



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

## Board of Directors

Russ Blowers  
Shirley Buschke  
Miro Garcia  
Benn Sah, M.D.  
James Stone

October 3, 2014

## MEETING NOTICE

The scheduled meeting of the Board of Directors of the Washington Township Hospital Development Corporation will be held on Monday, October 13, 2014. The meeting will be held in the Board Room of Washington Hospital, and will commence at 7:30 a.m.

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, portions of this meeting may be held in closed session.

This notice is posted pursuant to Section 54956 of the Government Code.

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

VANESSA TERRASAS  
Recording Secretary



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

## AGENDA

### Board of Directors

Russ Blowers

Shirley Buschke

Miro Garcia

Benn Sah, M.D.

James Stone

### BOARD OF DIRECTORS' MEETING

### WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

**Monday, October 13, 2014 – 7:30 A.M.**

**2000 Mowry Avenue, Fremont, CA 94538**

**Board Room – First Floor**

**Assistance for the Disabled:** If you are disabled in any way and need accommodation to participate in the meeting, please call Vanessa Terrasas, Recording Secretary, at (510) 791-3438 for assistance so the necessary arrangements can be made.

- |             |   | <b>PRESENTED BY:</b>                                     |
|-------------|---|--|
| <b>I.</b>   | <b>CALL TO ORDER</b>                                    | Chair  |
| <b>II.</b>  | <b>ROLL CALL</b>  | Vanessa Terrasas<br>Clerk                                |
| <b>III.</b> | <b>CONSIDERATION OF MINUTES OF<br/>June 9, 2014</b>     | <i>Motion Required</i>                                   |
| <b>IV.</b>  | <b>COMMUNICATIONS</b><br>A. Oral<br>B. Written          |  |
| <b>V.</b>   | <b>PRESIDENT AND CHIEF EXECUTIVE<br/>OFFICER REPORT</b> | Nancy Farber<br>President and Chief<br>Executive Officer |

*Nancy Farber, President and Chief Executive Officer*

Washington Urgent Care • Washington Outpatient Surgery Center • Washington Medical Billing  
Washington Outpatient Rehabilitation Center • Washington Radiation Oncology Center

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- |       |  |       |
|-------|--|-------|
| VI.   | CLOSED SESSION   | Chair |
| VII.  | ADJOURN TO OPEN SESSION & REPORT ON<br>CLOSED SESSION  | Chair |
| VIII. | OPEN SESSION<br>A. Report to Open Session<br><br>B. Action Item<br><br>1. Appointment of Chris Henry to the<br>Washington Outpatient Surgery Center, LLC<br>Board of Directors.<br><br>2. Acceptance of the Washington Township<br>Hospital Development Corporation Budget<br>Estimate FY 2014-2015. | Chair |
| IX.   | ADJOURNMENT  | Chair |

**NEXT MEETING: NOVEMBER 10, 2014**

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on June 9, 2014 in the Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 7:43 am.

*CALL  
TO  
ORDER*

Present: Russ Blowers, Shirley Buschke, Miro Garcia, James Stone, Benn Sah, M.D., Nancy Farber, Chief Executive Officer

*ROLL  
CALL*

Absent: None

Also present: Kimberly Hartz, Sr. Associate Administrator, Ambulatory Care Services; Chris Henry, Associate Administrator/CFO; Tina Nunez, Associate Administrator, Ambulatory Care Services; Michael Engle, Sr. Director Ambulatory Care Services; Vanessa Terrasas, Recording Secretary

A motion was made by Director Buschke, seconded by Director Blowers to approve the minutes of the meeting of February 10, 2014 and October 31, 2013. The motion was carried by the following vote:

*APPROVAL OF  
MINUTES OF  
February 10, 2014 and  
October 31, 2013*

Ayes: Directors Blowers, Buschke, Garcia, Sah and Stone

Noes: None

Abstain: None

Absent: None

No oral or written communications were received.

*COMMUNICATIONS*

Ms. Farber reported that we are currently in the open window for The Joint Commission unannounced survey and they could arrive at any time. Departments have been working on Joint Commission preparation. Ms. Farber noted The Joint Commission may specifically want to review the Dialysis Department and the Level II Special Care Nursery as these two areas have recently changed. The Dialysis Department transitioned from in-house to a leased service and the license to the Special Care Nursery was recently transitioned from Lucile Packard to Washington Hospital.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT*

Ms. Farber noted the transition from Lucile Packard to Washington Hospital went very smoothly. Over ninety percent (90%) of Lucile Packard nurses stayed with Washington Hospital and Washington has been pleased with the physician support from UCSF.

Ms. Farber informed the Board about an incident that occurred after hours that involved a male who wandered throughout the main Hospital. He claimed he was here to repair a broken refrigerator and asked for a code to a staff lounge. When staff refused to provide him the code, and told him to wait to speak with the Engineering Department, he exited the Hospital and did not return. Ms. Farber expressed her concern and noted this person's actions are very suspicious. Hospital staff has been alerted to the incident and are being asked to contact security to report any suspicious activity or person.



Ms. Farber mentioned the Hospital participated in Operation Urban Rescue, a multi-agency disaster training exercise involving the Fremont Police Department and the National Guard. The training simulated an explosion and an active shooter exercise. The exercise was a success and the information gathered will be used to further develop the Hospital emergency operations plan.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT CONT'D*

Ms. Farber noted there will be upcoming training exercises that will teach nurses how to barricade themselves and protect their patients in a hostile environment.

Ms. Farber stated the Hospital budget will be presented to the District Board of Directors at the end of June for approval. Ms. Farber explained that the Healthcare System has not met its financial targets. There will be significant cost reductions across many areas. Ms. Farber stated that hospitals are facing an unprecedented set of economic circumstances due to reductions in reimbursement from the Affordable Care Act, Medicare and commercial payors. These are all having a significant negative impact on Washington's finances. Ms. Farber revealed that two main projects this next year for the Hospital will be the reformulation of the Chargemaster and the introduction of the LEAN program. Washington Hospital executives and District Board members will be educated on the LEAN training and a presentation will be shown to the DEVCO Board members at a scheduled Board meeting.

Ms. Farber discussed the concerns with the Fremont Surgery Center and the three cases that were transferred from the Center to Washington's Emergency Department.

Ms. Farber reported that Valley Care has announced they have affiliated with Stanford Hospital.

Ms. Farber talked about how the Medical Injury Compensation Reform Act (MICRA) may raise the limit on pain and suffering damages in medical malpractice lawsuits from \$250,000 to \$1.2 million. The changes to the Act will be placed on a ballot initiative which must be submitted to the State and meet the required signature allowance in order to be placed on the ballot. Ms. Farber explained this is very concerning to Washington Hospital and physicians.

Ms. Farber announced Washington Hospital and the City of Fremont have reached an agreement on the crosswalk between Washington West and the Emergency Room. The City made several modifications that include narrowing the street lanes on Civic Center Drive and removing the left turn lane leading from Civic Center Drive into Washington West. Also the pine trees that lined Civic Center Drive were removed to lessen potential visual impairment.

*Washington Township Hospital Development Corporation*

*June 9, 2014*

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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 8:55 a.m. *ADJOURN TO CLOSED SESSION*

Chairman Sah adjourned the meeting to open session at 9:15 a.m. He reported that no action was taken in closed session. *ADJOURN TO OPEN SESSION*

There being no further business, the meeting adjourned at 9:15 a.m. The next meeting is currently scheduled for Monday, August 11, 2014 at 7:30 am. *ADJOURNMENT*

Respectfully submitted,

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Benn Sah, M.D.  
Chairman

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Shirley Buschke  
Secretary





# Washington Township Hospital Development Corporation

## Income Statement

### Budget Estimate FY 2014/15



**DEVELOPMENT  
CORPORATION**

	Budget Estimate FY 2014/15	Projected FY 2013/14	\$ Change	% Change
Visits	43,878	44,639	-761	-1.7%
Treatments	5,778	5,697	81	1.4%
<b>Revenue</b>	<b>\$53,495,945</b>	<b>\$55,882,020</b>	<b>(\$2,386,075)</b>	<b>-4.3%</b>
Other Revenue	6,981,314	7,795,988	(814,674)	-10.4%
Revenue Deductions	29,202,304	30,959,057	(1,756,753)	-5.7%
<b>Total Operating Revenue</b>	<b>\$31,274,956</b>	<b>\$32,718,951</b>	<b>(\$1,443,995)</b>	<b>-4.4%</b>
<b>Expense:</b>				
Salaries	\$7,207,316	\$7,653,173	(\$445,857)	-5.8%
Benefits	2,719,704	2,710,103	9,601	0.4%
Supplies	3,681,008	3,750,048	(69,040)	-1.8%
Contract Mgmt Services	507,900	505,667	2,233	0.4%
Professional Fees	1,772,623	1,878,342	(105,719)	-5.6%
Purchased Services	3,026,267	3,112,242	(85,975)	-2.8%
Purchased Labor	2,552,921	2,864,892	(311,971)	-10.9%
Purchased Benefits	649,227	743,341	(94,114)	-12.7%
Legal & Audit	170,500	204,168	(33,668)	-16.5%
Depreciation	1,289,269	1,033,214	256,055	24.8%
Utilities	207,641	222,006	(14,365)	-6.5%
Building Lease	4,954,571	5,136,263	(181,692)	-3.5%
Vehicle Lease	21,192	21,192	0	0.0%
Vehicle Expense	3,750	4,559	(809)	-17.7%
Interest Expense	2,343	22,401	(20,058)	-89.5%
Professional Liab Ins	95,106	94,660	446	0.5%
Taxes Fees & Licenses	263,793	253,207	10,586	4.2%
Other Expense	524,168	534,210	(10,042)	-1.9%
<b>Total Expense</b>	<b>\$29,649,299</b>	<b>\$30,743,688</b>	<b>-\$1,094,389</b>	<b>-3.6%</b>
<b>Income from Operations</b>	<b>1,625,657</b>	<b>1,975,263</b>	<b>(349,606)</b>	<b>-17.7%</b>
Minority Interest in WOSC	1,569,601	1,711,843	(142,242)	-8.3%
<b>Net Income/(Loss)</b>	<b>\$56,056</b>	<b>\$263,420</b>	<b>(\$207,364)</b>	<b>-78.7%</b>