



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

Board of Directors

Jacob Eapen, MD
William F. Nicholson, MD
Bernard Stewart, DDS
Michael J. Wallace
Jeannie Yee

BOARD OF DIRECTORS MEETING

Wednesday, June 9, 2021 – 6:00 P.M.

Meeting Conducted by Zoom

<https://us02web.zoom.us/j/85248561915?pwd=SU9YUjBIYkxZzBGQzJCmUzWGJwUT09>

Password: 122031

AGENDA

PRESENTED BY:

- | | |
|--|--|
| <p>I. CALL TO ORDER & PLEDGE OF ALLEGIANCE</p> | <p>William Nicholson, M.D.
Board President</p> |
| <p>II. ROLL CALL</p> | <p>Dee Antonio
District Clerk</p> |
| <p>III. COMMUNICATIONS</p> <p>A. Oral
<i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not on the agenda and within the subject matter of jurisdiction of the Board.. “Request to Speak” cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i></p> <p>B. Written</p> | |
| <p>IV. CONSENT CALENDAR
<i>Items listed under the Consent Calendar include reviewed reports and recommendations and are acted upon by one motion of the Board. Any Board Member or member of the public may remove an item for discussion before a motion is made.</i></p> <p>A. Consideration of Minutes of the Regular Meetings of the District Board: May 12, 17, 24, and 26, 2021</p> <p>B. Consideration of Turbett Surgical Instrument Pods</p> | <p>William Nicholson, M.D.
Board President</p> <p><i>Motion Required</i></p> |

V. PRESENTATION

A. Budget Estimate FY 2021-2022

Chris Henry
Chief Financial Officer

VI. REPORTS

PRESENTED BY:

A. Medical Staff Report

Prasad Kilaru, M.D.
Chief of Medical Staff

B. Service League Report

Debbie Feary
Service League President

C. Lean Report
Washington Township Medical Foundation:
COVID-19 Vaccine Clinic Lean Journey

Michelle Hudson, MPA
Senior Director of Operations and
Administration Services

D. Quality Report:
Emergency Department Program Annual
Update

Kadeer Halimi, D.O.
Medical Director
Emergency Department
and
Brenda Brennan, MS, RN, CNS, CEN
Assistant Chief Nursing Officer

E. Finance Report

Chris Henry
Vice President & Chief Financial
Officer

F. Hospital Operations Report

Kimberly Hartz
Chief Executive Officer

VII. ACTION ITEMS

Motion Required

A. Consideration of Resolution No. 1228: Budget
Estimate FY 2021-2022

VIII. ANNOUNCEMENTS

Kimberly Hartz
Chief Executive Officer

IX. ADJOURN TO CLOSED SESSION

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

A. Report of Medical Staff and Quality Assurance
Committee, Health & Safety Code section
32155

**X. RECONVENE TO OPEN SESSION &
REPORT ON PERMISSIBLE ACTIONS
TAKEN DURING CLOSED SESSION**

William Nicholson, M.D.
Board President

XI. ADJOURNMENT

William Nicholson, M.D.
Board President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, May 12, 2021 via Zoom in order to comply with California Governor Gavin Newsom's and Alameda County's mandatory orders as revised on January 25, 2021 to comply with social distancing measures and other restrictions necessary to control the spread of COVID-19. Director Nicholson called the meeting to order at 6:00 pm and led those in attendance of the meeting in the Pledge of Allegiance.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

Roll call was taken: Directors present: William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Jacob Eapen, MD; Michael Wallace

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Cheryl Renaud, District Clerk

Guests: Ed Fayen, Chris Henry, Tina Nunez, Stephanie Williams, Paul Kozachenko, Nicholas Kozachenko, Prasad Kilaru MD, Brenda Brennan, Adelita Tinoco, Mary Bowron, Angus Cochran, Debbie Feary, and Sri Boddu.

Director Nicholson welcomed any members of the general public to the meeting. He stated that Governor's Newsom's Executive Order N-29-20 explicitly waives The Brown Act provision that requires physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in, or quorum for, a public meeting. He noted that Washington Township Health Care District continues to comply with the Brown Act in providing appropriate connection information in order to provide the public the opportunity to participate in the meeting and that Public Notice for this meeting, including connection information, was posted appropriately on our website.

OPENING REMARKS

Director Nicholson announced that this meeting, conducted via Zoom, will be recorded for broadcast at a later date. When asked if any members of the general public were in attendance and/or interested in speaking, there was no response.

Director Nicholson presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Minutes of the Regular Meetings of the District Board: April 14, April 19, April 26 and April 28, 2021
- B. Dornoch Waste Management Carts

In accordance with District law, policies, and procedures, Director Stewart moved that the Board of Directors approve the Consent Calendar, items A and B. Director Yee seconded the motion.

Roll call was taken:

William Nicholson, MD – aye
Jeannie Yee – aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye
Michael Wallace – aye

The motion unanimously carried.

There were no Oral communications.

COMMUNICATIONS:

There were no Written communications.

ORAL

*COMMUNICATIONS:
WRITTEN*

Kimberly Hartz, CEO, introduced Brenda Brennan, MS, RN, CNS, CEN, Assistant Chief Nursing Officer, and Adelita Tinoco, PhD, RN, AGCNS-BC, Magnet Project Manager, as well as Stephanie Williams, RN, MHA, CPHQ, NE-BC, Vice President and Chief Nursing Officer. Brenda Brennan presented the Journey to Magnet Re-designation and how it recognizes nursing excellence and organizational collaboration. Washington was initially designated as a Magnet facility in 2011 and re-designated in 2016. The upcoming Magnet Virtual Site Visit for the second re-designation will take place May 17, 2021 through May 19, 2021. Washington is one of eight hospitals in the Bay Area to receive the Magnet designation.

*PRESENTATION:
JOURNEY TO MAGNET
REDESIGNATION*

Dr. Prasad Kilaru reported there are 583 Medical Staff members including 351 active members and 97 ambulatory members. Dr. Kilaru also reported that this year the medical staff is looking at scheduling the Medical Staff Dinner Dance for some time mid-summer. This is typically when the Remo Cerruti, M.D. Physician of the Year Award is presented. This year, the recipient of the award will be Dr. John Thomas Mehigan. Dr. Kilaru noted that this is a transition year for the Chief of Staff position. Dr. Shakir Hyder will be the incoming Chief of Staff. Dr. Kilaru thanked the Board for their support during his two years as Chief of Staff.

*MEDICAL STAFF
REPORT*

Ms. Debbie Feary, Service League President, reported that the Service League members are slowly and safely returning following the COVID-19 pandemic. In the past month, 44 members of the Service League volunteered 739 hours. They are helping in the COVID-19 vaccine clinic, helping in the Pharmacy, making COVID-19 test kits for pre-op, and helping in Human Resources. Later this month, the Service League is going to start a pilot program to bring back the Nursing Unit Assist Program in telemetry. This month, the Service League provided volunteers in the Emergency Department and Oncology nursing unit.

*SERVICE LEAGUE
REPORT*

Mary Bowron, Chief of Quality and Resource Management presented the Quality Dashboard for the quarter ending March 31, 2021 comparing WHHS statistics to State and National benchmarks. We had Zero MRSA Bloodstream Infections this past quarter and zero VRE Infections this past quarter. Central Line Associated Bloodstream Infections: Our infection rate was the same as predicted number of infections (2). Catheter Associated Urinary Tract Infection: Our infection rate was higher than predicted at 1.708. C-Difficile: We were lower than predicted this past quarter. We had no infections following colon surgery which was below the predicted number of infections. We had no infections following abdominal hysterectomy which was below the predicted number of infections. Hand Hygiene was at 87%.

*PRESENTATION:
QUALITY DASHBOARD
QUARTER ENDING
MARCH 2021*

Our moderate fall with injury rate was lower than the national rate for the quarter at 2.27. Hospital Acquired Pressure Ulcer rate was lower than the national rate this past quarter.

We had a higher percent of 30-day Medicare pneumonia readmissions compared to the CMS national benchmark (24.6% versus 16.6%). Our 30-day readmission rate for AMI discharges was below the CMS benchmark (4.8% versus 16.1%). 30-day Medicare Heart Failure readmissions were higher (23.1% versus 21.9%) than the CMS benchmark. Our 30-day Medicare CABG readmission rate was lower (0.0% versus 12.7%) than the CMS benchmark. Our 30-day Medicare Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) was lower than the CMS benchmark (0% versus 4.0%). Our 30-day Medicare Chronic Obstructive Pulmonary Disease (COPD) readmission rate was above the CMS benchmark (23.5% versus 19.6%).

Chris Henry, Vice President & Chief Financial Officer, presented the Finance Report for March 2021. The average daily census was 138.9 with admissions of 793 resulting in 4,305 patient days. Outpatient observation equivalent days were 245. The average length of stay was 5.70 days. The case mix index was 1.662. Deliveries were 102. Surgical cases were 392. Joint Replacement cases were 166. Neurosurgical cases were 18. Cardiac Surgical cases were 14. The Outpatient visits were 8,005; Emergency visits were 3,418. Total productive FTEs were 1,306.3. FTEs per adjusted occupied bed were 6.47.

FINANCE REPORT

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for April 2021. Preliminary information for the month indicated total gross revenue at approximately \$183.8 million for April. The Average Length of Stay was 5.92. The Average Daily Census was 140.3. It was noted that COVID-19 patients have a significantly higher than average acuity and length of stay. Of the 26 COVID-19 discharges in the month, there were two outliers with lengths of stays longer than 20 days. Still in house at the end of April were three patients with length of stays over 30 days. There were 4,208 patient days. There were 389 Surgical Cases and 481 Cath Lab procedures at the Hospital. Deliveries were 121. Non-Emergency Outpatient visits were 7,397. Emergency Room visits were 3,693. Total Government Sponsored Preliminary Payor Mix was 72.7%, against the budget of 71.2%. Total FTEs per Adjusted Occupied Bed were 6.28. The Washington Outpatient Surgery Center had 502 cases and the clinics had approximately 16,679 visits.

*HOSPITAL
OPERATIONS REPORT*

In accordance with District Law, Policies, and Procedures, Dr. Stewart moved that the Board approve Resolution No. 1225 to authorize the Chief Executive Officer to enter into a Joint Venture Agreement with the University of California San Francisco as follows:

1. The Board of Directors authorizes the Chief Executive Officer to execute the LLC Agreement attached hereto as Exhibit A.

*CONSIDERATION OF
RESOLUTION 1225:
RESOLUTION OF THE
BOARD OF DIRECTORS
OF WASHINGTON
TOWNSHIP HEALTH
CARE DISTRICT TO
AUTHORIZE THE
CHIEF EXECUTIVE*

2. The Board of Directors authorizes the Chief Executive Officer to execute a Grant Deed to transfer the District's 51% interest in the real property located at 45388 Warm Springs Boulevard to the JV LLC.
3. The Board of Directors authorizes the transfer of funds from the District to the JV LLC in the amount of \$2,040,000, described in the recitals as the District's Contribution.
4. The Board of Directors authorizes the transfer of the District's pro rata portion of any unspent funds previously contributed by the District under the Tenancy in Common Agreement to the JV LLC;
5. The foregoing resolutions shall be contingent on the following: (i) UCSF has approved the LLC Agreement in substantially the same form as attached hereto as Exhibit A; (ii) UCSF has approved the transfer of UCSF's 49% interest in the real property located at 45388 Warm Springs Boulevard to the JV LLC and (iii) UCSF has approved the transfer of UCSF's Contribution to the JV LLC.
6. The Chief Executive Officer is hereby authorized to enter into any agreement or contract document necessary to carry out the intent of this Resolution, and to take any and all further actions, which in the determination of the Chief Executive Officer, are necessary and proper to effectuate the intent of this Resolution.

*OFFICER TO ENTER
INTO A JOINT
VENTURE AGREEMENT
WITH THE UNIVERSITY
OF CALIFORNIA SAN
FRANCISCO AND
APPROVAL OF
BUDGET*

Director Eapen seconded the motion.

Kimberly Hartz introduced Ed Fayen who presented a project overview and vision of the Washington Hospital-UCSF Warm Springs Health Center Project. This is a very important strategic initiative that is aligned with Hospital's mission and vision, focusing on providing easy access to a full range of outpatient primary and specialty care where people live. This project is in partnership with UCSF and an investment in the health of the community in southern Alameda County. The vision is to provide premier health care services to the southern portion of the Washington Township Health Care District that combine the strengths of the community's hospital, Washington Hospital, with academic specialties and expertise through a relationship with UCSF. It will be an outpatient-focused facility that provides one-stop shopping for patients, with seamless and timely referrals to inpatient services, if needed. The focus is on innovative design, program offerings, or services that meet the needs of both the older patient population, as well as the younger, well-educated population that is expected to continue to grow in the Warm Springs area and throughout southern Alameda County. It will also focus on the needs of the local employers.

Washington Hospital Healthcare System and UCSF Health will be the first-to-market in providing, in phases, a consumer-centric outpatient care center in the Warm Springs Innovation District.

Based on programming discussions to date, the following assumptions have been identified:

- The Warm Springs site will be developed over time and in multiple phases.
- WHHS and UCSF will share in ownership and operations of the real property.
- UCSF's initial role in patient care will center on providing pediatric specialty care, filling gaps in adult specialty care, and expanding primary care to support specialty care.

Phase I

- Full range of primary and specialty care for both adults, adolescents and children
- Ancillary Services including imaging and pharmacy
- Urgent Care
- Employer focus

Phase II

- Ambulatory Surgery Center
- Physical Therapy, Occupational Therapy & Speech
- Additional imaging services

The timeline for the project was discussed and is outlined below.

Phase I & Completion Date

Design – 11/19/2021

Permitting – 02/17/2022

Construction – 04/10/2023

Phase II & Completion

Design – 08/01/2023

Permitting – 11/01/2023

Construction – 12/31/2024

The Washington-UCSF Warm Springs Health Center is a single purpose joint venture with a limited liability corporation, 51% ownership by Washington and 49% ownership by UCSF, and management will be led by Washington Hospital.

The total estimated cost for Phase I of the outpatient center is \$34,655,460, with the District's pro rata portion of this cost of \$17,674,794 and UCSF's portion of \$16,981,665.

Roll call was taken:

Michael Wallace – aye

William Nicholson, MD – aye
Jeannie Yee - aye
Jacob Eapen, MD - aye
Bernard Stewart, DDS – aye

The motion unanimously carried.

In accordance with District Law, Policies, and Procedures, Dr. Stewart moved that the Board approve Resolution No. 1226 to approve the District's portion of the estimated Phase I construction costs for Warm Springs Health Center Partnership, LLC and authorize the disbursement of funds as follows:

1. The Board of Directors approves the Phase 1 Construction Estimate.
2. The Board of Directors authorizes the Chief Executive Officer to make further disbursements of District funds to the JV LLC in the form of capital calls to fund the District's pro rata portion of the Phase 1 construction costs, not to exceed \$17,674,794.
3. The Chief Executive Officer is hereby authorized to enter into any agreement or contract document necessary to carry out the intent of this Resolution, and to take any and all further actions, which in the determination of the Chief Executive Officer, are necessary and proper to effectuate the intent of this Resolution.

*CONSIDERATION OF
RESOLUTION 1226:
RESOLUTION OF THE
BOARD OF DIRECTORS
OF WASHINGTON
TOWNSHIP HEALTH
CARE DISTRICT TO
APPROVE THE
DISTRICT'S PORTION
OF THE ESTIMATED
PHASE I
CONSTRUCTION COSTS
FOR WARM SPRINGS
HEALTH CENTER
PARTNERSHIP, LLC
AND AUTHORIZE THE
DISBURSEMENT OF
FUNDS*

Director Eapen seconded the motion.

Roll call was taken:

Michael Wallace – aye
William Nicholson, MD – aye
Jeannie Yee - aye
Jacob Eapen, MD - aye
Bernard Stewart, DDS – aye

The motion unanimously carried.

- Angela Kahalewai, Registration, Emergency Department, is the May Employee of the Month.
- Thursday, April 15: Dr. Victoria Leiphart, gynecologist, presented *Power of Meditation* by Zoom. 17 community members attended virtually on Zoom.
- Tuesday, April 27: Dr. Amrit Hansra, an interventional radiologist, presented *Interventional Radiology (IR) for Vascular Disease* on Facebook Live and YouTube. 84 community members participated in the live event and since then, 305 additional people accessed the presentation.
- Tuesday, May 11: Dr. Mark Hsu, an urologist, presented *Enlarged Prostate: Causes, Symptoms and Treatment* on Facebook Live and YouTube. 142 community members participated in the live event.

ANNOUNCEMENTS

Community members who miss the LIVE Health & Wellness seminars can view them anytime on the In Health YouTube channel at [YouTube.com/WashingtonHosp](https://www.youtube.com/WashingtonHosp); or by going to our InHealth Channel on Comcast Channel 78. Seminars featured on Facebook Live are also available on Washington Hospital's Facebook page, which can be found by searching @WashingtonHosp.

- During the month of April, the Washington Township Medical Foundation continued operating the community vaccination clinic. The Vaccine Clinic continues to be very busy. Vaccines began on February 1, 2021. As of Wednesday, May 12th, the total number of community members who have received vaccinations at our clinic is 53,958, and of those, 29,101 are fully vaccinated.
- National Nurses Week took place May 6th through 12th.
- National Hospital Week took place May 9th through May 15th.
- Kimberly gave her heartfelt appreciation to everyone - physicians, staff, and volunteers for everything they have put into this last year and how far we have come. It's the compassion, resilience and hard work of everyone in the Healthcare System that allowed us to meet the needs of the Health Care District when they needed us the most.
- In addition to celebrating the entire nursing staff this week, Washington Hospital proudly announced four recipients of the Nurse of the Year Award. Recipients of the prestigious Nurse of the Year award are nominated by their peers for exemplary clinical skills, leadership and professionalism. They illustrate extraordinary dedication to the Hospital's mission and "Patient First Ethic."

The Hospital's medical staff selected four deserving nurses from last year's pool of nominees to receive the award.

The awardees are: Critical Care nurse Shiny George, RN, BSN, CCRN-CMC, CNRN; Preoperative holding area, Operating Room, and Post-Anesthesia Care Unit nurse, John Lazaro, RN, BSN; 6 West nurse, Sin Ting "Cindy" Chan, RN, MSN, CNSRN, CNEN; and Oncology night shift charge nurse, Merlene Nurse, RN, BSN, RN-BC, OCN.

Kimberly Hartz, Chief Executive Officer, noted that last week Washington Hospital received numerous calls from concerned community members who were hearing rumors about a high number of COVID-19 patient admissions to the Hospital. This is inaccurate information. The Hospital continues to have below 10 inpatient COVID positive patients in house. For the last several weeks, the total number of COVID-19 patients has been in the single digits. A statement was also placed on the Hospital's social media channels to clarify that Washington Hospital wasn't experiencing an increase in COVID-19 patients.

The Hospital is continuing to vaccinate the community. Today, the CDC approved the Pfizer vaccine for children ages 12-15. Beginning tomorrow, those individuals living in the District can be vaccinated at Washington Hospital with an appointment.

There being no further business, Director Nicholson adjourned the meeting at 8:05 pm. *ADJOURNMENT*

William F. Nicholson, M.D.
President

Michael J. Wallace
Secretary

DRAFT

A regular meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, May 17, 2021 via Zoom in order to comply with California Governor Gavin Newsom's and Alameda County's mandatory orders as revised on January 25, 2021 to comply with social distancing measures and other restrictions necessary to control the spread of COVID-19. Director Nicholson called the meeting to order at 6:00 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Jacob Eapen, MD; Michael Wallace

ROLL CALL

Absent:

Also present: Kimberly Hartz, Chief Executive Officer; Chris Henry, Chief Financial Officer; Tina Nunez, Vice President of Ambulatory Services; Stephanie Williams, Chief Nursing Officer; Erica Luna, Assistant Chief Financial Officer; Mary Norvell, Bond Counsel; Paul Kozachenko, Legal Counsel; Dee Antonio, District Clerk, Sri Boddu, AV Support

There were no oral communications.

COMMUNICATIONS

There were no written communications.

The Action Item on the agenda is Resolution No. 1227. Prior to any discussion, Director Wallace made the following disclosure:

- Director Wallace is the Chairman of the Board of Fremont Bank and a Shareholder;
- Director Wallace recused himself from any consideration of this matter;
- As the meeting was being held over Zoom, Director Wallace was unable to leave the room; instead, he terminated the Zoom connection and did not participate in any way in discussion regarding this matter;
- Once the Board completed discussion and decision-making regarding this agenda item, Director Wallace requested that the District Clerk notify him to log back in to the meeting.

CONSIDERATION OF RESOLUTION No. 1227: RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT AUTHORIZING WASHINGTON TOWNSHIP HEALTH CARE DISTRICT TO ENTER INTO A LOAN AND LINE OF CREDIT IN THE PRINCIPAL AMOUNT OF \$20,000,000; APPROVING THE FORMS OF BUSINESS LOAN AGREEMENT, PROMISSORY NOTE, GOVERNMENTAL CERTIFICATE, AND RELATED DOCUMENTS REQUIRED TO SECURE THE LOAN AND LINE OF CREDIT; AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER, THE EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER, AND THE CHIEF FINANCIAL OFFICER OF THE DISTRICT TO

In accordance with District Law, Policies, and Procedures, Director Stewart moved that the Board approve Resolution No. 1227 as follows:

1. In accordance with District Law, Policies and Procedures, the District is hereby authorized to enter into the Line of Credit, and the forms of the Business Loan Agreement, Promissory Note, Governmental Certificate, and related documents (the "Bank Documents"), all in substantially the form attached to this resolution, are hereby approved.
2. Kimberly Hartz, the Chief Executive Officer, Edward Fayen, the Executive Vice President and Chief Operating Officer and Chris Henry, the Chief Financial Officer ("Authorized Officers") are hereby authorized, on behalf of the District, to execute the Bank Documents required in connection with securing the Line of Credit; in the event that the Bank approves an extension of the term of the Line of Credit, the Authorized Officers, or any of them, are hereby authorized, on

behalf of the District, to execute amendments to or restatements of any or all of the Bank Documents as may be in the best interests of the District; provided, however, that any amendment that increases the principal amount of the Line of Credit shall first be approved by the District Board of Directors.

3. The Authorized Officers are hereby authorized to take any and all actions necessary to execute any and all instruments and do any and all things deemed by him or her to be necessary, or desirable, to carry out the intent and purposes of the foregoing resolution.
4. The First Vice President is authorized to sign this Resolution in place of the Secretary due to the recusal of the Secretary from the discussion and vote concerning this Resolution.

*EXECUTE THE
BUSINESS LOAN
AGREEMENT,
PROMISSORY NOTE,
GOVERNMENTAL
CERTIFICATE, AND
OTHER RELATED
DOCUMENTS
REQUIRED TO SECURE
THE LOAN AND LINE OF
CREDIT*

Director Yee seconded the motion.

There was discussion with Bond Counsel that there would be no effect to the Bond covenants. Mr. Kozachenko noted that we also received a legal opinion from Holland and Knight that supported this action.

Roll call was taken:

William Nicholson, MD – aye
Jeannie Yee – aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye
Michael Wallace – recused

The motion carried.

Director Wallace rejoined the meeting.

Kimberly Hartz asked Stephanie Williams to give an overview of the Magnet Survey which began today. Ms. Hartz also talked about her meeting with Congressman Ro Khanna regarding application for further funding to offset COVID-19's financial impact on Washington Hospital.

ANNOUNCEMENTS

In accordance with Health & Safety Code Sections 32106 and 32155 and California Government Code 54956.9(d)(2), Director Nicholson adjourned the meeting to closed session at 6:19 p.m., as the discussion pertained to Trade Secrets pursuant to Health & Safety Code section 32106: Strategic Map Update, Conference with Legal Counsel-Anticipated Litigation pursuant to Government Code section 54956.9(d)(2), discussion of Security of Public Facilities pursuant to Government Code section 54957, and Conference with Labor Negotiators. Director Nicholson stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this is a Zoom call and we have no way of knowing when the closed session will end, the public was informed they could contact the District Clerk for

*ADJOURN TO CLOSED
SESSION*

the Board's report beginning May 18, 2021. He indicated that the minutes of this meeting will reflect any reportable actions.

Director Nicholson reconvened the meeting to open session at 8:25 pm. The District Clerk reported that the Board denied the Claim and the Amended Claim of Joseph and Lori Brooks in closed session by unanimous vote of all Directors present:

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

William Nicholson, MD – aye
Jeannie Yee – aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye
Michael Wallace – aye

There being no further business, Director Nicholson adjourned the meeting at 8:26 pm.

ADJOURNMENT

William Nicholson, M.D.
President

Michael J. Wallace
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, May 24, 2021 via Zoom in order to comply with Alameda County's orders as issued on January 25, 2021 to slow the spread of COVID-19 and reduce the rate of transmission by sheltering at home and continued social distancing. Director Nicholson called the meeting to order at 7:30 a.m.

CALL TO ORDER

Roll call was taken. Directors present: William Nicholson, MD; Bernard Stewart DDS; Jacob Eapen; Jeannie Yee
Excused: Michael Wallace

ROLL CALL

Also present: Shakir Hyder, MD; Tim Tsoi, MD; Jeff Stuart, MD; Prasad Kilaru, MD; Jan Henstorf, MD; Kranthi Achanta, MD; Kimberly Hartz, Chief Executive Officer; Stephanie Williams, Vice President & Chief Nursing Officer

Guest: Kristin Ferguson, Chief of Compliance

There were no oral or written communications.

COMMUNICATIONS

Director Nicholson adjourned the meeting to closed session at 7:30 a.m. as the discussion pertained to Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Sections 1461 and 32155.

ADJOURN TO CLOSED SESSION

Director Nicholson reconvened the meeting to open session at 8:30 a.m. and reported no reportable action taken in closed session.

RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

There being no further business, the meeting adjourned at 8:30 a.m.

ADJOURNMENT

William Nicholson, M.D.
President

Michael Wallace
Secretary

A regular meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, May 26, 2021 via Teleconference in order to comply with California Governor Gavin Newsom's and Alameda County's mandatory orders as revised on January 25, 2021 to comply with social distancing measures and other restrictions necessary to control the spread of COVID-19. Director Nicholson called the meeting to order at 6:03 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Jacob Eapen, MD; Michael Wallace

ROLL CALL

Absent:

Also present: Kimberly Hartz, Chief Executive Officer; Ed Fayen, Chief Operating Officer; Chris Henry, Chief Financial Officer; Tina Nunez, Vice President; Stephanie Williams, Vice President; Paul Kozachenko, Legal Counsel; Dee Antonio, District Clerk

There were no oral communications.

COMMUNICATIONS

There were no written communications.

In accordance with District Law, Policies, and Procedures, Director Stewart moved that the Board of Directors authorize the Chief Executive Officer to enter into the necessary contracts for the purchase of hardware and implementation services to replace three Projectors in the Anderson Auditorium for a total amount not to exceed \$47,077.37.

*CONSIDERATION OF
ANDERSON
AUDITORIUM
PROJECTORS*

Director Eapen seconded the motion.

Roll call was taken:

William Nicholson, MD – aye
Jeannie Yee – aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye
Michael Wallace – aye

The motion unanimously carried.

In accordance with Health & Safety Code Sections 32106 and 32155 and California Government Code 54956.9(d)(2), Director Nicholson adjourned the meeting to closed session at 6:07 p.m., as the discussion pertained to a Report of Medical Staff and Quality Assurance pursuant to Health & Safety Code Section 32155, consideration of closed session Minutes: April 19 and 28, 2021, Conference with Legal Counsel regarding anticipated Litigation pursuant to Government Code section 54956.9(d)(2), Conference involving Trade Secrets pursuant to Health & Safety Code section 32106, and a Conference involving Personnel Matters regarding the Chief Executive Officer. Director Nicholson stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this is a Teleconference call and we have no way of knowing when the closed session will end, the public was informed they could contact the District Clerk for the Board's

*ADJOURN TO CLOSED
SESSION*

report beginning May 27, 2021. He indicated that the minutes of this meeting will reflect any reportable actions.

Director Nicholson reconvened the meeting to open session at 8:56 pm. The District Clerk reported that the Board approved the Medical Staff Credentials Report and the Closed Session Minutes of April 19, and 28, 2021 and denied the application to file a late claim and the amended application to file a late claim on behalf of Laura and Bruce Heggebo in closed session by unanimous vote of all Directors present:

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

William Nicholson, MD – aye
Jeannie Yee – aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye
Michael Wallace – aye

There being no further business, Director Nicholson adjourned the meeting at 8:57 pm.

ADJOURNMENT

William Nicholson, M.D.
President

Michael J. Wallace
Secretary



Memorandum

DATE: June 2, 2021

TO: Kimberly Hartz, Chief Executive Officer

FROM: Ed Fayen, Executive Vice President and COO

SUBJECT: Capital Purchase – Turbett Surgical Instrument Pods

The Sterile Processing Department currently uses a combination of rigid containers and disposable wrap to cover instrumentation for sterilization prior to being used in surgery. These containers and wrapped trays must be individually inspected for filters or holes and individually opened to set up for a case. With many of our surgical cases utilizing 10-20 trays, preparing instrumentation is a time-consuming error-prone task. In addition, the rigid containers can be heavy and difficult to open, causing wear and tear on the staff who process the instruments and set up cases.

Turbett Surgical has developed a pod that can house up to 15 trays and goes directly into the sterilizer. This eliminates the need for individual containers or wrapped trays and requires only one large filter for sterilization. The utilization of these pods will help streamline instrumentation setup and processing. The pods will mostly be utilized to help keep up with our joint replacement cases and to handle the large quantities of loaner trays that need to be wrapped for our neurosurgery cases.

The FY 2021 Capital Budget includes \$111,240.75 to purchase six Turbett Surgical instrument pods. The final quote for the pods comes to a total of \$111,240.75. While this is budgeted, the Foundation has agreed to cover this purchase from their surgical services fund.

In accordance with District Law, Policies, and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of the Turbett Surgical Instrument Pods for a total amount not to exceed **\$111,240.75**.



WASHINGTON HOSPITAL
MONTHLY OPERATING REPORT

April 2021



**WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
April 2021**

<u>Schedule Reference</u>	<u>Schedule Name</u>
Board - 1	Statement of Revenues and Expenses
Board - 2	Balance Sheet
Board - 3	Operating Indicators



Memorandum

DATE: June 3, 2021
TO: Board of Directors
FROM: Kimberly Hartz, Chief Executive Officer
SUBJECT: Washington Hospital – April 2021
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board 3

	<u>April Actual</u>	<u>April Budget</u>	<u>Current 12 Month Avg.</u>
<u>ACUTE INPATIENT:</u>			
Average Daily Census	140.3	145.3	148.8
# of Admissions	771	879	780
Patient Days	4,208	4,360	4,529
Discharge ALOS	5.92	4.96	5.74
<u>OUTPATIENT:</u>			
OP Visits	7,397	7,426	6,830
ER Visits, including RSTU visits	3,693	5,999	4,700
Observation Equivalent Days – OP	248	175	194

Comparison of April acute inpatient statistics to those of the budget showed a lower level of admissions and a lower level of patient days. The average length of stay (ALOS) based on discharged days was above budget. Outpatient visits were lower than budget. Emergency Room visits were below budget for the month.

2. Staffing – Schedule Board 3

Total paid FTEs were 37.0 above budget. Total productive FTEs for April were 1,278.7, 19.0 above the budgeted level of 1,259.7. Nonproductive FTEs were 18.0 above budget. Productive FTEs per adjusted occupied bed were 5.45, 0.03 below the budgeted level of 5.48. Total FTEs per adjusted occupied bed were 6.28, 0.02 above the budgeted level of 6.26.

3. Income - Schedule Board 1

For the month of April the Hospital realized income of \$3,063,000 from operations.

Total Gross Patient Service Revenue of \$183,801,000 for April was 6.9% above budget.

Deductions from Revenue of \$142,425,000 represented 77.49% of Total Gross Patient Service Revenue. This percentage is below the budgeted amount of 77.65%, primarily due to contractual rates which were below budget.

Total Operating Revenue of \$41,732,000 was \$2,977,000 (7.7%) above budget.

Total Operating Expense of \$ 38,669,000 was \$905,000 (2.3%) below the budgeted amount.

The Total Non-Operating Income of \$1,374,000 for the month includes an unrealized gain on investments of \$159,000 and property tax revenue of \$1,447,000.

The Total Net Income for April was \$4,437,000, which was \$ 5,632,000 more than the budgeted loss of \$1,195,000.

The Total Net Income for April using FASB accounting principles, in which the unrealized loss or income on investments, net interest expense on GO bonds and property tax revenues are removed from the non-operating income and expense, was \$3,991,000 compared to a budgeted loss of \$1,462,000.

4. Balance Sheet – Schedule Board 2

There were no noteworthy changes in assets and liabilities when compared to March 2021.

KIMBERLY HARTZ
Chief Executive Officer

KH/CH



**WASHINGTON HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
April 2021
GASB FORMAT
(In thousands)**

April				YEAR TO DATE				
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.		ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
				OPERATING REVENUE				
\$ 109,876	\$ 108,771	\$ 1,105	1.0%	1 INPATIENT REVENUE	\$ 1,150,031	\$ 1,068,059	\$ 81,972	7.7%
73,925	63,157	10,768	17.0%	2 OUTPATIENT REVENUE	615,132	611,815	3,317	0.5%
183,801	171,928	11,873	6.9%	3 TOTAL PATIENT REVENUE	1,765,163	1,679,874	85,289	5.1%
(139,047)	(129,990)	(9,057)	-7.0%	4 CONTRACTUAL ALLOWANCES	(1,343,989)	(1,268,657)	(75,332)	-5.9%
(3,378)	(3,520)	142	4.0%	5 PROVISION FOR DOUBTFUL ACCOUNTS	(33,003)	(34,409)	1,406	4.1%
(142,425)	(133,510)	(8,915)	-6.7%	6 DEDUCTIONS FROM REVENUE	(1,376,992)	(1,303,066)	(73,926)	-5.7%
77.49%	77.65%			7 DEDUCTIONS AS % OF REVENUE	78.01%	77.57%		
41,376	38,418	2,958	7.7%	8 NET PATIENT REVENUE	388,171	376,808	11,363	3.0%
356	337	19	5.6%	9 OTHER OPERATING INCOME	3,522	5,216	(1,694)	-32.5%
41,732	38,755	2,977	7.7%	10 TOTAL OPERATING REVENUE	391,693	382,024	9,669	2.5%
				OPERATING EXPENSES				
17,810	17,360	(450)	-2.6%	11 SALARIES & WAGES	186,712	170,868	(15,844)	-9.3%
5,472	6,677	1,205	18.0%	12 EMPLOYEE BENEFITS	64,598	65,209	611	0.9%
5,281	4,978	(303)	-6.1%	13 SUPPLIES	53,023	51,224	(1,799)	-3.5%
4,449	4,713	264	5.6%	14 PURCHASED SERVICES & PROF FEES	47,112	47,839	727	1.5%
1,667	1,697	30	1.8%	15 INSURANCE, UTILITIES & OTHER	17,727	16,734	(993)	-5.9%
3,990	4,149	159	3.8%	16 DEPRECIATION	39,841	40,464	623	1.5%
38,669	39,574	905	2.3%	17 TOTAL OPERATING EXPENSE	409,013	392,338	(16,675)	-4.3%
3,063	(819)	3,882	474.0%	18 OPERATING INCOME (LOSS)	(17,320)	(10,314)	(7,006)	-67.9%
7.34%	-2.11%			19 OPERATING INCOME MARGIN %	-4.42%	-2.70%		
				NON-OPERATING INCOME & (EXPENSE)				
226	316	(90)	-28.5%	20 INVESTMENT INCOME	2,723	3,163	(440)	-13.9%
45	-	45	0.0%	21 REALIZED GAIN/(LOSS) ON INVESTMENTS	234	-	234	0.0%
(1,692)	(2,366)	674	28.5%	22 INTEREST EXPENSE	(18,108)	(20,981)	2,873	13.7%
37	269	(232)	-86.2%	23 RENTAL INCOME, NET	1,477	2,708	(1,231)	-45.5%
1,152	-	1,152	0.0%	24 FOUNDATION DONATION	2,964	-	2,964	0.0%
-	(38)	38	100.0%	25 BOND ISSUANCE COSTS	(718)	(387)	(331)	-85.5%
-	-	-	0.0%	26 FEDERAL GRANT REVENUE	1,069	-	1,069	0.0%
1,447	1,443	4	0.3%	27 PROPERTY TAX REVENUE	14,423	14,431	(8)	-0.1%
159	-	159	0.0%	28 UNREALIZED GAIN/(LOSS) ON INVESTMENTS	(2,029)	-	(2,029)	0.0%
1,374	(376)	1,750	465.4%	29 TOTAL NON-OPERATING INCOME & EXPENSE	2,035	(1,066)	3,101	290.9%
\$ 4,437	\$ (1,195)	\$ 5,632	471.3%	30 NET INCOME (LOSS)	\$ (15,285)	\$ (11,380)	\$ (3,905)	-34.3%
10.63%	-3.08%			31 NET INCOME MARGIN %	-3.90%	-2.98%		
\$ 3,991	\$ (1,462)	\$ 5,453	373.0%	32 NET INCOME (LOSS) USING FASB PRINCIPLES**	\$ (16,077)	\$ (14,093)	\$ (1,984)	-14.1%
9.56%	-3.77%			NET INCOME MARGIN %	-4.10%	-3.69%		

**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME, NET INTEREST EXPENSE ON GO BONDS AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS



WASHINGTON HOSPITAL
BALANCE SHEET
 April 2021
(In thousands)

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOWS		April 2021	Audited June 2020	LIABILITIES, NET POSITION AND DEFERRED INFLOWS		April 2021	Audited June 2020
CURRENT ASSETS				CURRENT LIABILITIES			
1	CASH & CASH EQUIVALENTS	\$ 29,387	\$ 68,355	1	CURRENT MATURITIES OF L/T OBLIG	\$ 10,930	\$ 9,500
2	ACCOUNTS REC NET OF ALLOWANCES	78,780	61,017	2	ACCOUNTS PAYABLE	14,815	18,669
3	OTHER CURRENT ASSETS	13,908	12,523	3	OTHER ACCRUED LIABILITIES	117,760	116,193
4	TOTAL CURRENT ASSETS	<u>122,075</u>	<u>141,895</u>	4	INTEREST	6,660	11,247
				5	TOTAL CURRENT LIABILITIES	<u>150,165</u>	<u>155,609</u>
ASSETS LIMITED AS TO USE				LONG-TERM DEBT OBLIGATIONS			
6	BOARD DESIGNATED FOR CAPITAL AND OTHER	215,870	214,744	6	REVENUE BONDS AND OTHER	211,919	223,881
7	REVENUE BOND FUNDS	6,643	10,923	7	GENERAL OBLIGATION BONDS	328,670	331,992
8	BOND DEBT SERVICE FUNDS	19,201	31,387	OTHER LIABILITIES			
9	OTHER ASSETS LIMITED AS TO USE	10,010	10,155	10	NET PENSION LIABILITY	0	31,798
10	TOTAL ASSETS LIMITED AS TO USE	<u>251,724</u>	<u>267,209</u>	11	SUPPLEMENTAL MEDICAL RETIREMENT	41,143	42,578
12	OTHER ASSETS	245,693	222,268	12	WORKERS' COMP AND OTHER	8,708	8,440
13	OTHER INVESTMENTS	12,098	11,679	14	NET POSITION	516,549	531,834
14	NET PROPERTY, PLANT & EQUIPMENT	645,408	684,274	15	TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,257,154</u>	<u>\$ 1,326,132</u>
15	TOTAL ASSETS	<u>\$ 1,276,998</u>	<u>\$ 1,327,325</u>	16	DEFERRED INFLOWS	67,011	63,497
16	DEFERRED OUTFLOWS	47,167	62,304	17	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	<u>\$ 1,324,165</u>	<u>\$ 1,389,629</u>
17	TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,324,165</u>	<u>\$ 1,389,629</u>				



**WASHINGTON HOSPITAL
OPERATING INDICATORS
April 2021**

12 MONTH AVERAGE	April						YEAR TO DATE						
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			
148.8	140.3	145.3	(5.0)	-3%	1								
6.4	8.3	5.8	2.5	43%	2	ADULT & PEDIATRIC AVERAGE DAILY CENSUS	152.5	141.1	11.4	8%			
7.1	7.9	9.6	(1.7)	-18%	3	OUTPATIENT OBSERVATION AVERAGE DAILY CENSUS	6.6	5.6	1.0	18%			
						NURSERY AVERAGE DAILY CENSUS	7.1	9.4	(2.3)	-24%			
162.3	156.5	160.7	(4.2)	-3%	4	TOTAL	166.2	156.1	10.1	6%			
2.6	3.8	3.5	0.3	9%	5	SPECIAL CARE NURSERY AVERAGE DAILY CENSUS *	2.5	3.5	(1.0)	-29%			
4,529	4,208	4,360	(152)	-3%	6	ADULT & PEDIATRIC PATIENT DAYS	46,367	42,892	3,475	8%			
194	248	175	73	42%	7	OBSERVATION EQUIVALENT DAYS - OP	2,009	1,702	307	18%			
780	771	879	(108)	-12%	8	ADMISSIONS-ADULTS & PEDIATRIC	7,828	8,708	(880)	-10%			
5.74	5.92	4.96	0.96	19%	9	AVERAGE LENGTH OF STAY-ADULTS & PEDIATRIC	5.91	4.93	0.98	20%			
OTHER KEY UTILIZATION STATISTICS													
1.610	1.668	1.463	0.205	14%	10	OVERALL CASE MIX INDEX (CMI)	1.630	1.479	0.151	10%			
SURGICAL CASES													
148	160	161	(1)	-1%	11	JOINT REPLACEMENT CASES	1,459	1,594	(135)	-8%			
23	22	20	2	10%	12	NEUROSURGICAL CASES	226	205	21	10%			
9	13	7	6	86%	13	CARDIAC SURGICAL CASES	99	107	(8)	-7%			
173	194	195	(1)	-1%	14	ALL OTHERS	1,740	1,816	(76)	-4%			
353	389	383	6	2%	15	TOTAL CASES	3,524	3,722	(198)	-5%			
376	481	361	120	33%	16	TOTAL CATH LAB PROCEDURES	3,800	3,551	249	7%			
114	121	138	(17)	-12%	17	DELIVERIES	1,129	1,370	(241)	-18%			
6,830	7,397	7,426	(29)	0%	18	OUTPATIENT VISITS	71,038	71,617	(579)	-1%			
3,444	3,693	3,946	(253)	-6%	19	EMERGENCY VISITS, EXCLUDING RSTU VISITS	35,481	40,197	(4,716)	-12%			
1,256	0	2,053	(2,053)	-100%	20	RSTU VISITS	11,196	20,810	(9,614)	-46%			
4,700	3,693	5,999	(2,306)	-38%	19	EMERGENCY VISITS, INCLUDING RSTU VISITS	46,677	61,007	(14,330)	-23%			
LABOR INDICATORS													
1,326.4	1,278.7	1,259.7	(19.0)	-2%	21	PRODUCTIVE FTE'S	1,332.5	1,244.3	(88.2)	-7%			
172.8	194.9	176.9	(18.0)	-10%	22	NON PRODUCTIVE FTE'S	177.5	180.3	2.8	2%			
1,499.2	1,473.6	1,436.6	(37.0)	-3%	23	TOTAL FTE'S	1,510.0	1,424.6	(85.4)	-6%			
5.84	5.45	5.48	0.03	1%	24	PRODUCTIVE FTE/ADJ. OCCUPIED BED	5.69	5.61	(0.08)	-1%			
6.60	6.28	6.26	(0.02)	0%	25	TOTAL FTE/ADJ. OCCUPIED BED	6.45	6.42	(0.03)	0%			

* included in Adult and Peds Average Daily Census

RESOLUTION NO. 1228
BUDGET ESTIMATE
FY 2021-2022

BE IT RESOLVED, that the following be, and the same is hereby adopted as the estimate of the Board of Directors as the amount of money required for the Fiscal Year 2021-2022:

SALARIES, WAGES & BENEFITS	\$293,394,000
SUPPLIES & SERVICES	132,723,000
INSURANCE & UTILITIES	9,431,000
RESERVES – DEPRECIATION	47,306,000
FIXED ASSETS	19,355,000
REVENUE BOND PRINCIPAL & INTEREST	16,993,000
GENERAL OBLIGATION BOND PRINCIPAL & INTEREST	17,294,000
FUNDING TO AFFILIATE OPERATIONS	22,652,000
RESERVES – CAPITAL & OPERATIONS	<53,895,000>
TOTAL	<u>\$505,253,000</u>

AND, BE IT FURTHER RESOLVED that WASHINGTON TOWNSHIP HEALTH CARE DISTRICT shall, for the benefit of the communities served by the District, continue to financially support WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION in its operations to promote the charitable and community service mission of the District.

PASSED AND ADOPTED by the Board of Directors of WASHINGTON TOWNSHIP HEALTH CARE DISTRICT this 9th day of June, 2021, by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM NICHOLSON, M.D.
President of the Washington Township
Health Care District Board of Directors

MICHAEL WALLACE
Secretary of the Washington Township
Health Care District Board of Directors



Washington Hospital Budget Estimate



FY 2021/2022

DIRECTORS AND OFFICERS

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
2000 Mowry Avenue
Fremont, California 94538
(510) 797-1111

BOARD OF DIRECTORS

WILLIAM F. NICHOLSON, M.D.
President

JEANNIE YEE
First Vice President

JACOB EAPEN, M.D.
Treasurer

BERNARD STEWART, D.D.S.
Second Vice President

MICHAEL J. WALLACE
Secretary

ADMINISTRATION

KIMBERLY HARTZ
Chief Executive Officer

MEDICAL EXECUTIVE COMMITTEE (as of 7/1/21)

SHAKIR HYDER, M.D.
Chief of Staff

MARK SALEH, M.D.
Chief of Staff – Elect

PADMAJA SHARMA, M.D.
Chairperson
Department of OB/GYN

DESMOND ERASMUS, M.D.
Chairperson
Physicians Well-Being Committee

PRASAD KILARU, M.D.
Immediate Past Chief of Staff

BHASKARI PEELA, M.D.
Chairperson
Department of Pediatrics

CARMEN AGCAOILI, M.D.
Chairperson
Critical Care Committee

TIMOTHY TSOI, M.D.
Medical Staff Liaison Officer

SUNIL UPENDER, M.D.
Chairperson
Department of Radiology

JEANIE AHN, M.D.
Chairperson
Clinical Evaluation Committee

AARON BARRY, M.D.
Chairperson
Department of Anesthesiology

RUSSELL NORD, M.D.
Chairperson
Department of Surgery

KADEER HALIMI, M.D.
Chairperson
Emergency Medicine Section

TAM NGUYEN, M.D.
Chairperson
Department of Family &
Community Medicine

BRIAN SMITH, M.D.
Chairperson
Pharmacy, Nutrition & Therapeutics
Committee

DAVID LEVIN, M.D.
Medical Director of Pathology

OMEED AZIZIRAD, M.D.
Chairperson
Department of Medicine

KHALID BAIG, M.D.
Chairperson
Quality & Resource Management
Committee

JAN HENSTORF, M.D.
Chief Medical Information Officer

JOHN ROMANO, M.D.
PPEC Liaison Officer

WASHINGTON HOSPITAL

TABLE OF CONTENTS

	<u>SECTION</u>
Mission Statement	
Budget Estimate.....	1
Narrative.....	2
Statistics	3
Volumes	
Performance Indicators	
Revenue.....	4
Patient Service Revenue	
Other Operating Revenue	
Expense Summary	5
Operating Expenses	
Non-Operating Income.....	6
Capital Budget	7








**BUDGET
FY 2021/22**

MISSION STATEMENT

M I S S I O N S T A T E M E N T

As the local Health Care District, our mission is to meet the health care needs of the District residents through medical services, education and research.

Within this scope, Washington Township Health Care District is committed to assuming the leadership role in improving and maintaining the health status of the residents by:

-  Identifying and assessing community health care needs.*
-  Developing mechanisms to respond to the identified needs within the financial capabilities of the District.*
-  Committing to a culture of patient safety and accountability.*
-  Adopting identified best practices.*
-  Providing access to high quality, cost-effective health services through an integrated delivery system.*
-  Partnering with a diverse medical staff, academic medical centers and other providers to meet the health care needs of the District residents.*
-  Providing appropriate employee, professional and community educational resources to enhance patient care and health promotion throughout the District.*

To support the fulfillment of the mission, the District's strategic vision is to be the regional medical center of Southern Alameda County offering services that span the full range of care within the available financial resources.



Washington Township Health Care District
Resolved by the Board of Directors
Washington Township Health Care District
April 22, 2020

**BUDGET
FY 2021/22**

ESTIMATE

**WASHINGTON HOSPITAL
BUDGET ESTIMATE**

(In thousands)

I.	<u>REVENUE</u>		\$505,253
	A. <u>Net Operating Revenue</u>		\$483,123
	Patient Service Revenue	\$2,121,792	
	Less: Contractual Allowances and Provisions	1,643,208	
	Net Patient Service Revenue	478,584	
	Other Operating Revenue	4,539	
	B. <u>Net Non-Operating Revenue</u>		\$22,130
	Investment Income	\$3,190	
	Rental Income, Net of Amortization	1,642	
	General Obligation Bond Property Tax Revenue	17,298	
II.	<u>EXPENDITURES</u>		\$505,253
	A. <u>Operating Expenditures</u>		\$482,854
	Salaries, Wages & Benefits	\$293,394	
	Supplies & Services	132,723	
	Insurance	3,036	
	Utilities	6,395	
	Reserves - Depreciation	47,306	
	B. <u>Non-Operating Expenditures</u>		\$22,399
	Plant & Equipment	\$19,355	
	General Obligation Bond Debt Service	17,294	
	Revenue Bond Debt Service	16,993	
	Funding of Affiliate Operations	22,652	
	Reserves - Capital & Operations	(53,895)	

INCOME STATEMENT

<i>(In thousands)</i>	Budget Estimate FY 2021/22	Projected FY 2020/21	Change	Percent Change
Patient Service Revenue				
Inpatient	\$1,410,674	\$1,407,626	\$3,048	0.2%
Outpatient	711,118	725,140	(14,022)	-1.9%
Total Patient Service Revenue	\$2,121,792	\$2,132,766	(\$10,974)	-0.5%
Contractual Allowances	(\$1,603,278)	(\$1,621,954)	\$18,676	1.2%
Provisions for Charity and Doubtful Accounts	(\$39,930)	(\$39,761)	(\$169)	-0.4%
Total Contractual Allowances and Provisions	(\$1,643,208)	(\$1,661,715)	\$18,507	1.1%
Contractual Allowances as a % of Revenue	75.6%	76.0%		
Provision for Charity and Doubtful Accounts as a % of Revenue	1.9%	1.9%		
Net Patient Service Revenue	\$478,584	\$471,051	\$7,533	1.6%
Other Operating Revenue	\$4,539	\$3,922	\$617	15.7%
Net Operating Revenue	\$483,123	\$474,973	\$8,150	1.7%
Operating Expenses				
Salaries	\$222,649	\$222,431	(\$218)	-0.1%
Benefits	70,745	76,543	5,798	7.6%
Professional Fees	32,004	30,485	(1,519)	-5.0%
Supplies	62,463	64,451	1,988	3.1%
Purchased Services	24,690	25,539	849	3.3%
Utilities	6,395	6,125	(270)	-4.4%
Insurance	3,036	2,362	(674)	-28.5%
Marketing & Advertising	1,208	997	(211)	-21.2%
Software Licenses & Maintenance	7,134	6,795	(339)	-5.0%
Other Expenses	5,224	5,357	133	2.5%
Depreciation	47,306	47,803	497	1.0%
Total Operating Expenses	\$482,854	\$488,888	\$6,034	1.2%
Loss from Operations	\$269	(\$13,915)	\$14,184	101.9%
Operating Margin	0.06%	-2.93%		
Net Non-Operating Income & Expense				
Investment Income	\$3,190	\$2,727	\$463	17.0%
General Obligation Bond Property Tax Revenue	17,298	17,317	(19)	-0.1%
Interest Expense	(20,748)	(22,132)	1,384	6.3%
Rental Income, Net	1,642	1,683	(41)	-2.4%
Bond Issuance Cost	(600)	(718)	118	16.4%
Realized Gain/(Loss) on Investments	-	189	(189)	-100.0%
Unrealized Gain/(Loss) on Investments	-	(2,188)	2,188	100.0%
Foundation Donation	1,031	2,964	(1,933)	-65.2%
Federal Subsidies	-	1,069	(1,069)	-100.0%
Total Net Non-Operating Income & Expense	\$1,813	\$911	\$902	99.0%
Net Income/ (Loss)	\$2,082	(\$13,004)	\$15,086	116.0%
Net Margin	0.43%	-2.74%		
Funding of Affiliate Operations	(\$22,652)	(\$23,911)	\$1,259	5.3%
Total Net Loss	(\$20,570)	(\$36,915)	\$16,345	44.3%

**BUDGET
FY 2021/22**

NARRATIVE



Washington Hospital Healthcare System

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

www.whhs.com

DATE: June 4, 2021

TO: BOARD OF DIRECTORS

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Proposed Fiscal Year 2022 Budget Estimate for the Washington Township Health Care District

The Budget Estimate for Fiscal Year 2022 will be presented to the Board of Directors at the June 9, 2021 meeting. Upon approval by the Board of Directors, the Budget will constitute authority for the Chief Executive Officer to meet the financial obligations of the Washington Hospital Healthcare System within available funds, in accordance with the District's Mission Statement, applicable laws, regulations, procedures and precedents pertaining to the District.

The FY 2022 Budget for Washington Hospital provides for net operating revenue in the amount of \$483,123,000 and total operating expenses of \$482,854,000. This year, total depreciation is budgeted at \$47,306,000. We are projecting an operating income of \$269,000. Our Capital spending requests are budgeted at \$19,355,000. In addition, the proposed FY 2022 Budget Estimate includes \$22,652,000 to fund operations of the Washington Township Hospital Development Corporation and Washington Township Medical Foundation. These two entities are integral to meeting our goal of continuing to improve the health status of the residents of the District.

Washington Hospital has experienced some of the most unprecedented medical and economic challenges during the COVID-19 pandemic. The pandemic has had a heavy financial toll on California hospitals including Washington Hospital. During FY 2021, Washington experienced significant surges of COVID-19 patients. As a result, the Hospital endured declines in both inpatient and outpatient volumes and net revenue. At the same time, we saw sharp increases in labor costs, PPE, lab and pharmaceutical expenses. The combination of all of these impacts resulted in a significant loss for Washington Hospital in FY 2021. Despite these unprecedented challenges, Washington Hospital Healthcare System was able to successfully continue to provide high quality care and meet the community's health care needs.

With the development of the vaccine and increasing vaccination rates locally and across the country, we are hopeful that the COVID-19 situation will continue to improve. That said, there is still a level of uncertainty along with the need to reverse the costly impacts of the pandemic and to reach a "new normal" along with focusing on growth initiatives for the future. Over the next two to three years, we will implement plans to stabilize our operations and lay the groundwork for the future success of Washington Hospital Healthcare System. This will be characterized as "The Road to Recovery and Growth".

Kimberly Hartz, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Institute for Joint Restoration and Research • Sandy Amos RN Infusion Center
Taylor McAdam Bell Neuroscience Institute • UCSF - Washington Cancer Center • Washington Center for Wound Healing & Hyperbaric Medicine
Washington Maternal Child Education • Washington on Wheels • Washington Outpatient Diabetes Program • Washington Outpatient Imaging Center
Washington Outpatient Rehabilitation Center • Washington Outpatient Surgery Center • Washington Prenatal Diagnostic Center
Washington Radiation Oncology Center • Washington Special Care Nursery • Washington Sports Medicine • Washington Township Medical Foundation
Washington Urgent Care • Washington Wellness Center • Washington Women's Center



Our focus will be to stabilize hospital operations to a post-pandemic “new normal”. This includes cost savings initiatives along with a strong focus on improving utilization management. These two areas of focus will entail staff, physicians and management working collaboratively to ensure success. The third component is to build the infrastructure for new growth and operationalize growth strategies in specific product lines. This includes the buildout of the Washington UCSF Ambulatory Care Center in Warm Springs and the design and initiation of construction for our next phase of the Facility Master Plan. We are very excited about beginning this next phase of our Facility Master Plan with the buildout of the remaining space in the Morris Hyman Critical Care Pavilion and are extremely thankful to our community for supporting this important initiative through general obligation bonds. The FY 2022 budget also provides the necessary resources to sustain, and to continue to improve, our clinical excellence, and supports our important institutional commitment to the Patient First Ethic.

Our budget assumptions directly depend on the continued improvement in the COVID-19 situation throughout the year. The overall volume assumptions underlying this budget are based on some of our areas returning to near pre-COVID-19 levels by the end of the year. There are some services, such as Obstetrics and the Emergency Room, where the volume will be slow to return to pre-COVID-19 levels.

As mentioned, we still face some degree of uncertainty. The effect of the pandemic on the economy in the long term is impossible to determine at this point. Unemployment levels could increase if businesses are slow to resume, and if so, we are likely to see an increase in the uninsured and underinsured. It should also be noted that, during FY 2021, Washington Hospital has not received to date any substantial state or federal provider relief funding to help to offset the shortfall in net patient revenue and the increase in costs that were experienced. It is uncertain if additional funding will be available to the Healthcare System in the future.

Washington Hospital Healthcare System has experienced some of the most unprecedented challenges in its history. Through the hard work, resilience and compassion shown by staff and physicians from all areas of the Healthcare System, we succeeded at fulfilling the health care needs of our patients when they needed us most, and I know we will continue to do so.



KIMBERLY HARTZ
Chief Executive Officer

PLANS AND PRIORITIES

The Strategic Map for FY 2022 is a starting point for developing our Budget. The major activities of the Strategic Map are:

- Develop and Implement Growth Strategies and Marketing Strategies for Targeted Services Lines
 - Cardiac Services
 - Oncology
 - Maternal Child Health
 - Neurosciences
 - Orthopedics
- Expand and Strengthen Physician Alignment
- Complete Design and Begin Implementation of the Third Phase of the Facilities Master Plan (MHCCP Infill Projects)
- Continue to Enhance the Patient Experience
- Strengthen and Expand Strategic Alliances and Partnerships
- Implement Utilization and Operational Improvement Strategies
- Drive Continuous Improvements in Quality and Safety.

These priorities have been included in the FY 2022 budget.

SERVICE VOLUMES

Admissions for FY 2022 are budgeted to increase 6.0%, in-line with the overall growth anticipated as services start to return to pre-COVID-19 levels and reflects growth in the inpatient cardiac program. A decrease in patient days and average daily census of 6.0% is projected in the budget. The decrease in patient days is directly related to quality initiatives aimed at improving the average length of stay.

Surgical cases are budgeted to increase by 1.0% driven by growth in the inpatient cardiac program and services returning to pre-COVID-19 levels partially offset by the migration of outpatient joint replacement cases going to the outpatient surgery center.

Cath lab cases are budgeted to increase by 5.0%, in-line with the overall growth anticipated as services start to return to pre-COVID-19 levels.

Outpatient visits are expected to increase 5.0% compared to FY 2021 in most areas.

These changes are reflected in revenues, reimbursement and expenses in this Budget.

PATIENT SERVICE REVENUES

Gross patient revenue is expected to remain consistent with FY 2021 as the increases in patient volumes are offset by the decline in patient days and the decline in joint replacement surgeries.

The improvement in the contractual write-off and provision for doubtful accounts percentage is related to improvements in some of our commercial payor contracts as well as the implementation of revenue enhancement initiatives.

Net Patient Revenue is expected to increase by 1.1% resulting from the improvement in contractual allowances.

OTHER OPERATING REVENUES

The 15.7% increase in other operating revenues primarily reflects cafeteria and catering services returning to normal operations and expected increases in supply rebates resulting from cost savings initiatives being implemented.

OPERATING EXPENDITURES

Significant factors influencing the overall 1.2% decrease in operating expenditures for the budget year are as follows:

- Labor costs are expected to stay consistent with FY 2021 due to wage inflation being offset by a reduction of FTE's resulting from the lower patient days and the elimination of FTE's that were solely related to the COVID-19 pandemic.
- Employee Benefits are expected to decrease 7.6% due to the significant cost savings in pension expense partially offset by increases in healthcare, dental and vision expense.
- Professional fees are expected to increase 5.0% due to physician recruitment in the oncology program and increases in hospitalist fees related to anticipated higher admissions.
- Supplies are expected to decrease 3.1% due to a decrease in COVID-19 supplies, changes in volume, and implementation of cost saving initiative. The decreases in cost are expected to be offset by inflation in supplies and pharmaceutical expense.
- Purchased Services are expected to decrease 3.3% due to a reduction in contracted services as we implement COVID-19 workflows into our normal processes and bring certain lab services in-house.
- Utilities are expected to increase 4.4% due to higher utilization and inflation.
- Insurance is expected to increase by 28.5% due to rate increases in both professional and

property insurance. The increases are resulting from catastrophic losses incurred in the industry and unfavorable District claims experience over the last several years.

- Marketing & Advertising is expected to increase 21.2% due to campaigns for the cardiac service program and the Warm Springs market.
- Software Licenses & Maintenance is increasing 5.0% due to inflation and newer software coming off of initial license periods.
- Other expenses are decreasing 2.5% due to the decrease in the shared savings program associated with joint replacement cases.
- Depreciation is decreasing 1.0% due to the amortization of existing fixed assets partially offset by the anticipated capital spending during the year.

NON-OPERATING INCOME

- Investment income is projected to increase 17.0% due to anticipated higher account balances during the year.
- Rental income is estimated to decrease slightly due to current vacancies.
- As part of the District's continuing budget policy, realized and unrealized gains or losses on the investment portfolio are not budgeted due to the unpredictability of market performance.
- General Obligation Bond Property Tax Revenue of \$17.3 million provides for the net debt service requirements on our General Obligation Bonds for the budget year.
- Foundation donations are expected to decrease 65.2% from the current year due to an anticipated reduction in the need for COVID-19 fundraising.
- Interest Expense is expected to decrease by 6.3% due to lower principal balances and lower interest rates achieved through refinancing activities in FY 2021.
- Bond issuance costs are budgeted at \$600,000 due to an anticipated general obligation bond issuance in April 2022.

**BUDGET
FY 2021/22**

STATISTICS

VOLUMES

	Budget Estimate FY 2021/22	Projected FY 2020/21	Change	Percent Change
Admissions	9,955	9,394	561	6%
Patient Days	52,268	55,640	(3,372)	-6%
Average Daily Census (ADC)	143	152	(9)	-6%
Outpatient Observation Days	2,407	2,261	146	6%
Overall Average Length of Stay	5.23	5.74	(0.51)	-9%
Deliveries	1,442	1,400	42	3%
Surgical Cases	4,130	4,100	30	1%
Joint Replacement Cases	1,640	1,776	(136)	-8%
Cardiac Surgical Cases	119	99	20	20%
Neuro-Surgical Cases	290	268	22	8%
Other Surgical Cases	2,081	1,957	124	6%
Cath Lab Cases	1,999	1,898	101	5%
Cardiac Cases	987	918	69	8%
Peripheral Vascular Cases	442	426	16	4%
Neuro-Radiology Cases	18	16	2	13%
Non-Vascular Cases	552	538	14	3%
Emergency Room Visits	45,904	43,512	2,392	5%
Outpatient Visits	89,731	85,246	4,485	5%

PERFORMANCE INDICATORS

	<u>Budget Estimate FY 2021/22</u>	<u>Projected FY 2020/21</u>	<u>Percent Change</u>
<u>Productivity</u>			
Total Productive FTEs	1,282.4	1,331.8	3.7%
Non-Productive FTEs	174.5	177.4	1.6%
Total Paid FTEs	1,456.9	1,509.2	3.5%
Paid FTEs/Adjusted Occupied Bed	6.76	6.53	-3.5%
Productive FTEs/Adjusted Occupied Bed	5.95	5.77	-3.1%
<u>Financial Indicators</u>			
Contractual Allowances as a % of Revenue	75.6%	76.0%	
Provision for Charity & Doubtful Accounts as a % of Revenue	1.9%	1.9%	
Supplies/Net Patient Revenue %	13.1%	13.7%	
Operating Margin	0.1%	-2.9%	

**BUDGET
FY 2021/22**

REVENUE

PATIENT SERVICE REVENUE

<i>(In thousands)</i>	Budget Estimate FY 2021/22	Projected FY 2020/21
Patient Service Revenue:		
Inpatient	\$1,410,674	\$1,407,626
Outpatient	711,118	725,140
Total Patient Service Revenue	<u>\$2,121,792</u>	<u>\$2,132,766</u>
Contractual Allowances and Provisions:		
Contractual Allowances	(\$1,603,278)	(\$1,621,954)
Provision for Charity and Doubtful Accounts	(39,930)	(39,761)
Total Contractual Allowances and Provisions	<u>(\$1,643,208)</u>	<u>(\$1,661,715)</u>
Total Net Patient Service Revenue	\$478,584	\$471,051
Total Net Patient Service Revenue as a Percent of Patient Service Revenue	22.6%	22.1%

OTHER OPERATING REVENUE

<i>(In thousands)</i>	Budget Estimate FY 2021/22	Projected FY 2020/21	Percent Change
Cafeteria	\$639	\$413	54.7%
Health Education	72	55	30.9%
Outside Services	516	449	14.9%
Quality Incentive Program (QIP) / PRIME	2,280	2,148	6.1%
Other Revenue	1,032	857	20.4%
Total Other Operating Revenue	\$4,539	\$3,922	15.7%

**BUDGET
FY 2021/22**

EXPENSE SUMMARY

OPERATING EXPENSES

<i>(In thousands)</i>	Budget Estimate FY 2021/22	Projected FY 2020/21	Percent Change
Salaries	\$222,649	\$222,431	-0.1%
Benefits	70,745	76,543	7.6%
Professional Fees	32,004	30,485	-5.0%
Supplies	62,463	64,451	3.1%
Purchased Services	24,690	25,539	3.3%
Utilities	6,395	6,125	-4.4%
Insurance	3,036	2,362	-28.5%
Marketing & Advertising	1,208	997	-21.2%
Software Licenses & Maintenance	7,134	6,795	-5.0%
Other Expenses	5,224	5,357	2.5%
Depreciation	47,306	47,803	1.0%
Total Operating Expenses	\$482,854	\$488,888	1.2%

**BUDGET
FY 2021/22**

**NON-OPERATING
INCOME**

NET NON-OPERATING INCOME & EXPENSE

<i>(In thousands)</i>	Budget Estimate FY 2021/22	Projected FY 2020/21	Percent Change
Investment Income	\$3,190	\$2,727	17.0%
General Obligation Bond Property Tax Revenue	17,298	17,317	-0.1%
Interest Expense	(20,748)	(22,132)	6.3%
Rental Income, Net	1,642	1,683	-2.4%
Bond Issuance Cost	(600)	(718)	16.4%
Foundation Donation	1,031	2,964	-65.2%
Federal Subsidies	-	1,069	-100.0%
Subtotal	<u>\$1,813</u>	<u>\$2,910</u>	<u>-37.7%</u>
Realized Gain/(Loss) on Investments *	-	189	-100.0%
Unrealized Gain/(Loss) on Investments *	-	(2,188)	100.0%
Total Net Non-Operating Income & Expense	<u>\$1,813</u>	<u>\$911</u>	<u>99.0%</u>

* Washington Hospital does not budget for gains or losses on investments.

**BUDGET
FY 2021/22**

CAPITAL BUDGET

CAPITAL BUDGET

<i>(In thousands)</i>	Division	Budget Estimate FY 2021/22
<u>Equipment</u>		
	System Operations & Support	\$2,264
	Information Systems	631
	Ambulatory Care Services	797
	Patient Care Services	125
	Rehab and Education Services	11
	Total Equipment	\$3,828
 <u>Projects</u>		
	Cardiology Suite - Design	\$300
	Cancer Care Project - Design	300
	Fremont Office Center Tenant Improvements & Other	1,750
	Routine Facilities Projects	148
	Information Systems Projects	1,829
	Total New Projects	\$4,327
 <u>Committed Projects</u>		
	Warm Springs - Phase 1 Build Out	\$6,000
	MHCCP Infill Project - Design & Equip	5,000
	Continued Spending - IT Projects	200
	Total Capital Budget	\$19,355