by the Joint Commission and Centers for Medicare and Medicaid Services. Due to the size of the campus Alameda Hospital has two (2) generators, one is enclosed in a cinder block enclosure and the other is located within a building that allows sufficient airflow for safety, efficiency and mechanical operation. Because of the airflow requirements, both cannot be completely enclosed.

We understand that the generators create noise but regular testing is required and most power outages are unpredictable, Unfortunately, due to the seismic renovation project, there have been occasions when the generators ran for extended periods of time and we apologize for any disturbance this caused. This project is expected to be completed by the end of 2021 and we do not foresee additional planned electrical work associated with the project. If this changes, we will do our best to keep you informed.

Regular generator testing schedule:

- Weekly inspections do not generate any noise.
- Monthly tests are performed on the first Wednesday of the month. The process starts at approximately 7 am and lasts about 30 minutes per generator.
- Annual testing typically happens in the month of March or April and lasts for 2 days.

Truck noise and air pollution from the generator and construction/delivery trucks

The oxygen truck comes at all times weekdays and weekends and runs on high throttle continuously for about ½ hour next to residences resulting in noise and air pollution. Delivery trucks and construction trucks beep loudly and often for prolonged periods of time when backing up and maneuvering in Hospital driveways or street.

The Hospital complies with the City of Alameda noise ordinances and has worked diligently with our vendors to ensure compliance. Deliveries or the idling of trucks is not allowed before 7 am and after 10 pm unless it's an emergency. Our linen company does delivery in the early mornings, but they are required to be on our property and not on public streets.

Oxygen deliveries are based on usage to provide care for our patients and the noise you hear is the motor used to supply the oxygen and unfortunately cannot be turned off. The seismic renovation project has also added to an increase in activity which can also contribute to the noise in this location. Please be assured that the beeping is intended to be a safety feature for the driver, pedestrians, and cars in the surrounding area.

Parking

Since construction started a year ago, all parking along the Hospital side of Clinton Ave has been blocked even though the Hospital has its own parking lot and Hospital staff parking is already taking much of the street parking throughout the neighborhood.

Layton Construction has followed the City of Alameda permitting process to obtain designated public street parking. They have secured a total of 8 parking spaces directly in front of the Hospital on Clinton Avenue and on Willow by the lagoon. While they pay for the full 24 hours of parking through the permitting process, they have posted no parking signs with the hours of 5 am – 4 pm allowing some flexibility for others to park. We work diligently with Alameda Police Department and our neighbors to prevent ticketing and towing of vehicles as much as possible. The construction project is anticipated to be completed by the end of 2021.

We will remind staff to utilize the parking lot as the primary place to park and to be respectful of our neighborhood. We have free assisted staff parking to maximize the number of spaces in the lot. We also encourage staff to carpool and ride bikes and will be installing an additional bike rack to encourage the use of bikes for our patients and staff.

Light pollution

Several homes are lit up at night by Hospital floodlights.

The lighting is necessary for the safety and security of staff, physical plant and neighborhood. The lights have been changed over the years to be LED lights as a green initiative. The lights have been positioned downward and appropriately to decrease the impact to the neighborhood while still providing a safe environment. We have checked to ensure that the lights are not directly pointing in the direction of the homes.

Intermittent pulsating pump noise

After repairing their heating/cooling system late last year there is a noticeable intermittent pulsating pump (?) noise day and night that can be heard inside homes even when windows are closed.

Physical plant equipment often turns on and off to support building operations. The cooling tower generates noise as it regulates the temperature in our patient care areas.

Lack of consideration and notification

The Hospital does not inform the neighborhood in advance when these disturbances will occur making it difficult to plan life around their schedule. This lack of consideration puts an unnecessary burden on everyone living nearby. For example, having to put up with loud trucks, cranes or generators while having friends and family over, or having to reimburse guests who booked a room for short-term rental because of night or early morning loud noises. Not to mention the sleep deprivation and stress this causes for the residents themselves.

We understand that there were opportunities to improve communication with our neighbors, especially for the February 21, 2021 electrical work that required the generators to run overnight and we apologize for not reaching out to you sooner. We did learn from this experience and delivered notices to nearby residents on Clinton Avenue prior to the next scheduled electrical work and also communicated via text and phone calls.

We appreciate your patience and please let us know how we can better improve our communication with you. We will be sure to contact the group before a planned event and we will make every effort to schedule events to minimize the impact to the neighborhood.

We’re excited that the completion of this seismic renovation project will allow Alameda Hospital to continue to provide emergency and acute care to our community.

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

FROM: Mark Fratzke, Interim Chief Operating Officer

DATE: June 1, 2021

SUBJECT: Alameda Hospital SB90 Seismic and Kitchen Relocation Project Update

The following information will provide you with the most up-to-date information related to the SB90 Seismic and Kitchen Relocation Project.

Current Project Status

Construction Completion

- Underground Plumbing = 100% complete and grease trap set in place
- Wall framing = 100% complete
- Over head ducts = 100% complete
- In wall and overhead electrical = 98% complete
- In wall and overhead plumbing = 95% complete
- Sheet Rock = 95% complete
- Installing ducts in Shaft = 100% complete
- Construction completion date under AB2190 is 10/31/2021 and we remain on target to meet this date.

Planning and Coordination

- Weekly site walks with FNS leadership and other key stakeholders to prepare for new operations and CDPH licensing.
- Food Service Equipment Vendor has supplied 90% of equipment.
- Coordination continues with leadership and campus on construction events that impact operations. Major impacts coming up include removal of the pedestrian bridge between the 2 buildings.
- The financial health of the project remains good.
    - Total Project Value:
        - Budgeted Total – $25,181,185.00
        - Forecasted Total - $25,181,185.00

COVID-19

Layton continues to follow the Alameda County Health Department Health Orders and processes for COVID-19 and construction in the County. Bi-weekly review continues with a 3rd Party inspection firm that monitors the job site, activities and record keeping

related to COVID-19 as part of the Alameda County requirements for construction projects in the county. We are passing each inspection with high commendations by the inspector.

Noticeable Changes and Impacts to the Alameda Hospital & Community Impacts

- Occasional driveway blockage from Clinton Avenue for construction activities, such as delivery of materials and demo of pedestrian bridge.
- With the February and March electrical work and the need to run the emergency generators, a neighborhood group submitted a series of concerns to hospital leadership. Attached is a response that has been shared with the group this week. (attachment)
- The next Community Newsletter is in development and will be shared with community stakeholders, staff and physicians.

AB2190 Quarterly Update

AB2190 Extension extends the requirement to meet the 2020 requirements to October 31, 2021. Quarterly Reports were submitted for Q1 2021 in April 2021 and accepted with next report due July 1, 2021. We are currently meeting compliance with AB2190.

In January, we proposed a formal milestone extension request to Milestone #2, start-up of roof-top MEP equipment. This extension was approved and moved the date from March 4, 2021 to April 30, 2021. On April 19, we notified OSHPD that the milestone was completed. We continue to track toward completion and meeting the deadline of October 31, 2021. Some minor work may still occur after the October 31st date but the major work to make the building seismically compliant, separate the compliant building from the non-compliant East building and move the essential service of the kichen operations to a seismically complaint building will be completed by the deadline.

We continue to have a collaborative working relationship with OSHPD and the Compliance Officer regarding our project and the AB2190 Extension. Milestone 1 and Milestone 2 are the mandated construction milestones associated with AB2190.

Report Year and Quarter
2021 - Q1 Back to Main

AB 2190 Quarterly Reports for 11210 Alameda Hospital

OSHPD Building Nbr	Bldg Name	Report Year and Quarter	Construction Project Nbr	Milestone Date	Milestone Description	Milestone Comments	Milestone Quarterly Update
BLD-01278	Original Hospital	2021 - Q1	SRU-2012-00191; S181111-01-00; S181422-01-00; I170009-01-00; I170009-01-01; I170009-01-02	4/30/2021	!Milestone 2!: Start-up of Roof Top MEP Equipment	!I170009-01-02!	on target to meet milestone and compliance date of 4/30/21
				8/31/2021	Complete kitchen relocation	!I170009-01-02!	on target to meet milestone
				10/31/2021	Seismic construction completion	Seismic increment !I170009-01-01!	on target to meet milestone
BLD-01279	Stephens Wing	2021 - Q1	SRU-2012-00191; S181111-01-00; S181422-01-00; I170009-01-00; I170009-01-01; I170009-01-02	4/30/2021	!Milestone 2!: Start-up of Roof Top MEP Equipment	!I170009-01-02!	on target to meet milestone by 4/30/21
				8/31/2021	Complete kitchen relocation	!I170009-01-02!	on target to meet milestone
				10/31/2021	Seismic construction completion	Increment 1 Seismic !I170009-01-01!	on target to meet milestone

Patient Experience
Alameda Hospital

Preliminary
March 2021 Data

*** Confidential Peer Review Communication – Protected by Evidence Code section 1157 ***

Patient Experience Data

* = preliminary

HCAHPS (YTD N=219)	FY21 GOAL	FY20 YTD March*	February Month	March Month*
Rate the Hospital 9-10	63.70	51.82	51.33	60.96
Nurses treat with courtesy/respect	76.10	73.69	69.13	85.09
Call button help soon as wanted it	55.30	57.10	40.87	74.20
Doctors treat with courtesy/respect	79.40	81.32	61.49	86.49
Care Transition	46.10	40.80	25.81	55.84
Hosp staff took pref into account	36.60	35.28	30.53	54.37
Good understanding managing health	46.90	37.29	27.97	51.25
Understood purpose of taking meds	53.50	49.85	35.76	63.04

*** Confidential Peer Review Communication – Protected by Evidence Code section 1157 ***

Action Plan

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 Kreibl will attend monthly AH Leadership to discuss patient experience and actions. • 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 handbook. • SMILE board (Safety, Metrics, Issues, Logistics, Encouragement) roll out on all units • Education and roll out of new rounding tool, Sentact, 2/2021 • Planning White Board education	Ongoing
Care Transition domain-preferences taken into account in d/c planning	• Care Transition Managers are focusing on iRounds to support PRIME. 10 rounds per week.	Ongoing

*** Confidential Peer Review Communication – Protected by Evidence Code section 1157 ***


ALAMEDA
HEALTH SYSTEM
Alameda District Board Meeting – YTD April
Finance Report
6/07/2021

AHS Financial Update

As of April 30, 2021

April 2021 Financial Report Highlights

- Gross Revenue is below budget for the month $22.6M and 7.4% and for the year $274.3M and 9.1%; driven by lower volumes since the Pandemic. Volumes are ramping up and as a reminder budget did not reflect COVID impact.
- NPSR is unfavorable for the month $3.7M and 7.4% and for the year $52.3M and 10.5%. Collection ratio is 16.4% slightly below budget due to timing of negotiating payer increases. COVID funding relief revenue is $30.8M.
- Operating Expenses approximate budget in the month. For the year, expenses are unfavorable $1.4M driven by labor costs and registry to cover COVID LOAs ($9.0M), strike ($10M) and settlement of the CNA labor contracts ($2.0M). Purchased services savings from lower volumes particularly in surgical areas (implants) have offset higher material and supply costs for anti-viral drugs, lab reagents and cleaning supply.
- YTD Net Income is a loss of $29.8M and unfavorable to budget by $32.9M. YTD EBIDA is negative $13.9M resulting in a negative Margin of 1.6%; below budget by $42.2M.

	April 2021				Year-To-Date				FY 2020	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Var
Operating revenue	$ 92,543	$ 89,571	$ 2,973	3.3%	$ 882,275	$ 912,379	$ (30,103)	(3.3)%	$ 915,847	(3.7)%
Operating expense	88,955	88,794	(161)	(0.2)%	908,246	906,828	(1,417)	(0.2)%	916,400	0.9%
Operating income (loss)	**3,588**	**777**	**2,811**	**361.9%**	**(25,971)**	**5,550**	**(31,521)**	**(567.9)%**	**(553)**	**(4599.0)%**
Other non-operating activity	(1,317)	(148)	(1,169)	(789.7)%	(3,838)	(2,449)	(1,389)	(56.7)%	(2,487)	(54.3)%
Net Income (loss)	**$ 2,272**	**$ 629**	**$ 1,643**	**261.2%**	**$ (29,809)**	**$ 3,101**	**$ (32,910)**	**(1061.3)%**	**$ (3,040)**	**(880.5)%**
EBIDA adjustments	2,440	1,590	850		15,911	25,168	(9,256)		58,804	
EBIDA	**$ 4,711**	**$ 2,218**	**$ 2,493**		**$ (13,898)**	**$ 28,268**	**$ (42,166)**		**$ 55,764**	
Operating Margin	3.9%	0.9%	3.0%		(2.9)%	0.6%	(3.6)%		(0.1)%	
EBIDA Margin	5.1%	2.5%	2.6%		(1.6)%	3.1%	(4.7)%		6.1%	

ALAMEDA HEALTH SYSTEM

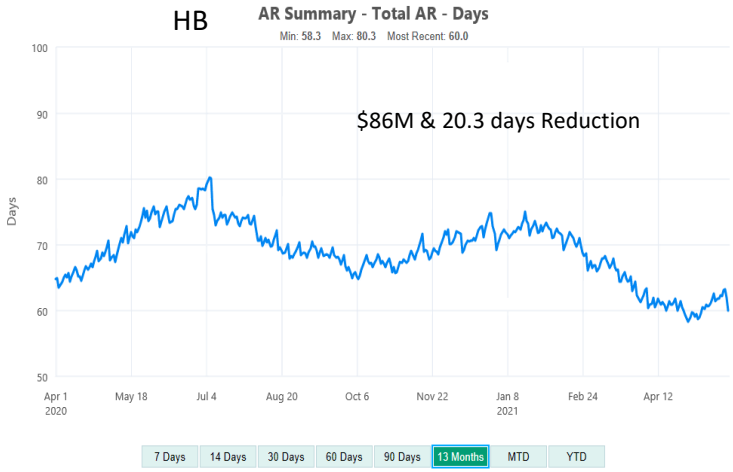
April 2021 Financial Report
Balance Sheet Key Metrics

- Days in Cash is timing variance caused by month end and the difference between draws and pay dates.
- AR Days decreased 3.2 days from the prior month.
- Days in Accounts Payable decreased slightly due to timing and available funding. Percent AP Over 60 days at 1.5% is consistent with prior month. The target is 30 days.
- Net Position deteriorated $29.5M from June 30, 2020, driven by YTD Loss of $29.8M.
- Net Negative Balance is below the June 30, 2021 target of $120.0M.

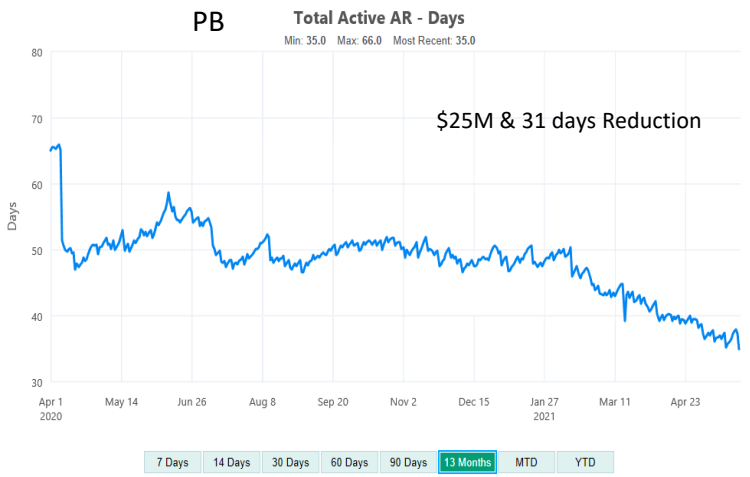
	Apr-21	Mar-21	FY 2020
Days in Cash	7.5	10.0	3.2
Gross Days in AR	56.1	59.3	66.7
Days in Accounts Payable	22.6	28.5	33.8
% of AP Over 60 days	1.5%	1.5%	1.1%
Current Ratio	1.0	1.1	1.2
Net Position (Fund Balance)	$ (307,296)	$ (309,568)	$ (277,787)
Net Negative Balance (LOC)	$ 54,327	$ 108,942	$ 83,005

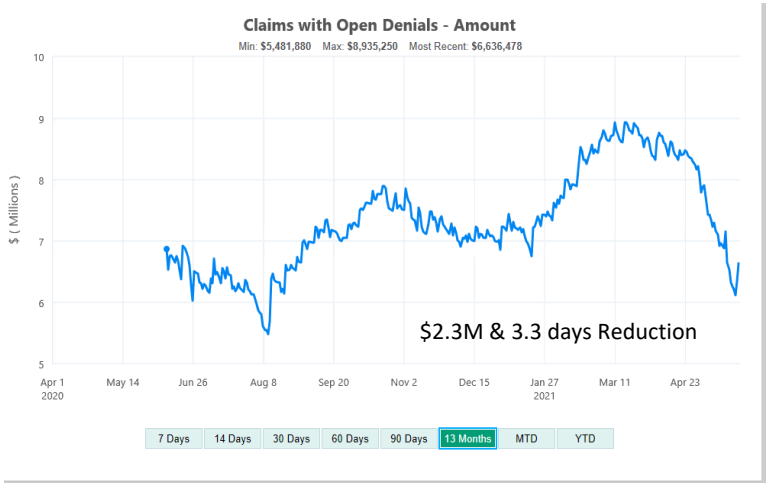
Financial Report
Accounts Receivable Trends

HB



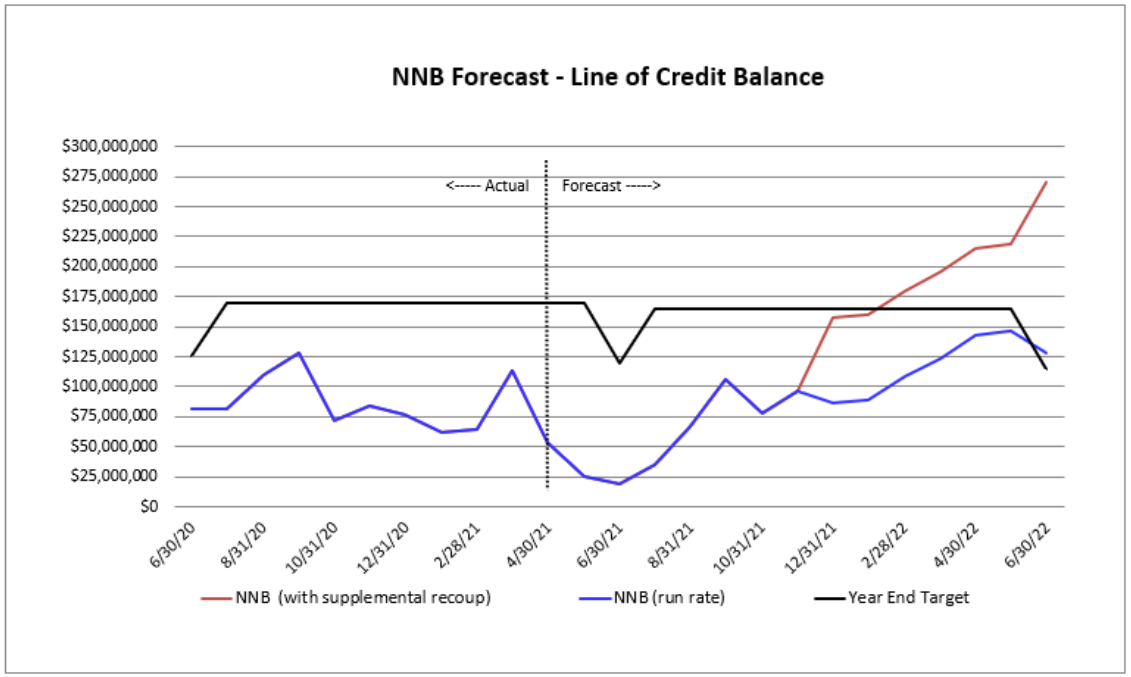
PB





April 2021 Financial Report
Line of Credit (NNB) Forecast

- Advances in FY20 helped AHS meet the terms of the permanent agreement with the County and positively impacted the NNB balance at 6/30/20 (SNCP - $15.1M, HPAC - $16.2M, County Grants - $0.3M, approval of GME - $9.5M).
- The June 30, 2021 NNB Forecast was improved by $30.0M due to verbal agreement with the State to defer FY12 Old Waiver Recoupment ($34.7M). FY21 Cash Flow Forecast is expected to be below NNB limit (blue line).
  - The forecast is based current run rate of receipts and expenditures from operations (includes SEIU settlement).
  - Supplemental revenue is forecasted based on the latest information available.
- PY Recoupments are reflected in the red line and far exceed the NNB Limit.



April 2021 Financial Report
Material Items Impacting NNB

- Overall, the cash flow and NNB forecast is better than expected compared to actual results (YTD EBIDA loss) driven by the following material items.
  - YTD EBIDA loss - $13.9M; including CNA settlement, strike and COVID related leaves.
  - FY09 Waiver Payment -$7.0M
  - Patient Cash and Measure A higher than projected;
  - COVID Relief received in FY21 is $32.9M. Revenue recognized in FY21 is $30.0M from CARES Act.
  - Reduced CAPEX spending ($16.5M spend to date; FY21 Capital Budget cashflow - $60.8M)

Material Items Included in NNB Forecast
(in thousands)

	May-21	Jun-21	Jul-21	Oct-21	Dec-21	Jun-22
Estimated Waiver recoupment (fy11 - fy15)	$ -	$ -	$ (13,141)	$ -	$ (58,461)	$ -
Estimated Medi-Cal FQHC recoupment (fy08 - fy13)						(40,000)
Estimated Medi-Cal P14 cost report (fy11 - fy15)					(13,201)	
Estimated Physician SPA (fy08 - fy13)						(30,000)
HPAC amendment for AB85 realignment	5,600					
AB915		13,000				
GPP (quarterly)			20,600	20,600		
Medi-Cal Managed Care Rate Range (Jul-19 to Dec-20)	35,524	9,500				
QIP (Jul-19 to Dec-20)	22,523	7,900				
	$ 63,647	$ 30,400	$ 7,459	$ 20,600	$ (71,662)	$ (70,000)

AHS Operating and Capital Budget Update

Fiscal 2022 Budget Goals and Guiding Principles

PRACTICAL	Use run rate budgeting to establish a realistic and achievable target, recognizing organizational change and new leadership need time to implement major changes. Develop strategic plan to impact future year budgeting.
EXTERNAL FACTORS	Develop modelling to account for short-term external factors that may not be reflected in baseline, such as COVID contingency, policy changes, new programs.
SUSTAINABLE	Generate sufficient revenue for a breakeven operating margin. Cash flow from operations is not expected to be sufficient to pay prior years recoupments from supplemental programs. Engage with the County regarding options to be more structurally sustainable.
CONTINUOUS IMPROVEMENT	Show continuous improvement in operations over run rate, especially by leveraging technology tools/investments such as Epic and focusing on expense management. Stronger focus from stabilizing in FY21 to improvement in FY22.

ALAMEDA HEALTH SYSTEM

Financial Statements

(In Thousands)

	AUDITED ACTUAL 2018	AUDITED ACTUAL 2019	AUDITED ACTUAL 2020	PROJ 2021	Proposed Budget 2022	FY2021 to Final Budget22 Variance	% Variance (FY2021 vs. Budget22)
Operating Revenue ----------							
Net Patient Revenue	$534,634	$569,704	$487,144	$554,016	$614,304	$60,289	10.9%
Capitation Revenue	33,678	38,774	42,195	45,888	45,506	(382)	-0.8%
Other Government Programs	410,345	411,230	496,066	431,823	418,617	(13,207)	-3.1%
Other Revenues	26,914	27,222	30,407	39,151	33,987	(5,163)	-13.2%
Total Revenue - All Sources	**$1,005,571**	**$1,046,930**	**$1,055,812**	**$1,070,877**	**$1,112,414**	**$41,537**	3.9%
Collection %	***16.3%***	***16.2%***	***14.9%***	***16.9%***	***16.8%***	***-0.1%***	***-0.4%***
Operating Expenses ----------							
Labor Expenses	706,273	757,093	754,206	798,162	821,086	(22,924)	-2.9%
Contracted Physician Services	89,177	92,419	84,736	37,681	37,251	430	1.1%
Purchased Services	81,595	74,640	83,578	76,119	79,835	(3,716)	-4.9%
Materials and Supplies	87,012	87,879	85,975	94,766	91,611	3,155	3.3%
Facilities	30,660	31,151	32,276	34,485	36,186	(1,701)	-4.9%
Depreciation	16,524	15,116	24,581	31,767	31,244	523	1.6%
General and Administration	15,770	16,914	19,493	21,351	20,640	711	3.3%
Total Operating Expenses	**$1,027,010**	**$1,075,212**	**$1,084,845**	**$1,094,331**	**$1,117,853**	**($23,522)**	-2.1%
Operating Income (Loss)	***($21,440)***	***($28,282)***	***($29,033)***	***($23,454)***	***($5,439)***	***$18,015***	76.8%
Non-Operating Activity ----------							
Interest Income (Expense)	(1,013)	(2,579)	(3,933)	(4,786)	(3,964)	822	17.2%
Other nonoperating Revenue	333	256	19,032	180	255	75	41.9%
Total Non Operating Activity	**(680)**	**(2,323)**	**15,099**	**(4,606)**	**(3,709)**	**897**	-19.5%
Net Income (Loss)	**($22,120)**	**($30,605)**	**($13,934)**	**($28,060)**	**($9,148)**	**$18,912**	**67.4%**
EBIDA Adjustments							
Interest Income (Expense)	1,013	2,579	3,933	4,786	3,964	(822)	
Depreciation	16,524	15,116	24,581	31,767	31,244	523	
Amortization (GASB-68, GASB-75)	20,418	61,003	23,983	(17,459)	-	(17,459)	
Total EBIDA Adjustments	**$37,954**	**$78,698**	**$52,497**	**$19,094**	**$35,207**	**($17,758)**	
EBIDA	**$15,835**	**$48,093**	**$38,563**	**($8,966)**	**$26,059**	**$35,026**	**-390.6%**
Operating Margin	-2.1%	-2.7%	-2.7%	-2.2%	-0.5%	1.7%	
EBIDA %	1.6%	4.6%	3.7%	-0.8%	2.3%	3.2%	

ALAMEDA HEALTH SYSTEM

Proj2021: YTD April 2021 Annualized adjusted for Strike expenses, CARES funding, BHCS Contract maxed & labor settlements.

Financial Risk in FY22 Budget

- Acting and achieving stretch initiatives built in budget is critical to our success in realizing FY22 budget.
  - **Vast cultural shift and ability to manage change is required.**
- Volumes do not materialize to pre-COVID levels. Adjusted patient days are 14% below FY21 budget.
- Telehealth revenue at risk. FFS Medi-Cal reduced rates 35%. Impact on other payors unknown.
- Managing Length of Stay closer to industry standards is necessary and impacts all disciplines.
- Reductions in OT and labor flexing need to be achieved.
- Limitations on retaining AB85 realignment funds (dependent on losses in Medi-Cal/Uninsured).
- Impact on supplemental funding and associated risk if approvals are not realized:
  - **GPP – DSH and SNCP expired on 6/30/20. Budget assumed DSH funds will be retained, potential hit of up to $86.7M.**
- Revenue risk in Alameda Alliance due to change in methodology of auto assignment.

ALAMEDA HEALTH SYSTEM

Performance Initiatives

Initiative	Description	Timing	Savings Opportunity	Budget FY22 ($M)	Potential Bridge Plan	Executive Sponsor
Overtime Reduction	Develop plan to reduce OT with a long-term target to reduce OT in nursing units ty 3% of productive hours and all other units to reduce OT to 1.5% of productive hours.	7/1/2021	$2.5-$6M	$3.2		Mark Fratzke
Average Length of Stay	Develop plan to reduce ALOS by 0.5 days across all hospitals in FY22, 0.7 by FY23, 0.9 by FY24.	7/1/2021	$26M	$7.5		Mark Fratzke
Revenue Cycle/AR Reduction Plan	Improve cash collection including reducing AR to 50 days, recapturing low-payments, charge capture on high impact services, reduced denials.	7/1/2021	~$20M Cash Impact ~$4M EBIDA Impact	$3.9		Kim Miranda
Payor Contracting	Target increases in Payor Contracting.	Varies	*$5-$10M*	$3.0		Kim Miranda
JGH Billing and Improvements	Optimize JGP operations by improving collections, reduce legnth of stay and reduce denials.	7/1/2021	*$20-25M*	$8.0		Kim Miranda
Dental Clinic FQHC	Contract with HGH FQ patients for dental FQ rates. Longterm, dental clinic into FQHC to improve reimbursement.	Q4	*$5-10M*	$0.5		Kathryn Horner
HPAC/Outside Medical Costs	Improve financials for HPAC program; reduce outside medical expenses.	TBD	*$0.5-2M*	$0.4		Tangerine Brigham
IOP/Wellness Model	Restructure IOP to a wellness model.	Q4	*$5-12M*		$2.0	Kathryn Horner
Sitter Management	Centralize sitter staffing and reduce sitter usage.	Q3	*$0.5-1.0*		$0.5	Mark Fratzke
Huron consultancy recommendation	Hire Huron to improve financial position for AHS.	TBD	*$20-40M*		$10.0	Mark Fratzke
Labor management/efficiency	Increase efficiency by increasing volume on same staffing levels. 1-2% improvement on AOB.	7/1/2021	*$15-30M*		$8.0	Mark Fratzke
Total				**$26.5**	**$20.5**	

- Adopting a dynamic approach and will adjust throughout the year.
- Tracker will be monitored and reviewed by the Budget Oversight Committee (BOC)

ALAMEDA HEALTH SYSTEM

Confidence Level for Achieving Performance Improvement

Initiative	Confidence Level	Budget FY22 ($M)	Amount at risk
Overtime Reduction	90%	$3.2	$0.3
Average Length of Stay	75%	$6.6	$1.7
Revenue Cycle/AR Reduction Plan	90%	$3.9	$0.4
Payor Contracting	*75%*	$3.0	$0.8
JGH Billing and Improvements	*75%*	$8.0	$2.0
Dental Clinic FQHC	*90%*	$0.5	$0.1
HPAC/Outside Medical Costs	*80%*	$0.4	$0.1
Total	***80%***	**$25.6**	**$5.2**

Other performance improvement opportunities items not included in budget *$20.5*

% needed to cover budgeted risk *26%*

- Achieving 26% of "stretch" performance improvement initiatives not built into budget will cover the confidence risk factor of $5.2M.

ALAMEDA HEALTH SYSTEM

AHS Cash Flow Projection

(In thousands)	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	PROJECTED 2021	BUDGET 2022
EBIDA	**$ 15,835**	**$ 48,093**	**$ 38,563**	**$ (8,966)**	**$ 26,059**
EBIDA Margin	**1.6%**	**4.6%**	**3.7%**	**-0.8%**	**2.3%**
Supplemental Timing & Balance Sheet	12,819	(3,255)	47,754	97,934	(52,553)
Cash From Operations	**28,654**	**44,838**	**86,317**	**88,968**	**(26,494)**
EPIC Financing Payment	(1,383)	(2,400)	(2,417)	(3,451)	(5,416)
Committed Debt	**(1,383)**	**(2,400)**	**(2,417)**	**(3,451)**	**(5,416)**
EPIC ($100M)	(26,242)	(19,747)	(49,918)		
SLH Acute Rehab ($26.7M)	(4,041)	(15,965)	(5,372)	(91)	
Alameda Hospital Seismic Project ($27.7M)	(793)	(951)	(4,728)	(11,470)	(9,711)
Other Committed Capital					(8,585)
Capital Request	(9,052)	(21,323)	(7,578)	(9,895)	(14,136)
Capital Outlay	**(40,128)**	**(57,986)**	**(67,596)**	**(21,456)**	**(32,432)**
Jaber			229		
Other Funding Sources					
AHSF Support	2,048	4,650	10	300	
Kaiser Foundation Support - EPIC & MRI	9,000	12,033	3,631		
Other Capital Funding Sources	**11,048**	**16,683**	**3,870**	**300**	**-**
POB Debt Retirement	(13,848)	(12,135)	(11,612)	(7,156)	-
Capital Cost Transfer to County (2)		(4,419)	-	(1,200)	(732)
Capital Cost Transfer from County		-	-	-	5,619
Capital Reserve Fund (pmt to County)	-	(7,000)	(7,000)	(7,000)	(7,000)
Capital Reserve Fund (pmt from County)		-	-	14,000	7,000
Total County Transactions	**(13,848)**	**(23,554)**	**(18,612)**	**(1,356)**	**4,887**
Cash Surplus/(Deficit)	**(15,657)**	**(22,419)**	**1,562**	**63,005**	**(59,455)**
Net Negative Balance (Before Recoupment)	**(62,148)**	**(84,567)**	**(83,005)**	**(20,000)**	**(79,454)**
Scheduled NNB Limit	(135,000)	(130,000)	(125,000)	(120,000)	(115,000)
Excess/(Short) of NNB	72,852	45,433	41,995	100,000	35,546
Old Waivers (FY11-FY15)		-	-	-	(58,461)
Physician SPA (FY08-13)		-	-	-	(30,000)
Medical Cost Settlement (FY11-FY15)		-	-	-	(13,200)
FQHC Settlement		-	-	-	(40,000)
Total Prior Year Re-coupment	**-**	**-**	**-**	**-**	**(141,661)**
Net Negative Balance (After Recoupment)	**($62,148)**	**($84,567)**	**($83,005)**	**($20,000)**	**($221,115)**
Scheduled NNB Limit	(135,000)	(130,000)	(125,000)	(125,000)	(120,000)
Excess/(Short) of NNB	**$72,852**	**$45,433**	**$41,995**	**$105,000**	**($101,115)**

ALAMEDA HEALTH SYSTEM

FY22 Multi-year Capital Budget

(In Thousands)

	FY22	FY23	FY24
New Capital Request	$12,136	$21,280	$22,461
Compliance / Patient Safety / Regulatory	$1,406	$6,579	$7,161
Equipment	$1,599	$525	$700
Infrastructure Facilities	$1,648	$6,550	$2,026
Infrastructure IT	$4,784	$5,249	$7,754
New Strategic / ROI	$2,700	$2,379	$4,821
Carryforward at 6/30	$18,296	$9,500	$0
Contingency	$2,000	$2,000	$2,000
Grand Total	**$32,432**	**$32,780**	**$24,461**

- Capital needs are significant due to deferred maintenance, implementation of EPIC and funding constraints. Frequent equipment failures and facilities emergency requires reprioritization of capital funds.
- Long range strategic plan and assessment of capital needs has not been started and current requests are consuming available funds. Current long range financial plan has expired.
- AHS ability to provide the full continuum of care in the community requires investment in clinical programs and infrastructure.
- Prioritization of capital was developed by collaborating with clinical and administrative leaders.
  - Tighter control on managing projects underway.

ALAMEDA HEALTH SYSTEM

APPENDIX I – Capital Request Detail

FY22 Proposed Capital Budget

(In Thousands: Page 2 of 3)

Description	Proposed Capital Budget	FY22 Cash Flow
Equipment	**$1,598,523**	**$1,598,523**
New Service/Enhancement Instruments	$200,000	$200,000
Radiologist Workstation Refresh	$176,100	$176,100
Stryker power TPX Small Bone	$121,000	$121,000
2 OR Beds to replace old beds	$110,000	$110,000
Olympus Urology Instruments	$103,000	$103,000
Replacement of Infusion suite chairs	$101,679	$101,679
Sonosite PX Ultrasound System	$93,000	$93,000
ALH Anesthesia Machine x1	$92,863	$92,863
HGH Anesthesia Machine x1	$92,863	$92,863
ICU Ultrasound Machine Upgarde	$59,257	$59,257
ECG Machine	$56,000	$56,000
Ultrasound for Surgery	$48,450	$48,450
Ultrasound System 1150	$42,861	$42,861
Ultrasound Ortho Podiatry	$33,623	$33,623
XP190 Gastroscope Ultrathin	$33,207	$33,207
Mayfield Retractor	$33,000	$33,000
Fluid Warmer	$32,000	$32,000
slush Machine	$30,600	$30,600
Hysteroscope Set	$22,000	$22,000
Infusion Pumps (Standardized across AHS)	$21,850	$21,850
Myosure	$21,784	$21,784
Neupton	$17,000	$17,000
Recyclable handles and blades	$16,388	$16,388
Aesculap Containers	$15,000	$15,000
Bladder scanner	$13,000	$13,000
Novasure	$12,000	$12,000
Grand Total	**$1,598,523**	**$1,598,523**

ALAMEDA HEALTH SYSTEM

FY22 Proposed Capital Budget

(In Thousands : Page 1 of 3)

Description	Proposed Capital Budge	FY22 Cash Flow
Compliance / Patient Safety / Regulatory	**$5,959,127**	**$1,405,765**
Eastmont Pediatric Dental Clinic Build out	$1,497,550	$125,000
Nurse Call System	$1,466,326	$79,441
FULL Project with Sterilizer, Sterrad, and Washer (project 2)	$843,927	$100,000
Steam Generators	$750,000	$100,000
Downsizing old boilerhouse	$500,000	$100,000
Pharmacy Pyxis	$297,639	$297,639
Replace Hand and Guard Rails for ED and OR	$260,896	$260,896
Upgrade the Panic Alarm System	$150,000	$150,000
Medical Air Pump 3rd	$129,991	$129,991
Fire System Tie-in to PBX	$45,000	$45,000
Nurse Call Ugrade	$17,798	$17,798
Grand Total	**$5,959,127**	**$1,405,765**

ALAMEDA HEALTH SYSTEM

FY22 Proposed Capital Budget

(In Thousands: Page 3 of 3)

Description	Proposed Capital Budget	FY22 Cash Flow
Infrastructure Facilities	**$2,523,317**	**$1,648,317**
Heating Boiler Replacement	$950,000	$275,000
Roof replace - Remaining Roof	$250,000	$250,000
Decomissioning old Kitchen / MM Renovation	$250,000	$200,000
ED New Roof	$200,000	$50,000
E2 Dental Clinic Relocation Design and Architectural Only	$200,000	$200,000
Replacement of K6 Carpeting	$175,000	$175,000
Baseboard Replacement for K6 and K7	$100,000	$100,000
Pharmacy Carpet	$74,992	$74,992
Elevator Upgrades	$60,000	$60,000
ED Waiting Flooring	$50,000	$50,000
Replace Door Hinges	$50,000	$50,000
Lab DI Water - Backup	$44,000	$44,000
E2 Admin Office Install New Data Ports and more space for Att	$35,000	$35,000
Highland Dental Clinic GPR Residential Cleanout	$35,000	$35,000
Security System Buildout for K3 Highland Pharmacy	$29,325	$29,325
Automatic Door Install	$20,000	$20,000
Infrastructure IT	**$4,784,090**	**$4,784,090**
Rover (Nursing)	$2,761,588	$2,761,588
Storage Refresh FY22	$613,500	$613,500
Network Refresh FY22	$471,686	$471,686
Desktop Refresh FY22	$301,920	$301,920
ServiceNow - ITSM	$250,000	$250,000
Security Monitoring Solutions FY22	$144,496	$144,496
Server Refresh FY22	$93,500	$93,500
IS PMO Tool	$75,000	$75,000
PACS Cube replacements	$43,900	$43,900
Syngo Plaza License Expansion	$28,500	$28,500
New Strategic / ROI	**$4,899,298**	**$2,699,649**
Epic Beacon	$2,757,298	$1,378,649
Kronos Workforce Dimensions FY22	$1,121,000	$1,121,000
ERCP/EUS	$1,021,000	$200,000
Grand Total	**$12,206,705**	**$9,132,056**

ALAMEDA HEALTH SYSTEM

CITY OF ALAMEDA HEALTH CARE DISTRICT

DATE: June 14, 2021
TO: AHCD Board of Directors
FROM: Tracy Jensen

BOARD OF TRUSTEES UPDATE

The AHS board is at 9 members with the addition of new member Mark Friedman. Mark is currently the CEO of Eden Health District, and he has extensive background in Alameda County public policy and programs.

In the coming months the Alameda County Board of Supervisors is expected to determine a new governance structure for Alameda Health System. In response to leadership and fiscal challenges the Supervisors are likely to make legal changes to establish more direct oversight. The Joint Powers Agreement between Alameda Health System and Alameda Healthcare District should not be impacted by the governance change.

At the April AHS board meeting Debi Stebbins and Mike Williams gave a presentation about the JPA and answered questions about the future of Alameda Hospital. The AHS board felt that there were opportunities for new services in Alameda, but that a marketing survey and community input was necessary. The board supported the proposal by AHCD ED Stebbins and AHS COO Mark Fratzke to establish a new joint AHS/AHCD Alameda Hospital Strategic Planning Committee.

SYSTEM UPDATES

The AHS CEO is implementing a flattened organizational structure that will establish an Administrative Officer for Alameda and San Leandro Hospitals that reports directly to the COO. This structure will prioritize decision-making for the acute care sites and eliminate some duplication.

AHS General Counsel Mike Moye retired in May 2021. Associate General Counsel Ahmad Azizi will serve in the role of Acting General Counsel.

The AHS Chief Quality Officer Dr. Tanvir Hussain is leaving AHS for a new position. Dr. Hussain established effective teams to identify structural changed necessary to respond to accreditation shortcomings. Under Dr. Hussain's leadership new standards were developed to ensure the highest quality patient care.

City of Alameda Health Care District	**Minutes of the City of Alameda Health Care District Community Advisory Committee- Held via ZOOM** Open Session Thursday, May 20, 2021

Members Present:	Also Present	Absent
Gayle Codiga, Stewart Chen, Madlen Saddik, Jeff Cambra Tony Corica, Doug Biggs, Jim Oddie, Verna Castro, Amos White	Debi Stebbins, Leta Hillman	Lena Tam, Ross Peterson

Submitted by: Leta Hillman, Executive Assistant

Topic	Discussion	Action / Follow-Up
I. Call to Order	The meeting was called to order at 4:10PM	
II. Roll Call	Roll call completed and recorded	
III. General Public Comments	No public comments	
IV. Regular Agenda		
1) The Role and Purpose of the Advisory Committee	Debi Stebbins, Gayle Codiga Stewart Chen. - Director Chen provided an overview of the goals and purpose of the committee: strategic planning with AHS, programming and development. To be ambassadors to the general public. - Gayle Codiga thanked every member for agreeing to serve - Debi Stebbins asked each member to introduce themselves and to describe their connection to Alameda.	
2) Alameda Hospital Today	Debi Stebbins -Debi provided an orientation of the Alameda Health System, to include several historical photos of the original AHS system buildings. Alameda Hospital history, Formation of the Alameda Health District, District Strategic Planning from 2007-2012, District Search for Affiliation Partner, AHS Vision in 2013, District Affiliation with AHS (responsibilities of the District, AHS and Joint)	

DRAFT

		Planning in 2018 and 2019: in 2019, the AHS Board committed to completion in 2020 of seismic retrofit upgrades and the formation of the Joint AHS-District Seismic Planning Committee. Through this committee, Ratcliff, a local architectural firm submitted a proposal to comply with the 2020 Seismic retrofit to include: renovating hospital functions into the South Wing. The consulting firm Kaufman Hall provided a projection of proposed health care needs for 2029, to include: acute care bed needs and the contribution of Alameda Hospital to the AHS system. The total estimated fees are approximated at $200 million. A comparison of patient admission statistics between 2019-2020 and 2020-2021 was provided: average patient admissions were lower than in previous years. Long term care beds were successfully managed, mainly due to COVID-19. Average admission wait times have been reduced. AHS and District Collaboration: - 25% of acute care patients are transfers from Highland Hospital - Long Term Care at Alameda Hospital is at capacity (174 beds) and has a 5 star rating by the State of California. - Capacity remains to do more surgeries and the Stroke, Subacute and Wound Care programs are highly rated. - The EPIC (electronic medical records system) was successfully implemented at Alameda Hospital in 2019. Debi Stebbins explained the Acute Care system requirements of The Joint Powers Agreement and the parcel tax legislation. The role of acute care has changed due to surgical/technological advances that are now completed on an out-patient basis. Many surgeries are now performed on an out-patient basis
3) Review of the SB 1953 Seismic Requirements		Debi Stebbins provided historical background to the SB 1953 Bill (Seismic Compliance and Safety). The bill was passed in 1994 with a first deadline of 2008, later extended to 2020 and a second deadline of 2030. Alameda Hospital is on target to meet the deadline in October 2021 at a cost of $25 million. Improvements include a new kitchen that supports acute care following a seismic event. The 2030 deadline includes: - requirements designed to allow continued system operations following a seismic event. Presently, 31% of California hospitals have non-compliant beds and in 2019, 22% are in financial distress which could increase to 40% after a seismic event. - Compliance with 2030 standards are estimated to cost between $40-$140 bilion (2019 study). Some hospitals will be able to retrofit and others will require new construction. Construction costs in California are 40% higher than in other states. Any retrofits also require that all facility spaces be aligned and compliant with all regulations. - The SB 1953 bill was passed as an unfunded mandate. Smaller hospitals and

DRAFT

		systems are challenged to secure funding. - The “South Wing”, the newest wing at Alameda Hospital is seismically compliant though the adjacent buildings are not. The plan is to place diagnostic functions: Emergency Department and 25 acute care beds in the South Wing and retain 35 sub-acute beds in a non-compliant wing. The estimated cost is $200 million, of which $120 million is construction costs only. - Current advocacy in discussion: - extend the deadline, exempt certain hospitals (located in rural areas), locate public funding, limit funding to only essential services (emergency departments). Group Discussion: What is the status on federal funding available to public hospitals? Supplemental hospital funding has been reduced. Status of the Joint AHS-District Seismic Committee: The prior committee was disbanded due to changes last year in the AHS Board leadership. There are plans to reinstate the committee.
4) Future Meeting Dates		-Confirmed that the 4:00pm time works for everyone.
5) Group Discussion		- Feedback on program development at Alameda Hospital and what services would help the local community - District website updates: replace with more recent audit documents - Promoting the Wound Care Center - If any committee member requests additional background documentation, contact the District office.
V. Adjournment		There being no further business, the meeting was adjourned at 5:30pm

Approved: _____

DRAFT

June 14, 2021

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

From: Deborah E. Stebbins
Executive Director

SUBJECT: EXECUTIVE DIRECTOR REPORT

1. Advocacy for Amending SB 1953 2020 Requirements:

Attached is a draft of a position paper on the state of the impact of the current 2030 seismic requirements set forth by SB 1953 on Alameda Hospital and the need to amend these regulations not only due to its impact on health care in Alameda but also on the availability of health care throughout the State and its financial impact on the hospital industry.

I am proposing that the Board review this in advance of the June 14, 2021 Board meeting and be prepared to discuss and amend the document as appropriate. The purpose of the final document would be to educate and advocate for an amendment to the current regulations as we talk to community groups, elected officials in concert with our associations over the next few months.

2. District Support for Alameda Community Paramedicine Program

The District support of the Alameda Community Paramedicine Program for the next year begins in July, 2021. I have discussed the need to improve communications between the AHS staff and the paramedicine staff at the Alameda Fire Department in order to improve the outcome of the original program objectives, namely to reduce readmissions and utilization in the Emergency Department and improve patient outcomes at Alameda Hospital by frequent users and the at risk residents. The first meeting of a multidisciplinary group of representatives of the Fire Department and staff at AHS and Alameda Hospital will take place on June 10, 2021 and focus on ways to evaluate and improve the effectiveness of the program.

3. Alameda Hospital Strategic Planning Committee

At the AHS Board retreat in April, 2021, the System Board decided to form two committees to conduct strategic planning at Alameda Hospital and San Leandro Hospitals respectively. The Alameda Hospital Strategic Planning Committee will be composed of the following members, with Gayle Codiga serving as chair. This Committee will continue the work of the Joint AHS-District Seismic Planning Committee that concluded its work at the time of the leadership transition of the Board of Trustees and management staff at AHS.

Gayle Codiga, AH Board Member (Committee Chair)

Gerry Beaudin, Alameda Assistant City Manager
Luisa Blue, AHS Board Member
Tracy Jensen, AHS/ AHS Board Member
Kimberly Miranda, AHS CFO
Catherine Pyun, DO
James Yeh, DO

Staff:
Mark Fratzke, AHS COO
Debi Stebbins, Alameda Health Care District Executive Director

Committee Support:
Leta Hillman, Executive Assistant

The first meeting of this committee is scheduled for June 21, 2021. Mark Fratzke and I will share the responsibility of staffing the Committee. Since there is likely to be potential overlap in the future program opportunities at Alameda Hospital and San Leandro Hospital Mark is a member of both committees and will help ensure coordination of planning efforts. In addition to keeping the District Board informed on this committee's progress, Dr. Chen and I will ensure the progress of the Strategic Planning Committee's work is shared regularly with the new District Community Advisory Committee.

4. District Community Advisory Committee

The first meeting of the Community Advisory Committee co-chaired by Stewart Chen, DC and Gayle Codiga was held on May 20, 2021. We reviewed a history of Alameda Hospital, its relationship with AHS and current issues facing the Hospital, including the challenges of meeting the 2030 seismic standards. The minutes of the meeting are included in our Board agenda (Item C.1.d). Members of the Committee include:

Stewart Chen, DC (Committee Co-Chair)
Gayle Codiga, AH Board Member (Committee Co-Chair)

Doug Biggs, Alameda Point Collaborative, Executive Director
Tony Corica, AH Foundation, President
Madlen Saddik, Alameda Chamber of Commerce, Executive Director
Lena Tam, AH Foundation Board Member
Amos White, Entrepreneur
Jim Oddie, Alameda City Council
Jeff Cambra, Alameda Rotary Club, President
Verna Castro, Inafa' maolek, Executive Director
Ross Peterson, Former AHS Board Member

June 14, 2021

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

From: Debi Stebbins
Executive Director

RE: Position Paper on SB 1953 Seismic Requirements for 2030

The following position paper on the SB 1953 seismic requirements for 2030 are presented for discussion, modification, and eventual adoption by the Board of Directors for use in our advocacy efforts in the community, various stakeholders and with elected officials.

Introduction:

Alameda Hospital faces the challenge of compliance with the seismic requirements effective in 2030 imposed by SB 1953, the legislation that has guided hospital seismic guidelines for almost 30 years. The construction requirements for Alameda Hospital to meet these standards are estimated to cost at least $200 million and are likely to result in significant disruption in hospital services for several years. Unless the current requirements of SB 1953 are amended, Alameda Hospital could be one of many California hospitals that is threatened with closure. The Board of Directors of the City of Alameda Health District believes these requirements need to be reassessed and amended to avoid a drastic loss of hospital capacity in the State and health care services in Alameda.

The content of this background paper draws extensively on a 2019 RAND study that evaluated California 2030 seismic standards, including the cost of compliance, the affordability of the legislation for hospitals, and possible policy alternatives to reshape the future implementation of SB 1953. The purpose of this paper is to inform the community of Alameda, the AHS community and our elected officials of the impending crisis in health care delivery imposed by SB 1953 and to urge exploration of alternatives to current legislation.

Background of Legislation:

SB 1953 was enacted in wake of Northridge earthquake of 1994 which resulted in total collapse or severe damage to several area hospitals. SB 1953 established deadlines for ensuring life safety as well as continued operation after a seismic event. A first set of deadlines under the law, (originally 2008, later extended to 2020) were intended to prevent total collapse of hospital facilities. At Alameda Hospital, Alameda Health

System will complete a retrofit project to comply with 2020 seismic standards this year at a cost of over $25 million.

SB 1953 calls for a higher level of seismic retrofit, including bracing and anchoring equipment, utilities, and services, by 2030 that is designed to enable hospitals to continue to provide acute and critical care services after a seismic event.

The 2030 standards will require significant capital financial expenditures for California hospitals, made more overwhelming in the wake of financial burdens imposed by the COVID 19 pandemic. In some cases this may cause hospitals to defer other capital investments which are vital in the face of changes in the health delivery system and technological advances. Capital also becomes unavailable or operational improvements that could benefit hospital operations, service enhancements and the health and wellness of Californians.

Summary of Seismic Requirements at Alameda Hospital:

In 2019-2020, the City of Alameda Health Care District completed two studies which inform the manner in which Alameda Hospital responds to the seismic requirements in 2030.

The first study shows that the need for acute care beds in Alameda by 2029 may be reduced to the current licensed acute bed capacity of 80 beds to 25 beds. In addition, the emergency department is projected to continue to serve about 18,000 patients a year, including 1000 ambulance visits by the Alameda Fire Department Paramedic Program.

The Emergency Department at Alameda Hospital is a critical service to the Alameda community which as an island with four points of access/egress from Oakland is highly vulnerable to isolation from the rest of the East Bay in the event of a natural disaster or even frequent traffic congestion. The potential of limiting services in the future to just the emergency department has been considered; however, California law, unlike licensure codes in other States, California requires that emergency departments cannot be licensed independently from acute care beds.

The District conducted a second architectural assessment of the buildings that comprise Alameda Hospital in 2019 that show that the newest building on campus (known as the South Wing, built in 1983) is compliant with the 2030 seismic standards and could accommodate the 25 acute beds that are needed in 2029..

However the seismic regulations require that all the functions required to support the acute beds and the emergency department would need to be relocated from non-compliant buildings into the South Wing. The 2019 architectural review concluded that the cost of relocating the services necessary to support the emergency department and associated acute beds could cost $200 million or more.

The duration of construction and sequencing of relocation of departments necessary to complete this project would be highly disruptive to continuing services to the community while the project was underway. In some cases, services might be shut down or unavailable to the community for an extended time. It is highly unlikely that the District or Alameda Health System could raise the funds necessary to complete such a project before 2030. In addition, the commitment of that level of capital would definitely compromise the ability of the System to commit the capital investments necessary for other important upgrades to necessary equipment, technology and new services.

For these reasons, the Alameda community is in danger of losing the health care resources necessary to meet community need by 2030.

Financing the 2030 seismic requirements in California:

The challenge of securing funding for the seismic requirements is not limited to Alameda but in fact is a statewide challenge – one that may be an impending disaster for the health industry in California.

The RAND study concluded that the total cost of compliance with 2030 standards will be in the range of $40 billion to $140 billion. This significant range is based on whether hospitals can retrofit existing structures or be required to build entirely new facilities. Construction costs in California are about 40% higher than in other states in part due to the seismic requirements. In addition, new construction necessitates bringing hospitals up to code in all other respects, such as square footage requirements per bed and complete ADA compliance. For all these reasons, seismic upgrades for hospitals far outstrip the cost of upgrades to other areas of state infrastructure.

31% of California hospital beds are associated with non-compliant hospitals that have either the potential for financial distress or already have severe financial distress.

The RAND study states that currently about 22% of California hospitals are in some degree of financial distress; this estimate is no doubt understated in the wake of extraordinary lost revenue and greater expenses at hospitals during the pandemic. The 2030 seismic burden could increase the percentage of hospitals in financial distress to 40% or more.

When SB 1953 was enacted, it was an unfunded mandate for hospitals. Unlike seismic upgrades to other parts of California infrastructure (e.g. highways, school safety, public utilities) that are financed through public funding or bond measures, hospitals are faced with meeting the entire burden of compliance with seismic standards and on an up-front basis. The public does not participate even indirectly in funding these requirements since hospitals are generally unable to pass along the financing these investments under the current payor structure.

There is significant unevenness in the ability of a given hospital or hospital system to afford the significant capital investment required to meet the 2030 seismic standards. Critical access, public, academic and high MediCal hospitals are disproportionately affected by both seismic requirements and financial distress.

While, public hospitals owned by city or County governments or by universities in some cases have an option for raising capital via bonds or general fund tax revenue, District hospitals such as Alameda Hospital usually do not have such funding sources.

Summary:

The City of Alameda Health Care District and AHS strongly urge consideration of a number of amendments to the implementation of SB 1953 which will avert a health care crisis in many California hospitals, including those serving the most vulnerable and underserved. Some of these alternatives were raised in the 2019 RAND study; others are actively being advocated by industry associations such as the California Hospital Association (CHA) and the Association of California Health Care Districts (ACHD). They include:

- Extending deadlines for compliance with the current requirements beyond 2030
- Identifying sources of public funding in lieu of or to augment private capital investment
- Exemption of certain facilities from seismic upgrades, notably smaller hospitals or those in critical access areas
- Limiting seismic upgrades to only certain portions of a hospital's operations, such as the emergency department, in order to demonstrate a hospital's ability to stay in operation for a limited time period (e.g. a few days) following an earthquake until patients can be safely relocated to another operating facility.
- Exploration of loosening licensure requirements to allow for micro hospitals or freestanding emergency departments in California that both protect public safety but will not entail that immense capital investment required by the current law.

Finally, in the almost 30 years since SB 1953 was passed, the model of health care delivery and the role of acute hospitals in that system has evolved**.** The demand for acute care beds has given way to an increased emphasis on outpatient services as result of changing technology, development of new drugs and consumer expectations. Some of these trends were further impacted over the last year and half by the pandemic. For all these reasons, the optimal allocation of capital investment between inpatient and outpatient care is unclear and needs more evaluation before SB 1953 requirements for 2030 are implemented in their current form.

City of Alameda Health Care District			**Minutes of the City of Alameda Health Care District Board of Directors- Held via ZOOM** Open Session Monday, April 12, 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 5:40pm by President Michael Williams	
II. Roll Call	Roll had been called prior to the start of the closed session. A quorum of Directors was present.	
III. General Public Comments	No public comments	
V. Regular Agenda		
A. YTD AHS Reporting		
1)	-The Seismic Project is proceeding on schedule, $13 million has been spent so far. The new kitchen is scheduled to open mid-June 2021 with new equipment. A zoom meeting has been scheduled for 4/19 to address noise and other concerns brought up by neighbors living in the area of Alameda Hospital. - Transfers to AH from October 2019-March 2021: The majority are from Highland Hospital, remaining from San Leandro into the Telemetry and Med-Surgery units. - Alameda Hospital is preparing for the Joint Commission Survey and has hired a consulting firm, starting with a mock survey in May. Executive Leadership is meeting with Alameda Hospital leaders weekly to walk through all areas needing improvement. - Dr. Robert Deutsch pointed out that many of the transfer patients are typically very ill, including COVID-19 patients. Some of these patients are placed in the ICU. Dr. Deutsch asked if it is possible to track these patients. Mark Fratzke agreed to include this data at future meetings.	Mark Fratzke, Interim COO

DRAFT

			- Debi Stebbins asked if these transfers are impacting the wait time in Highland Hospital's Emergency Department.	
		2)	- Data was presented through January 2021. The data scores are reviewed and discussed with each unit on how scores can be improved. - "Rate The Hospital" increased slightly in January, though not meeting goal - "Doctors Treat with Respect and Courtesy" and "Call Light Responsiveness" are meeting goals - "Nurses Treat with Courtesy and Respect" shoed a slight decrease ACTION PLAN: - Standards: GIFT is the service standard - Build Organization Knowledge by implementing patient experience boot camps - Daily Work: Leaders to integrate patient experience into daily work practices - Post and discuss patient data with staff, data sharing at physician and staff departmental meetings, ED Patient Experience Council, implement SMILE board (safety, metrics, issues, logistics and encouragement) - Care Transition Managers: Focus on IROUNDS to support PRIME. - Tracy Jensen asked if in the future similar data metrics from the other AHS hospitals can be presented in comparison. Ronica Shelton will provide this information at future meetings.	Ronica Shelton, VP Patient Care Services
		3)	BUDGET GOALS AND PRINCIPLES (standards) - The main goal is to have a break-even operating margin in FY 2022. The Budget Oversight Committee meets at a minimum once a week. The committee executes the goals established by The Board of Trustees, develops and approves volume, labor, and contracts, oversees cost center review determines strategic alignment and operational improvements. Its' membership includes the CFO, COO, CFO, CMO and CHMO. CURRENT FINANCIAL STATUS - $99 million short of break-even - Review and Cost Saving Measures to include: overtime management, length of stay management, staff flex and labor, contract negotiations, vacancies, out of network HPAC. FEBRUARY FINANCIALS, YTD - In-Patient volume remains at decreased levels (11%) and Clinical Volumes are at 5% below budget. - Net income loss of $27 million, driven by operating revenue, running about 5% below budget, and operating expense is at budget. EXPENSES -$1 million under budget, tracking on budget. Due to COVID-19, departments were unable to staff down. In addition, labor costs are higher due to COVID-19 leave up to 3 months for qualifying staff. - Strike coverage was $10.4 million, physician wages are slightly higher than budget. AR BILLING - AR days are at 61.3. Cash collections were very high in March 2021	Ann Metzger, AHS VP of Finance

DRAFT

			LINE OF CREDIT - AHS is running below the threshold ($68.5 million). For 2021, AHS is expected to be in compliance with the line of credit requirements. CAPITAL EXPENDITURES - $60.8 million was approved, $13.1 million has been processed, which is below plan - Items scheduled for improvements include: equipment and information systems purchases and facility/building improvements. CARES ACT FUNDING - AHS is currently evaluating the CARES Act documentation and lost patient revenue.	
B.	Alameda Hospital Medical Staff Update			
		1)	Dr. Pyun provided a brief overview of her background as a hospitalist - The nursing and physician staffs collaborated during the January-February 2021 COVID-19 surge. The majority of the staff has been vaccinated (Johnson & Johnson and Pfizer vaccines) - Telemedicine: Telecardiology has been implemented on the weekends. Neurology consults are currently scheduled on video. Families of patients are called daily and given updates as families are not able to visit patients and talk to physicians in person.	Dr. Catherine Pyun, Chief of Medical Staff
C.	District & Operational Updates			
		1)	District Liaison Reports	
			President's Report: No items to report Met with the Mayor and Vice-Mayor of Alameda to discuss seismic updates.	Michael Williams No action taken
			b. AHS Board Member Luisa Blue met with Tracy Jensen and Debi Stebbins in January and toured Alameda Hospital, viewing the status of the current construction. AHS has scheduled a Board Retreat for April 30, 2021. Dr. Mini Swift and Mark Fratzke discussed how best to provide post-acute care to discharged patients with chronic conditions, a follow-up meeting is scheduled. AHS CEO James Jackson has begun visiting all clinical sites. AHS Chief HR Officer Tony Redmond resigned in March; Lorna Jones has been brought in to serve as interim CHRO.	Tracy Jensen No action taken.
			c. Project to reinstitute EPIC charting- helps nurses and physicians communicate more effectively. COVID-19 patients are still being admitted (the care is extremely labor intensive). Patients are now being vaccinated consistently (including transfers from Highland), essential workers, younger residents. Dr. Deutsch mentioned that there remains an unawareness regarding the vaccine and that Alameda Hospital patients are not being consistently vaccinated.(mainly younger, essential workers). Stewart Chen asked if The District can distribute a statement reminding Alameda city residents to get vaccinated, stressing the safety and effectiveness of the vaccines.	Robert Deutsch, MD No action taken

DRAFT

			d. Executive Director Report: 1. Efforts to set up an additional vaccine site in Alameda were not realized, due to the county's distribution effort in other areas of the county. The vaccine site at The Oakland Coliseum was successful. 2. CA. Hospital Association (CHA) and Association of CA. Health Districts (ACHD) are looking at the Seismic standards. Debi remains in contact with both organizations to follow the progress on the lobbying efforts to amend the terms and timeframe of the 2030 standards. Debi is a member of the ACHD group that is working on seismic strategy. CHA has taken the lead on these advocacy efforts. ACHD's talking points and priorities are listed here: * extension of the compliance deadline by as much as 10 years * limit the requirements to show ability to sustain certain services (e.g. ED) for a specific period of time after a major seismic event * exemption of certain institutions, like single story acute structures (which include many California Critical Access Hospitals (CAH) * Streamlining OSHPD Approval processes in order expedite approvals and avoid increasing capital costs due to prolonged approval processes * Seek State funding for what heretofore has been an unfunded mandate for California hospitals. - There has been discussion to restart the Joint Seismic Planning Committee	Deborah Stebbins No action taken
			e. Joint Seismic Planning Committee Report: no report or updates	Gayle Codiga and Tracy Jensen
D.	Consent Agenda			
		1)	Acceptance of Minutes of February 22, 2021 District Board Meeting	A motion was made, seconded and carried to approve the minutes of the board meeting of February 22, 2021
		2)	Acceptance of Financial Statements for January and February 2021	A motion was made, seconded and carried to accept the financial statements
E.	Action Items			

DRAFT

		1)	Approval of Recommendation on Distribution of Jaber Funds to Support AHS Capital Equipment Expenditures. There will be a total of $117,000 in available funds. The money is set aside and awaiting a decision in June when the use of the funds is available from AHS staff.	Debi Stebbins A motion was made, seconded and carried to postpone discussion until the June Board Meeting as a decision on equipment has not been reached.
		2)	Community Advisory Committee Update - Debi Stebbins and Director Chen presented a list of potential members. The goal is to enable the committee members to open a dialogue and inform the public of several issues that the District is facing. The first few meetings will be mainly informational and their input will be critical to the group's success. The meetings will be open to the public, will be recorded and posted to the District's website. The invitation letters will be sent and responses collected. - the members are stakeholders Dr. Deutsch asked about the diversity make-up of the group. An invitation was extended to Amos White, an Alameda entrepreneur and member of the African American community. Gayle Codiga agreed to assist Stewart Chen as Committee Co Chair.	Stewart Chen A motion was made, seconded and approved for the creation of this new board and to include sending invitation letters.
		3)	Proposed FY 2021-2022 District Priorities Dr. Deutsch suggested an addition: AHS to provide full medical and surgical programs and services. AHS will provide advance full disclosure if changes are made to programs and services. Tracy added: The Community Advisory Committee of AHS can assist.	Debi Stebbins A motion was made, seconded and approved. Debi will amend the priority list based on Dr. Deutsch's suggestions.
		4)	Review of FY 2021-22 Operating Budget and Jaber Properties	Debi Stebbins A motion was made, seconded and approved to accept the operating budgets for the Operations and Jaber properties.
	F.	June 14, 2021 Agenda Preview		
		1)	Acceptance of April 12, 2021 Minutes	

DRAFT

		2)	Acceptance of March 2021 and April 2021 Financial Statements	
		3)	Approval of Recommendation on Distribution of Jaber Funds to Support AHS Capital Equipment Expenditures	
		4)	Executive Director evaluation process	
		5)	Alameda Hospital Joint Commission Survey Results	
		6)	Authorization of the parcel tax collection	
		7)	Drafting a resolution to post to District web site in support of the local Asian community	
		8)	Discussion: The Board members shared a preference to continue using the Zoom meeting format at the present time.	
		Information Items:		
		1)	YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)	

VI.	**General Public Comments**		None
VII.	**Board Comments**		None
VIII.	**Adjournment**		There being no further business, the meeting was adjourned at 7:25pm

Approved: _____

DRAFT

CITY OF ALAMEDA
HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

March 1-31, 2021

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT	As of 6/30/2020	As of 3/31/2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,212,789	$ 2,817,639
Grant and other receivables	298,418	1,456,677
Prepaid expenses and deposits	6,627	37,824
Total current assets	1,517,834	4,312,140
Assets limited as to use	646,751	762,481
Capital Assets, net of accumulated depreciation	2,623,684	2,490,148
	4,788,269	7,564,769
Other Assets	5,229	3,548
Total assets	$ 4,793,498	$ 7,568,317
Liabilities and Net Position		
Current liabilities:		
Current maturities of debt borrowings	$ 34,421	$ 34,421
Accounts payable and accrued expenses	10,090	6,500
Total current liabilities	44,510	40,921
Debt borrowings net of current maturities	877,568	853,561
Total liabilities	922,078	894,482
Net position:		
Total net position (deficit)	3,871,419	6,673,835
Total liabilities and net position	$ 4,793,498	$ 7,568,317

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 3/31/2021	Budget YTD 6/30/2021	Variance	
Revenues and other support					
District Tax Revenues	$ 5,887,501	$ 4,405,605	$ 4,430,480	(24,875)	-1%
Rents	196,841	143,212	155,565	(12,353)	-8%
Other revenues	15,136	-	375	(375)	
Total revenues	6,099,478	4,548,817	4,586,420	(37,603)	
Expenses					
Professional fees - executive director	130,166	90,071	99,165	9,094	9%
Professional fees	124,198	74,826	434,841	360,015	83%
Supplies	5,399	3,115	6,825	3,710	54%
Purchased services	6,350	2,850	10,856	8,006	74%
Repairs and maintenance	23,008	10,569	17,441	6,871	39%
Rents	31,880	21,760	21,348	(412)	-2%
Utilities	10,811	7,078	10,539	3,461	33%
Insurance	59,728	56,031	43,875	(12,156)	-28%
Depreciation and amortization	190,351	142,763	275,268	132,505	
Interest	52,015	37,698	39,000	1,302	3%
Travel, meeting and conferences	9,368	76	11,250	11,175	99%
Other expenses	59,214	48,692	217,220	168,528	78%
Total expenses	702,488	495,527	1,187,627	692,100	
Operating gains	5,396,991	4,053,290	3,398,793	654,497	19%
Transfers	(7,304,490)	(1,250,874)	(2,986,802)		
Increase(Decrease) in net position	(1,907,499)	2,802,416	411,991		
Net position at *beginning of the year*	5,778,919	3,871,419	3,871,419		
Net position at the *end of the period*	$ 3,871,419	$ 6,673,835	$ 4,283,410		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 3/31/2021
Increase(Decrease) in net position	$ (1,907,499)	$ 2,802,416
Add Non Cash items		
Depreciation	190,351	142,763
Changes in operating assets and liabilities		
Grant and other receivables	223	(1,158,259)
Prepaid expenses and deposits	8,649	(31,196)
Accounts payable and accrued expenses	(27,948)	(3,591)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	(1,736,224)	1,752,132
Cash flows from investing activities		
Changes in assets limited to use	78,558	(115,730)
Net Cash used in investing activities	78,558	(123,277)
Cash flows from financing activities		
Principal payments on debt borrowings	(30,257)	(24,007)
Net cash used by financing activities	(30,257)	(24,007)
Net change in cash and cash equivalents	(1,687,923)	1,604,849
Cash at the beginning of the year	2,900,713	1,212,789
Cash at the end of the period	$ 1,212,789	$ 2,817,639

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT	District 6/30/2020	Jaber 6/30/2020	As of 6/30/2020	District 2/28/2021	Jaber 2/28/2021	As of 2/28/2021
Assets						
Current assets:						
Cash and cash equivalents	$ 1,212,789	$ -	$ 1,212,789	$ 2,817,639	$ -	$ 2,817,639
Grant and other receivables	298,418	0	298,418	1,456,677	0	1,456,677
Prepaid expenses and deposits	6,628	(0)	6,627	37,824	(0)	37,824
Total current assets	1,517,834	(0)	1,517,834	4,312,140	(0)	4,312,140
Due To Due From	14,926	(14,926)	0	14,925	(14,925)	0
Assets limited as to use	0	646,751	646,751	0	762,481	762,481
Capital Assets, net of accumulated depreciation	1,695,784	927,900	2,623,684	1,590,298	899,850	2,490,147
	3,228,544	1,559,726	4,788,269	5,917,362	1,647,406	7,564,768
Other Assets	5,229	0	5,229	3,548	0	3,548
Total assets	3,233,772	1,559,726	4,793,498	5,920,911	1,647,406	7,568,317
Liabilities and Net Position						
Current liabilities:						
Current maturities of debt borrowings	34,421	0	34,421	34,421	0	34,421
Accounts payable and accrued expenses	10,090	0	10,090	6,500	0	6,500
Total current liabilities	44,511	0	44,511	40,921	0	40,921
Debt borrowings net of current maturities	877,568	0	877,568	853,561	0	853,561
Total liabilities	922,079	0	922,079	894,482	0	894,482
Net position:						
Total net position (deficit)	2,311,693	1,559,726	3,871,419	5,026,429	1,647,406	6,673,835
Total liabilities and net position	$3,233,772	$1,559,726	$4,793,498	$5,920,911	$1,647,406	$7,568,317

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2020	Jaber 6/30/2020	Actual YTD 6/30/2020	District 2/28/2021	Jaber 2/28/2021	Actual YTD 2/28/2021
Revenues and other support						
District Tax Revenues	5,887,501	0	5,887,501	4,405,605	0	4,405,605
Rents	0	196,841	196,841	0	143,212	143,212
Other revenues	15,136	0	15,136	0	0	0
Total revenues	5,902,637	196,841	6,099,478.27	4,405,605	143,212	4,548,817
Expenses						
Professional fees - executive director	130,166	0	130,166	90,071	0	90,071
Professional fees	115,022	9,176	124,198	67,720	7,105	74,826
Supplies	5,399	0	5,399	3,115	0	3,115
Purchased services	6,350	0	6,350	2,850	0	2,850
Repairs and maintenance	379	22,629	23,008	0	10,569	10,569
Rents	31,880	0	31,880	21,760	0	21,760
Utilities	918	9,892	10,811	209	6,869	7,078
Insurance	55,804	3,924	59,728	56,031	0	56,031
Depreciation and amortization	152,951	37,400	190,351	114,713	28,050	142,763
Interest	52,015	0	52,015	37,698	0	37,698
Travel, meeting and conferences	9,368	0	9,368	76	0	76
Other expenses	55,288	3,926	59,215	45,753	2,938	48,692
Total expenses	615,541	86,947	702,488	439,996	55,532	495,527
Operating gains	5,287,096	109,894	5,396,990	3,965,609	87,680	4,053,290
Transfers	(7,074,714)	(229,776)	(7,304,490)	(1,250,874)	0	(1,250,874)
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)	2,714,735	87,680	2,802,416
Net position at *beginning of the year*	4,099,311	1,679,608	5,778,919	2,311,693	1,559,726	3,871,419
Net position at the *end of the period*	2,311,693	1,559,726	3,871,419	5,026,429	1,647,406	6,673,835

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2020	Jaber 6/30/2020	Actual YTD 6/30/2020	District 2/28/2021	Jaber 2/28/2021	Actual YTD 2/28/2021
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)	2,714,735	87,680	2,802,416
Add Non Cash items						
Depreciation	152,951	37,400	190,351	114,713	28,050	142,763
Changes in operating assets and liabilities						
Grant and other receivables	223	0	223	(1,158,258)	0	(1,158,258)
Prepaid expenses and deposits	4,724	3,924	8,648	(31,196)	0	(31,196)
Due To Due From	0	(0)	(0)	0	0	0
Accounts payable and accrued expenses	(27,947)	0	(27,947)	(3,590)	0	(3,590)
Net Cash provided(used) by operating activities	(1,657,666)	(78,559)	(1,736,225)	1,636,404	115,730	1,752,134
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	0	0	0	(7,547)	0	(7,547)
Changes in assets limited to use	0	78,558	78,558	0	(115,730)	(115,730)
Net Cash used in investing activities	0	78,558	78,559	(7,547)	(115,730)	(123,278)
Cash flows from financing activities						
Principal payments on debt borrowings	(30,257)	0	(30,257)	(24,007)	0	(24,007)
Net cash used by financing activities	(30,257)	0	(30,257)	(24,007)	0	(24,007)
Net change in cash and cash equivalents	(1,687,923)	(0)	(1,687,923)	1,604,850	0	1,604,850
Cash at the beginning of the year	2,900,713	(0)	2,900,713	1,212,789	(0)	1,212,789
Cash at the end of the period	1,212,789	(0)	1,212,789	2,817,639	(0)	2,817,639

CITY OF ALAMEDA
HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

April 1-30, 2021

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT	As of 6/30/2020	As of 4/30/2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,212,789	$ 5,413,873
Grant and other receivables	298,418	(0)
Prepaid expenses and deposits	6,627	38,287
Total current assets	1,517,834	5,452,160
Assets limited as to use	646,751	768,726
Capital Assets, net of accumulated depreciation	2,623,684	2,474,472
	4,788,269	8,695,358
Other Assets	5,229	3,362
Total assets	$ 4,793,498	$ 8,698,719
Liabilities and Net Position		
Current liabilities:		
Current maturities of debt borrowings	$ 34,421	$ 34,421
Accounts payable and accrued expenses	10,090	6,500
Total current liabilities	44,510	40,921
Debt borrowings net of current maturities	877,568	850,770
Total liabilities	922,078	891,691
Net position:		
Total net position (deficit)	3,871,419	7,807,029
Total liabilities and net position	$ 4,793,498	$ 8,698,719

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 4/30/2021	Budget YTD 6/30/2021	Variance	
Revenues and other support					
District Tax Revenues	$ 5,887,501	$ 5,587,564	$ 4,922,756	664,808	14%
Rents	196,841	158,741	172,850	(14,109)	-8%
Other revenues	15,136	-	417	(417)	
Total revenues	6,099,478	5,746,304	5,096,023	650,282	
Expenses					
Professional fees - executive director	130,166	101,154	110,183	9,029	8%
Professional fees	124,198	87,402	483,157	395,754	82%
Supplies	5,399	3,115	7,583	4,468	59%
Purchased services	6,350	2,850	12,063	9,213	76%
Repairs and maintenance	23,008	11,029	19,378	8,349	43%
Rents	31,880	21,760	23,720	1,960	8%
Utilities	10,811	8,927	11,710	2,783	24%
Insurance	59,728	63,048	48,750	(14,298)	-29%
Depreciation and amortization	190,351	158,626	305,853	147,228	
Interest	52,015	41,763	43,333	1,571	4%
Travel, meeting and conferences	9,368	76	12,500	12,425	99%
Other expenses	59,214	60,072	241,355	181,283	75%
Total expenses	702,488	559,822	1,319,586	759,764	
Operating gains	5,396,991	5,186,483	3,776,437	#######	37%
Transfers	(7,304,490)	(1,250,874)	(3,318,669)		
Increase(Decrease) in net position	(1,907,499)	3,935,609	457,768		
Net position at *beginning of the year*	5,778,919	3,871,419	3,871,419		
Net position at the *end of the period*	$ 3,871,419	$ 7,807,028	$ 4,329,187		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2020	Actual YTD 4/30/2021
Increase(Decrease) in net position	$ (1,907,499)	$ 3,935,609
Add Non Cash items		
Depreciation	190,351	158,626
Changes in operating assets and liabilities		
Grant and other receivables	223	298,418
Prepaid expenses and deposits	8,649	(31,660)
Accounts payable and accrued expenses	(27,948)	(3,590)
Accrued payroll and related liabilities	-	-
Net Cash provided(used) by operating activities	(1,736,224)	4,357,403
Cash flows from investing activities		
Changes in assets limited to use	78,558	(121,975)
Net Cash used in investing activities	78,558	(129,521)
Cash flows from financing activities		
Principal payments on debt borrowings	(30,257)	(26,798)
Net cash used by financing activities	(30,257)	(26,798)
Net change in cash and cash equivalents	(1,687,923)	4,201,084
Cash at the beginning of the year	2,900,713	1,212,789
Cash at the end of the period	$ 1,212,789	$ 5,413,873

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT	District 6/30/2020	Jaber 6/30/2020	As of 6/30/2020	District 4/30/2021	Jaber 4/30/2021	As of 4/30/2021
Assets						
Current assets:						
Cash and cash equivalents	$ 1,212,789	$ -	$ 1,212,789	$ 5,413,873	$ -	$ 5,413,873
Grant and other receivables	298,418	0	298,418	(0)	0	(0)
Prepaid expenses and deposits	6,628	(0)	6,627	38,287	(0)	38,287
Total current assets	1,517,834	(0)	1,517,834	5,452,160	(0)	5,452,160
Due To Due From	14,926	(14,926)	0	14,925	(14,925)	0
Assets limited as to use	0	646,751	646,751	0	768,726	768,726
Capital Assets, net of accumulated depreciation	1,695,784	927,900	2,623,684	1,577,738	896,733	2,474,471
	3,228,544	1,559,726	4,788,269	7,044,823	1,650,534	8,695,357
Other Assets	5,229	0	5,229	3,362	0	3,362
Total assets	3,233,772	1,559,726	4,793,498	7,048,185	1,650,534	8,698,719
Liabilities and Net Position						
Current liabilities:						
Current maturities of debt borrowings	34,421	0	34,421	34,421	0	34,421
Accounts payable and accrued expenses	10,090	0	10,090	6,500	0	6,500
Total current liabilities	44,511	0	44,511	40,921	0	40,921
Debt borrowings net of current maturities	877,568	0	877,568	850,770	0	850,770
Total liabilities	922,079	0	922,079	891,690	0	891,690
Net position:						
Total net position (deficit)	2,311,693	1,559,726	3,871,419	6,156,494	1,650,534	7,807,029
Total liabilities and net position	$3,233,772	$1,559,726	$4,793,498	$7,048,185	$1,650,534	$8,698,719

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2020	Jaber 6/30/2020	Actual YTD 6/30/2020	District 4/30/2021	Jaber 4/30/2021	Actual YTD 4/30/2021
Revenues and other support						
District Tax Revenues	5,887,501	0	5,887,501	5,587,564	0	5,587,564
Rents	0	196,841	196,841	0	158,741	158,741
Other revenues	15,136	0	15,136	0	0	0
Total revenues	5,902,637	196,841	6,099,478.27	5,587,564	158,741	5,746,304
Expenses						
Professional fees - executive director	130,166	0	130,166	101,154	0	101,154
Professional fees	115,022	9,176	124,198	79,534	7,869	87,402
Supplies	5,399	0	5,399	3,115	0	3,115
Purchased services	6,350	0	6,350	2,850	0	2,850
Repairs and maintenance	379	22,629	23,008	0	11,029	11,029
Rents	31,880	0	31,880	21,760	0	21,760
Utilities	918	9,892	10,811	209	8,718	8,927
Insurance	55,804	3,924	59,728	63,048	0	63,048
Depreciation and amortization	152,951	37,400	190,351	127,459	31,167	158,626
Interest	52,015	0	52,015	41,763	0	41,763
Travel, meeting and conferences	9,368	0	9,368	76	0	76
Other expenses	55,288	3,926	59,215	50,922	9,150	60,072
Total expenses	615,541	86,947	702,488	491,889	67,932	559,821
Operating gains	5,287,096	109,894	5,396,990	5,095,675	90,808	5,186,483
Transfers	(7,074,714)	(229,776)	(7,304,490)	(1,250,874)	0	(1,250,874)
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)	3,844,801	90,808	3,935,609
Net position at *beginning of the year*	4,099,311	1,679,608	5,778,919	2,311,693	1,559,726	3,871,419
Net position at the *end of the period*	2,311,693	1,559,726	3,871,419	6,156,494	1,650,534	7,807,029

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2020	Jaber 6/30/2020	Actual YTD 6/30/2020	District 4/30/2021	Jaber 4/30/2021	Actual YTD 4/30/2021
Increase(Decrease) in net position	(1,787,618)	(119,882)	(1,907,500)	3,844,801	90,808	3,935,609
Add Non Cash items						
Depreciation	152,951	37,400	190,351	127,459	31,167	158,626
Changes in operating assets and liabilities						
Grant and other receivables	223	0	223	298,419	0	298,419
Prepaid expenses and deposits	4,724	3,924	8,648	(31,660)	0	(31,660)
Due To Due From	0	(0)	(0)	0	0	0
Accounts payable and accrued expenses	(27,947)	0	(27,947)	(3,590)	0	(3,590)
Net Cash provided(used) by operating activities	(1,657,666)	(78,559)	(1,736,225)	4,235,429	121,975	4,357,404
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	0	0	0	(7,546)	(0)	(7,546)
Changes in assets limited to use	0	78,558	78,558	0	(121,975)	(121,975)
Net Cash used in investing activities	0	78,558	78,559	(7,546)	(121,975)	(129,521)
Cash flows from financing activities						
Principal payments on debt borrowings	(30,257)	0	(30,257)	(26,798)	0	(26,798)
Net cash used by financing activities	(30,257)	0	(30,257)	(26,798)	0	(26,798)
Net change in cash and cash equivalents	(1,687,923)	(0)	(1,687,923)	4,201,084	0	4,201,084
Cash at the beginning of the year	2,900,713	(0)	2,900,713	1,212,789	(0)	1,212,789
Cash at the end of the period	1,212,789	(0)	1,212,789	5,413,873	(0)	5,413,873

RESOLUTION NO.2021-1

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

LEVYING THE CITY OF ALAMEDA HEALTH CARE DISTRICT

PARCEL TAX FOR THE FISCAL YEAR 2021-2022

WHEREAS, the Alameda County Local Agency Formation Commission ("LAFCo") resolved on January 10, 2002 to present a ballot measure to the registered voters of the City of Alameda which, if approved, would authorize the formation of the new health care district within the boundaries of the City of Alameda and authorize the District to levy a parcel tax of up to $298.00 on each parcel and possessory interest within the proposed district; and

WHEREAS, on April 9, 2002, over two-thirds of the registered voters of the City of Alameda, who voted that day, voted in favor of creating a health care district authorized to tax each parcel and possessory interest within the district's boundaries in an amount up to $298.00 per year in order to defray ongoing hospital general operating expenses and capital improvement expenses; and

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

WHEREAS, on November 26,2013, Alameda Health System ("AHS") and the District executed a Joint Powers Agreement ("Agreement") pursuant to (i) Chapter 5 (beginning with Section 6500) of Division 7 of Title 1 of the Government Code, authorizing local public entities, including healthcare districts and counties, to exercise their common powers through joint powers agreements, and (ii) Section 14000.2 of the California Welfare and Institutions Code, authorizing the integration of county hospitals with other hospitals into a system of community service; and

WHEREAS, AHS, a public hospital authority created by the Alameda County Board of Supervisors, pursuant to Section 101850 of the California Health and Safety Code, obtained possession, use and control of Alameda Hospital("Hospital") from the City of Alameda Health Care District ("District"), a California health care district organized under the California Local Health District Law, California Health and Safety Code 32000 et seq. effective May 1, 2014 pursuant to the Agreement; and

WHEREAS, pursuant to the Agreement the District agreed to fulfill its mission to serve the health needs of the Alameda City Community by using the parcel tax proceeds to finance the capital needs of Alameda Hospital and the continued operation of its hospital and other health related services; and

WHEREAS, without the levy of a parcel and possessory interest tax in the amount of $298.00, the District's revenue will be insufficient to allow the provision of continued local access to emergency room care, acute hospital care and other important services to protect and promote safety and health of District residents; and

WHEREAS, the District is authorized under Section 53730.01 of the California Government Code to impose special taxes on all real property within its boundaries.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the District hereby levies an annual tax on every parcel and possessory interest within the District's boundaries in the amount of Two Hundred Ninety-Eight Dollars ($298.00) per year (the "Parcel Tax") in order to defray ongoing hospital general operating expenses and capital improvement expenses; provided, however, that parcels or possessory interests that have an assessed value (real property and improvements combined) of less than $30,000 shall be automatically exempt from the Parcel Tax.

PASSED AND ADOPTED on June 14, 2021 by the following vote:

AYES: _____

NOES: _____

ABSENTENTATION: _____

ABSENT: _____

_____
Michael Williams, President

ATTEST:

_____
Tracy Jensen, Secretary

City of Alameda
HEALTH CARE DISTRICT

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: June 14, 2021

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

FROM: Deborah E. Stebbins, Executive Director

SUBJECT: Authorization to Execute Certification and Mutual Indemnification Agreement

---

RECOMMENDATION:

It is recommended that the District Board authorize District Legal Counsel to execute the annual Certification and Mutual Indemnification Agreement between the City of Alameda Health Care District and County of Alameda.

BACKGROUND:

Each year the District Board approves and authorizes the District's Legal Counsel to execute the Certification and Mutual Indemnification Agreement from Alameda County Auditor-Controller Agency (attached). This agreement needs to be executed and returned to the Office of Auditor-Controller by the 2nd week of August 2021. The language is standard and has not significantly changed since 2002.

In 2002, both hospital counsel at the time of the Asset Transfer (Hansen Bridgett) and County Counsel confirmed that the District's Special Assessment does meet the requirements of Proposition 218, which is an updated version of Proposition 13, and that this matter had been thoroughly researched during the due diligence process before Measure A was placed on the April 2002 ballot.

City of Alameda
HEALTH CARE DISTRICT

Certification and Mutual Indemnification Agreement

The CITY OF ALAMEDA HEALTH CARE DISTRICT (hereafter referred to as public agency), by and through its Attorney, hereby certifies that to its best current understanding of the law, the taxes, assessments and fees placed on the 2020/2021 Secured Property Tax bill by the public agency met the requirements of Proposition 218 that added Articles XIIIC and XIIID to the State Constitution.

Therefore, for those taxes, assessments and fees which are subject to Proposition 218 and which are challenged in any legal proceeding on the basis that the public agency has failed to comply with the requirements of Proposition 218; the public agency agrees to defend, indemnify and hold harmless the County of Alameda, its Board of Supervisors, its Auditor-Controller/Clerk-Recorder, its officers and employees.

The public agency will pay any final judgment imposed upon the County of Alameda as a result of any act or omission on the part of the public agency in failing to comply with the requirements of Proposition 218.

The County of Alameda, by and through its duly authorized agent, hereby agrees to defend, indemnify and hold harmless the public agency, its employees, agents and elected officials from any and all actions, causes of actions, losses, liens, damages, costs and expenses resulting from the sole negligence of the County of Alameda in assessing, distributing or collecting taxes, assessments and fees on behalf of the public agency.

If a tax, assessment or fee is challenged under Proposition 218 and the proceeds are shared by both the public agency and the County of Alameda; then the parties hereby agree that their proportional share of any liability or judgment shall be equal to their proportional share of the proceeds from the tax, assessment or fee.

The above terms are accepted by the public agency and I further certify that I am authorized to sign this agreement and bind the public agency to its terms.

CITY OF ALAMEDA HEALTH CARE DISTRICT

Dated: _____

By: _____
(Signature)

_____
(Print Name)

_____
(Print Title)

COUNTY OF ALAMEDA

Dated: _____

By: _____
(Signature)

_____
(Print Name)

President of the Board of Supervisors
County of Alameda, California
(Print Title)

Approved as to form:

_____
Farand C. Kan,
Deputy County Counsel

RESOLUTION NO. 2021-*2*

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

*** * ***

EXTENSION OF SPENDING AUTHORITY

WHEREAS, on April 12, 2021 the District adopted the Fiscal Year Ending June 30, 2022 Operating Budget;

WHEREAS, Per the Joint Powers Agreement (JPA) between the District and Alameda Health System ("AHS") Section 2.2 Parcel Tax Revenue, "*District shall be permitted to withhold and retain, from the Parcel Tax Revenue an amount equal to the reasonable out-of-pocket costs and expenses actually incurred by District for its statutorily required operations, including without limitation expenses of administrative, legal and accounting services, cost of elections, meetings, strategic planning, insurance, administration and collection of the parcel tax, and payment of legal obligations, if any (known or unknown), unrelated to the administration and operation of Alameda Hospital ("District Expenses"); provided, however, that in no event shall the amounts withheld and retained by District in accordance with the foregoing exceed what is reasonably required for such District Expenses during any fiscal year without the prior written approval of AHS*."

WHEREAS, AHS has not provided written approval of the operating budget and has requested to meet with the President of the Board to discuss the details of the Operating Budget;

WHEREAS, it is recommended that the Board of Directors authorize an extension of spending authority through August 31, 2021 at the current FY 2021-2022 operating budget levels;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District, that the District hereby authorizes that, until further action is taken specifying otherwise, the City of Alameda Health Care District will continue to utilize its spending authority approved by the District Board on April 12, 2021 until such time that AHS provides written approval of the operating budget.

PASSED AND ADOPTED on June 14, 2021 by the following vote:

AYES:
NOES:
ABSTENTION:
ABSENT:

_____

Michael Williams
President

_____

Tracy Jensen
Secretary

RESOLUTION NO.2021-3

BOARD OF DIRECTORS, CITY OF ALAMEDA HEALTH CARE DISTRICT

STATE OF CALIFORNIA

* * *

Resolution Denouncing Xenophobia and Anti-Asian American Pacific Islander Sentiment and Condemns Harmful Rhetoric and Racist Acts Arising Due to the Fears of the COVID-19 Pandemic.

WHEREAS, racism and scapegoating toward individuals of Asian American and Pacific Islander (AAPI) heritage have persisted since the 19th century and influenced local policies excluding Chinese and Blacks from purchasing homes in the more desirable neighborhoods, and federal policies including the Chinese Exclusion Act of 1882, which prohibited immigration of Chinese laborers; and

WHEREAS, racist policies continued into the 20th century with the Immigration Act of 1924, effectively banning all immigration from Asia; Executive Order 9066 in 1942, authorizing the incarceration of Japanese Americans during World War II; and others that have impacted Southeast Asian Americans, South Asians, Muslims, and Sikhs, among others; and

WHEREAS, more than 30 percent of Alameda's population is of AAPI heritage, and AAPI individuals serve in elected office, on City staff, and City boards and commissions, and are local business owners and employees; and

WHEREAS, over two million Asian Americans and Pacific Islanders are working on the frontlines of the COVID-19 pandemic in health care, law enforcement, first responders, transportation, supermarkets, and other service industries; and

WHEREAS, the use of disparaging anti-Asian terminology and rhetoric related to COVID-19 has perpetuated anti-Asian stigma; and

WHEREAS, such rhetoric is inaccurate and stigmatizing, tends to incite fear and xenophobia, put individuals of AAPI ancestry at risk of retaliation, and deter them from accessing resources and services, appearing in public, and expressing their identity; and

WHEREAS, AAPI residents of Alameda are increasingly concerned about their safety and well-being, given the rise of racially motivated attacks, hate crimes, and harmful rhetoric; and

WHEREAS, as COVID-19 has spread, numerous AAPI communities have reported experiencing microaggressions, racial profiling, hate incidents, and, in some cases, hate violence, but this number of self-reported hate incidents represents only a small fraction of the number of hate incidents that actually occur; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the City of Alameda Health Care District resolves that

- The City of Alameda Health Care District joins cities, counties, and states and special districts across the country in affirming its commitment to the safety and well-being of citizens, non-citizens and visitors of Asian Pacific ancestry, and to combat racist acts targeting them; and

- The City of Alameda Health Care District denounces xenophobia and anti-AAPI sentiment and condemns harmful rhetoric and racist acts that have arisen during the COVID-19 pandemic; and

- The City of Alameda Health Care District affirms its intent to partner with community-based organizations, as well as other appropriate officials and agencies across the country, to protect AAPI residents and victims of discrimination, and to curb hate acts directed at other groups, including, but not limited to, Black, Latinx, Indigenous, Muslim, Arab, Jewish, and LGBTQ communities, and people with disabilities.

PASSED AND ADOPTED on June 14, 2021 by the following vote:

AYES: _____

NOES: _____

ABSTENTIONS: _____

ABSENT: _____

_____
Michael Williams, President

ATTEST:

_____
Tracy Jensen, Secretary

MEETING DATE: June 14, 2021

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

FROM: Deborah E. Stebbins, Executive Director

SUBJECT: Recommendation and Approval of December 2020 and April 2021 Parcel Tax Installments Transfer to Alameda Health System

---

Action

Recommendation to transfer the December 2020 parcel tax installment and a portion of the April 2021 parcel tax installment to Alameda Health System in the amount totaling $4,398,000 via wire transfer.

Background

The December 2020 parcel tax remittance of $2,937,366. was received on December 15, 2020. In addition, the April 2021 parcel tax installment of $2,638,636 was received on April 15, 2021. The two installments total $ 5,576,002.

I am recommending the District distribute the entire December 2020 installment of $2,937,366 plus a portion of the April 2021 installment for a total distribution of $4,398,000 in June, 2021.

I am recommending that the District hold back $1,000.353 to fund the remaining FY 2021 expenses of the District as well as projected expenses for the first half of FY 2022. This hold-back represents estimates of the balance of the District budgeted expenses for FY 2021 that have yet to be incurred. The total District budgeted expenses for FY 2021 were $1,588,880 which includes $387,024 in non-cash depreciation expense. Note that following the FY 2020 audit but after the FY 2021 budget was finalized there was a substantial re-estimate downward of depreciation for the District. Therefore the actual depreciation for the District is lower than budgeted in FY 2021. Since depreciation is a non-cash expense, this in no way impacts distributions to AHS. Year to date expenses through February 28, 2021 are $499,660; YTD cash expenses (excluding depreciation) is $413,401. The District has a significant favorable variance in cash and total expenses.

FY 2022 expenses in the proposed FY 2022 budget, as approved at the April, 2021 District Board meeting are $1,231012, ($1,110,281 excluding non-cash depreciation) which includes projected consulting fees for 2030 seismic planning.

This proposed distribution of $4,398,000 leaves the District with sufficient cash flow for the remainder of FY 2021 and to cover projected expenses for the first half of FY 2022. ***Funds not used from the District's operating budget will be trued up after the end of FY 2021 and after the annual audit and then transferred to Alameda Health System per the normal procedure.***

Cash Flow Projections – July 2020 – December 2022

Bank Balance as of 6/2/21	5,398,353
December '20and April '21 Install Transfer - Proposed for June 2021 BOD MTG	(4,398,000)
Available Balance after transfer - General Operating Account	$1,000,353

Projected Expenses (May – June 2020)	75,000
FY 2021 Budget Expenses – first six months (July 2020-December 2020)	615,506

As a reminder, parcel tax installments are received in April, a small amount in August ($200,000 – $300,000) and December of each fiscal year. Each transfer to Alameda Health System requires approval by the District Board and is made via wire transfer.

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: June 14, 2021

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

FROM: Deborah E. Stebbins, Executive Director

SUBJECT: Recommendation on Distribution from the Jaber Fund to Alameda Health System for Purchase of Capital Equipment for period ending June 30, 2020

Action

Approval of a distribution from the Jaber Fund to Alameda Health System in the amount of $117,850 for purchase of capital equipment for Alameda Hospital, for the period ending June 30, 2020. An accounting of the proposed use of FY 2020 distribution of Jaber funds in the coming year will be provided by AHS leadership at the April 12, 2021 Board meeting.

Background and Discussion

Ms. Alice Jaber established her Trust in 1992, naming Alameda Hospital as a major beneficiary. Upon her death, and pursuant to the terms of the Trust, certain Trust assets were distributed to the City of Alameda Health Care District, as the successor-in-interest to Alameda Hospital (the nonprofit corporation) in appreciation of the care given by Alameda Hospital. Among the assets are two parcels of real property located in the City of Alameda.

- 1359 Pearl Street, an apartment complex with seven 2-bedroom units and one 3-bedroom unit
- 2711 Encinal Street, a retail storefront

There are two governing documents that provide restrictions on how the funds can be distributed and for what purpose - the Jaber Will and the JPA Side Letter agreement with Alameda Health System (AHS).

1. The Jaber Estate bequest provides that: "The Fund shall be used for the purchase of capital equipment directly related to the diagnosis and treatment of patients at Alameda Hospital. Such equipment includes, but is not limited to, machinery and equipment listed below and similar machinery and equipment. This list is given not to limit the types of equipment that I would hope to make available to patients at Alameda Hospital: Diagnostic imaging machinery; surgical equipment, including equipment for the treatment of eye disease; patient monitoring equipment for critical care."

2. The **JPA** Side Letter agreement with Alameda Health System states: "Jaber Properties. District owns two parcels of real property, located at 2711 Encinal Avenue and 1359 Pearl Street (the "Jaber Properties"), that are unrelated to the

day-to-day operation of Alameda Hospital. For the avoidance of doubt, the Parties agree that the Jaber Properties shall not be included on Schedule 2.2 to the Agreement, and, therefore, pursuant to Section 2.2 of the Agreement, District shall promptly pay all tenant rents, proceeds, awards, revenues, and other consideration of whatever form or nature from any and all sources received by District from or attributable to the Jaber Properties (the "Jaber Revenues") to AHS and such Jaber Revenues shall be included in the definition of "Parcel Tax Revenue" (in addition to all other revenues not set forth on Schedule 2.2 to the Agreement) for the purposes of Section 2.2 of the Agreement. ."

The Jaber Will stipulates that the maximum that may be withdrawn from the Jaber Fund on an annual basis is twenty percent (20%) of the sum of the net income earned during the prior fiscal year plus twenty percent (20%) value of the cash assets of the Fund valued as of the last day of the prior fiscal year. The District has authorized the following distributions to Alameda Health System in the past from the Jaber Fund

Contribution for 2015 and 2016	Made 10/9/17	$283.614	
Contribution for 2017	Made 12/20/17	$74,017	
Contribution for 2018	Made 7/5/18	$77.308	
Contribution for 2019	Made 6/16/20	$152,470	
Recommended Contribution for 2020		**$117,850**	

As a reminder, review of the annual distribution from the fund occurs after the end of the fiscal year and upon completion of the annual audit.

Note that there has been variation in the contributions from the Jaber Fund from year to year largely due to variation in the Cash Assets Value of the Jaber Fund. The complete documentation on the basis for the distribution is shown on the attached spreadsheet.

City of Alameda Healthcare District
Analysis of Jaber Property
Distribution History
FYE 6/30/19

		6/30/2015	6/30/2016	6/30/ 2017	6/30/2018	6/30/2019	6/30/ 2020
Rents		172,112	181,283	182,808	204,791	199,820	196,841
Expenses		(86,026)	(73,265)	{82,302)	(86,195)	(74,472)	(86,947)
Gains/(Losses)		86,086	108,017	100,505	118,595	125,348	109,895
Cash Assets		$ 255,304	$ 328,241	754,413	557,671	725,309	646,752
Due From District		214,567	287,050	(4,480)	(9,374)	(14,925)	(14,925)
Prepaid				3,263	3,263	3,924	(O)
Liabilities							
Balance of the Cash Fund		$ 469,871	$615,291	$ 753,196	$ 551,560	$ 714,308	$ 631,827
Adjustments(retro application of funding)			$ (111,191)	(233,614)	(283,614)	(77,306)	(152,470)
		$ 469,871	$ 504,100	$ 519,582	$ 267,946	$ 637,002	$ 479,357
	20% of Net Rental Income	$ 17,217	$ 21,603	$ 20,101	$ 23,719	$ 25,070	$ 21,979
	20% of the cash fund	93,974	100,820	103,916	53,589	127,400	95,871
	Limit of Contribution	111,191	122,423	124,017	77,308	152,470	117,850
Contribution for 2015 & 2016	Made on 10/9/17	(111,191)	(122,423)	{50,000)			
Contribution for 2017	Made on 12/20/17			(74,017)			
Contribution for 2018	Made on 7/5/18				(77,306)		
Contribution for 2019	Made on 6/16/20					(152,470)	

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

FROM: Mark Fratzke, Interim Chief Operating Officer

MEETING DATE: June 14, 2021, City of Alameda Health Care District Board Meeting

SUBJECT: FY20 AHS Funding Recommendation for Jaber Funds and Update on previous Allocations

For reference, the FY 2019 Jaber Funds were allocated to the following items listed in Table 1. It also identifies the carry-over amount from prior fiscal years which was presented in 2020. The language from the Jaber Will are also identified in the paragraph below for reference.

"The Fund shall be used for the purchase of capital equipment directly related to the diagnosis and treatment of patients at Alameda Hospital. Such equipment includes, but is not limited to, machinery and equipment listed below and similar machinery and equipment. This list is given not to limit the types of equipment that I would hope to make available to patients at Alameda Hospital: Diagnostic imaging machinery; surgical equipment, including equipment for the treatment of eye disease; patient monitoring equipment for critical care."

Table 1

	BUDGET
FY17 & FY18 Remaining Funds (unallocated)	$12,332.00
FY19 Funds Available	$152,470.00
Total Funds Available for Allocation	$164,802.00
Allocation of Remaining Funds from FY17 & 18 for Equip.	$12,332.00
Overage from Funding Requests from FY17 & FY18	$3,970.62
Medtronic Ventilators (2)	$78,142.00
Welch Allyn Vital Sign Monitors	$70,357.38
Total	$164,802.00
Remaining Funds	$0.00

RECOMMENDATION FOR FY 2020 FUNDING

ECG Machine

Currently, there are three (3) ECG (electrocardiogram) machines at the hospital. An electrocardiogram records the electrical signals in your heart and is a common test used to quickly detect heart problems and monitor the health of the heart. Nursing in conjunction with Cardiology have requested an additional unit that can be used house-wide. Having another unit on campus will help in more efficient and readily available testing for patients as well as providing a back-up to any

unit being serviced. The current model MAC5500 HD is not for sale anymore. We are recommending that we purchase 4 new models, the MAC VU360 as is not optimal to have multiple models of ECG units on campus from a training and standardization standpoint.

Bladder Scanner

The three (3) bladder scanners at Alameda Hospital are located in CCU, ED and Subacute. A bladder scanner is an ultrasound machine that uses sound waves to scan a patient's bladder to determine how much urine they have inside. This is typically done if there is suspicion that they are retaining urine which can cause serious issues. Just as with the ECG unit, having another unit available will help in more efficient and readily available diagnostic testing for patients as well as providing a back-up to any unit being serviced. The unit can be used in either the Acute Nursing Units, Subacute or the Emergency Department.

Blanket Warmer for CCU

Due to limited space in the CCU, we have not been able to have a blanket warmer in the Unit. However, through creative thinking and re-organization of work areas, We have been able to locate a space for a small unit. Being able to provide a warm blanket is important in the overall care of our patients. Having access to a blanket warmer in the unit will also support staff work flows as they currently utilize a blanket warmer in the adjacent Med/Surg or Telemetry Units.

Table 2 outlines the overall allocation recommendation for FY20. As additional equipment is identified, AHS will bring forth allocation requests to the District for approval for the balance of the FY 2020 funding allocation which is currently at $12,498.46. We are reconciling the FY19 funding allocation with actual invoices and will report out at future meeting the final accounting.

Table 2

	Request to District (6-14-20)
FY 19 Remaining Funds (unallocated/excess)	$0.00
FY20 Funds Available	$117,000.00
Total Funds Available for Allocation	$117,000.00
ECG Machines	$88,673.81
Bladder Scanner	$3,441.88
Blanket Warmer	$12,498.46
Total	$104,614.16
Remaining Funds	($12,385.84)

DRAFT

June 14, 2021

Memorandum: City of Alameda Health Care District
Board of Directors

From: Debi Stebbins
Executive Director

RE: **FY 2021-2022 District Priorities – Amended**

Attached is an amended copy of the FY 2021-2022 District Priorities that were presented at the April 2021 District Board member with an additional priority listed in red as discussed at the Board meeting.

The amended version is presented for Board discussion and approval at the June 14, 2021 Board meeting.

June 14, 2021

Memorandum: City of Alameda Health Care District
Board of Directors

From: Debi Stebbins
Executive Director

RE: **FY 2021-2022 District Priorities**

Recommendation: The following District priorities for the work plan and budget for FY 2021-2022 are presented below for Board review, input and approval:

ADVOCACY

Provide active input/support for the modification or amendment to the current 2030 seismic requirements as provided for in SB 1953

Work proactively in lobbying and communicating the positions and strategies of both the Association of California Health Districts (ACHD) and the California Hospital Association (CHA)

Communicate District positions to local and state elected officials and other interest groups, including presentations to the community at large

RELATIONSHIP BETWEEN AHS AND THE DISTRICT

Seek opportunities to educate new AHS Board on the rationale and history of the terms of the Joint Powers Agreement

Reconstitute the Joint AHS District Seismic Planning Committee to address both strategy for complying with or modifying 2030 standards as well as exploring feasibility of facility development at Alameda Hospital

Evaluate new program opportunities with AHS leadership that would enhance the effectiveness of Alameda Hospital in meeting community needs and contribute to the success of AHS as a system.

Works with the Joint Strategic Planning Committee to ensure that Alameda Hospital retains and develops an optimal array of inpatient and outpatient services that meet the health care needs of the community and the AHS system.

COMMUNITY ADVISORY COMMITTEE

Establish a District Community Advisory Committee comprised of Alameda leadership (residents, business and government leaders) in order to:

Educate community leaders on the trends and issues confronting health care delivery in Alameda and the Bay Area

Obtain community input on existing and potential programs and services

Discuss how post-pandemic changes may impact the structure and priorities for health care delivery

SUPPORT FOR ALAMEDA COMMUNITY PARAMEDICINE PROGRAM

Participate in efforts to increase the effectiveness of coordination between the paramedicine program and AHS management to improve metrics on repeat use of services by at risk citizens and reduced length of stay and readmissions

Seek sources to augment District funding for the program in FY 2022 and beyond

City of Alameda
HEALTH CARE DISTRICT

June 14, 2021

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

From: Debi Stebbins
Executive Director

RE: Recommendation to Engage Auditor for FY 2020-2021 Audit

Attached is the audit engagement proposal from JWT & Associates, LLP for preparation of the FY 2020-2021 audit for the District. I am recommending that we engage JWT at the proposed fee of $10,750 plus expenses. This is a small increase from the fee of $10,500 charged last year.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 E. Herndon Avenue, Suite 211
Fresno, California 93720
Voice: (559) 431-7708 Fax:(559) 431-7685

June 2, 2021

Deborah E. Stebbins, Executive Director
City of Alameda Health Care District
1402 Park Street, Suite A/B
Alameda, California 94501

We are pleased to confirm our understanding of the services we are to provide for the City of Alameda Health Care District (the "District") for the year ended June 30, 2021. We will audit the financial statements of the District, which comprise the statement of net position as of June 30, 2021, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Discussion and Analysis

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's MD&A in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The MD&A is a RSI which is required by U. S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles[i] and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our audit of the District's financial statements. Our reports will be addressed to the governing board of directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete any of the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit are properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from

your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the entity, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provision of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, include, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes

Other Services

We will also assist in preparing the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles;

and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

If other supplementary information is presented, other than the MD&A, you are responsible for the preparation of this supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

HIPPA Business Associate Agreement

You agree that you are solely responsible for the accuracy, completeness, and reliability of all data and information you provide us for our engagement. You agree to provide any requested information on or before the date we commence performance of the services. To protect the privacy and provide for the security of any protected health information, as such is defined by the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, and the regulations and policy guidances thereunder ("HIPAA"), we shall enter into a HIPAA Business Associate Agreement with the District.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees assist in preparing all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of JWT & Associates, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to request by certain regulators or their designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of JWT & Associates, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to certain regulators or their designee. Certain regulator or their designee may intend or decide to distribute the copies or information contained therein to others, including other certain regulators.

We expect to begin our audit in either August or September, and to issue our reports shortly thereafter. Rick Jackson is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be $10,750 for the year, plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) not to exceed $250 for the year. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be

resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules of Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

JWT & Associates, LLP

APPROVED:

_____

Name and Title