

**SPECIAL CITY COUNCIL  
MEETING**

**MARCH 12, 2024**

**DOCUMENTS RECEIVED AFTER  
PUBLISHED AGENDA**

# Agenda Q&A Log

Item # 5

LB 24-008

FY 2024 Mid-Year  
Budget Review

**From:** [Christy, Gabriela, BOS Dist 2](#)  
**Subject:** Measure C Funding Support Letter\_St. Rose\_Hayward Council Mtg. 3.12.24  
**Date:** Monday, March 11, 2024 4:11:56 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[Measure C Funding Support Letter St. Rose Hayward Council Mtg. 3.12.24.pdf](#)

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Hello All,

Please see the attached letter regarding support for St. Rose Hospital on behalf of Supervisor Elisa Márquez.

Sincerely,



**Gabriela Christy (She/her/ella)**

**Director of Operations**

Office of Supervisor Elisa Márquez

**Office** 510-272-6692 **Direct** 510-272-5081

**Web** <https://www.acgov.org/board/district2/>

**Email** [Gabriela.Christy@acgov.org](mailto:Gabriela.Christy@acgov.org)

1221 Oak Street Suite 536 Oakland, Ca 94612





## BOARD OF SUPERVISORS

ELISA MÁRQUEZ  
Supervisor, District 2

March 11, 2024

**Delivered via Electronic Mail**

The Honorable Hayward Mayor and City Council  
City of Hayward  
777 B Street  
Hayward, CA 94541

**Re: Support for FY 2024 Mid-Year Budget Amendment to support St. Rose Hospital**

Dear Mayor Salinas and Council Members,

I am writing to express my strong support for the FY 2024 Proposed Mid-Year Amendment to appropriate \$250,000 in Measure C funds to St. Rose Hospital to support the continued delivery of vital health care services while hospital leadership works on long-term sustainable financial plan (Item 5, March 12, 2024 Agenda). I applaud Hayward City leadership, including Mayor Mark Salinas and Council Member Ray Bonilla, Jr., and remain steadfastly committed to working with local stakeholders to ensure health care for all within the City and nearby region.

Since the Hayward City Council's December 12, 2023 unanimous vote to support the allocation of Measure C funds to St. Rose Hospital's critical community infrastructure, the County has developed a proposal to leverage \$11.6 million in federal funding using critical local fund matches. I thank you and city staff for your collaboration with the Alameda County Health Care Services Agency around this intergovernmental transfer program, a unique supplemental reimbursement mechanism for private hospitals, to be voted on March 12, 2024 (see enclosure).

I will continue to connect the City with up to date information regarding the County's investment and coordinating efforts, including with St. Rose leadership. Thank you again for your on-going partnership in ensuring this historic hospital remains a local cornerstone of safety-net care and representation of our shared values. Please do not hesitate to contact me with any questions.

In Service,



## BOARD OF SUPERVISORS

ELISA MÁRQUEZ  
Supervisor, District 2

Elisa Márquez  
Supervisor, Second District

Enclosure: Alameda County Health Care Services Agency Proposed Intergovernmental Transfer  
to St. Rose Hospital (Item 11, March 12, 2024 Board of Supervisors Regular Meeting  
Agenda)

Cc: Kelly McAdoo, Hayward City Manager  
Members of the St. Rose Hospital Board  
Colleen Chawla, Alameda County Health Care Services Agency Director



February 26, 2024

The Honorable Board of Supervisors  
County Administration Building  
1221 Oak Street  
Oakland, CA 94612

Dear Board Members:

**SUBJECT: ACCEPT FUNDS FROM CITY OF HAYWARD AND ST. ROSE HOSPITAL; APPROVE USE OF INTERGOVERNMENTAL TRANSFER REIMBURSEMENT FUNDS; ADOPT A RESOLUTION AUTHORIZING THE HEALTH CARE SERVICES AGENCY DIRECTOR OR HER DESIGNEE TO CERTIFY THAT \$11,140,640 OF FUNDING IS AVAILABLE FOR THE FISCAL YEAR 2023-24 SENATE BILL (SB) 1100 PRIVATE HOSPITAL SUPPLEMENTAL FUND (PHSF) INTERGOVERNMENTAL TRANSFER TO ST. ROSE HOSPITAL; AND AUTHORIZE AUDITOR-CONTROLLER TO APPROVE ASSOCIATED BUDGET ADJUSTMENTS**

**RECOMMENDATIONS**

- A. Accept local funds from City of Hayward in the amount of \$250,000 as non-federal share for SB1100 PHSF IGT Fiscal Year 2023-24 pending approval from Hayward City Council;
- B. Accept local funds from St. Rose Hospital in the amount of \$1,492,410 as non-federal share for SB1100 PHSF IGT Fiscal Year 2023-24;
- C. Approve the use of Intergovernmental Transfer (IGT) reimbursement funds in the amount of \$2,000,000 as non-federal share for SB1100 PHSF IGT Fiscal Year 2023-24;
- D. Adopt a resolution authorizing the Health Care Services Agency Director, or her designee, to enter into an intergovernmental transfer program certification with the California Department of Health Services to benefit St. Rose Hospital in the amount of \$11,140,640 as non-federal share for SB1100 PHSF IGT Fiscal Year 2023-24; and
- E. Authorize the Auditor-Controller Agency to transfer appropriation between Major Objects in the amount of \$398,230

**SUMMARY/DISCUSSION**

Hayward Sisters Hospital Inc. dba St. Rose Hospital is an independent community hospital located in Hayward that has provided critical safety-net services to the residents of Southern and Central Alameda County for over 50 years. St. Rose Hospital has experienced financial difficulties for years because it serves a large proportion of Medi-Cal and uninsured patients. Since FY 2017-2018, approximately 40% of inpatient utilization was Medi-Cal and 2.6% was uninsured.

Under the Senate Bill (SB) 1100 Private Hospital Supplemental Fund (PHSF) Intergovernmental transfers (IGT), every eligible dollar generated at the local level that is transferred by Health Care Services Agency (HCSA) is matched with a federal Medicaid dollar up to a federally-approved maximum total amount. In September 2023, St. Rose Hospital was approved by the federal Centers for Medicare and Medicaid Services (CMS) to receive up to \$22,736,000 in supplemental payments for the current fiscal year.

During the COVID-19 pandemic, the federal government authorized and the State of California implemented an enhanced Federal Medical Assistance Percentage (FMAP), which expired on January 1, 2024, to increase the federal share and corresponding decrease in the local share. Despite expiration, the enhanced FMAP impacts the current fiscal year per the following schedule:

Effective Dates	Federal Medical Assistance Percentage (FMAP)
January 1, 2020 to March 31, 2023	56.2% (increase from 50%)
April 1, 2023 to June 30, 2023	55%
July 1, 2023 to September 30, 2023	52.5%
October 1, 2023 to December 31, 2023	51.5%

On December 14, 2021 (Item No. 9), your Board approved a three-year base allocation totaling \$43,808,364 in Measure A funds each year beginning in FY 2023-24 and ending in FY 2024-25 to provide essential health care services to Alameda County residents. Included in the three-year base allocation was \$7,000,000 for St. Rose Hospital under Non-County Hospitals. This base allocation is included in the County Contribution outlined in the County Contribution Net Benefit to St. Rose Hospital table on the next page.

For additional local share required for the CMS approved supplemental payment, HCSA requests your Board accept local funds from City of Hayward (\$250,000), pending the action of Hayward City Council on March 12, 2024, and from St. Rose Hospital (\$1,492,410) to be utilized as non-federal share. HCSA also request your Board adopt a resolution to certify that \$11,140,640 in total local funding is available for the FY 2023-24 SB1100 Private Hospital Supplemental Fund (PHSF) IGT. In the absence of Hayward City Council action, St. Rose Hospital will provide the additional non-federal share required.

PHSF provides supplemental reimbursement to private hospitals to cover losses associated with their Medicaid fee-for-service claims. IGTs leverage locally generated funding to draw a federal match and since FY 2004-05, HCSA has allocated Measure A funding to the SB1100 PHSF IGT to benefit St. Rose Hospital.

Upon your Board's approval and certification of available funding of the total \$11,140,640 funds to St. Rose Hospital, HCSA will transfer the entire \$11,140,640 non-federal share requirement, which will result in a \$11,595,360 federal payment and a \$22,736,000 total IGT payment to St. Rose Hospital. As part of the IGT transaction, the State Department of Health Care Services (DHCS) requires the HCSA Director or her designee to sign and submit the certification form in March 2024.



County Contribution Net Benefit to St. Rose Hospital		
	Federal Share	County Contribution
July 2023 - Sept 2023	\$2,984,100 (52.5%)	\$2,699,900 (47.5%)
Oct 2023 - Dec 2023	\$2,927,260 (51.5%)	\$2,756,740 (48.5%)
Jan 2024 - June 2024	\$5,684,000 (50.0%)	\$5,684,000 (50.0%)
<b>Subtotal</b>	<b>\$11,595,360</b>	<b>\$11,140,640</b>
<b>Net Benefit to St. Rose Hospital</b>	<b>\$22,736,000</b>	

St. Rose Hospital is party to an Amended Management Services Agreement (MSA) with Alecto Healthcare Services Hayward LLC (Alecto Hayward), which is a for-profit hospital management company. Under the terms of the MSA, Alecto Hayward has an option to purchase the assets of St. Rose Hospital and Saint Rose Medical Building, Inc., for a purchase price that shall not exceed the outstanding amount of St. Rose Hospital's debts. To ensure these County funds will not be used to decrease St. Rose Hospital's outstanding debt and reduce the potential purchase price by Alecto, the County and St. Rose Hospital executed a Memorandum of Understanding (MOU), which was approved by your Board on March 28, 2017 (File No. 29953, Item No. 8.2), requiring the supplemental funds be used only to offset Medi-Cal and indigent patient shortfall. This applies to all supplemental funding from the effective date of the MOU and forward. In addition, this revenue will not factor into the management fee of 3.75% of the net operating revenues that St. Rose Hospital pays Alecto.

Under the direction of St. Rose Hospital Board, Steven Hollis and Kaufman Hall have been retained to identify partnership opportunities for the hospital. Partnership opportunities are expected to be presented to St. Rose Hospital Board at a future Alameda County Board meeting.

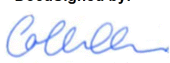
### **FINANCING**

Funding for the recommendations (\$11,140,640) comes from: Measure A (\$7,398,230 total of which \$7,000,000 is from FY 2023-24 Measure A Base allocation and \$398,230 is from remaining FY 2022-23 Measure A Base allocation), Intergovernmental Transfer (IGT) reimbursement revenue (\$2,000,000), City of Hayward (\$250,000), and St. Rose Hospital (\$1,492,410); and is included in the HCSA Fiscal Year 2023-2024 Budget. HCSA requests a budget adjustment to transfer appropriation in the amount of \$398,230 from Discretionary Services & Supplies to Other Charges, where the costs will be incurred, per the attached financial recommendation. Approval of these recommendations will have no impact on net County cost.

### **VISION 2026**

Maintaining critical safety net medical services for vulnerable populations in Alameda County meets the 10X goal pathway of **Healthcare for All** in support of our shared vision of a **Thriving and Resilient Population**.

Sincerely,

DocuSigned by:  


CB284AE84C50405  
Colleen Chawla, Director  
Health Care Services Agency

# FINANCIAL RECOMMENDATION FORM

#140100-35 Rev 5/21/14

AGENDA DATE: 3/12/2024

BOARD LETTER SUBJECT: ACCEPT FUNDS FROM CITY OF HAYWARD AND ST. ROSE HOSPITAL  
APPROVE USE OF INTERGOVERNMENTAL TRANSFER REIMBURSEMENT FUNDS; ADOPT A RESOLUTION  
AUTHORIZING THE HEALTH CARE SERVICES AGENCY DIRECTOR OR HER DESIGNEE TO CERTIFY THAT  
\$11,140,640 OF FUNDING IS AVAILABLE FOR THE FISCAL YEAR 2023-24 SENATE BILL (SB) 1100 PRIVATE  
HOSPITAL SUPPLEMENTAL FUND (PHSF) INTERGOVERNMENTAL TRANSFER TO ST. ROSE HOSPITAL;  
AND AUTHORIZE AUDITOR-CONTROLLER TO APPROVE ASSOCIATED BUDGET ADJUSTMENTS

BUDGET YEAR: 2024

FUND: 11000

The use of Designations, as follows:

NAME OF DESIGNATION	ORG	AMOUNT

The increase (decrease) in anticipated revenue, as follows:

Informational				
ORG	ACCT	PROG	PROJ/GR	AMOUNT
ORG TOTAL				\$0

Informational				
ORG	ACCT	PROG	PROJ/GR	AMOUNT
ORG TOTAL				\$0

GRAND TOTAL ANTICIPATED REVENUE \$0

The increase (decrease) in appropriations, as follows:

Informational				
ORG	ACCT	PROG	PROJ/GR	AMOUNT
350161	640000	00000		\$398,230
	610000	00000		(\$398,230)
ORG TOTAL				\$0

Informational				
ORG	ACCT	PROG	PROJ/GR	AMOUNT
ORG TOTAL				\$0

GRAND TOTAL APPROPRIATION \$0

**A RESOLUTION AUTHORIZING THE HEALTH CARE SERVICES AGENCY DIRECTOR TO  
ENTER INTO AN INTERGOVERNMENTAL TRANSFER PROGRAM CERTIFICATION WITH  
THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES**

RESOLUTION NUMBER R-2024\_\_\_\_\_

WHEREAS, the Health Care Services Agency for the County of Alameda ("Agency") seeks to make an intergovernmental transfer ("IGT") to the California Department of Health Care Services ("Department") pursuant to California Welfare and Institutions Code section 14166.12; and

WHEREAS, the Agency's IGT will be in the amount of \$11,140,640 to the Department for SFY 2023-24; and

WHEREAS, the Agency will designate St. Rose Hospital as the hospital to receive supplemental Medi-Cal payments funded by this IGT; and

WHEREAS, St. Rose Hospital has certified and acknowledged that it is eligible to receive the supplemental Medi-Cal payments and satisfies the eligibility requirements of Welfare and Institutions Code section 14166.12; and

WHEREAS, the source of the funds to be submitted to the Department for the IGT is derived from allowable state or local funds as permitted under federal law; and

WHEREAS, the Department's IGT certification form (attached to this resolution as Exhibits A) for the IGT programs requires that the signor be duly authorized to sign on behalf of the County:

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The findings stated in the recitals to this Resolution are restated in full and adopted by reference.
2. The Agency Director, or her designee, is authorized to sign, on behalf of the County of Alameda, the Department's Private Hospital Supplemental Fund Intergovernmental Transfer Program Certification Form SFY 2023-24.

Adopted by the Board of Supervisors of the County of Alameda, State of California, on March \_\_, 2024 by the following called vote:

AYES:  
NOES:  
EXCUSED:

\_\_\_\_\_  
President of the Board of Supervisors  
County of Alameda, State of California

ATTEST:  
Clerk of the Board of Supervisors,  
County of Alameda

APPROVED AS TO FORM:  
Donna Ziegler, County Counsel

By:\_\_\_\_\_

By:   
78FBB13C28E44EF  
Raymond Lara  
Senior Deputy County Counsel

PRIVATE HOSPITAL SUPPLEMENTAL FUND  
INTERGOVERNMENTAL TRANSFER PROGRAM  
CERTIFICATION FORM

I, the undersigned, state the following:

As a public administrator, a public officer, or other public individual duly authorized to sign on behalf of \_\_\_\_\_ (Public Agency), I am authorized or designated to make this Certification, and declare that this Certification is true and correct. I understand that knowingly filing a false or fraudulent claim or making false statements in support of a claim may violate the Federal False Claims Act or other applicable statute and federal law, and be punishable thereunder.

This Certification is made under the penalty of perjury.

1. The Public Agency making this intergovernmental transfer (IGT) to the Department of Health Care Service (DHCS) qualifies as an eligible transferring entity under Welfare and Institutions Code section 14166.12, subdivisions (d)(4), (e), and (f). The private hospital(s), identified as the entity to receive supplemental Medi-Cal payments funded by this IGT pursuant to Welfare and Institutions Code section 14166.12, subdivision (o), satisfies the eligibility requirements in Welfare and Institutions Code section 14166.12, subdivision (s).
2. The Public Agency will maintain documentation supporting the allowable funding source of these IGTs and understands that all records regarding the source of funding are subject to review and audit by DHCS.
3. The source of funds submitted to DHCS for the IGT is derived from state or local bonds, tax revenue, or other funds as permitted for claiming federal financial participation (FFP) by Section 1903(w) of the Social Security Act and Subpart B of Part 433 of Title 42 of the Code of Federal Regulations. The source of funds excludes any impermissible source, such as, federal funds excluded from use as the non-federal share, impermissible taxes, and non-bona fide provider-related donations in cash or in kind. The Public Agency attests that these IGT funds are not earmarked for any purpose other than for Medi-Cal eligible services, and acknowledges that 100 percent of the IGT amount specified below is to be used by DHCS as the non-federal share funding of the supplemental payment made pursuant to Supplement 4 to Attachment 4.19-A of the State Plan, and Welfare and Institutions Code sections 14166.12 and 14166.125.
4. The Public Agency's IGTs have not previously been, nor will they be, claimed at any other time as claims to receive FFP under Medi-Cal or any other federal program.
5. The Public Agency acknowledges that the IGT is to be used by DHCS for filing of a claim with the federal government for federal funds and understands that misrepresentation of the IGT constitutes violation of federal and state law.

6. The Public Agency acknowledges that all records of funds transferred are subject to review and audit by DHCS.
7. The Public Agency understands that DHCS must deny payment under Welfare and Institutions Code sections 14166.12 and 14166.125 if it is determined that the IGT, the certification, or both is not adequately supported for purposes of claiming FFP.
8. The Public Agency's funds transferred represent a voluntary contribution to the non-federal share of Medi-Cal expenditures for purposes of Section 10201(c) of the Patient Protection and Affordable Care Act (Public Law No. 111-148). DHCS is in no way requiring the Public Agency to provide the IGT funding.
9. The Medi-Cal payments made pursuant to this IGT will be distributed to the private hospital(s) identified in this certification, and not the Public Agency that submitted the IGTs. In addition, the Private Hospital Supplemental Fund Medi-Cal payments funded by the IGT will be retained by the private hospital(s) for its use and not returned to any public agency or unit of government.
10. Upon notice from the federal government of a disallowance or deferral related to this IGT, the Public Agency responsible for this IGT shall be the entity responsible for the federal portion of that expenditure.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Name of Public Agency: \_\_\_\_\_

Name of Private Hospital Receiving Payment:

\_\_\_\_\_

Amount of IGT for Payment: \_\_\_\_\_

Dates of Service State Fiscal Year: \_\_\_\_\_

**From:** [Kayla](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** LB 24-008 | Funding for the Hayward Animal Shelter and Cat TNR services  
**Date:** Tuesday, March 12, 2024 11:11:53 AM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

Dear Mayor Francisco Zermeno and whom it may concern,

I hope this letter finds you well. As a concerned citizen and advocate for animal welfare in our community, I am writing to you with a matter of great importance that requires your immediate attention.

Our local animal shelter plays a vital role in our community by providing care, shelter, and feral cat TNR services to countless animals in need. I live in Fairway Park, Hayward and individually volunteer my time and money into making sure the feral cats in our community have food, water, and are spayed. However, despite my tireless efforts and the efforts of other volunteers in the community, we are facing significant challenges due to limited resources and funding constraints. It costs \$75 to spay each feral cat and takes months to just book an appointment for them to be spayed.

The current level of funding allocated to the animal shelter is simply insufficient to meet the growing demands and needs of the animals, especially the growing demand of TNR services for our community feral cats.

It pains me to see animals suffering in our community due to lack of resources, and I firmly believe that as a compassionate and responsible community, we have a moral obligation to ensure their well-being. Investing in our animal shelter not only improves the lives of these animals but also reflects our values as a community that cares for all its members, including our furry friends.

Therefore, I urge you to consider increasing the funding allocated to our local animal shelter and its TNR services in the upcoming budget allocation. Furthermore, I believe that investing in our animal shelter is not only a humane decision but also a strategic one. A well-funded and well-equipped animal shelter not only improves animal welfare but also contributes to public health, safety, and quality of life in our community.

I understand that budgetary decisions are complex and require careful consideration of competing priorities. However, I strongly believe that supporting our animal shelter is an investment in the future of our community that will yield significant returns in terms of compassion, humanity, and civic pride.

Thank you for your attention to this important issue. I eagerly await your response and stand ready to support any efforts to improve the welfare of animals in our community.

Sincerely, Kayla Lane [REDACTED]

**From:** [Debbi D](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** City budget & some suggestions  
**Date:** Tuesday, March 12, 2024 1:28:30 PM

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**CAUTION:** This is an external email. Do not click on links or open attachments unless you know the content is safe.

To all....

Would like to ask why there is no addition for Hayward Animal Shelter?  
Could you please explain why it will cost \$8000 for Mayor Salinas to attend the Alameda County Mayor's Dinner? Seems a bit excessive to me.

I would like to see the city use some of our low income housing for 1st responders, teachers, nurses, etc so that they could actually live here in Hayward...possibly low interest loans too. I know this is being done in other places. There could be a cap on the length of time for this....maybe 5 or so years. It could help with recruitment goals.

I saw that Councilmember [Zermeno](#) mentioned on Nextdoor that he would like to see a parade downtown.....how about one to honor our first responders, military & veterans? Pleasanton has an event that honors them.....that could even work in with one of our Street Parties (I suggested that last summer). Also good for recruitment....show they they are appreciated. They definitely do more for the community than it has been doing for them recently.

Thank you,  
Debbi Dresser

**From:** [HAYWARD CONCERNED CITIZENS](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** 3/12/24 Special City Council Meeting Agenda Item LB 24-008  
**Date:** Tuesday, March 12, 2024 2:41:10 PM

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CAUTION: This is an external email. Do not click on links or open attachments unless you know the content is safe.

Mayor and Council Members,

As you discuss the mid-year budget this evening, some of our members raised questions we hope you will address:

- Hayward Animal Shelter - We saw some grant money due but wondered how Hayward Animal Shelter can otherwise get more funds and attention. It serves a vital role in our community and some have voiced concerns about funding being decreased over the years. The shelter needs to be well-maintained and managed, and the need for affordable spay, neuter, and adoption services is at an all-time high.

- What does \$8,000 in taxpayer funds cover for the Mayor's dinner?

- How does one justify the proposed expense of \$75,000 to educate Hayward residents about the unhoused community and efforts to address homelessness?

- Have the financial analysts studied and published the fiscal impact of the recent divestment vote?

- The Russell City Reparative Justice Project has been allotted at least \$170,000 from the General Fund so far. Has the current status been made transparent in this latest budget review?

- Since \$86,000 is proposed to be poured into public engagement regarding the Measure C extension, will language be included on the ballot measure as to what our surveyed community believes should be the priority for those funds?

Sincerely,  
TJ on behalf of HAYWARD CONCERNED CITIZENS



**From:** [Patricia Mahoney](#)  
**To:** [List-Mayor-Council](#)  
**Subject:** Please add to 3/12/24 CC meeting agenda: Hayward Animal Shelter budget  
**Date:** Tuesday, March 12, 2024 2:11:39 PM

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CAUTION: This is an external email. Do not click on links or open attachments unless you know the content is safe.

Dear Mayor Salinas and City Council members,

Please add the Hayward Animal Shelter's budget to tonight's (3/12/24) CC meeting agenda. The shelter is in need of more resources and greater funding, I think, to help staff and volunteers meet the needs of the adoptable pets and residents' pets. Effective, affordable (subsidized or free for qualifying residents!) spay and neuter programs are needed to address the serious feral cat problems in Hayward. Residents and volunteers work hard to help the shelter pets, strays, and feral cats... but the shelter must do better. Staff and volunteers' efforts must be supported with a budget that meets the shelter's needs. Please add the animal shelter's budget to the CC meeting agenda to review and adjust it to support the shelter's mission and urgent needs.

A "State of the Hayward Animal Shelter" study would be timely and informative, too.

Thank you.  
Patricia Mahoney  
Hayward resident