

FY 2014 Report to the Measure A Citizens Oversight Committee

February 27, 2015

Dan Boggan, Jr.
Interim Chief Executive Officer

Mark Fratzke
Chief Operating Officer

David Cox
Chief Financial Officer

William Peruzzi, MD
Chief Medical Officer

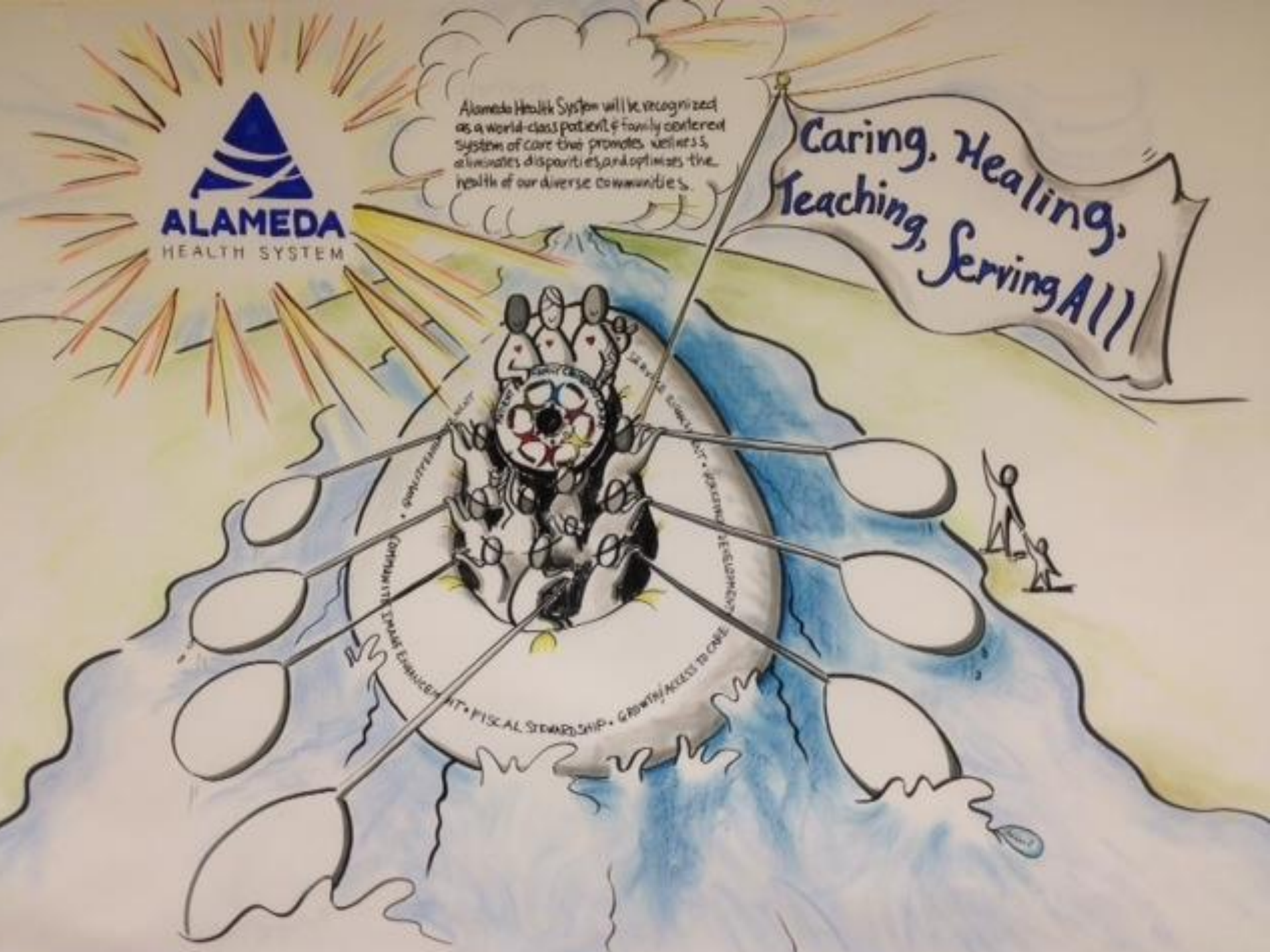
System Overview

Dan Boggan, Interim Chief Executive Officer



Alameda Health System will be recognized as a world-class patient & family centered system of care that promotes wellness, eliminates disparities, and optimizes the health of our diverse communities.

Caring, Healing,
Teaching, Serving All



AHS History

- 1864** Alameda County Infirmary opened on the Fairmont Campus
- 1927** Highland Hospital opened in Oakland
- 1960s** Ambulatory health care services launched
- 1992** John George Psychiatric Pavilion opened
- 1990s** Alameda County Medical Center (ACMC) was formed by merging Fairmont Hospital with Highland Hospital and John George Psychiatric
- 1998** Alameda County Hospital Authority was created
- 2012** Adopted 10 year Financial Plan and 5 year Strategic Plan
- 2013** ACMC renamed and rebranded to Alameda Health System (AHS)
Expanded Ambulatory – Same Day Services; San Leandro Hospital acquired
- 2014** Alameda Hospital affiliation completed



System Overview – FY2014

Nationally
recognized
public health
system

849 licensed beds, 4,545 employees, 1,000+ MDs,
5 acute hospitals, 3 SNFs; 4 Wellness centers

Average Daily Census: 411; Discharges: 16,483;

ED Visits: 101,670; OP Clinic Visits: 321,128; Surgeries: 6,830;

Births: 1,131; Operating budget: \$716M

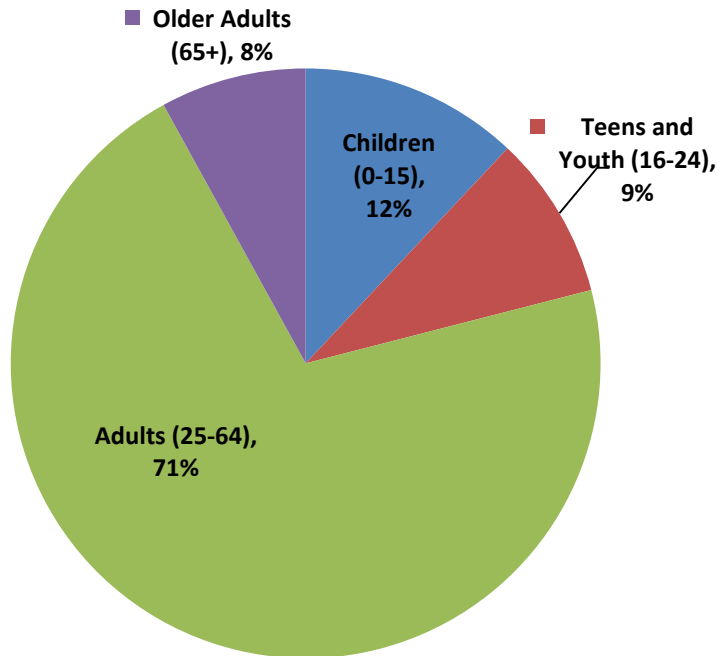
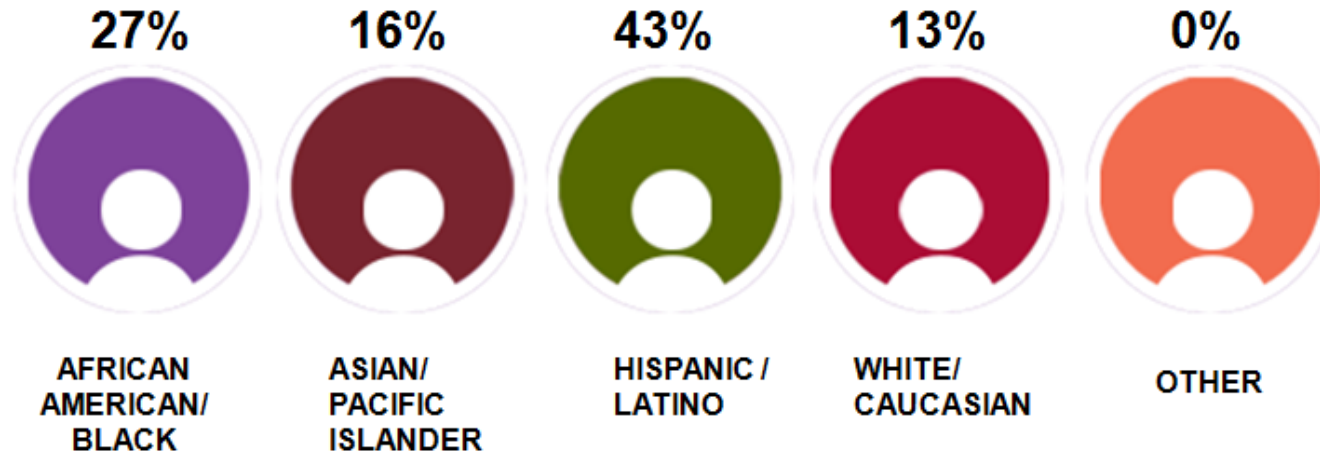
Training
tomorrow's
doctors
(160/year)

Emergency Medicine, General Surgery, Internal Medicine,
Orthopedics, Oral Maxillofacial Surgery, Podiatry

Training
students/
providers

Nurses, allied health professionals, pre-doctoral psychology
interns

Patient Diversity and Age



26
Different
Languages
Interpreted

Economic Benefit

\$470,765

Million in Salaries
Wages & Benefits

3,809

Jobs in Alameda
County

TOP 15

Largest Employer
in Alameda County

Strategic Update

Mark Fratzke, Chief Operating Officer

San Leandro and Alameda Hospitals

- Both hospitals became a part of the system in FY2014.
- The addition of these facilities served to ensure continued access to hospital based services, including an emergency department.
- In the past year, AHS has increased patient access to over 20 specialties at nine locations, including the Highland Care Pavilion Same Day Clinic which opened in the summer of 2014.
- Our system is able to leverage its purchasing power and reduce its overall costs through the economies that come from consolidation.




Milestones & Accomplishments

- AHS is partnering with HCSA to expand access to the homeless through use of its mobile vans.
- AHS has partnered with CHCN (Community Health Clinic Network) to improve access to specialty care services, specifically orthopedics and general surgery.
 - Resulting in an 81% increase in Orthopedic visits a total of 15,502 in FY2014.
- ED Navigator program connected over 310 high-risk patients to a medical home in the first two quarters of operation.
 - Resulted in receipt of the Kaiser Permanente Clinical Systems Development Award at the California Association of Public Hospitals (CAPH) annual meeting.
- Expanded same day clinic access at the Highland Care Pavilion to include more evening and Saturday hours, an Urgent Dermatology Clinic, and 14 new stations in the Infusion Center.

System Wide Outcomes

- Improvements in Patient Satisfaction have been remarkable for John George Psychiatric Hospital.
 - Patient satisfaction improved from the 72nd percentile in FY 2012-13 to the 81st percentile in FY 2013-14
- AHS expanded access with the opening the Hayward Wellness Center at Southland Mall last summer.
 - New location has 36 new exam rooms, over 23,000 square feet, pods for integrated team-based care and provides primary and specialty care.
- Reduction in Emergency Department wait times by 16% or the equivalent of 2 hours occurred as a result of the work we did to improve care management.

FY15 - 16 Strategic Priorities

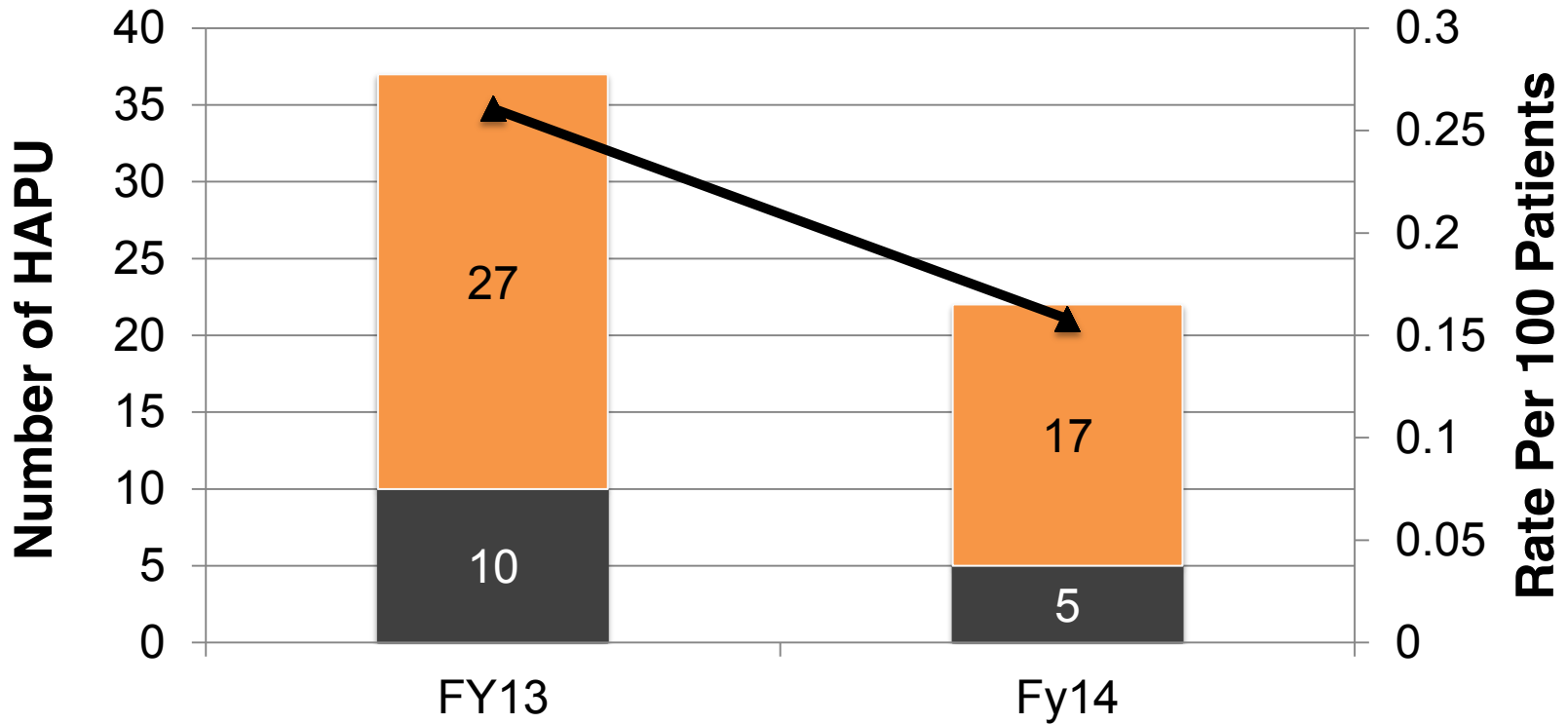
Strategic Plan Pillar Goals	ACCESS	SUSTAINABILITY	INTEGRATION	EXPERIENCE	NETWORK	WORKFORCE
Strategic Priorities	Improve Ambulatory Access	Reduce Cost & Enhance Revenue	Achieve Zero Preventable Harm	Re-engineer Patient Experience	Increase Community Engagement & Awareness	Improve Employee & Physician Engagement
Cross Cutting Initiatives	 <p>Alameda Health Partners + IT Integration+ Magnet+ Population Health Management +Revenue Cycle Improvements +Service Line Development</p>					

Clinical Quality

Steven Chen MD.

Medical Director Highland Wellness

Hospital Acquired Pressure Ulcers

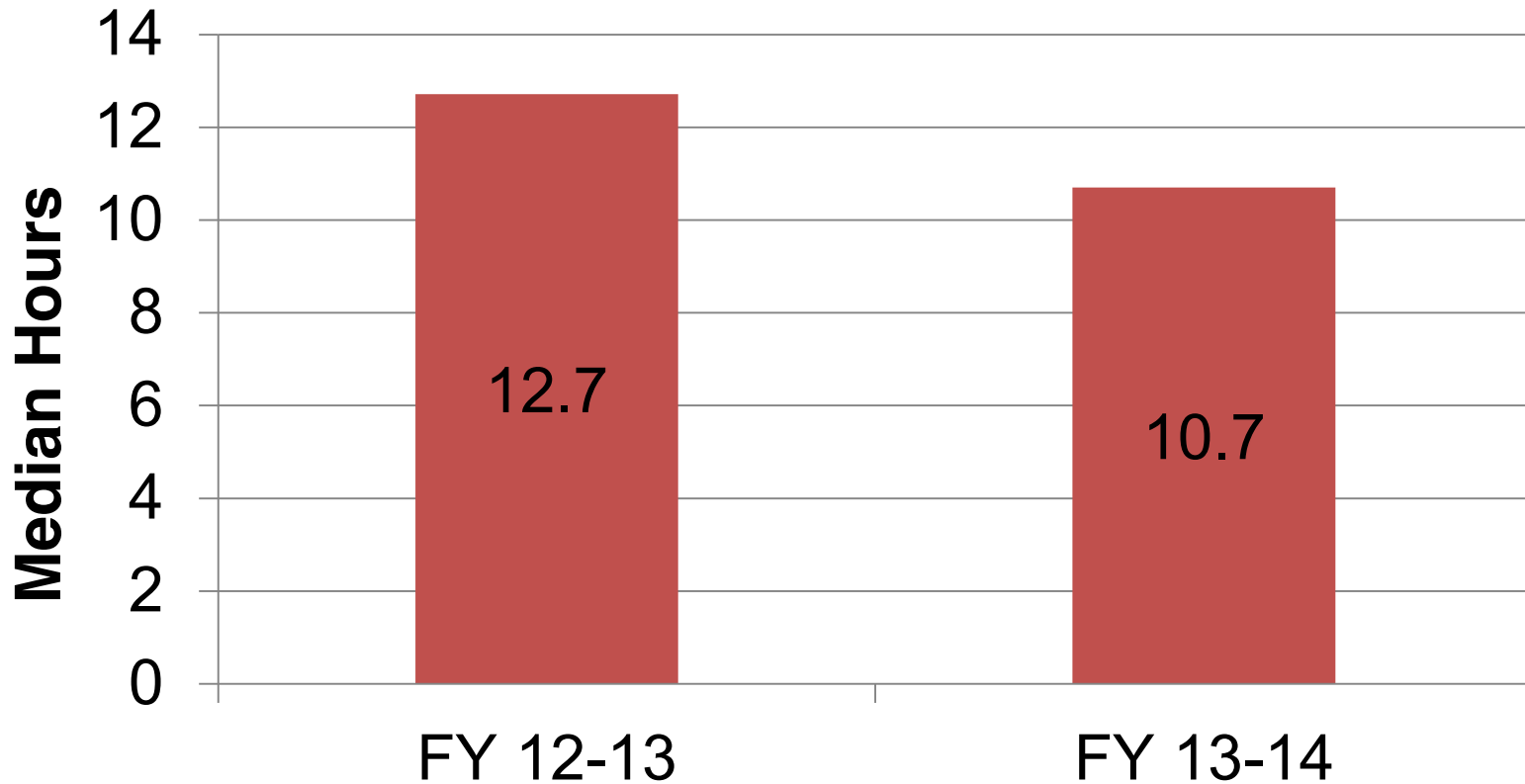


■ Stage I/II/other

■ Stage III/IV

Total HAPUs per 100 patients decreased by 65%
Stage III/IV HAPUs per 100 patients decreased by 49%

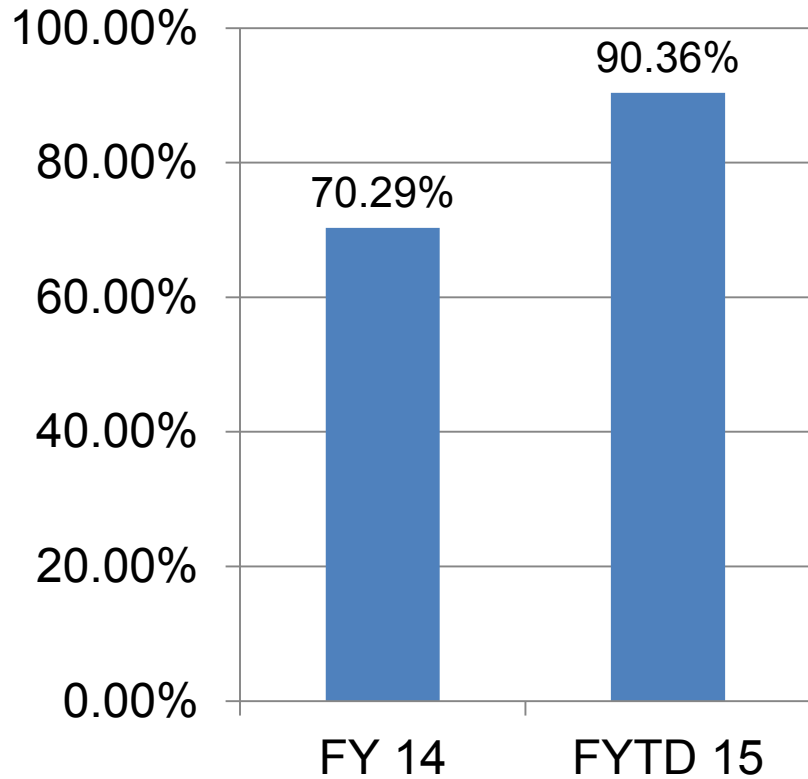
Highland ED Length of Stay (in Hours)



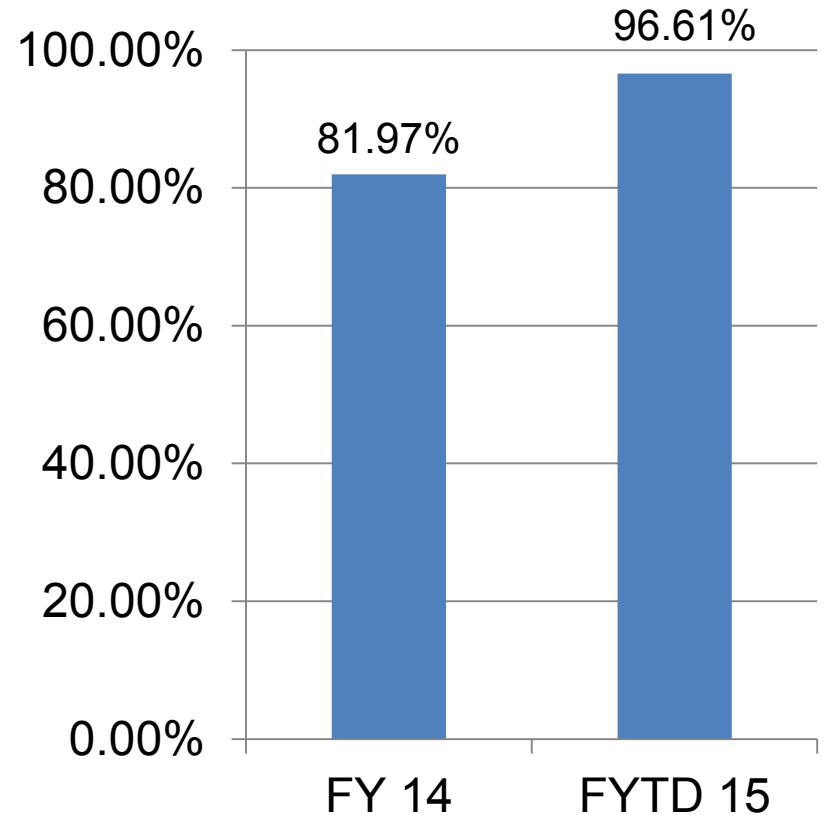
Patients spend 15.8% less time waiting in the
Emergency Department for Inpatient Bed

Other Improvements (Year-to-Date)

Stroke Best Practice Compliance



Venous Thromboembolism Measure



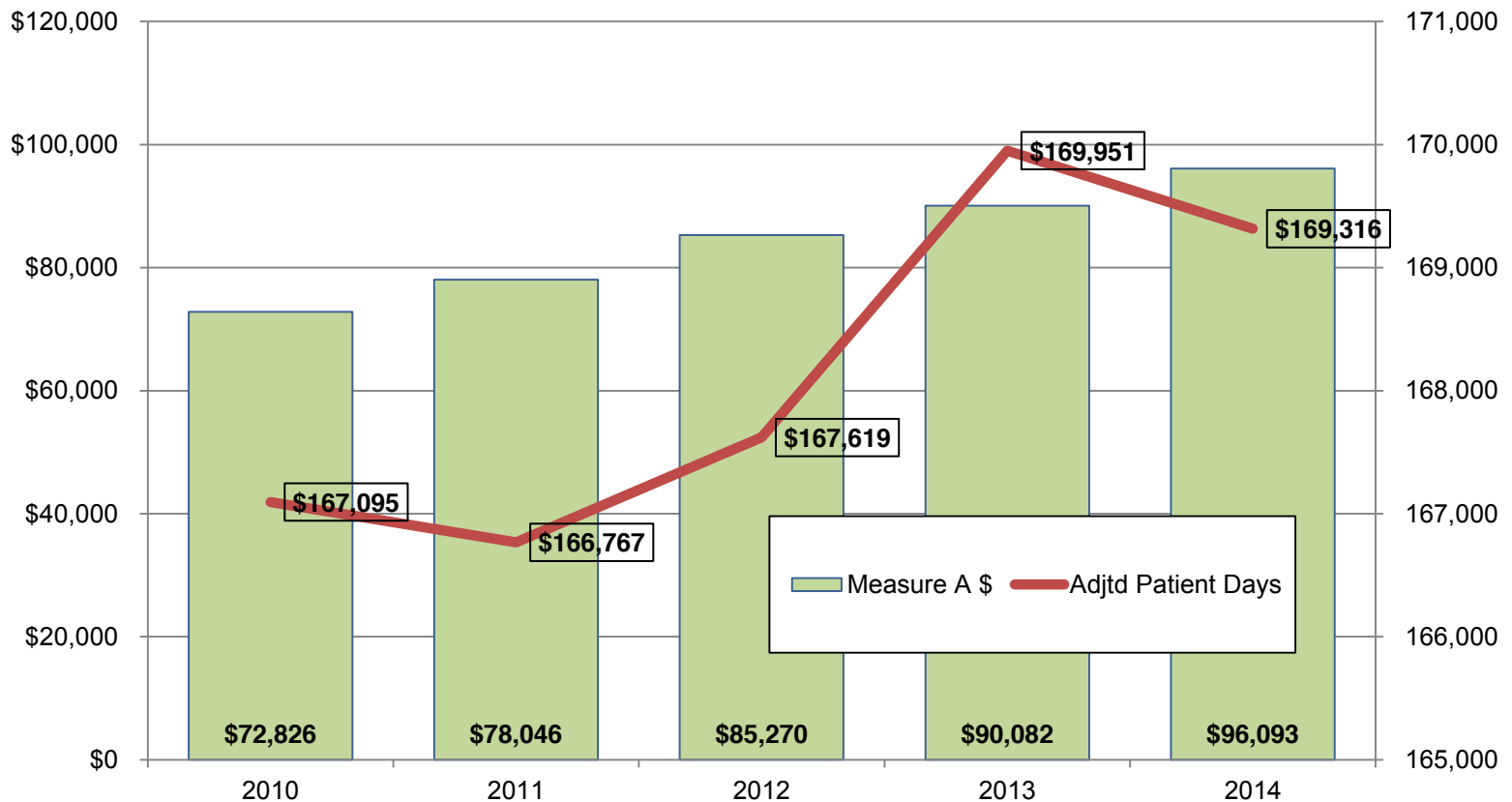
Measure A Funds Allocation

David Cox, Chief Financial Officer

Measure A Revenue Trend

Revenue

Adjusted Patient Days

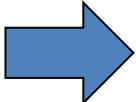


Operating Results (with Measure A)

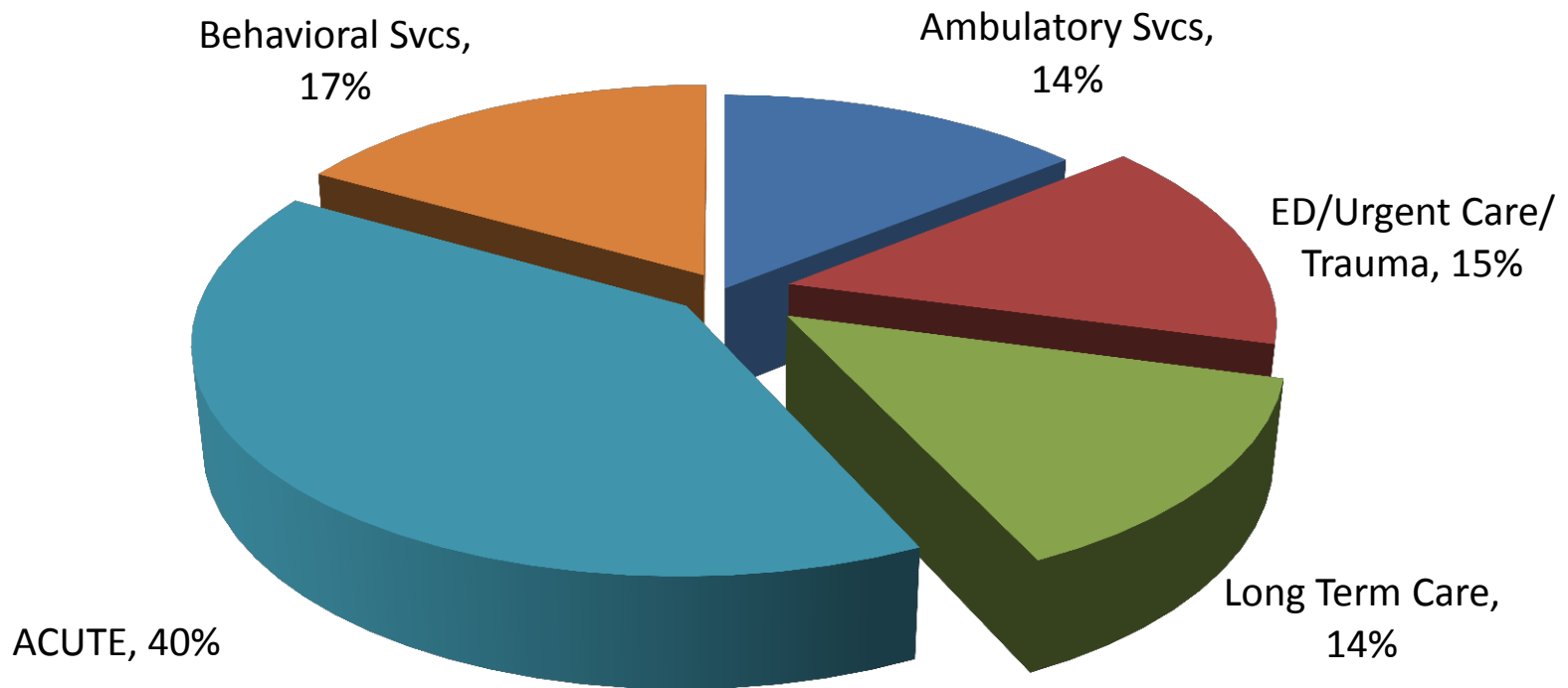
	FY 2012	FY 2013	FY 2014	
<i>(Stated in \$000's)</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Variance</i>
Net Patient Revenue	\$196,644	\$232,046	\$289,757	\$57,711
Measure A	85,270	90,082	96,093	6,011
County Programs	106,134	108,411	82,049	(26,362)
State/Federal Supplementals	152,305	170,742	166,237	(4,505)
Grants & Other	13,737	15,799	31,595	15,796
Total Operating Revenue	554,090	617,080	665,732	48,652
Total Operating Expenses	(539,354)	(597,736)	(716,673)	(118,937)
Operating Income / (Expense)	14,736	19,344	(50,941)	(70,285)
Extraordinary item	0	0	12,435	12,435
Net Interest Income / (Expense)	(729)	(212)	(637)	(425)
Net Income	\$14,007	\$19,132	\$(39,143)	\$(58,275)
Contributed Capital	105	2	2	0
Total Income	\$14,112	\$19,134	\$(39,141)	\$(58,275)

Operating Results (without Measure A)

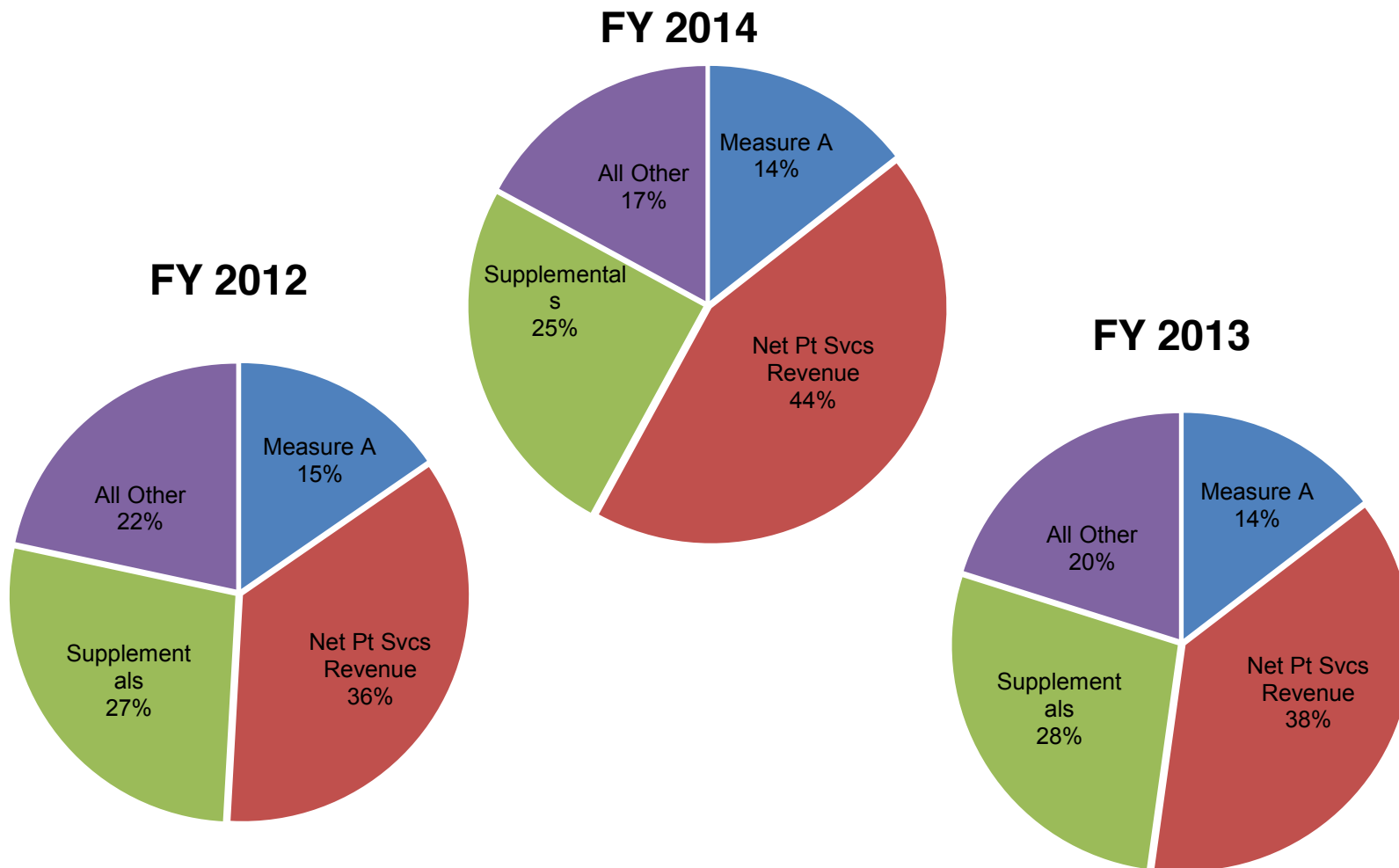
<i>(Stated in \$000's)</i>	FY 2012 <i>Audited</i>	FY 2013 <i>Audited</i>	FY 2014 <i>Audited</i>	<i>Variance</i>
Net Patient Revenue	\$196,644	\$232,046	\$232,046	\$0
Measure A	N/A	N/A	N/A	N/A
County Programs	106,134	108,411	82,049	(26,362)
State/Federal Supplementals	152,305	170,742	166,237	(4,505)
Grants & Other	13,737	15,799	31,595	15,796
Total Operating Revenue	468,820	526,998	511,928	(15,070)
Total Operating Expenses	(539,354)	(597,736)	(716,673)	(118,937)
Operating Income / (Expense)	(70,534)	(70,738)	(204,745)	(134,007)
Extraordinary item	0	0	12,435	12,435
Net Interest Income / (Expense)	(729)	(212)	(212)	0
Net Income	\$(71,263)	\$(70,950)	\$(192,522)	\$(121,572)
Contributed Capital	105	2	2	0
Total Income	\$(71,158)	\$(70,948)	\$(192,520)	\$(121,572)



Allocation of Measure A Funds by Service Line

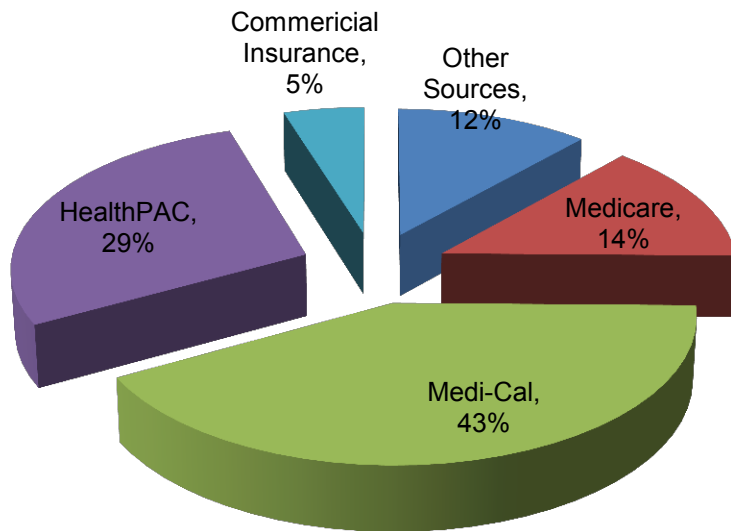


Percent of Measure A Revenue to Total Revenue

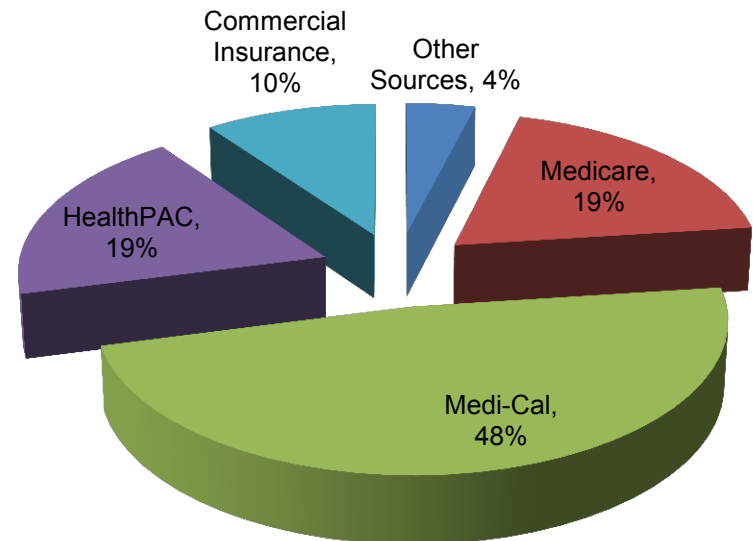


Payer Mix Based on Charges

FY 2013



FY 2014



FY 2013-14 Allocation of Measure A Funds by Patient Volume and Payer Mix

<i>FISCAL 2014</i>	<i>Inpatient</i>			<i>Outpatient</i>		
	<i>Patient Days</i>	<i>\$ Unfunded Cost per Day</i>	<i>% Unfunded Cost per Day</i>	<i>Outpatient Visits</i>	<i>\$ Unfunded Cost per Visit</i>	<i>% Unfunded Cost per Visit</i>
Medicare	22,336	\$ (1,125)	27%	42,724	\$ (334)	37%
Medi-Cal	76,365	\$ (343)	0%	121,808	\$ (605)	67%
County	12,865	\$ (291)	8%	90,295	\$ (347)	39%
Commercial	6,542		0%	31,815		0%
Self-pay, charity	2,756	\$ (2,054)	56%	16,362	\$ (356)	45%
<i>FISCAL 2013</i>	<i>Inpatient</i>			<i>Outpatient</i>		
	<i>Patient Days</i>	<i>\$ Unfunded Cost per Day</i>	<i>% Unfunded Cost per Day</i>	<i>Outpatient Visits</i>	<i>\$ Unfunded Cost per Visit</i>	<i>% Unfunded Cost per Visit</i>
Medicare	15,049	\$ (1,120)	28%	25,820	\$ (290)	32%
Medi-Cal	78,720		0%	129,805	\$ (278)	52%
County	17,261	\$ (1,141)	25%	128,665	\$ (210)	31%
Commercial	3,816		0%	8,999		0%
Self-pay, charity	4,982	\$ (1,601)	26%	8,383	\$ (606)	34%

Financial Improvement Efforts

- **Revenue Cycle Improvements**
- **Cost Reduction Initiatives**
- **Enhancements to our Data and Financial Reporting Processes**
- **Information System Enhancements**
- **Establishments of service lines for business unit reporting**
- **Staff and Provider training, training, training**

Questions