



Washington Township Health Care District

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

Nancy Farber, Chief Executive Officer

Board of Directors

Patricia Danielson, RHIT

Jacob Eapen, M.D.

William F. Nicholson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

Wednesday, January 27, 2016 - 6:00 P.M.

Anderson C

AGENDA

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| I. | CALL TO ORDER &
PLEDGE OF ALLEGIANCE | Michael Wallace
Board Member |
| II. | ROLL CALL | Christine Flores
District Clerk |
| III. | COMMUNICATIONS
A. Oral
B. Written | |
| IV. | CLOSED SESSION
A. Report involving a trade secret pursuant to Health & Safety Code section 32106
New Program
Estimated date of public disclosure: January 2017
B. Conference regarding medical audit reports, quality assurance reports and privileging pursuant to Health & Safety Code Section 32155.
C. Report and discussion regarding California Government Code section 54957: Personnel matters | Nancy Farber
Chief Executive Officer |
| V. | OPEN SESSION
Report on Closed Session | Michael Wallace
Board Member |
| VI. | ADJOURNMENT | Michael Wallace
Board Member |

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
January 22, 2016

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook is still optimistic, but increasingly guarded given the international economic concerns. The declines in oil prices as well as the economic slowdown in China have weighed heavily on international and U.S. markets. The national employment figures, however, remain strong as the U.S. economy remains a bright spot in the global economic picture.

The Bureau of Labor Statistics job report showed the U.S. economy added 292,000 jobs in December as the unemployment rate remained at 5.0%. In total, the U.S. added 2.65 million jobs in 2015, the second-best year for hiring since 1999. Claims for U.S. jobless benefits rose to a six-month high recently, increasing by 10,000 to a seasonally adjusted 293,000. Jobless claims have now been below 300,000, which is the threshold normally associated with a strengthening labor market, for 46 straight weeks. The four-week moving average, a less volatile measure, rose by 6,500 to 285,000. The national housing market continues to show signs of stabilization, although it is expected that home prices in 2016 will return to a more stable growth rate. Last month, the number of properties that received a foreclosure filing in the U.S. was 1% lower than the previous month and 10% lower than the same time last year. Home sales were up 180% compared with the previous month, and down 65% compared to a year ago.

The California economy continues to show unemployment gains and the economy as a whole continues to show signs of expansion. In November (state unemployment data lags national data by a month), the state added 5,500 new payroll jobs as the unemployment rate ticked down to 5.7%, from 5.8% a month earlier. The state added far fewer jobs in November than had been the trend in recent years, and was the lowest one-month increase in more than 4 years. Last month, the number of properties that received a foreclosure filing in California was 9% higher than the previous month and 14% lower than the same time last year. Home sales were up significantly compared with the previous month, although this is likely due to the fact that October experienced lower than average sales volume due to changes in the mortgage lending rules for Fannie Mae and Freddie Mac. Home sales in the state were down 58% compared to a year ago.

Locally, the District's unemployment rate decreased slightly in November, (local unemployment data lags national data by a month) decreasing to 3.7% from 3.8% in the previous month. Just fewer than 6,900 District residents in the labor force are unemployed. Foreclosure activity in the District was slightly higher than last month at 36 foreclosures, and home sales figures in the District mirrored the pace seen at the national and state levels.

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

State and Federal Legislative Update

CA Legislature

The State Legislature has reconvened and has reconvened the special session related to health care that the Governor called towards the end of last year. This special session focused on the pending loss of the Managed Care Organization (MCO) tax and the \$1.1 billion hole it leaves in the budget. The managed care organization tax is due to expire June 30, 2016. The state imposed a 3.9% tax on revenue generated by health plans through Medi-Cal managed care and received federal matching funds for the MCO tax. The state then reimbursed the MCOs. That deal worked for the state and worked for the MCOs. In July 2015, federal officials made it clear it didn't work for them and said they would no longer condone the practice. Brown convened the special legislative session on health with the primary goal of having lawmakers figure out a way to replace that \$1.1 billion, in part with a revised version of the MCO tax. But health plans and Republican legislators balked at the new tax idea, and no solution was found. The special session on health is technically still in session; it has never been adjourned, so legislators could take up the discussion again.

The Governor provided his budget proposal for the next fiscal year this month, and hearings on the proposed budget are occurring now. It is expected that the Governor will call the special session to a close when an agreement on the budget has been reached and a budget passed. When the Governor does close the special session, the End of Life bill passed last year will take effect 90 days after the close of the special session.

Potential Legislation

Staff is working with Washington's lobbyist in Sacramento regarding a potential bill sponsored by Washington. The bill would require peace officers, when bringing a patient to a health care facility, to disclose to staff whether the patient has a violent criminal history. The goal of the bill is to help ensure the safety of health care staff and patients. The proposed language for the bill has been drafted and submitted to Legislative Counsel in the Legislature, and staff, along with our lobbyist, is currently in the process of discussing the bill with potential authors. Given the positive feedback received thus far some legislators and interest groups, Washington anticipates finding an author for the bill by the February 19 submission deadline.

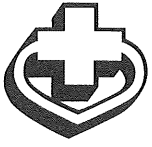
II. FOUNDATION

Capital Campaign

CCS has concluded the planning study for the capital campaign and is recommending that the Foundation conduct a capital campaign to equip the Morris Hyman Pavilion. They do not think we should specify a goal, but instead talk about the need for \$36 million for FF&E. CCS will present their findings at the annual meeting of the Foundation on January 25, 2016.

Golf Tournament

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



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 5

Month of November 2015

Nancy Farber, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Washington Urgent Care
Washington Radiation Oncology Center • Washington Outpatient Surgery Center
Cardiovascular Institute • Washington Outpatient Rehabilitation Center • Washington Center for Joint Replacement
Taylor McAdam Bell Neuroscience Institute • Institute for Minimally Invasive and Robotic Surgery
Sandy Amos R.N. Infusion Center • Washington Outpatient Imaging Center • Washington Women's Center

