



Washington Township Health Care District

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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

Monday, December 14, 2015 - 6:00 P.M.

Boardroom

AGENDA

- | | | |
|-------------|--|---|
| 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:
December 2016 | 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

December 11, 2015

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains optimistic but guarded. The national employment figures appear to have stabilized and continue to show meaningful job growth. The Federal Reserve continues to monitor both domestic and international economic issues, and it now appears likely the Federal Reserve will adjust rates slightly upward this month.

The Bureau of Labor Statistics job report showed the U.S. economy added 211,000 jobs in November as the unemployment rate remained at 5.0%, a 7.5-year low. Economists have indicated that the latest jobs data easily meets the targets laid out by the central bank as prerequisites for a rate hike. Claims for U.S. jobless benefits rose recently, increasing by 13,000 to a seasonally adjusted 282,000. This is the highest level since July of this year, however still below 300,000, which is the threshold normally associated with a strengthening labor market. The four-week moving average, a less volatile measure, rose by 1,500 to 270,750. The national housing market continues to show signs of stabilization. Last month, the number of properties that received a foreclosure filing in the U.S. was 10% lower than the previous month and 7% lower than the same time last year. Home sales were down 78% compared with the previous month, and down 98% compared to a year ago.

The California economy continues to show unemployment gains. In October (state unemployment data lags national data by a month), the state added 41,200 new payroll jobs as the unemployment rate ticked down to 5.8%, from 5.9% a month earlier and the lowest since October 2007. Certain California economies, such as that of the Silicon Valley and parts of the Bay Area, are among the strongest in the nation. Last month, the number of properties that received a foreclosure filing in California was 14% lower than the previous month and 6% lower than the same time last year. Home sales were down 22% compared with the previous month, and down 99% compared to a year ago.

Locally, the District's unemployment rate increased slightly in October, (local unemployment data lags national data by a month) increasing to 3.8% from 3.6% in the previous month. Approximately 7,000 District residents in the labor force are unemployed. Foreclosure activity in the District was slightly lower than last month at 32 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

Federal Legislature

The House will vote on December 11 on a short-term funding measure for the Federal Government. Meanwhile, a proposed delay of the Affordable Care Act's (ACA) "Cadillac Tax" is emerging as a point of contention in the budget negotiations. Two-year delays of the "Cadillac Tax" as well as the medical-device tax could potentially be included in the proposed budget. Lawmakers are also considering a one-year delay to the ACA's premium tax borne largely by health insurers.

CA Legislature

The State Legislature is currently in recess and will reconvene on January 4, 2016.

II. FOUNDATION

Capital Campaign

The Foundation's capital campaign planning study has been under way since late August. To date, 58 interviews have been conducted or are scheduled. The goal is to schedule a total of 65 interviews with leaders throughout the District. The purpose of the interviews is to determine the feasibility of the preliminary campaign goal, to test the preliminary case for support, and to analyze the potential for donor success. Interviews should be completed by the middle of December and then the results will be reported at the Annual General Meeting of the Foundation in January, 2016.



DEVCO FINANCIAL STATEMENTS

Reporting Period 4

Month of October 2015

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
October 2015**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
3,325	3,582	(257)	(7.2%)	13,032	14,127	(1,095)	(7.8%)
675	865	(190)	(22.0%)	1,827	1,814	13	0.7%
4,000	4,447	(447)	(10.1%)	14,859	15,941	(1,082)	(6.8%)
Gross Revenue							
3,403,042	3,504,881	(101,839)	(2.9%)	12,218,245	14,417,354	(2,199,109)	(15.3%)
806,146	799,952	6,194	0.8%	3,092,062	3,079,243	12,819	0.4%
4,209,188	4,304,833	(95,645)	(2.2%)	15,310,307	\$17,496,597	(2,186,290)	(12.5%)
Deductions							
1,793,175	1,921,545	128,370	6.7%	6,401,894	7,925,461	1,523,567	19.2%
52.7%	54.8%	2.1%		52.4%	55.0%	2.6%	
2,416,013	2,383,288	32,725	1.4%	8,908,413	9,571,136	(662,723)	(6.9%)
Expenses							
832,063	753,187	(78,876)	(10.5%)	3,209,215	3,013,246	(195,969)	(6.5%)
256,134	251,753	(4,381)	(1.7%)	997,993	1,010,448	12,455	1.2%
195,592	256,539	60,947	23.8%	901,918	1,041,051	139,133	13.4%
42,487	44,629	2,142	4.8%	174,910	178,518	3,608	2.0%
211,540	196,116	(15,424)	(7.9%)	949,616	884,727	(64,889)	(7.3%)
166,032	182,621	16,589	9.1%	802,024	762,303	(39,721)	(5.2%)
10,667	14,634	3,967	27.1%	64,752	58,549	(6,203)	(10.6%)
79,931	79,540	(391)	(0.5%)	320,311	319,282	(1,029)	(0.3%)
20,999	21,881	882	4.0%	84,722	87,380	2,658	3.0%
433,058	439,512	6,454	1.5%	1,712,721	1,758,744	46,023	2.6%
123,524	67,096	(56,428)	(84.1%)	508,167	272,850	(235,317)	(86.2%)
2,372,027	2,307,508	(64,519)	(2.8%)	9,726,349	9,387,098	(339,251)	(3.6%)
43,986	75,780	(31,794)	(42.0%)	(817,936)	184,038	(1,001,974)	(544.4%)
73,722	82,091	8,369	10.2%	(131,667)	367,290	498,957	135.8%
(29,736)	(6,311)	(23,425)	(371.2%)	(686,269)	(183,252)	(503,017)	(274.5%)