



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

August 12, 2020

## MEETING NOTICE

In compliance with Governor Gavin Newsom's Executive Order to further the State's efforts to reduce the risk of spread of the COVID-19 Coronavirus and reduce and minimize the risk of infection, as well as the Alameda County mandatory legal order to shelter at home, the regularly scheduled meeting of the Board of Directors of Washington Township Hospital Development Corporation will be conducted by Teleconference only on Wednesday, August 19th, 2020. The meeting will commence at 7:30am.

Teleconference information:

Dial In: 510-818-5900

Participant Code: 6736

Portions of this meeting may be held in closed session in accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Recording Secretary at (510) 818-7839. Notification two working days prior to the meeting will enable the Recording Secretary to make reasonable arrangements to ensure accessibility to this meeting.

This notice is posted pursuant to Section 54954 of the Government Code.

By direction of the President & Chief Executive Officer  
Washington Township Hospital Development Corporation

HOLLY CEDILLO  
Recording Secretary

*Kimberly Hartz, President and Chief Executive Officer*

Ohlone College Student Health Center • Washington Medical Billing • Washington on Wheels • Washington Outpatient Rehabilitation Center  
Washington Outpatient Surgery Center • Washington Radiation Oncology Center • Washington Sports Medicine  
Washington Township Medical Foundation • Washington Urgent Care



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

## AGENDA

### BOARD OF DIRECTORS' MEETING WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

Wednesday, August 19, 2020 – 7:30A.M.  
Meeting Conducted by Teleconference  
Dial In: (510) 818-5900      Participant Code: 6736

**Assistance for the Disabled:** If you are disabled in any way and need accommodation to participate in the meeting, please call Holly Cedillo, Recording Secretary, at (510) 818-7839 for assistance so the necessary arrangements can be made.

		<b>PRESENTED BY:</b>
I.	<b>CALL TO ORDER</b>	Chair
II.	<b>ROLL CALL</b>	Holly Cedillo, Executive Assistant
III.	<b>CONSIDERATION OF MINUTES OF May 18, 2020</b>	<i>Motion Required</i>
IV.	<b>COMMUNICATIONS</b> A. Oral B. Written	
V.	<b>PRESIDENT AND CHIEF EXECUTIVE OFFICER REPORT</b>	Kimberly Hartz, President and Chief Executive Officer

*Kimberly Hartz, President and Chief Executive Officer*

*In accordance with Section 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, portions of this meeting may be held in closed session.*

- |              |  |       |
|--------------|--|-------|
| <b>VI.</b>   | <b>CLOSED SESSION</b>  | Chair |
|              | A. Report involving trade secret pursuant to Health and Safety Code, Section 32106.<br>Estimated public disclosure date August 2021. |       |
| <b>VII.</b>  | <b>ADJOURN TO OPEN SESSION &amp; REPORT ON CLOSED SESSION</b>  | Chair |
| <b>VIII.</b> | <b>OPEN SESSION</b>  | Chair |
|              | A. Report to Open Session  |       |
|              | B. Action Item   |       |
|              | 1. Acceptance of the Washington Township Hospital Development Corporation Budget Estimate for Fiscal Year 2020/21.                   |       |
|              | 2. Acceptance of the Washington Township Medical Foundation Budget Estimate for Fiscal Year 2020/21.                                 |       |
| <b>IX.</b>   | <b>ADJOURNMENT</b>   | Chair |

**NEXT MEETING: November 16, 2020**

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on May 18, 2020 via Teleconference in order to comply with Governor Gavin Newsom's and Alameda County's mandatory orders to Shelter at Home to reduce the risk of spread of COVID-19. Chairman Sah called the meeting to order at 7:30a.m. *CALL TO ORDER*

Present: Russ Blowers, Steven Chan, DDS, Gloria Villasana Fuerniss, Miro Garcia, Benn Sah, MD, and Kimberly Hartz, President and Chief Executive Officer *ROLL CALL*

Absent: None

Also present: Tina Nunez, Vice President of Ambulatory and Administrative Services; Chris Henry, Vice President and Chief Financial Officer; Walter Choto, Sr. Director, Ambulatory Care Services; Nicholas Kozachenko, Attorney and Holly Cedillo, Executive Assistant

Guest: Kristin Ferguson, Chief of Compliance; Mike Rogers, DEVCO Compliance Officer

A motion was made by Director Blowers, seconded by Director Fuerniss to approve the minutes of the meeting of January 29, 2020. The motion was carried by the following vote. *APPROVAL OF MINUTES OF January 29, 2020*

Ayes: Directors Blowers, Chan, Fuerniss, Garcia and Sah  
Noes: None  
Absent: None  
Abstain: None

Ms. Hartz noted that there was no written or oral communication. *COMMUNICATIONS*

Ms. Hartz provided information regarding the current spread of the novel coronavirus. This is an evolving situation and the administration and physicians are working on initiatives to ensure the continued safety of the staff, doctors and the community. Due to the pandemic, a current shelter in place order has been put into effect by Alameda County. During the shelter in place order, elective and non-urgent surgeries have been on hold. A stable supply of Personal Protective Equipment (PPE) is being maintained and inventory is monitored on a daily basis. Maintaining the stable supply of PPE is a continued effort and challenge. COVID-19 testing is provided both through the hospital lab as well as through Stanford reference lab. The hospital is on limited allocation of reagents to perform all the testing in-house. To date, we have administered 2,341 COVID-19 tests and 350 antibody tests. Within the hospital, screening is taking place at all entrances for the continued safety of the patients, staff and visitors. This consists of a temperature check, standard questions and distribution of a mask that is required to be worn. No visitors are allowed in the hospital at this time except for limited situations. *PRESIDENT & CHIEF EXECUTIVE OFFICER REPORT*

A phased approach will be followed when restarting elective cases and non-

urgent surgical procedures. Patients will be required to be tested for COVID-19 prior to surgical procedures. All suspect COVID-19 patients will be treated as if they are positive until test results conclude otherwise.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT (CONT'D)*

Volume has decreased during this time due to elective and non-urgent surgical cases being on hold and also because patients have chosen to delay their care during the pandemic due to the shelter in place order and personal safety concerns. Signage and posters have been distributed to encourage the community that it is safe to receive care at this time. Telemedicine appointments are also available. In an effort to provide continued COVID-19 education, the hospital also has a resource link located on the Washington Hospital Healthcare System internet site.

Chris Henry, Vice President and Chief Financial Officer, shared information regarding financial funding that is available as a result of COVID-19. The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federally funded program that provides financial support to healthcare providers that have been affected financially due to the COVID-19 pandemic. These relief payments are forgivable and must be used for healthcare-related expenses. DEVCO did not qualify for this funding. Also, the Centers for Medicare and Medicaid Services (CMS) have a program to provide accelerated payments when there is a disruption in claims submission, or processing, during the period of a public health emergency. The accelerated payments are required to be repaid.

Ms. Nunez noted that Washington Township Hospital Development Corporation (DEVCO) and Washington Township Medical Foundation (WTMF) are both developing safety initiatives for patients and staff to ensure social distancing as part of the reopening strategy for the sites.

Ms. Hartz announced that Dr. Stephen Catalya, MD, Infectious Disease, has been offered an employment agreement with Washington Township Medical Foundation. He is anticipated to start on August 31, 2020. Dr. Catalya received his Bachelor of Science in Combined Sciences from Santa Clara University. He received his Doctor of Medicine at Saint George's University School of Medicine and completed his residency at Hackensack Meridian Health in New Jersey. He is fluent in Spanish and is a member of the American Medical Student Association, the American College of Physicians, and the American Academy of Family Physicians. It was noted that Dr. Muni Barash will be transitioning to part time and providing primary care only to patients.

Ms. Hartz informed the group that the property for the Warm Springs project was purchased in March and is currently in the planning stages for future development, which will take the next fiscal year to complete after which construction will begin for the site. This property is owned jointly between the Washington Township Health Care District (WTHCD) and the University of California San Francisco (UCSF). 51% of ownership will be held by the District and the

remaining 49% will be held by UCSF.

In accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, Chairman Sah adjourned the meeting to closed session at 8:20a.m.

*ADJOURN TO CLOSED SESSION*

Chairman Sah adjourned the meeting to open session at 9:12a.m. He reported that no action was taken in closed session.

*ADJOURN TO OPEN SESSION*

The replacement of the air handler, roof top condensing unit, and heat pump condenser at 2299 Mowry Avenue, Suite 2C that services the Washington Outpatient Surgery Center for a total amount not to exceed \$33,498.04 was presented for approval. This includes the base bid and the contingency budget. These units are currently over 30 years old and at end of life. The units have been serviced multiple times and due to the age of the equipment, parts are difficult to find. This item was included in the Capital budget for FY 2019/20.

*ACTION ITEM – Consideration of replacement of the air handler, roof top condensing unit and heat pump condenser at 2299 Mowry Avenue, Suite 2C*

A motion was made by Director Chan to authorize the President and Chief Executive Officer to enter into the necessary contracts to proceed with the replacement of the air handler, roof top condensing unit, and heat pump condenser located at 2299 Mowry Avenue, Suite 2C. On a second from Director Fuerniss, the motion was carried with the following vote:

Ayes: Directors Blowers, Chan, Fuerniss, Garcia and Sah

Noes: None

Abstain: None

Absent: None

There being no further business, the meeting adjourned at 9:16a.m. The next meeting is currently scheduled for August 17, 2020 at 7:30a.m.

*ADJOURNMENT*

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Benn Sah, MD  
Chair

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Steven Chan, DDS  
Secretary

**Washington Township Hospital  
Development Corporation  
Summary Income Statement  
June 2020**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
2,022	3,316	(1,294)	(39.0%)	34,673	42,726	(8,053)	(18.8%)
166	246	(80)	(32.5%)	3,439	3,310	129	3.9%
2,188	3,562	(1,374)	(38.6%)	38,112	46,036	(7,924)	(17.2%)
				Gross Revenue			
2,978,080	4,474,299	(1,496,219)	(33.4%)	43,340,665	52,581,337	(9,240,672)	(17.6%)
1,666,047	870,919	795,128	91.3%	12,261,870	10,366,013	1,895,857	18.3%
<b>4,644,127</b>	<b>5,345,218</b>	<b>(701,091)</b>	<b>(13.1%)</b>	<b>55,602,535</b>	<b>62,947,350</b>	<b>(7,344,815)</b>	<b>(11.7%)</b>
				Deductions			
<b>1,530,166</b>	<b>2,358,009</b>	<b>827,843</b>	<b>35.1%</b>	<b>22,201,960</b>	<b>27,625,781</b>	<b>5,423,821</b>	<b>19.6%</b>
51.4%	52.7%	1.3%		51.2%	52.5%	1.3%	
<b>3,113,961</b>	<b>2,987,209</b>	<b>126,752</b>	<b>4.2%</b>	<b>33,400,575</b>	<b>35,321,569</b>	<b>(1,920,994)</b>	<b>(5.4%)</b>
				Expenses			
750,970	886,709	135,739	15.3%	10,263,757	10,790,300	526,543	4.9%
266,988	291,570	24,582	8.4%	3,433,909	3,542,918	109,009	3.1%
293,051	380,345	87,294	23.0%	4,000,535	4,345,280	344,745	7.9%
316,726	302,621	(14,105)	(4.7%)	4,153,363	3,609,036	(544,327)	(15.1%)
267,191	224,083	(43,108)	(19.2%)	3,061,891	2,676,192	(385,699)	(14.4%)
95,264	91,577	(3,687)	(4.0%)	1,134,977	1,108,219	(26,758)	(2.4%)
26,168	30,310	4,142	13.7%	288,340	294,077	5,737	2.0%
562,897	419,200	(143,697)	(34.3%)	6,216,229	4,998,782	(1,217,447)	(24.4%)
656,550	123,301	(533,249)	(432.5%)	2,055,523	1,519,872	(535,651)	(35.2%)
<b>3,235,805</b>	<b>2,749,716</b>	<b>(486,089)</b>	<b>(17.7%)</b>	<b>34,608,524</b>	<b>32,884,676</b>	<b>(1,723,848)</b>	<b>(5.2%)</b>
<b>(121,844)</b>	<b>237,493</b>	<b>(359,337)</b>	<b>(151.3%)</b>	<b>(1,207,949)</b>	<b>2,436,893</b>	<b>(3,644,842)</b>	<b>(149.6%)</b>
<b>119,482</b>	<b>166,041</b>	<b>46,559</b>	<b>28.0%</b>	<b>160,469</b>	<b>1,740,085</b>	<b>1,579,616</b>	<b>90.8%</b>
<b>(241,326)</b>	<b>71,452</b>	<b>(312,778)</b>	<b>(437.7%)</b>	<b>(1,368,418)</b>	<b>696,808</b>	<b>(2,065,226)</b>	<b>(296.4%)</b>



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

**DATE:** August 17, 2020  
**TO:** Board of Directors  
Washington Township Hospital Development Corporation  
**FROM:** Kimberly Hartz  
President and Chief Executive Officer  
**SUBJECT:** Washington Township Hospital Development Corporation  
Budget Estimate FY 2020/21

The Budget Estimate for FY 2020/21 for the Washington Township Hospital Development Corporation (DEVCO) is being presented to the Board of Directors of the Development Corporation for its adoption.

In the latter part of Fiscal Year 2019/20, DEVCO began operating in unprecedented times with the onset of the COVID-19 pandemic. In mid-March, Governor Gavin Newsom declared a State of Emergency and Alameda County issued a "shelter-in-place" order. This order necessitated some of the DEVCO sites to limit operations or altogether close for a period of time. Reopening of the sites has now occurred however, volume in most of the sites is not back to pre-COVID levels as many patients are delaying their primary and specialty care for fear of contracting the virus.

This budget reflects a projection in a period of great uncertainty as the country continues to fight this pandemic. Experts warn that the recovery pace for health care providers will be slow and that "normal" volume will not come back quickly. It may be some time before we establish what a new "normal" will look like. Therefore, the volume assumptions for each unit take this into account.

This budget takes into account inflation, contracted changes, staffing changes, operating changes and the impact of COVID-19. For the FY 2020/21, the Washington Township Hospital Development Corporation is budgeted as follows:

Visits are budgeted at **38,095**  
Total Operating Revenue is budgeted at **\$33,898,009**  
Total Expenses are budgeted at **\$34,120,385**  
Net Income is budgeted at **(\$1,301,690)**

In accordance with District Law, Policies and Procedures, I request that the Washington Township Hospital Development Corporation Board of Directors authorize the President and Chief Executive Officer to proceed with the adoption of the Washington Township Hospital Development Corporation FY 2020/21 Budget Estimate.

KIMBERLY HARTZ  
President and Chief Executive Officer

*Kimberly Hartz, President and Chief Executive Officer*



# Income Statement

## Budget Estimate FY 2020/21

	Budget Estimate FY 2021	Projected FY 2020	Change	%
Visits	38,095	39,184	(1,089)	-2.8%
Gross Patient Revenue	\$ 54,610,822	\$ 47,449,172	\$ 7,161,650	15.1%
Other Revenue	8,423,597	8,689,392	(265,795)	-3.1%
Contractual Allowances	29,136,410	25,413,903	(3,722,507)	-14.6%
<b>Total Operating Revenue</b>	<b>\$ 33,898,009</b>	<b>\$ 30,724,661</b>	<b>\$ 3,173,348</b>	<b>10.3%</b>
Expense:				
Salaries	\$ 7,028,891	\$ 7,722,830	\$ 693,939	9.0%
Benefits	2,896,740	2,793,344	(103,396)	-3.7%
Supplies	5,450,953	3,942,057	(1,508,896)	-38.3%
Contract Mgmt Services	670,210	642,790	(27,420)	-4.3%
Professional Fees	1,540,973	1,470,861	(70,092)	-4.8%
Purchased Services	4,078,021	3,585,199	(492,822)	-13.7%
Purchased Labor	2,609,925	2,582,469	(27,456)	-1.1%
Purchased Benefits	712,057	689,941	(22,116)	-3.2%
Legal and Audit	269,221	387,522	118,301	30.5%
Depreciation**	1,337,579	1,134,334	(203,245)	-17.9%
Utilities	307,109	284,347	(22,762)	-8.0%
Building Lease	5,656,775	6,205,208	548,433	8.8%
Vehicle Lease	1	1	-	0.0%
Vehicle Expense	4,004	7,530	3,526	46.8%
Interest Expense	17,514	32,722	15,208	46.5%
Professional Liab Ins	83,094	72,444	(10,650)	-14.7%
Taxes, Fees & Licenses	286,634	273,449	(13,185)	-4.8%
Other Expense	1,170,684	1,436,932	266,248	18.5%
<b>Total Expense</b>	<b>\$ 34,120,385</b>	<b>\$ 33,264,000</b>	<b>\$ (856,385)</b>	<b>-2.6%</b>
Income from Operations	\$ (222,376)	\$ (2,539,339)	\$ 2,316,963	91.2%
Minority Interest in WOSC	1,079,314	(137,202)	(1,216,516)	-86.6%
<b>Net Income</b>	<b>\$ (1,301,699)</b>	<b>\$ (2,402,137)</b>	<b>\$ 1,100,447</b>	<b>45.8%</b>



Washington Hospital Healthcare System



# Washington Township Medical Foundation

Part of Washington Hospital Healthcare System  
2500 Mowry Avenue, Suite 255  
Fremont, California 94538  
Phone: 510-248-1000  
Fax: 510-608-6055

**DATE:** August 17, 2020

**TO:** Board of Directors  
Washington Township Hospital Development Corporation

**FROM:** Christine Nunez, President  
Washington Township Medical Foundation

**SUBJECT: WTMF Budget Estimate FY 2020/21**

The Budget Estimate for FY 2020/21 for the Washington Township Medical Foundation (WTMF) is being presented for recommendation of adoption to the Board of Directors of the Development Corporation.

This budget takes into account inflation, contracted changes, staffing changes, budgetary changes, market growth and the impact of COVID-19.

For the FY 2020/21, Washington Township Medical Foundation is budgeted as follows:

Visits are budgeted at 194,356  
Total Operating Revenue is budgeted at \$46,005,956  
Total Expenses are budgeted at \$69,238,777  
Net Loss is budgeted at (\$23,232,821)  
Total Capital Budget of \$136,584

This budget was prepared during a period of great uncertainty created by the COVID-19 pandemic. In March of this year, the health care industry changed. Due to the outbreak of COVID-19, the Governor of California declared a State of Emergency. This declaration prompted Alameda County to issue a “shelter in place” order. Healthcare Systems within the County, including Washington Hospital, cancelled all elective and non-urgent services.

The “shelter in place” order impacted WTMF’s operations and financial performance significantly. Patient clinic visits and surgeries had to be cancelled and postponed unless urgent. New protocols and workflows were implemented to address social distancing and safety measures related to the pandemic. A telehealth platform was developed so that patients and providers could still safely connect with each other. Additional personal protective equipment (PPE) needed to be acquired to protect our staff, physicians and patients. In May, as the “shelter in place” orders were slowly loosened, new workflows were established to accommodate social distancing. In addition, a marketing campaign was implemented to educate patients on the precautionary measures we had taken to make their visit to the clinic safe.



# Washington Township Medical Foundation

Part of Washington Hospital Healthcare System  
2500 Mowry Avenue, Suite 255  
Fremont, California 94538  
Phone: 510-248-1000  
Fax: 510-608-6055

These times have brought historic financial pressures across our industry. Experts warn that volumes will not come back quickly. This budget reflects the ability of each provider and clinic to adapt to the reopening and recovery phase. We do not expect to get back to normal across all of our clinics in this fiscal year. Despite all of the challenges we have had to adapt to, we have developed a spending plan for WTMF that addresses the needs created by the pandemic, while also focusing on the continued growth of the organization. We also acknowledge that the situation we currently face continues to evolve and this may require us in the future to amend our estimates during the course of the fiscal year.

Washington Township Medical Foundation is helping to better position Washington Hospital Healthcare System and physicians for the rapidly changing health care landscape at both the state and federal levels along with an environment driven by great uncertainty. Washington Township Medical Foundation provides opportunities for care coordination and collaboration that is important to the current and future success of Washington Hospital Healthcare System. WTMF also creates a vehicle that allows us to continue to successfully recruit primary care and specialist physicians to our community and offers community physicians another option for practicing medicine so that the health care needs of the community can be met now and into the future.

Our continued commitment to Washington Township Medical Foundation provides an important strategic initiative in helping us meet our goal of providing local access to safe, quality care along with improving and maintaining the health status of the residents of our District. I am recommending that the Board of Directors of the Washington Township Hospital Development Corporation approve the FY 2020/21 WTMF Budget Estimate.

CHRISTINE NUNEZ  
President

# WTTMF FY 2021

## Consolidated Income Statement

	FY 2021 Budget	FY 2020 Projected	Change	% Change
Visits	194,356	183,048	11,308	6.2%
<b>OPERATING REVENUE</b>				
Gross Patient Revenue	\$ 63,763,685	\$ 58,767,406	\$ 4,996,279	8.5%
Contractual Adjustments	(30,883,359)	(28,486,021)	(2,397,338)	-8.4%
Net Patient Revenue	\$ 32,880,326	\$ 30,281,385	\$ 2,598,941	8.6%
Contractual Adjustments %	48.4%	48.5%	0.0%	
Other Non-Patient Revenue**	13,125,630	11,998,540	1,127,090	9.4%
Total Operating Revenue	\$ 46,005,956	\$ 42,279,925	\$ 3,726,031	8.8%
<b>OPERATING EXPENSES</b>				
PSA Costs	43,137,836	42,510,175	(627,661)	-1.5%
Salaries & Wages	11,198,385	10,350,712	(847,673)	-8.2%
Benefits	3,519,758	3,205,661	(314,097)	-9.8%
Professional & Purchased Services	2,738,402	2,558,883	(179,519)	-7.0%
Supplies	2,801,513	2,146,516	(654,997)	-30.5%
Occupancy Costs	3,415,539	3,298,385	(117,154)	-3.6%
Depreciation	231,635	251,921	20,286	8.1%
Other Expense*	2,195,709	1,928,423	(267,286)	-13.9%
Total Operating Expense	\$ 69,238,777	\$ 66,250,676	\$ (2,988,101)	-4.5%
<b>NET PROFIT / (LOSS)</b>	<b>\$ (23,232,821)</b>	<b>\$ (23,970,751)</b>	<b>\$ 737,930</b>	<b>3.1%</b>

\* Other Expense includes: Insurance, Marketing, Bank Charges, Interpreting, Record Storage, Equip Rent, Taxes & Licenses

\*\* Other Non Patient Revenue includes: Incentive Rev, Hospitalist Rev, Meaningful Use Rev, WTTMG Management Fees, Lean Phys Champion, and PAMF Revenue

# WTMF FY 2021

## Capital Budget

Cardiology	Phillips TC30 Electrocardiograph	\$4,356
Cardiology	Echo Exam Table	3,260
ENT	Ritter M11 Autoclave	4,164
General Surgery Clinic	BK Specto 14L3 Linear Probe	10,337
Neurosurgery Clinic	Waiting Room Chairs	5,468
Orthopedic Surgery	Ritter M11 Autoclave	4,164
Urology	Watt Electrosurgical Generator	4,769
Urology	Equipment for new 2 new Exam Rooms	33,430
Vascular Surgery	3D Imaging Navigation System	3,619
Vascular Surgery	Bariatric Exam Table	17,161
Women's Health	Ritter 224 Exam Table	7,962
Women's Health	Voluson P8 GE Ultrasound Machine	37,894
<b>Total Capital Requests</b>		<b><u>\$136,584</u></b>