



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, March 28, 2018– 6:00 P.M.
Board Room, 2000 Mowry Avenue**

AGENDA

PRESENTED BY:

- | | |
|---|---|
| I. CALL TO ORDER &
PLEDGE OF ALLEGIANCE | Michael Wallace
Board Member |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. COMMUNICATIONS

A. Oral

B. Written | |
| IV. CLOSED SESSION

A. Conference with Legal Counsel-Anticipated
Litigation pursuant to Government Code
section 54956.9(d)(2) (1 matter)

B. Conference involving a trade secret pursuant to
Health & Safety Code section 32106

C. Report on personnel matters, Cal Gov. Code
Section 54957 | Nancy Farber
Chief Executive Officer |
| V. OPEN SESSION

Report on Closed Session | Michael Wallace
Board Member |
| VI. ACTION
A. Consideration of Claim – Brandon Reed | Motion Required |
| VII. ADJOURNMENT | Michael Wallace
Board Member |



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 7

Month of January 2018

Nancy Farber, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Institute for Joint Restoration and Research
Sandy Amos R.N. Infusion Center • Taylor McAdam Bell Neuroscience Institute • Washington Center for Wound Healing and Hyperbaric Medicine
Washington Outpatient Imaging Center • Washington Outpatient Rehabilitation Center • Washington Outpatient Surgery Center
Washington Radiation Oncology Center • Washington Special Care Nursery • Washington Urgent Care • Washington Women's Center



**Washington Township Hospital
Development Corporation
Summary Income Statement
January 2018**

Current Month				Year - To - Date				
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)		
		Variance	%			Variance	%	
3,626	3,485	141	4.0%	(1) Visits	23,645	23,516	129	0.5%
252	225	27	12.0%	(2) Treatments & Procedures	1,990	2,527	(537)	(21.3%)
3,878	3,710	168	4.5%	(3) Total	25,635	26,043	(408)	(1.6%)
				Gross Revenue				
3,668,450	3,583,854	84,596	2.4%	(4) Patient Revenue	25,605,990	25,557,913	48,077	0.2%
875,115	770,629	104,486	13.6%	(5) Other Revenue	5,742,350	5,479,765	262,585	4.8%
4,543,565	4,354,483	189,082	4.3%	(6) Total Gross Revenue	31,348,340	31,037,678	310,662	1.0%
				Deductions				
1,685,444	1,844,810	159,366	8.6%	(7) Total Deductions	12,228,299	13,234,539	1,006,240	7.6%
45.9%	51.5%	5.6%		Contractual Percentage	47.8%	51.8%	4.0%	
2,858,121	2,509,673	348,448	13.9%	(8) Net Revenue	19,120,041	17,803,139	1,316,902	7.4%
				Expenses				
810,030	783,763	(26,267)	(3.4%)	(9) Purchased Labor	5,471,367	5,388,096	(83,271)	(1.5%)
284,391	262,646	(21,745)	(8.3%)	(10) Purchased Benefits	1,800,552	1,820,949	20,397	1.1%
292,008	304,347	12,339	4.1%	(11) Supplies	2,130,890	2,208,007	77,117	3.5%
199,808	243,360	43,552	17.9%	(13) Professional Fees	1,865,609	1,991,704	126,095	6.3%
214,283	197,550	(16,733)	(8.5%)	(14) Purchased Services	1,416,055	1,353,718	(62,337)	(4.6%)
83,440	81,291	(2,149)	(2.6%)	(16) Depreciation and Amort	582,797	561,777	(21,020)	(3.7%)
20,432	21,076	644	3.1%	(17) Utilities	166,914	159,081	(7,833)	(4.9%)
471,197	421,953	(49,244)	(11.7%)	(18) Building Lease	3,007,206	2,999,134	(8,072)	(0.3%)
144,150	142,436	(1,714)	(1.2%)	(19) Other Expenses	885,828	907,439	21,611	2.4%
2,519,739	2,458,422	(61,317)	(2.5%)	(20) Total Expenses	17,327,218	17,389,905	62,687	0.4%
338,382	51,251	287,131	560.3%	(21) Net Operating Income/Loss	1,792,823	413,234	1,379,589	333.9%
119,839	61,850	(57,989)	(93.8%)	(22) Minority Interest	999,074	502,000	(497,074)	(99.0%)
218,543	(10,599)	229,142	2,161.9%	(23) Net Income/Loss	793,749	(88,766)	882,515	994.2%

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
March 23, 2018

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. The latest national labor figures showed very healthy job growth, and unemployment claims continue to come in at historically low levels. The Federal Reserve continues to monitor key economic indicators such as wage growth, consumer prices, and producer prices as it develops its plan for interest rate increases in the coming year.

The Bureau of Labor Statistics job report showed the U.S. economy created 313,000 jobs in February, as the unemployment rate held steady at 4.1% for the fifth straight month. February produced the most jobs in a month since January 2016. Wage growth declined in February to 2.6% compared to a year ago, a decline from the 2.9% rate seen in January. Claims for U.S. jobless benefits continue to remain at historically low levels, coming in recently at 226,000. The four-week moving average, a less volatile measure, declined to 221,500. The national housing market remains strong with demand continuing to outpace supply. Home prices continue their sustained growth seen over recent years, however Federal Reserve reactions to rising inflation will result in higher mortgage interest rates, which could dampen the growth in home prices in the coming year.

The California economy continues to show strong job growth, as the latest report showed payroll jobs increased in January (state unemployment data lags national data by a month) by 35,500 jobs as the state's unemployment rate declined to 4.4% from 4.5% in the previous month. In 2017, the state added 366,000 jobs, which was 11,100 more than the number of jobs added in 2016. It is expected that the state will continue to see meaningful job growth in 2018, due in part to the federal tax cut package that took effect in January. The California housing market remains strong and rising prices remain an issue amidst strong demand that continues to outpace supply. As is the case in the national housing market, expected increases in mortgage interest rates in the coming year could begin to cool down the rate of price increases we have seen over the last several years.

Locally, the District's unemployment rate increased slightly in January (local unemployment data lags national data by a month) to 2.7% from 2.5% in the previous month. Just over 4,775 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 deadline for the submission of new bills has passed, and the Legislature now has until April 27 for policy committees to hear and report fiscal bills to fiscal committees and until May 25 for fiscal committees to hear and report to the floor bills introduced in their house.

Some of the bills that have been introduced worth highlighting include:

AB 2798 (Maienschein) Hospital Facility Licensing

This bill is a response to the delays hospitals and health facilities have experienced over the last year in getting timely responses from the State Department of Public Health (CDPH) regarding their licensure applications. Existing law sets forth CDPH's powers and duties relating to the licensing and regulation of health facilities. This bill would declare the intent of the Legislature to include provisions that would make sufficient resources and staffing available to the department to enable it to approve applications for hospital licensure changes within 60 days. If the time frames established by this bill are not met by CDPH, the service would subsequently be deemed approved. In addition, this bill would require CDPH to develop an assistance unit for hospitals to contact with questions about the application process, to fully automate the process, and to publish performance metrics.

AB 1795 (Gipson) Emergency Medical Services: Community Care Facilities

This bill currently sits in the Assembly Health Committee. This bill would authorize a local emergency medical services agency to submit, as part of its emergency services plan, a plan to transport specified patients to a community care facility in lieu of transportation to a general acute care hospital. This bill would also authorize a local emergency medical services agency to allow specially trained paramedics to triage patients who meet specific criteria to a locally designated behavioral health treatment facility or sobering center.

SB 1288 (Leyva) Health Care Facilities: Inspections

Existing law requires that every health facility for which a license or special permit has been issued be periodically inspected by the State Department of Public Health, or by another governmental entity under contract with the department. Existing law requires the department to inspect for compliance with provisions of state law and regulations during a state periodic inspection, or at the same time as a federal periodic inspection. This bill would require state periodic inspections of health facilities to include reviews of compliance with the nurse-to-patient ratios and staff assignment regulations. The bill would require the department to ensure that these inspections are not announced in advance of the date of inspection. This bill would also require the State Department of Public Health to issue specific fines for violations of nurse-to-patient ratio requirements, and would require the Department to evaluate a hospital's compliance with such ratios during relicensing surveys.

Federal Legislature

Omnibus Spending Bill

Congress has been working through the details of a proposed spending bill to fund the federal government for the next year. Lawmakers have until midnight on Friday, March 23 to approve a spending bill or see the government funding authority lapse for the third time this year.

House Probe on Accrediting Bodies

This month, the Committee on Energy and Commerce submitted letters requesting information from the Centers for Medicare and Medicaid Services (CMS) and four national accrediting organizations regarding the hospital accreditation processes, performance reviews, and corrective actions. This is the result of *The Wall Street Journal* article in late 2017 related to potential patient safety issues at certain hospitals that had attained or kept their accreditations. The Committee has asked for responses from each entity by March 23. Staff will continue to monitor these discussions and the implications for the Healthcare System.

II. FOUNDATION

Critical Care Capital Campaign

The capital campaign has been under way for over a year now and has raised \$4.8 million towards the goal of \$7.5 million. The total raised includes \$314,500 from the employee giving campaign.

33rd Annual Golf Tournament

The Foundation's annual golf tournament will be held on Thursday, May 3, at Castlewood Country Club. Golfers will tee off with a 12 noon shotgun start, and the awards banquet will commence around 6:00 p.m. The tournament has been moved to a Thursday to see if this enables more golfers to be recruited than in previous years.