



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 F. Nicholson, M.D.
Bernard Stewart, D.D.S.
Michael J. Wallace*

BOARD OF DIRECTORS MEETING

Wednesday, October 24, 2018– 6:00 P.M.

Board Room, 2000 Mowry Avenue

AGENDA

PRESENTED BY:

- | | |
|--|---|
| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | Michael Wallace
Board Member |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. COMMUNICATIONS | |
| A. Oral | |
| B. Written | |
| IV. CLOSED SESSION | |
| A. Conference with Legal Counsel-Anticipated Litigation pursuant to Government Code section 54956.9(d)(2) (1 matter) | Nancy Farber
Chief Executive Officer |
| B. Conference involving a trade secret pursuant to Health & Safety Code section 32106 | |
| C. Report on personnel matters, Cal Gov. Code Section 54957 | |
| V. OPEN SESSION | |
| Report on Closed Session | Michael Wallace
Board Member |
| VI. ADJOURNMENT | Michael Wallace
Board Member |



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 2

Month of August 2018

Nancy Farber, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Institute for Joint Restoration and Research
Sandy Amos R.N. Infusion Center • Taylor McAdam Bell Neuroscience Institute • Washington Center for Wound Healing and Hyperbaric Medicine
Washington Outpatient Imaging Center • Washington Outpatient Rehabilitation Center • Washington Outpatient Surgery Center
Washington Radiation Oncology Center • Washington Special Care Nursery • Washington Urgent Care • Washington Women's Center



**Washington Township Hospital
Development Corporation
Summary Income Statement
August 2018**

Current Month				Year - To - Date				
Actual	Budget	Favorable/(Unfavorable)			Actual	Budget	Favorable/(Unfavorable)	
		Variance	%				Variance	%
3,271	3,316	(45)	(1.4%)	(1) Visits	6,484	6,587	(103)	(1.6%)
255	223	32	14.3%	(2) Treatments & Procedures	505	420	85	20.2%
3,526	3,539	(13)	(0.4%)	(3) Total	6,989	7,007	(18)	(0.3%)
				Gross Revenue				
4,141,919	4,446,035	(304,116)	(6.8%)	(4) Patient Revenue	7,960,544	8,514,142	(553,598)	(6.5%)
850,944	865,973	(15,029)	(1.7%)	(5) Other Revenue	1,624,650	1,667,341	(42,691)	(2.6%)
4,992,863	5,312,008	(319,145)	(6.0%)	(6) Total Gross Revenue	9,585,194	10,181,483	(596,289)	(5.9%)
				Deductions				
2,154,180	2,167,006	12,826	0.6%	(7) Total Deductions	4,047,636	4,134,748	87,112	2.1%
52.0%	48.7%	(3.3%)		Contractual Percentage	50.8%	48.6%	(2.2%)	
2,838,683	3,145,002	(306,319)	(9.7%)	(8) Net Revenue	5,537,558	6,046,735	(509,177)	(8.4%)
				Expenses				
930,535	862,196	(68,339)	(7.9%)	(9) Purchased Labor	1,752,836	1,715,030	(37,806)	(2.2%)
268,764	301,374	32,610	10.8%	(10) Purchased Benefits	538,755	601,279	62,524	10.4%
307,200	379,440	72,240	19.0%	(11) Supplies	538,208	709,503	171,295	24.1%
270,939	276,770	5,831	2.1%	(13) Professional Fees	566,334	537,079	(29,255)	(5.4%)
222,039	216,544	(5,495)	(2.5%)	(14) Purchased Services	407,145	403,457	(3,688)	(0.9%)
89,417	94,282	4,865	5.2%	(16) Depreciation and Amort	179,592	187,135	7,543	4.0%
26,336	25,942	(394)	(1.5%)	(17) Utilities	52,260	50,980	(1,280)	(2.5%)
440,790	439,203	(1,587)	(0.4%)	(18) Building Lease	879,822	878,402	(1,420)	(0.2%)
159,940	140,788	(19,152)	(13.6%)	(19) Other Expenses	301,380	269,242	(32,138)	(11.9%)
2,715,960	2,736,539	20,579	0.8%	(20) Total Expenses	5,216,332	5,352,107	135,775	2.5%
122,723	408,463	(285,740)	(70.0%)	(21) Net Operating Income/Loss	321,226	694,628	(373,402)	(53.8%)
92,693	236,084	143,391	60.7%	(22) Minority Interest	236,096	429,906	193,810	45.1%
30,030	172,379	(142,349)	(82.6%)	(23) Net Income/Loss	85,130	264,722	(179,592)	(67.8%)

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
October 19, 2018

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. The latest national labor figures continue to show favorable job growth, a very low unemployment rate, and historically low unemployment claims. Financial markets around the globe continue to keep a close eye on the ongoing tariff maneuvers to determine the breadth and depth of the impact they may have on global economic growth in the coming year.

The Bureau of Labor Statistics job report showed the U.S. economy created 134,000 jobs in September, as the unemployment rate declined to 3.7% from 3.9%, which is the lowest national unemployment rate since 1969. The economy has now added jobs for nearly eight straight years. Hourly wage growth remained stable compared to the previous months, growing by 2.8% over the prior year. Claims for U.S. jobless benefits continue to remain at historically low levels, coming in recently at 210,000. The four-week moving average, a less volatile measure, rose slightly to 211,750. Key financial indicators show that the national economy continues on a strong growth trajectory going into the last quarter of 2018, however key indicators in the housing market and financial markets have started to create uncertainty around whether this trajectory will hold into the latter part of 2019. While the national housing market generally remains strong, there are continued signs that regions of the country are headed for a housing market slowdown. Rising interest rates, coupled with high home values, and declining sales and building permits continue to put pressure on affordability and we are seeing a softening in the housing market in key national markets such as New York City, the San Francisco Bay Area, and Denver.

The California economy showed strong job growth in August (state unemployment data lags national data by a month), adding 44,800 jobs as the state's unemployment rate remained at a historically low 4.2%. This is the 101st straight month of employment expansion for the State. As is the case across the nation, wages grew compared to the prior year but barely enough to top the increase in consumer prices. Similar to the national market, the California housing market is strong, however there are continued signs that we have entered into a market slowdown, a trend which will continue into 2019.

Locally, the District's unemployment rate held steady in August (local unemployment data lags national data by a month) at 2.8%. Just over 5,350 District residents in the labor force are unemployed.

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 deadline for the Governor to take action on bills the Legislature sent to his desk was September 30. This year, Governor Brown vetoed 201 bills out of the 1,217 bills that reached his desk, which was the highest veto rate in the sixteen years he has served as Governor.

Some of the bills signed by the Governor worth highlighting include:

SB 1152 (Hernandez) Hospital Patient Discharge Process: Homeless Patients

This bill was signed by the Governor. Current law requires each hospital to have a written discharge planning policy and process that requires that the appropriate arrangements for post-hospital care are made prior to discharge for those patients likely to suffer adverse health consequences upon discharge if there is no adequate discharge planning. This bill requires each hospital to include a written homeless patient discharge planning policy and process within the hospital discharge policy that includes a number of provisions including offering a meal, weather appropriate clothing, appropriate vaccinations, infectious disease screening, and transportation up to 30 minutes or 30 miles from the hospital. The bill also includes preemption language stating a local jurisdiction would be allowed to establish more stringent standards.

AB 3032 (Frazier) Maternal Mental Health Conditions

This bill was signed by the Governor. This bill requires a general acute care hospital or special hospital that has a perinatal unit to develop and implement, by January 1, 2020, a program relating to maternal mental health conditions including, but not limited to, postpartum depression. The bill requires the program to include, among other things, education and information about maternal mental health conditions for women, families, and hospital perinatal unit employees.

AB 2019 (Aguiar-Curry) Health Care Districts

This bill has been signed by the Governor. This bill would require the board of directors to include specified information, such as the district's policy for providing assistance or grant funding, on the district's Internet Web site. The bill would require that policy to contain, among other things, the district's plan for distributing grant funds for each fiscal year and a process for providing, accepting, and reviewing grant applications. The bill would also require the board to, upon filing a petition under federal bankruptcy law, provide written notice within 10 business days to the local agency formation commission of the principal county in which the district is located. The bill would require a district that is authorized and elects to use the design-build process for the construction of housing to require that at least 20% of the residential units constructed be subject to a recorded affordability restriction for at least 55 years and be affordable to lower income households, very low income households, extremely low income households, and persons and families of low or moderate income, unless the city, county, or city and county in which the district is predominantly located has adopted a local ordinance that requires a greater percentage of

the units be affordable to those groups or unless the construction is for purposes of building workforce housing, health facilities, or retirement facilities.

AB 2798 (Maienschein) Hospital Licensing

This bill was signed by the Governor. This bill prescribes timelines for the State Department of Public Health to approve a written application submitted by a general acute care hospital or an acute psychiatric hospital to modify, add, or expand a service or program. The bill requires the department to complete its evaluation and approve or deny an application within 100 days of receipt of the application. The bill also requires the department to approve a written application to expand a service that is currently being provided within 30 business days of receipt of the completed application, unless the hospital is out of compliance with existing laws governing the service to be expanded.

AB 2281 (Irwin) Clinical Laboratories: Licensed Medical Laboratory Technicians

This bill was signed by the Governor. Current law provides for the licensure, registration, and regulation of clinical laboratories and various clinical laboratory personnel by the State Department of Public Health. Current law requires a medical laboratory technician to be licensed by the department, sets forth the duties that a licensed medical laboratory technician is authorized to perform, and prohibits a licensed medical laboratory technician from performing microscopic analysis or immunohematology procedures. This bill exempts from that prohibition blood smear reviews other than manual leukocyte differentials, microscopic urinalysis, and blood typing of moderate complexity such as automated ABO/Rh testing and antibody screen testing.

Federal Legislation

Opioid Crisis

As anticipated, earlier this month the Senate passed H.R. 6, "SUPPORT for Patients and Communities Act," to address the ongoing opioid crisis with a vote of 98-1. The legislative package, which has been assembled over several months by eight House committees and five Senate committees, seeks to address the opioid misuse epidemic through a variety of public health initiatives to expand access to opioid misuse treatments, promote the development of alternative treatments for pain, and prevent the entry of illicit drugs into the United States. The bill now heads to the White House for President Trump's signature, and it is expected he will sign the bill into law the week of October 22, ahead of the November elections.

II. FOUNDATION

Critical Care Capital Campaign

The capital campaign has been under way for two years now and has raised \$5.54 million from community donors, physicians and employees. Our stretch goal for the campaign is \$7.5 million.

32nd Annual Top Hat Dinner Dance

The Foundation's annual Top Hat gala took place on Saturday, October 13. Over 710 guests joined us for the evening to raise funds for medical equipment in the new ICU/CCU in the Morris Hyman Critical Care Pavilion. Figures are still being tallied to calculate the net proceeds from the event.

Trees of Angels Celebrations

Planning has begun for the Trees of Angels events. Three of the five events have been finalized for the celebrations. The confirmed dates are:

1. November 23: Niles Festival of Lights Parade (WHHS will participate)
2. November 26: Tree lighting at the Bernardin Family McDonalds Restaurant
3. December 3: Newark Municipal tree lighting

We are working with the Union City Chamber of Commerce to finalize a tree-lighting date with them, and also to confirm a date of the tree lighting at Washington West.