



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 • (510) 797-1111

Nancy Farber, Chief Executive Officer

Board of Directors

Patricia Danielson, RHIT

Jacob Eapen, M.D.

William E. Nicholson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

Wednesday, February 24, 2016 – 6:00 P.M.
Anderson C

AGENDA

- | | | |
|-------------|--|---|
| I. | CALL TO ORDER &
PLEDGE OF ALLEGIANCE | Michael Wallace
Board Member |
| II. | ROLL CALL | Christine Flores
District Clerk |
| III. | COMMUNICATIONS
A. Oral
B. Written | |
| IV. | CLOSED SESSION
A. Report involving a trade secret
pursuant to Health & Safety Code
section 32106
New Program
Estimated date of public disclosure:
February 2017
B. Report and discussion regarding
California Government Code section
54957: Personnel matters | Nancy Farber
Chief Executive Officer |
| V. | OPEN SESSION
Report on Closed Session | Michael Wallace
Board Member |
| VI. | ACTION
A. Consideration of Claim: Quiambao | <i>Motion Required</i> |
| VII. | ADJOURNMENT | Michael Wallace
Board Member |

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
February 19, 2016

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook is guarded. The continuing declines in oil prices, global economic concerns in China and Asia, as well as lower than expected domestic GDP growth last quarter are all adding to the uncertainty around the domestic and international economies. However, there remain positive signs in the domestic labor markets.

The Bureau of Labor Statistics job report showed the U.S. economy added 151,000 jobs in January as the unemployment rate declined to 4.9%. Although the number of jobs added came in below expectations, we did see meaningful wage growth in January of half a percentage point. The last six months were the best extended period for employee wage growth since the recovery began more than six years ago. Claims for U.S. jobless benefits declined to a seven-week low recently, dropping by 16,000 to a seasonally adjusted 269,000. Jobless claims have now been below 300,000, which is the threshold normally associated with a strengthening labor market, for almost one year. The four-week moving average, a less volatile measure, fell by 3,500 to 281,250. The national housing market continues to show signs of stabilization, although housing starts have declined in the last two months indicating slowing momentum. January housing data was not yet available at the time of this report, and will be updated in next month's report.

The California economy continues to have positive economic indicators. In December (state unemployment data lags national data by a month), the state added 60,400 new payroll jobs, however the unemployment rate ticked up to 5.8%, from 5.7% a month earlier. Payroll statistics and the unemployment rate are calculated from two separate surveys, and most economists agree that the payroll figures tend to be a more reliable indicator of the economy's direction. California's economy appears to be performing well despite the slowdown in the global economy; however the weakened global economy has already put a dent in California's exports. January housing data was not yet available at the time of this report, and will be updated in next month's report.

Locally, the District's unemployment rate decreased slightly in December, (local unemployment data lags national data by a month) decreasing to 3.6% from 3.7% in the previous month. Just fewer than 6,800 District residents in the labor force are unemployed. January housing data was not yet available at the time of this report, and will be updated in next month's report.

Analysis of all of the economic measures included above is ongoing and carefully monitored for potential impacts to hospitals and opportunities for Washington to contribute expertise and advocacy through our elected officials.

State and Federal Legislative Update

CA Legislature

The State Legislature is expected to pass a health care plan tax this month that will raise \$1.27 billion annually, replacing an existing tax that is set to expire in July and raises \$270 million less. This tax was the primary purpose of the current special session, which when concluded will start the 90-day countdown for enactment of the End of Life Bill.

The deadline for submission of new legislation is February 19th. Staff is currently in the process of reviewing introduced legislation that may impact the Health Care District, and will continue to monitor this legislation over the next several months.

Sponsored Legislation

The bill Washington is sponsoring has been introduced as Assembly Bill 1857. The bill is authored by Assembly Member Rodriguez, who successfully got a bill through the Legislature last year that would have made any violent act in an Emergency Room a felony. This bill ultimately was vetoed by the Governor. AB 1857, Washington's bill, would require peace officers, when bringing a patient to a health care facility, to disclose to staff whether the patient has a violent criminal history. The goal of the bill is to help ensure the safety of health care staff and patients. Staff continues to work with our lobbyist in Sacramento on potential amendment language and to identify potential co-authors, along with beginning to meet with local Union leadership to get their support for the bill.

II. FOUNDATION

Capital Campaign

CCS has concluded the planning study for the capital campaign and is recommending that the Foundation conduct a capital campaign to equip the Morris Hyman Pavilion. They do not think a goal should be specified at this time, but instead talk about the need for \$36 million for furniture, fixtures and equipment for the building. Rick Happy, principal and managing director at CCS, presented the results of the planning study at the annual meeting of the Foundation on January 25 and the trustees voted to engage CCS to conduct a capital campaign. The term of the consulting engagement is for six months, at which point CCS will return to brief the boards of the District and the Foundation on the results of the campaign. CCS anticipates beginning the engagement in late February or early March.

Golf Tournament

Planning has begun on the golf tournament, which will take place at Castlewood Country Club on Monday, April 25, 2016.



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 6

Month of December 2015

Nancy Farber, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Washington Clinics
Washington Radiation Oncology Center • Washington Outpatient Surgery Center
Washington Heart Program • Washington Outpatient Rehabilitation Center • Washington Center for Joint Replacement
Taylor McAdam Bell Neuroscience Institute • Institute for Minimally Invasive and Robotic Surgery
Washington Outpatient Imaging Center • Washington Women's Center

**Washington Township Hospital
Development Corporation
Summary Income Statement
December 2015**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
3,144	3,412	(268)	(7.9%)	18,895	20,812	(1,917)	(9.2%)
291	516	(225)	(43.6%)	2,606	2,822	(216)	(7.7%)
3,435	3,928	(493)	(12.6%)	21,501	23,634	(2,133)	(9.0%)
Gross Revenue							
4,065,648	3,699,462	366,186	9.9%	19,635,986	21,636,980	(2,000,994)	(9.2%)
762,829	769,610	(6,781)	(0.9%)	4,590,622	4,608,875	(18,253)	(0.4%)
4,828,477	4,469,072	359,405	8.0%	24,226,608	\$26,245,855	(2,019,247)	(7.7%)
Deductions							
2,264,645	2,037,275	(227,370)	(11.2%)	10,498,185	11,888,563	1,390,378	11.7%
55.7%	55.1%	(0.6%)		53.5%	54.9%	1.5%	
2,563,832	2,431,797	132,035	5.4%	13,728,423	14,357,292	(628,869)	(4.4%)
Expenses							
878,323	760,897	(117,426)	(15.4%)	4,857,770	4,510,684	(347,086)	(7.7%)
293,566	263,347	(30,219)	(11.5%)	1,556,158	1,533,440	(22,718)	(1.5%)
302,899	255,637	(47,262)	(18.5%)	1,479,869	1,550,903	71,034	4.6%
44,574	44,629	55	0.1%	264,613	267,776	3,163	1.2%
196,721	239,919	43,198	18.0%	1,321,628	1,332,252	10,624	0.8%
181,972	216,932	34,960	16.1%	1,155,981	1,171,823	15,842	1.4%
9,824	15,634	5,810	37.2%	84,469	88,817	4,348	4.9%
79,351	78,957	(394)	(0.5%)	479,282	477,462	(1,820)	(0.4%)
15,543	17,451	1,908	10.9%	117,792	123,762	5,970	4.8%
444,175	439,512	(4,663)	(1.1%)	2,587,175	2,637,768	50,593	1.9%
127,902	71,654	(56,248)	(78.5%)	763,640	412,776	(350,864)	(85.0%)
2,574,850	2,404,569	(170,281)	(7.1%)	14,668,377	14,107,463	(560,914)	(4.0%)
(11,018)	27,228	(38,246)	(140.5%)	(939,954)	249,829	(1,189,783)	(476.2%)
73,437	101,298	27,861	27.5%	(32,523)	558,925	591,448	105.8%
(84,455)	(74,070)	(10,385)	(14.0%)	(907,431)	(309,096)	(598,335)	(193.6%)