

FIFTIETH ANNIVERSARY EDITION



Your health. Your hospital. Your community.

ANNUAL REPORT TO THE COMMUNITY 2008

PEOPLE WHO CARE ... about your health, about your community, and about you. That's the essence of Washington Hospital. Over the last half-century, Washington and the community have grown together. As you've changed, we've responded by providing a range of local, **LEADING-EDGE SERVICES** to give you the health care you need. Meanwhile, we've never lost sight of our guiding principle, our **PATIENT-FIRST ETHIC**, which puts patients first in everything we decide and everything we do. As residents of the health care district, you are the true owners of Washington Hospital. And so, we are always mindful of our **ACCOUNTABILITY** to you. We've also committed ourselves to continuously improving our standards of **PATIENT SAFETY** and adopting **PROVEN BEST PRACTICES** from throughout the medical world. In fact, these are so important that our Board of Directors has added them to our Healthcare System's **MISSION** statement. And so, we continue dedicating ourselves to delivering the highest levels of **QUALITY CARE** with the goal of helping you, your family and your neighbors fulfill the need for better health and an **IMPROVED QUALITY OF LIFE**.

Your health. Your hospital. Your community.

OUR MISSION STATEMENT HAS GUIDED US throughout our 50-year history. In 2008, the Board of Directors made a rare amendment to the statement, recognizing the importance of patient safety, accountability and the adoption of best practices. These endeavors are included because they are intrinsic values of our Healthcare System and because we are committed to making safety a part of every decision we make on behalf of our patients.

As the local Health Care District, our mission is to meet the health care needs of the District residents through medical services, education and research.

Within this scope, Washington Township Health Care District is committed to assuming the leadership role in improving and maintaining the health status of the residents by:

- Identifying and assessing community health care needs.
- Developing mechanisms to respond to the identified need within the financial capabilities of the District.
- Committing to a culture of patient safety and accountability.
- Adopting identified best practices.
- Providing access to high quality, cost-effective health services through an integrated delivery system.
- Providing appropriate employee, professional and community educational resources to enhance patient care and health promotion throughout the District.

To support the fulfillment of the mission, the District's strategic vision is to be the regional medical center of Southern Alameda County offering services that span the full range of care within the available financial resources.

Resolved by the Board of Directors
Washington Township Health Care District
May 14, 2008



WASHINGTON HOSPITAL IS A STORY OF “FIRSTS” – OF PIONEERS who didn’t hesitate to venture places where other community hospitals had not gone. It is also about leading edge health care as, over the years, we’ve provided the latest technology and highest level of care to serve your needs. To help insure quality care, we keep a firm focus on our Patient-First Ethic, which puts the patient first in every decision we make.



1950



LEADING THE WAY

Even before we opened our doors in 1958, residents who believed in the importance of high quality, locally-based health care were taking action. In 1955, the Washington Hospital Service League was formed by women who wanted to make a difference by providing funds and volunteer support for the new hospital. That same year, seven physicians stepped forward to form the hospital’s first medical staff. Early in 1958, mechanical engineer Bob Solon became Washington’s first employee. He stayed on the job for another 28 years.

For people in the Tri-City area, the hospital couldn’t begin providing care soon enough. In fact, the doors were opened earlier than anticipated in response to the request of a local obstetrician so he could deliver Michaela Parrish, the first baby born at Washington Hospital.



NEW AVENUES OF SUPPORT

Over the years, as the hospital and the community grew, so did Washington’s need for support. In 1983, the Washington Hospital Foundation was formed, with Don Amsbaugh as its first president. The Foundation held its first Top Hat Dinner Dance in 1987.



Now in 2008, Washington Hospital and our community continue to grow and evolve in ways those first pioneers may never have envisioned. Much has changed since those first days, but one thing has remained constant – the dedication of Washington Hospital to improving the health and quality of life for all whom we serve.

INNOVATIVE SERVICES

In recent years, our dedication to high quality, leading-edge medicine has led to the development of exciting new programs to serve your health care needs. Washington Women’s Center is one example, with its unique, centralized model of access, care, education, support and service for women. An innovative program that has been especially beneficial is the Breast Care Conference, which offers a learning opportunity



for women newly diagnosed with breast cancer and their families to actively participate in care planning, gather information and discuss options with various specialists and care providers in a comforting environment. Another innovative service is Washington's certified Diabetes Education Program, which takes an individualized approach to teaching people with diabetes how to manage their disease successfully.

Washington's Taylor McAdam Bell Neuroscience Institute offers a comprehensive array of world-class programs to treat serious neurological disorders using minimally invasive techniques. One such service is the respected Gamma Knife Program, treating brain tumors and other brain-related conditions. It combines the most advanced radiosurgical technology available with a world-renowned team of specialists who achieve the best possible outcomes for patients.

In 2007, the Institute's Stroke Program was certified as a Primary Stroke Center, and Washington has become the leading center for stroke care in Southern Alameda County. Physicians are now working to develop interventions for even more serious strokes, and the hospital expects to receive the prestigious Comprehensive Stroke Center designation in the near future.

ADVANCEMENTS IN SURGERY

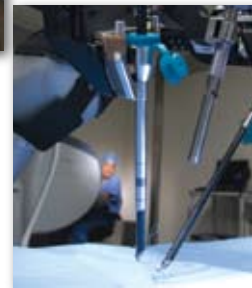
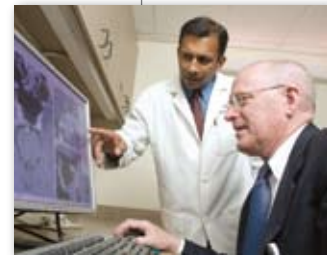
The Center for Joint Replacement has performed more than 6,000 procedures since it opened in 1997, making it one of the busiest and most successful programs of its type on the West Coast. An additional highly skilled joint replacement surgeon has recently joined the program, providing people faster access to minimally invasive total hip and knee replacements that will help them return to maximum functionality.

Washington's advanced, minimally invasive robotic surgery program, with its sophisticated da Vinci® Surgical System, enables surgeons to perform laparoscopic surgery through incisions smaller than the diameter of a pencil. Surgical applications now include general surgery, urology, oncology and cardiac surgery, with gynecology to be added soon.

Our long-term vision is to keep providing the best possible health care to our community. So, as we enter the next fifty years of our history, you can expect that Washington Hospital will continue embracing more exciting innovations and improvements to keep you and your family as healthy as possible.

The enclosed DVD includes the presentation of *"Who We Are and What We Believe In"* and messages from key leaders of Washington Hospital.

1990



WE HAVE NEVER LOST SIGHT OF THE FACT that Washington Hospital is first and foremost a community hospital. More than 50 years ago, our Healthcare System was founded on the bold vision of a few citizens who wanted to bring excellent health care into the Tri-City area to meet the needs of local residents. Although we have accomplished a great deal since that time, this task is far from over.



Michael J. Wallace
PRESIDENT, BOARD OF DIRECTORS
WASHINGTON TOWNSHIP
HEALTH CARE DISTRICT

The Board of Directors is mindful of this fact as we enter an era of expansion and improvement – the largest construction project in our Healthcare System’s history and this area’s biggest public works project ever. When the project is completed, our community will be the proud owners of a comprehensive, advanced hospital that is prepared to meet the District’s growing health care needs. The new facility will also enable us to comply with California’s seismic safety mandates while continuing to fulfill our ongoing commitment to safety and disaster preparedness.

This major project is being accomplished with the greatest possible care to the environment. In fact, plans for Washington Hospital’s new construction have earned the U.S. Green Building Council’s LEED Silver designation. LEED, which stands for Leadership in Energy and Environmental Design, is a rating system based on specific green building criteria for sustainable sites, water efficiency, indoor environmental quality and more. We’re proud to have received this designation, an achievement that is particularly challenging for hospitals. Plans for the other new buildings also address many environmental issues. This “green” focus is consistent with our Healthcare System’s mission to improve the health of the community and serve as a responsible steward of its resources.

As our facilities are transformed over the next few years, those of us who live in Washington Township Health Care District should remember that you own this hospital. During the last half-century, community loyalty and support have been critically important to our success as a Healthcare System. I encourage you to follow this tradition by staying informed and involved so the vision of our predecessors will endure and flourish.

A handwritten signature in black ink that reads "Michael J. Wallace". The signature is written in a cursive, flowing style.

BOARD OF DIRECTORS



TOP ROW, LEFT TO RIGHT:

William F. Nicholson, M.D.

Position: Treasurer

Elected: November 2004

Occupation: Physician, Cardiologist

Address: 2557 Mowry Ave. #33

Fremont, CA 94538

Bernard Stewart, D.D.S.

Position: First Vice President

Elected: November 2006

Occupation: Dentist

Address: 2243 Mowry Ave., Suite B

Fremont, CA 94538

Michael J. Wallace

Position: President

Elected: November 2006

Occupation: Vice Chairman of
the Board, Fremont Bank

Address: 39150 Fremont Blvd.
Fremont, CA 94538

BOTTOM ROW, LEFT TO RIGHT:

Patricia Danielson, RHIT

Position: Second Vice President

Elected: November 2004

Occupation: Consultant, Health
Information Management

Address: 2000 Mowry Ave.

Fremont, CA 94538

Jacob Eapen, M.D.

Position: Secretary

Elected: November 2006

Occupation: Physician, Pediatrician

Address: 2000 Mowry Ave.

Fremont, CA 94538

WASHINGTON HOSPITAL'S COMMITMENT TO QUALITY CARE has always been one of our most important core values. Quality is the guiding principle for every person here who provides direct patient care. It also exists behind the scenes, where we make sure all aspects of the hospital run smoothly and efficiently.



Nancy Farber
CHIEF EXECUTIVE OFFICER
WASHINGTON HOSPITAL
HEALTHCARE SYSTEM

This year, inspired by new words in our mission statement, we've intensified our focus on quality, patient safety, accountability and the adoption of best practices.

A key aspect of patient safety is ensuring that the processes we follow in dispensing medications to our patients are safe and error-free. This year, the respected Institute for Safe Medical Practices (ISMP) conducted an extensive, independent assessment of Washington's entire medication administration process. We have made it a top priority to work with ISMP in implementing their recommendations. We have also hired a full-time Medication Safety Officer who is responsible for all aspects of medication administration, including process evaluation and improvement.

Recently, our hospital completed a five-day, intensive, hospital-wide survey by The Joint Commission to evaluate the quality of our policies and practices, one of which is patient safety. I'm proud to report that the nation's predominant standards-setting and accrediting body in health care, made no recommendations for improvement regarding medication safety. This notable achievement is in large part due to our work with ISMP and the dedication of our staff.

Our participation in major quality improvement initiatives, such as the 100,000 Lives and 5 Million Lives campaigns, has also made a difference. We've participated in all aspects of these important nationwide efforts, and we've served as a mentor hospital to help guide other participants. Most important, we've adopted systematic procedures proven to save more lives and, in the process, have realized an even higher standard of care for our patients.

Washington's dedication to quality is part of a 50-year tradition. As we continue pursuing our mission of meeting your health care needs, this commitment will never change.

A handwritten signature in black ink that reads "Nancy Farber". The signature is written in a cursive, flowing style.

PATIENT SAFETY IS AT THE FOREFRONT OF EVERYTHING we do at Washington Hospital. Over the years, the physicians of the medical staff have played many key roles in partnering with the hospital to offer the highest possible quality of care to our community. None has been more crucial than assuring an environment of safety for the patients who depend on us.

There is no prescription that can be written that provides for safety. Rather, it must be ingrained into a hospital's culture so the entire staff makes patient safety a priority at all times. The physicians of the medical staff provide both leadership and support to Washington Hospital in achieving this goal.

As part of this effort, we have strongly embraced the Core Measures established by The Joint Commission. These measures are built around the basic need for health care to be safe, effective, patient-centered, timely, efficient and equitable – tenets that have always been at the very center of our mission and values. Core Measures, which focus on a wide range of issues, track a variety of evidence-based, scientifically researched standards of care that have been shown to result in improved clinical outcomes for patients.

To respond to the changing needs of our community, Washington Hospital has also been at the forefront of providing leading-edge medical technology that supports patient care and safety. For example, the medical staff has supported the hospital's early adoption of advanced technology to detect dangerous infections more quickly. As a result, the time needed to identify antibiotic resistant staph infections has been cut from two or three days to less than 90 minutes. This gives a major boost to efforts that prevent the spread of infection.

As Washington Hospital celebrates its 50th anniversary and enters an exciting era of growth, the medical staff is committed to working together to constantly improve the quality and safety of care for our patients. We are proud that this partnership, which began even before the hospital opened in 1958, continues to fulfill the community's need for excellent, locally available health care.



Khalig Baig, M.D.
CHIEF OF STAFF
WASHINGTON HOSPITAL
MEDICAL STAFF

A handwritten signature in black ink, appearing to read 'Khalig Baig'. The signature is stylized and includes a long horizontal stroke at the end.

FIFTIETH ANNIVERSARY EDITION



AS A RESIDENT OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT, YOU ARE ONE OF THE TRUE OWNERS OF OUR HEALTHCARE SYSTEM. THE FOLLOWING INFORMATION IS PRESENTED TO HELP KEEP YOU INFORMED ABOUT OUR FINANCIAL STATUS.

Your health. Your hospital. Your community.

ANNUAL REPORT TO THE COMMUNITY 2008

2007-2008 FINANCIAL STATEMENT

Fiscal year ending June 30, 2008.

Dollar Amounts represent thousands.

BALANCE SHEET

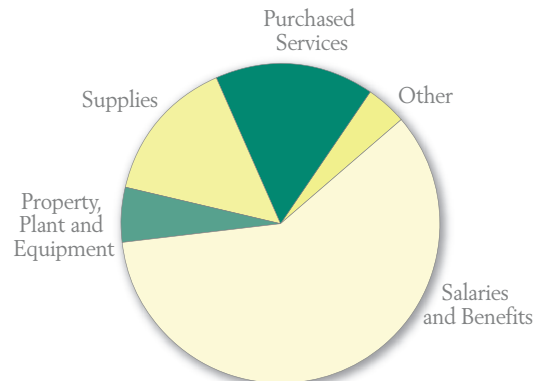
	2008	2007
Current Assets	\$ 86,301	\$ 91,225
Assets Limited As to Use	\$ 220,925	\$ 176,874
Property, Plant and Equipment	\$ 190,039	\$ 191,546
Other Assets	\$ 18,626	\$ 18,812
Total Assets	\$ 515,891	\$ 478,457
Current Liabilities	\$ 58,633	\$ 44,232
Long-Term Debt	\$ 172,066	\$ 180,334
Long-Term Liabilities	\$ 28,973	\$ 27,574
Fund Balance	\$ 256,219	\$ 226,317
Total Liabilities and Fund Balance	\$ 515,891	\$ 478,457

STATISTICS

	2008	2007
Admissions	13,525	14,647
Days	62,070	65,900
Deliveries	2,765	2,957
Surgery Cases	4,392	4,308
ER Visits	46,371	44,034
Physicians on Staff	455	451

EXPENDITURES

	2008
Salaries and Benefits	\$ 190,294
Property, Plant and Equipment	\$ 17,873
Supplies	\$ 47,148
Purchased Services	\$ 52,197
Other	\$ 12,597



2007-2008 FINANCIAL STATEMENT

Fiscal year ending June 30, 2008.

Dollar Amounts represent thousands.

INCOME STATEMENT	2008	2007
Net Patient Service Revenue	\$ 324,458	\$ 296,957
Other Revenue	\$ 9,952	\$ 9,440
Total Operating Revenue	\$ 334,410	\$ 306,397
Salaries and Benefits	\$ 190,294	\$ 185,147
Other Expenses	\$ 126,430	\$ 119,230
Total Operating Expenses	\$ 316,724	\$ 304,377
Operating Income	\$ 17,686	\$ 2,020
NON-OPERATING REVENUES AND EXPENSES	2008	2007
Investment Income	\$ 6,551	\$ 3,523
Interest Expense	\$ (4,242)	\$ (2,659)
Other	\$ 637	\$ 537
Total Operating and Non-operating Income – FASB*	\$ 20,632	\$ 3,421
Unrealized Gain/(loss) on Investments	\$ 1,578	\$ 1,634
Property Tax Revenue	\$ 7,692	\$ 1,931
Total Operating and Non-operating Income – GASB**	\$ 29,902	\$ 6,986

CARING FOR THE COMMUNITY

Washington Township Health Care District provides many benefits to the community. One direct benefit that receives little notice is the health care that is provided for free or for which the District is not fully compensated. In the past year alone, Washington provided more than \$36 million in health care to the community's medically indigent population, \$3 million for unpaid medical costs, community education and other expenses, and an additional \$58 million for the uncompensated cost of care for Medicare patients and bad debt.

* Financial Accounting Standards Board

** Governmental Accounting Standards Board



Washington Hospital Healthcare System

Investing in the health of the community.

2000 Mowry Avenue
Fremont, California 94538-1716
www.whhs.com

PRODUCTION CREDITS

If you would like additional copies of the Washington Township Health Care District Annual Report, or for more information, please contact:

Community Relations Department
Washington Hospital Healthcare System
2000 Mowry Avenue, Fremont, CA 94538-1716
Phone: (510) 791-3417 Fax: (510) 791-3496

THIS REPORT HAS BEEN PUBLISHED AS A SERVICE TO THE DISTRICT RESIDENTS
BY THE WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

Nancy Farber, *Chief Executive Officer*
Christopher Brown, *Director, Community Relations*
Clayton Warren, *Communications Specialist*

INHEALTH, A WASHINGTON HOSPITAL CHANNEL
VIDEO AND POST-PRODUCTION SERVICES

Bill Emberley, *Producer*
Chris Breitling, *Production Manager*
John Tran, *Production Assistant*

I ON DESIGN, INC., A CREATIVE MEDIA COMPANY

Terri Hawes, *Creative Director*
Carla Zaccheo, *Copywriter*
Alain McLaughlin, *Photographer*
InRegister Printing Services, Inc.



PAPER STOCK USED FOR THIS PIECE:

Mohawk® Via Bright White, 30% post-consumer fiber
Mohawk Paper Mills are Green Seal™ Certified and Green-e™ Certified

Green Seal – Dedicated to safeguarding the environment and transforming the marketplace by promoting the manufacture, purchase and use of environmentally responsible products and services.

Green-e – Program certifies and verifies renewable energy and companies that use renewable energy.