



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, August 23, 2017 – 6:00 P.M.
Conrad E. Anderson, MD Auditorium**

AGENDA

PRESENTED BY:

- | | |
|---|---|
| I. CALL TO ORDER &
PLEDGE OF ALLEGIANCE | William Nicholson
Board Member |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. COMMUNICATIONS | |
| A. Oral | |
| B. Written | |
| IV. CLOSED SESSION | |
| A. Conference involving a trade secret pursuant to
Health & Safety Code section 32106

New Facility/New Program

Estimated date of public disclosure:
August 2018 | Nancy Farber
Chief Executive Officer |
| B. Conference with Legal Counsel-Anticipated
Litigation pursuant to Government Code
section 54956.9(d)(2) (1 matter) | |
| C. Report on personnel matters, Cal Gov. Code
Section 54957 | |
| V. OPEN SESSION | |
| Report on Closed Session | William Nicholson
Board Member |
| VI. ACTION | |
| A. Consideration of Claim – Xin Li | |
| VII. ADJOURNMENT | William Nicholson
Board Member |



**DEVCO
FINANCIAL STATEMENTS**

Reporting Period 12

Month of June 2017

Nancy Farber, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Washington Urgent Care
Washington Radiation Oncology Center • Washington Outpatient Surgery Center
Washington Cardiovascular Institute • Washington Outpatient Rehabilitation Center • Institute for Joint Restoration and Research
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

**Washington Township Hospital
Development Corporation
Summary Income Statement
June 2017**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
3,062	3,467	(405)	(11.7%)	39,520	39,267	253	0.6%
199	309	(110)	(35.6%)	3,510	4,478	(968)	(21.6%)
3,261	3,776	(515)	(13.6%)	43,030	43,745	(715)	(1.6%)
3,459,603	3,595,446	(135,843)	(3.8%)	41,164,362	42,619,914	(1,455,552)	(3.4%)
771,907	797,319	(25,412)	(3.2%)	10,933,809	9,474,739	1,459,070	15.4%
4,231,510	4,392,765	(161,255)	(3.7%)	52,098,171	52,094,653	3,518	0.0%
1,760,935	1,808,095	47,160	2.6%	21,389,201	21,440,536	51,335	0.2%
50.9%	50.3%	(0.6%)		52.0%	50.3%	(1.7%)	
2,470,575	2,584,670	(114,095)	(4.4%)	30,708,970	30,654,117	54,853	0.2%
773,737	758,579	(15,158)	(2.0%)	9,073,750	9,054,390	(19,360)	(0.2%)
246,064	278,746	32,682	11.7%	2,999,738	3,409,921	410,183	12.0%
275,485	265,264	(10,221)	(3.9%)	3,332,660	3,191,281	(141,379)	(4.4%)
248,070	296,067	47,997	16.2%	3,146,702	3,432,393	285,691	8.3%
192,420	213,966	21,546	10.1%	2,529,910	2,554,750	24,840	1.0%
81,652	81,598	(54)	(0.1%)	949,675	964,715	15,040	1.6%
39,540	23,671	(15,869)	(67.0%)	269,702	240,871	(28,831)	(12.0%)
463,623	434,794	(28,829)	(6.6%)	5,500,241	5,305,713	(194,528)	(3.7%)
124,515	131,055	6,540	5.0%	1,515,844	1,604,439	88,595	5.5%
2,445,106	2,483,740	38,634	1.6%	29,318,222	29,758,473	440,251	1.5%
25,469	100,930	(75,461)	(74.8%)	1,390,748	895,644	495,104	55.3%
105,458	95,350	(10,108)	(10.6%)	1,352,490	1,077,372	(275,118)	(25.5%)
(79,989)	5,580	(85,569)	(1,533.5%)	38,258	(181,728)	219,986	121.1%

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
August 18, 2017

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. National labor figures showed strong hiring in July and unemployment claims continue to remain at historically low levels. However, the U.S. GDP growth rate remains lower than preferred at an estimated rate of just over 2.0%. Expectations remain that the Federal Reserve will raise the target interest rate by a quarter point relatively soon and possibly as early as next month.

The Bureau of Labor Statistics job report showed the U.S. economy added 209,000 jobs in July, as the unemployment rate ticked down to 4.3% from 4.4% in the previous month. Wage growth remains a lackluster indicator of the report, however, as average hourly earnings rose less than 1% compared to a year earlier. Claims for U.S. jobless benefits remain at historically low levels, coming in at 244,000 recently. The total number of people receiving benefits of all durations remain fewer than 2 million for the 17th straight week, which is the longest such streak in 43 years. The four-week moving average, a less volatile measure, fell slightly to 241,000. The national housing market remains strong, however the continued tight supply of homes for sale means demand continues to outpace supply.

The California economy has started to show signs of a slowing labor market, as the latest jobs report showed payroll jobs decreased in June (state unemployment data lags national data by a month) by 1,400 jobs as the state's unemployment rate remained at 4.7%. This is the second month this year that the state lost jobs. In the first half of 2016, California added nearly 160,000 new jobs. Through the first six months of 2017, however, the state boosted payrolls by just 65,400. The California real estate market remains strong, and housing prices continue to rise in the face of strong demand and a limited number of homes for sale. Given the slowdown in hiring thus far in 2017, we may be seeing the impact of rising home prices and very tight supply on the labor force's ability to find affordable housing in the state.

Locally, the District's unemployment rate ticked up in June (local unemployment data lags national data by a month) to 3.3% from 2.8% in the previous month. Just over 6,200 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 is currently in recess and reconvenes on August 21. The legislature then has until September 15 to send bills to the Governor's desk and the Governor has until October 15 to sign or veto bills.

There are no particular bills highlighted in this report due to the fact the legislature has been in recess since July 21.

Federal Legislature

This month, CMS released the FY 2018 Medicare Hospital Inpatient Prospective Payment System (IPPS) final rule. The rule will affect discharges occurring on or after October 1, 2017. Some of the elements worth highlighting that will impact hospitals include:

- CMS is easing provisions of the Medicare and Medicaid electronic health record (EHR) incentive programs. The alleviation provisions include a change to "EHR reporting periods for new and returning participants attesting to CMS or their state Medicaid agency from the full year to a minimum of any continuous 90-day period during the calendar year."
- Readmission penalties assessed to hospitals under the Hospital Readmissions Reduction Program (HRRP) are being changed to reflect a hospital's performance relative to other hospitals with similar numbers of Medicare and Medicaid dual-eligible patients.
- Medicare payments to hospitals for uncompensated care under the Disproportionate Share Hospital program are slated to increase about \$800 million over the FY 2017 funding level.

II. FOUNDATION

Critical Care Capital Campaign

The capital campaign has been under way for over a year now and has raised \$2.8 million from twenty four gifts. We are currently briefing and soliciting medical directors and community members capable of making significant leadership gifts to the campaign. Major donor prospects are being taken for tours of the Hyman Pavilion worksite.

In September, the Foundation will conduct an employee fundraising campaign to solicit support, followed by a physician campaign.

Top Hat XXXI

The Foundation's annual Top Hat dinner dance will take place on October 14. Proceeds from the event have been earmarked to support the Radiation Oncology Program. Co-chairs for the event will be Debbie Jackson, president of the Service League, Gary Charland, president and CEO of Masonic Homes of California, and William Dugoni, M.D. To date, \$123,500 has been raised in sponsorship support.