



Washington Township Health Care District

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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, February 24, 2021– 6:00 P.M.
Meeting Conducted by Teleconference
Dial In: 510-818-5900 Access Code: 6736

AGENDA

PRESENTED BY:

- | | |
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| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | William Nicholson, M.D.
Board President |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. COMMUNICATIONS | |
| 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 covered by the agenda. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i> | |
| B. Written | |
| 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> | |
| A. Consideration of Budgeted Capital Request:
FY21 Cisco Firewall Upgrade Project | |
| V. CLOSED SESSION
<i>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.</i> | Kimberly Hartz
Chief Executive Officer |
| A. Report of Medical Staff and Quality Assurance Committee, Health & Safety Code section 32155 | |
| B. Conference involving trade secrets pursuant to Health & Safety Code section 32106 | |

Board Meeting Agenda
February 24, 2021

C. Conference Involving Personnel Matters: Chief
Executive Officer

VI. OPEN SESSION

Report on Closed Session

William Nicholson, M.D.
Board President

VII. 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.



Memorandum

DATE: February 16, 2021

TO: Kimberly Hartz, Chief Executive Officer

FROM: Ed Fayen, Senior Vice President and Chief Operating Officer
John Lee, Chief Information Officer

SUBJECT: FY21 Cisco Firewall Upgrade Project

Maintaining a secure network environment for our critical data systems remains a difficult but important goal. Information Systems needs to replace the Cisco firewall infrastructure systems which are now 10 years old in order to continue to receive critical updates and stay current with new technology. Our current firewalls are no longer supported by Cisco and we need to upgrade them in order to protect our application data stores from possible security threats and denial of service (DoS) or distributed denial of service attacks (DDoS). The firewalls provide a first layer of defense in preventing unwanted actors from breaching our network and deploying ransomware or attempting to steal data.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to enter into the necessary contracts for the purchase of hardware, software and implementation services for a total amount not to exceed **\$369,984**. This is an approved project in the fiscal year 2021 Capital budget.

STRATEGIC PLANNING

PRIORITIES & PROGRESS REPORT

February 19, 2021

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook continues to remain unfavorable, as certain key economic indicators have continued to show declines over the past month as the incidence of COVID-19 increase across the country. The global pandemic continues to put a significant strain on financial, commercial, and services sectors across all segments of the national and global economies.

The Bureau of Labor Statistics job report showed the U.S. economy added 49,000 jobs in January, as the unemployment rate declined to 6.3% from 6.7% in the previous month. The U.S. economy is still missing approximately 10 million jobs since the COVID-19 pandemic started, with little prospect that they will be recovered anytime soon. Although the official unemployment rate declined to 6.3%, economists estimate true unemployment is several points higher as the labor force participation rate continues to inch downward. With the net loss of jobs in the December report and the small increase in jobs in the January report, the job market expansion appears to have stalled over the last several months. Claims for U.S. jobless benefits continue to come in at relatively high levels and declined slightly recently, as 779,000 Americans filed for unemployment last week. Although the latest claims report left the weekly figure at its lowest point in two months, before the virus erupted in the United States in March, weekly applications for jobless aid had never topped 700,000, even during the Great Recession. The impact of COVID-19 on the national economy is expected to continue for the foreseeable future as states across the country continue to see a high incidence rate of infections.

The California economy showed a decrease in jobs in December (state unemployment data lags national data by a month), as the economy shed more than 52,000 jobs and the state's unemployment rate increased to 9.0% from 8.2% in the previous month. The dismal December jobs report was driven by the fact that businesses were once again forced to shut down as the incidence of COVID-19 increased across the state. Although portions of the economy have recently started to re-open in the last couple of weeks, the impact from the global pandemic is significant for the state's economy and the economic recovery remains uncertain for the foreseeable future.

Locally, the District's unemployment rate increased in December (local unemployment data lags national data by a month), increasing to 6.5% from 5.6% in the previous month. Approximately 11,900 District residents in the labor force are unemployed.

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

State and Federal Legislative Update

CA Legislature

The legislature has until February 19, to introduce any bills for this session. Staff is monitoring introduced legislation in order to assess the potential impacts to the District or the Healthcare System and will provide a list of additional potential key bills in next month's report to the Board as a majority of bills are expected to be introduced near the February 19 deadline.

A couple bills worth highlighting that have already been introduced are:

AB 4 (Arambula) Medi-Cal Eligibility

This bill would, effective January 1, 2022, extend eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits but for their immigration status, pursuant to an eligibility and enrollment plan. The bill would delete the specified provisions regarding individuals who are under 25 years of age or 65 years of age or older. The bill would require the eligibility and enrollment plan to ensure that an individual maintains continuity of care with respect to their primary care provider and would provide that an individual is not limited in their ability to select a different health care provider or Medi-Cal managed care health plan. The bill would require the department to provide monthly updates to the appropriate policy and fiscal committees of the Legislature on the status of the implementation of these provisions.

AB 32 (Aguiar-Curry) Telehealth

Current law requires a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2021, to specify that coverage is provided for health care services appropriately delivered through telehealth on the same basis and to the same extent as in-person diagnosis, consultation, or treatment. Current law exempts Medi-Cal managed care plans that contract with the State Department of Health Care Services under the Medi-Cal program from these provisions, and generally exempts county organized health systems that provide services under the Medi-Cal program from Knox-Keene. This bill would delete the above-described references to contracts issued, amended, or renewed on or after January 1, 2021, would require these provisions to apply to the plan or insurer's contracted entity, and would delete the exemption for Medi-Cal managed care plans. The bill would subject county organized health systems, and their subcontractors, that provide services under the Medi-Cal program to the above-described Knox-Keene requirements relative to telehealth. The bill would authorize a provider to enroll or recertify an individual in Medi-Cal programs through telehealth and other forms of virtual communication.

Federal Legislature

On Friday, February 5, 2021, the House of Representatives approved the Senate's 2021 budget resolution (S. Con. Res. 5), laying the groundwork for the budget reconciliation process. Created by the Congressional Budget Act of 1974, budget reconciliation is a mechanism by which Congress can use expedited procedures to consider spending, revenue, and debt-limit laws set by an annual budget resolution. Importantly, this process allows the Senate to enact legislation with a simple majority vote, though it also limits the scope to provisions that directly affect federal spending, revenues, and debt.

The 2021 budget resolution included instructions giving committees of jurisdiction until February 16 to draft a COVID-19 relief bill that would include up to \$1.9 trillion in spending and revenue loss, the cost of President Joe Biden's "American Rescue Plan." Last week, House committees marked up their respective pieces of the \$1.9 trillion COVID-19 relief package that Democrats are preparing to pass through reconciliation. Although Republicans introduced numerous amendments throughout the markups, the packages advanced out of committee along party lines without including any changes from Republicans. This week, the House Budget Committee is working to combine the various pieces of the package into a single bill. Additional Provider Relief Funds (PRF) are currently not included in the proposed legislation. The Biden Administration has indicated that they are taking a pause in distributing PRF funds as they want to get their arms around an accounting of who has received what to date and how much more might be warranted. For this reason, they did not request more PRF funds at this time.

It is expected that the House will vote on the COVID-19 relief package next week. Once the bill passes the House, as is expected, it will head to the Senate. The Senate is not expected to make any material changes to the House bill. The Budget Committee in the Senate will soon start hashing out whether certain provisions of Biden's plan run afoul of the so-called Byrd Rule, stipulations requiring policies passed through the budget reconciliation process to have a significant effect on federal spending, revenues, and the debt. If anything drops in the Senate because of the Byrd rule, it will go back to the House. The goal is to have this to the President's desk well before March 14th, when the unemployment insurance provisions expire.

II. FOUNDATION

COVID-19 EMERGENCY RESPONSE FUND

The Foundation is pleased to share that thanks to our generous community of supporters, we have exceeded our goal for the COVID-19 Emergency Relief Fund, raising more than \$1.27M to date. Fremont Bank Foundation made a generous gift of \$250,000 in support of vaccine distribution and PPE supply. We continue to receive numerous requests from community members wishing to donate meals to hospital staff. We are scheduling nearly 1,000 meals for various hospital departments in February alone.

FOUNDATION UPDATES AND EVENTS

At the Annual Meeting in January, the Foundation voted to disburse \$1,693,527 to Washington Hospital from various restricted funds housed at the Foundation. The largest of these line items includes more than \$786,000 for equipment needs at the Morris Hyman Critical Care Pavilion raised during the Critical Care Campaign as well as \$447,274 for COVID-related costs.

Going forward, the COVID-19 Fund will remain a priority for the Foundation. We will also continue to develop strategy surrounding a Planned Giving and Grateful Patient Program at the Foundation.

As the Hospital continues to respond to the evolving needs associated with COVID-19, we have made the decision to postpone the Gene Angelo Pessagno Golf Tournament, originally scheduled for May 2021. We look forward to sharing updates in the months to come.

**DEVCO
FINANCIAL STATEMENTS**

Reporting Period 6

Month of December 2020

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

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
2,429	2,667	(238)	(8.9%)	14,214	15,325	(1,111)	(7.2%)
230	270	(40)	(14.8%)	1,726	1,593	133	8.3%
2,659	2,937	(278)	(9.5%)	15,940	16,918	(978)	(5.8%)
4,008,031	4,119,360	(111,329)	(2.7%)	21,615,972	23,961,556	(2,345,584)	(9.8%)
1,090,646	864,269	226,377	26.2%	5,978,119	5,631,080	347,039	6.2%
5,098,677	4,983,629	115,048	2.3%	27,594,091	29,592,636	(1,998,545)	(6.8%)
2,104,690	2,110,841	6,151	0.3%	11,390,542	12,276,584	886,042	7.2%
52.5%	51.2%	(1.3%)		52.7%	51.2%	(1.5%)	
2,993,987	2,872,788	121,199	4.2%	16,203,549	17,316,052	(1,112,503)	(6.4%)
826,129	805,873	(20,256)	(2.5%)	4,959,252	4,666,138	(293,114)	(6.3%)
279,807	304,221	24,414	8.0%	1,644,837	1,779,181	134,344	7.6%
385,853	463,125	77,272	16.7%	2,150,616	2,646,835	496,219	18.7%
276,119	351,867	75,748	21.5%	1,625,527	1,959,231	333,704	17.0%
297,262	311,924	14,662	4.7%	1,658,505	1,861,755	203,250	10.9%
91,308	117,408	26,100	22.2%	547,012	635,934	88,922	14.0%
60,991	21,872	(39,119)	(178.9%)	188,045	158,815	(29,230)	(18.4%)
567,417	431,882	(135,535)	(31.4%)	3,464,020	3,061,304	(402,716)	(13.2%)
126,637	121,395	(5,242)	(4.3%)	810,603	792,472	(18,131)	(2.3%)
2,911,523	2,929,567	18,044	0.6%	17,048,417	17,561,665	513,248	2.9%
82,464	(56,779)	139,243	245.2%	(844,868)	(245,613)	(599,255)	(244.0%)
102,359	70,126	(32,233)	(46.0%)	88,158	446,675	358,517	80.3%
(19,895)	(126,905)	107,010	84.3%	(933,026)	(692,288)	(240,738)	(34.8%)