



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

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 26, 2020– 6:00 P.M.
Board Room, 2000 Mowry Avenue, Fremont, CA

AGENDA

PRESENTED BY:

- | | |
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| <p>I. CALL TO ORDER & PLEDGE OF ALLEGIANCE</p> <p>II. ROLL CALL</p> <p>III. COMMUNICATIONS</p> <p>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></p> <p>B. Written</p> <p>IV. 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></p> <p>A. Conference with Legal Counsel-Anticipated Litigation pursuant to Government Code section 54956.9(d)(2)</p> <p>B. Conference with Legal Counsel-Existing Litigation pursuant to Government Code section 54956.9(d)(2)</p> <p>C. Report of Medical Staff Quality Assurance Committee, Health & Safety Code section 32155</p> <p>D. Conference involving trade secrets pursuant to Health & Safety Code section 32106 Continuing Program discussion – to be disclosed September 2020</p> | <p>Michael J. Wallace
Board President</p> <p>Dee Antonio
District Clerk</p> <p>Kimberly Hartz
Chief Executive Officer</p> |
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V. OPEN SESSION

Report on Closed Session

Michael J. Wallace
Board President

VI. ACTION

A. Consideration of Claim: Varant K. Michaelian

VII. ANNOUNCEMENTS

VIII. ADJOURNMENT

Michael J. Wallace
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.



Washington Hospital Healthcare System

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 6

Month of December 2019

Kimberly Hartz, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Institute for Joint Restoration and Research • Sandy Amos RN Infusion Center
Taylor McAdam Bell Neuroscience Institute • UCSF - Washington Cancer Center • Washington Center for Wound Healing & Hyperbaric Medicine
Washington Maternal Child Education • Washington on Wheels • Washington Outpatient Diabetes Program • Washington Outpatient Imaging Center
Washington Outpatient Rehabilitation Center • Washington Outpatient Surgery Center • Washington Prenatal Diagnostic Center
Washington Radiation Oncology Center • Washington Special Care Nursery • Washington Sports Medicine • Washington Township Medical Foundation
Washington Urgent Care • Washington Wellness Center • Washington Women's Center



**Washington Township Hospital
Development Corporation
Summary Income Statement
December 2019**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
3,340	3,653	(313)	(8.6%)	20,470	20,342	128	0.6%
232	216	16	7.4%	2,059	1,932	127	6.6%
3,572	3,869	(297)	(7.7%)	22,529	22,274	255	1.1%
4,056,972	4,780,039	(723,067)	(15.1%)	24,781,171	26,484,014	(1,702,843)	(6.4%)
922,983	870,253	52,730	6.1%	5,393,658	5,204,891	188,767	3.6%
4,979,955	5,650,292	(670,337)	(11.9%)	30,174,829	31,688,905	(1,514,076)	(4.8%)
2,037,141	2,518,714	481,573	19.1%	12,886,078	13,931,386	1,045,308	7.5%
50.2%	52.7%	2.5%		52.0%	52.6%	0.6%	
2,942,814	3,131,578	(188,764)	(6.0%)	17,288,751	17,757,519	(468,768)	(2.6%)
882,855	917,617	34,762	3.8%	5,377,199	5,381,755	4,556	0.1%
303,120	325,808	22,688	7.0%	1,757,182	1,781,583	24,401	1.4%
464,099	383,583	(80,516)	(21.0%)	2,299,351	2,157,314	(142,037)	(6.6%)
349,781	298,737	(51,044)	(17.1%)	2,028,272	1,834,483	(193,789)	(10.6%)
305,171	219,602	(85,569)	(39.0%)	1,420,312	1,342,956	(77,356)	(5.8%)
94,460	92,056	(2,404)	(2.6%)	566,374	557,158	(9,216)	(1.7%)
19,172	21,437	2,265	10.6%	153,594	150,596	(2,998)	(2.0%)
483,490	415,190	(68,300)	(16.5%)	2,699,382	2,486,988	(212,394)	(8.5%)
118,453	120,383	1,930	1.6%	769,104	765,949	(3,155)	(0.4%)
3,020,601	2,794,413	(226,188)	(8.1%)	17,070,770	16,458,782	(611,988)	(3.7%)
(77,787)	337,165	(414,952)	(123.1%)	217,981	1,298,737	(1,080,756)	(83.2%)
28,175	210,847	182,672	86.6%	346,159	932,227	586,068	62.9%
(105,962)	126,318	(232,280)	(183.9%)	(128,178)	366,510	(494,688)	(135.0%)

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
February 21, 2020

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. The national labor market had larger growth than anticipated last month, and unemployment claims continue to remain at historically low levels. Global economic indicators continue to point to an increasingly broad slowdown in international economic growth as ongoing trade tensions continue to impact international economics.

The Bureau of Labor Statistics job report showed the U.S. economy created 225,000 jobs in January, as the unemployment rate ticked higher to 3.6%, up from 3.5% in the previous month as more job seekers entered the market. Hourly wage growth grew in January, showing average hourly earnings rose by 3.1% compared to the same month last year. Claims for U.S. jobless benefits continue to remain at historically low levels, coming in recently at 205,000. The four-week moving average, a less volatile measure, was unchanged at 212,000. Recent statistics show that the national economy grew by 2.1% in the fourth quarter of 2019, and the annual GDP growth for 2019 was 2.3%, which is the lowest growth rate in three years. The national housing market continues to remain relatively stable across the nation; however, affordability and inventory shortages continue to create challenges for consumers across the country.

The California economy showed continued hiring in December (state unemployment data lags national data by a month), as the economy added 12,600 jobs and the state's unemployment rate held steady at the historically low rate of 3.9%. December marks 118 months of job growth in the state, the longest job market expansion since the 1960s. The current expansion began in February 2010 and California has gained more than 3.4 million jobs since then. The California housing market, like the national market, continues to show signs of stabilization, however, affordability and inventory shortages remain a concern, especially in higher-cost areas such as the Bay Area.

Locally, the District's unemployment rate declined slightly in December (local unemployment data lags national data by a month) to 2.3%, down from 2.4% in the previous month. Approximately 4,500 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 California Legislature is currently in session and all new bills to be considered during the next session will need to be introduced in their house of origin by today, February 21, 2020, after which they will proceed through the applicable policy and fiscal committee review process. All bills that will be sent to the Governor's desk must pass through both houses by the end of August, and the Governor will then have until September 30, 2020 to sign or veto bills.

Staff is currently reviewing bills that have been introduced for their potential impact to the Healthcare System, and a few bills worth highlighting include:

SB 758 (Portantino) Hospitals: Seismic Safety

As reported previously, this bill is a 2-year bill. On January 28, the Assembly Health Committee and Senate Health Committee held a joint informational hearing looking at hospital seismic safety and the 2030 standards. The hearing was intended to provide background information on the current seismic standards that are in place and the status of compliance by hospitals with those standards. Paul Coleman from OSHPD spent the longest amount of time providing this information and many members asked questions trying to get a better understanding of the current seismic requirements. A representative from the RAND Corporation, which completed a study on the estimated cost of seismic compliance last year, gave an overview of the costs associated with hospitals meeting the 2030 standards, which they estimated to be anywhere from \$32b to \$143b depending on whether hospitals chose to retrofit or rebuild. Senator Pan, who is the Chair of the Senate Health Committee, felt the discussion should be exploring "how we get to the 2030 standards" and was open to helping hospitals with financing and exploring ways to make the construction process more streamlined to help control and possibly reduce costs. We are still early in the 2020 legislative year, and it is not yet known when SB 758 will be heard in the Assembly. The bill was amended at the end of last year so there has been no policy committee review of the bill as of yet. We do anticipate that this bill will be a key topic for hospitals, providers, and unions this year.

The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 establishes, under the jurisdiction of the Office of Statewide Health Planning and Development, a program of seismic safety building standards for certain hospitals. The Legislature has indicated they intend to evaluate seismic safety building standards applicable to hospitals, and this bill was amended recently to require hospitals to report specific information regarding seismic compliance to the State by January 2021 and proposes modifying the current 2030 seismic requirements for general acute care hospitals. The bill would require, on and after January 1, 2030, all general acute care inpatient hospitals that have been approved by the State Department of Public Health to operate emergency medical service, surgical suite, and postsurgical services to be capable of providing these services for 72 hours following a seismic event, unless the office determines a general acute care inpatient hospital is in a county that has a low seismic risk. The bill would specify the conditions under which a general acute care inpatient hospital is authorized to operate these services, for 72 hours

following a seismic event, in an alternative location or manner. The bill would authorize how utility lines, including electrical systems, necessary for the operation of emergency medical service, surgical suite, and postsurgical services are authorized to be installed and braced.

AB 992 (Mullin) Open Meetings: Local Agencies: Social Media

This bill was introduced last year and currently sits in the Senate for assignment to the relevant policy committee. The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines “meeting” for purposes of the act and prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body. This bill would provide that the prohibition described above does not apply to the participation in an internet-based social media platform by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

AB 890 (Wood) Nurse Practitioners: Scope of Practice

This bill was introduced last year and currently sits in the Senate for assignment to the relevant policy committee. This bill would, until January 1, 2026, establish the Advanced Practice Registered Nursing Board within the Department of Consumer Affairs, which would consist of 9 members. The bill would require the board, by regulation, to define minimum standards for a nurse practitioner to transition to practice without the routine presence of a physician and surgeon. The bill would authorize a nurse practitioner who meets certain education, experience, and certification requirements to perform, in certain settings or organizations, specified functions without standardized procedures, including ordering, performing, and interpreting diagnostic procedures, certifying disability, and prescribing, administering, dispensing, and furnishing controlled substances.

Federal Legislature

Earlier this month, President Trump released his FY2021 budget proposal. The budget request is a largely symbolic document outlining the administration’s priorities as the annual appropriations process begins. The budget is unlikely to be considered by House Democrats but will guide Senate Republicans. Budget related hearings began this month in the House Budget Committee and the Senate Finance Committee.

The 4.8 trillion dollar budget deviates from previous proposals in that it does not contain a plan to repeal and replace the Affordable Care Act (ACA). It leaves the ACA’s funding in place but asks Congress to develop policies that would “advance the president’s health reform vision,” which the administration projects would reduce federal healthcare spending by \$844 billion over the decade.

The administration is requesting a ten percent reduction (a \$9.4 billion decrease) in overall funding for the Department of Health and Human Services (HHS), but a slight increase in funding for the Food and Drug Administration (FDA). The budget also seeks a 9 percent cut in funding to both the National Institute of Health (NIH) and the Center for Disease

Control (CDC), although there is a proposed increase of \$50 million for Global Health Security at CDC to strengthen capabilities to “address contagious disease threats where they occur.”

The budget proposes several changes aimed at reducing Medicaid spending, including work requirements, as well as initiatives intended to address waste, fraud, and abuse, such as more stringent screening, enrollment, and termination. The budget also proposes to eliminate Social Services Block Grant funding to the states. The budget’s Medicaid and ACA cuts are similar to last year’s budget, yet the precise policy to advance the cuts is unspecified. Under Medicare, the budget proposes graduate medical education payment reforms, as well as site-neutral payments.

The Trump administration’s budget proposal leaves the door open to comprehensive drug pricing reform, anticipating savings of \$135 billion across the decade, which is around the savings that the Congressional Budget Office (CBO) initially estimated for the Grassley-Wyden bipartisan drug pricing bill.

The budget also calls for transforming rural health through programs such as the Rural Communities Opioids Response and the Telehealth Network Grant Program at Health Resources and Services Administration (HRSA). Specifically, the budget requests \$120 million for treatment and prevention of substance use disorder in rural communities.

Staff will continue to monitor budget discussions for potential impacts to the District and our residents.

II. FOUNDATION

Executive Director, Washington Hospital Healthcare Foundation

Since the beginning of the year, we have interviewed two additional candidates for the executive director position for the Foundation; one took herself out of the running and the second was not a good fit. The recruiter has identified three additional candidates, whom we are planning on interviewing later this month.

Annual Meeting of the Foundation

At the annual meeting of the Foundation on Tuesday, January 28, the trustees voted to authorize the disbursement of \$2,055,591 from proceeds raised through the critical care campaign and the Foundation’s annual fundraising events. The contribution will support a wide variety of clinical needs, including a 3-D mammography machine, a linear accelerator for the Radiation Oncology Center and various health screenings. New trustees elected at the meeting were Mark Butler, Chip Koehler, Steven Moeller, Emily Phillips, and Dr. Rohit Segal. New members voted in were Joan Bobrink, Vania Hendratna, Ginger Jenzen, Jennifer Krause, Glenn Nate, and Linette Young.

Golf Tournament

The 35th Annual Gene Angelo Pessagno Golf Tournament will take place on Thursday, May 7, 2020 at Castlewood Country Club. Sponsorship requests are underway.