Summary/Action Minutes

I. Alameda Health System Financial Update and Metrics Report
   Attachment

   David Cox, Chief Finance Officer, Alameda Health System, presented a PowerPoint presentation to update the Committee on the Alameda Health System (AHS) financial update.

   Operating Performance: Through the nine months ended March 31, 2016, AHS has reported operating income of $17.3 million, slightly below budget. The reported earnings before interest depreciation and amortization (EBIDA) margin is 4.0% compared to prior year (1.3%). Total revenues are 2.9% favorable to budget, offset by volume related expense variances.

   Cash collections have been positive, through March, Cash Collected as a percent of Net Patient Service Revenue is 106.3%. As a result, Net Days in Accounts Receivable have improved from 90.2 to 72.1. Accounts Payable (including accruals), have been reduced from $36.7 million to $33.9 million; AHS is current with vendors.

   AHS remains in compliance with the Agreement and is projecting Net Negative Balance (NNB) at June 30, 2016 approximately $130 million.

   AHS is currently in the midst of their budget process and will be presenting the first review to the AHS Board on May 26, 2016. AHS is currently targeting a 5.0% EBIDA Margin and a Capital Expenditure Budget of $30 million.

   Purpose:

   ✔ Report progress
   □ Advocacy or Education
   □ Request Health Committee Recommendation or Position
   □ Other:

   This item was informational only and required no Committee action.

II. St. Rose Hospital 5150 Pilot Program Update
   Attachment

   Rebecca Gebhart, Acting Director, Health Care Services Agency presented introductory comments and Dr. Aaron Chapman, Medical Director, Behavioral Health Care Services Agency presented a PowerPoint presentation on a proposed pilot Telepsychiatry Program at St. Rose Hospital.

   Telepsychiatry is an evidenced-based approach to providing psychiatric evaluations through a remote presence. The term typically describes the delivery of psychiatric assessment and care through telecommunications technology such as video conferencing.
   Pilot Program Components
Telepsychiatry will be utilized at St. Rose Hospital to evaluate patients requiring specialized psychiatric assessment while in the emergency department. St. Rose Hospital will contract with a vendor of on-demand emergency Telepsychiatry Services at no cost to Alameda County or to Behavioral Health Care Services. This service will be available to provide on-demand remote psychiatric evaluations as appropriate at the St. Rose emergency department, conducted by Telepsychiatry Psychiatrists. Telepsychiatry ‘Specialists’ will be authorized by Behavioral Health Care Services to initiate or release patients.

**Purpose:**
- [ ] Report progress
- [ ] Advocacy or Education
- **[x]** Request Health Committee Recommendation or Position
- [ ] Other:

**Recommendation from the Health Committee:** Approve. Move to the full Board of Supervisors.

### III. Asian Community Mental Health Services Audit Presentation

**Attachment**

Rebecca Gebhart, Acting Director, Health Care Services Agency presented introductory comments regarding the Asian Community Mental Health Services (ACMHS) Audit. Several months ago concerned providers and clients brought financial and organizational concerns to the Board of Supervisors regarding the Asian Community Mental Health Services. As a result of their concerns the Board of Supervisors directed the Health Care Services Agency to conduct an audit of their finances and organization.

Kevin W. Harper, CPA, Auditor, was hired by the Health Care Services Agency to conduct an audit of ACMHS and he presented a PowerPoint presentation on the findings of the audit.

The purpose of the audit and assessment was to determine whether ACMHS’s controls and procedures are adequate to ensure that County funds are:

- Used only to provide mental health services in County
- Recorded accurately in ACMHS’s accounting records
- Reported to County timely and according to the grant agreement
- Protected against loss

The audit included a review of financial documents, interviews with five ACMHS employees: a board member, 2 administrative staff and 2 operating staff, tested forty expense transactions, reviewed five years of revenues and expenses, and obtained explanations for significant variances.

**Findings**

- Finance Director departed November 2015 and not replaced
- Bank reconciliations and other account reconciliations have not been prepared since August 2015
- Obtaining information for review was difficult and time consuming
- ACMHS has not billed County since 2/19/16 for December 2015 expenses
- Fiscal year 2013-14 and 2014-15 audits not completed
- Internal financial statements not presented to board of directors since 12/31/15
- Annual budget is not prepared consistently and accurately
- ACMHS does not have a long term financial plan
- Agencies frequently take too long to adjust expenses after loss of a revenue source
- ACMHS’s loss of a revenue source could jeopardize its ability to provide County services
- Documented accounting policies and procedures inadequate
- Segregation of duties inadequate
Findings (continued)

- Approval of purchases and journal entry transactions inadequate
- Employees reimbursed for business expenses through payroll
- Cost allocation inadequate
- Staff turnover high
- Executive Director reimbursed for architectural licenses and trade association dues

The Health Care Services Agency awaits further direction from the Health Committee and the Board of Supervisors regarding Asian Community Mental Health Services.

Speakers

Several clients, employees and former employee expressed their concerns about the Executive Director, Board of Trustees and finances of Asian Community Mental Health Services.

Purpose:

☒ Report progress
☐ Advocacy or Education
☐ Request Health Committee Recommendation or Position
☐ Other:

Recommendation from the Health Committee: The Health Care Services Agency was directed to: 1) send a letter to the Executive Director of Asian Community Mental Health Services requesting a meeting with the Board of Supervisors and; 2) if there is no response to the first letter, send a second letter requesting the resignation of the Executive Director, and the Board of Supervisors would like to discuss reorganization of the ACMHS Board, in addition the Board of Supervisors are looking for alternative providers.

PUBLIC COMMENT

None

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