



# 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, February 25, 2015 - 6:00 P.M.  
Conrad E. Anderson, MD Auditorium B**

### AGENDA

- |             |   |  |
|-------------|---|--|
| <b>I.</b>   | <b>CALL TO ORDER &amp;<br/>PLEDGE OF ALLEGIANCE</b>   | Patricia Danielson, RHIT<br>Board Member       |
| <b>II.</b>  | <b>ROLL CALL</b>  | Christine Flores<br>Senior Executive Assistant |
| <b>III.</b> | <b>COMMUNICATIONS</b>   |  |
|             | A. Oral   |  |
|             | B. Written  |  |
| <b>IV.</b>  | <b>CLOSED SESSION</b>   | Nancy Farber<br>Chief Executive Officer        |
|             | A. Report involving a trade secret pursuant to Health & Safety Code section 32106<br><br>New Program<br><br>Estimated date of public disclosure:<br>February 2016 |  |
|             | B. Report and discussion regarding California Government Code section 54957: Personnel matters  |  |
|             | C. Conference regarding medical audit reports, quality assurance reports and privileging pursuant to Health & Safety Code Section 32155                           |  |
| <b>V.</b>   | <b>OPEN SESSION</b>   |  |
|             | Report on Closed Session  | Patricia Danielson, RHIT<br>Board Member       |
| <b>VI.</b>  | <b>ADJOURNMENT</b>  | Patricia Danielson, RHIT<br>Board Member       |

**STRATEGIC PLANNING  
PRIORITIES & PROGRESS REPORT  
February 20, 2015**

**I. LEGISLATION**

**Federal and Local Economic Update**

The national economic outlook is cautiously optimistic. The national employment figures continue to show very solid job growth. The national housing market has stabilized, however sales volumes have cooled from their highs seen last summer. There is still serious concern over global economic stability, as Eurozone economies continue to recover from the 2008 financial crisis and low oil prices strain Russia and other oil-exporting nations. We continue to anticipate a move by the Federal Reserve in the middle portion of next year to raise interest rates.

The Bureau of Labor Statistics job report showed the US economy added 257,000 jobs in January as the unemployment rate ticked up to 5.7% as more people joined the labor force and are looking for jobs. Even stronger than the January figures were the revisions to the final months of 2014. The December payroll count was revised sharply higher to 329,000 new jobs after initially coming in at 252,000. The November figure was revised upward even more significantly from an initial increase of 353,000 jobs to 423,000. Claims for U.S. jobless benefits increased recently by 25,000 to a seasonally adjusted 304,000. The four-week moving average, a less volatile measure, fell by 3,250 to 289,750. The national housing market continues to show signs of stabilizing, however sales volumes have ticked down as a lack of inventory and a notable increase in prices over the previous several quarters appear to have slowed demand. Last month, the number of properties that received a foreclosure filing in the U.S. was 5% higher than the previous month and 4% lower than the same time last year.

The California economy showed meager unemployment gains in December (state unemployment data lags national data by a month), as the state added 700 jobs, and the unemployment rate dropped to 7.0%, down from 8.3% a year earlier. During the final quarter of 2014, California added an average of 24,000 jobs per month. Last month, the number of properties that received a foreclosure filing in California was 46% higher than the previous month and 19% higher than the same time last year.

Locally, the District's unemployment rate fell in December, (local unemployment data lags national data by a month), declining to 4.0% from 4.5% in November. Just over 7,300 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**

### **Federal Legislature**

#### *President Obama's Budget Proposal*

This month, President Barack Obama released his budget proposal for Fiscal Year 2016. Included in the proposal is a reduction of more than \$415 billion in Medicare funding over the next ten years as well as several provisions that would advance the administration's effort to move Medicare to value-based payments. Highlights of the budget proposal related to healthcare include:

- Beginning in 2019, the budget calls for increases to Medicare premiums for high-income beneficiaries and added charges for new enrollees.
- Ending the 2% cut to Medicare payments brought about by sequestration.
- A permanent fix for Medicare's sustainable growth rate formula
- The reduction of Medicare bad-debt payments to providers
- Extending Medicaid's enhanced primary-care doctor payments through 2016

However, with a Republican controlled Congress, a protracted period of negotiation related to the budget proposal is expected.

### **CA Legislature**

The California Legislature has until February 27 to introduce bills for this session. Some of the bills already introduced related to healthcare worth highlighting include:

#### **AB 59 (Waldron): Mental Health Services: Assisted Outpatient Treatment**

Existing law, the Assisted Outpatient Treatment Demonstration Project Act of 2002, known as Laura's Law, until January 1, 2017, grants each county the authority to offer certain assisted outpatient treatment services for their residents. In counties in which these assisted outpatient treatment services are available, a court may order a person to receive assisted outpatient treatment for an initial treatment period not to exceed 6 months pursuant to an order if requisite criteria are met. Under that law, participating counties are required to provide prescribed assisted outpatient services, including a service planning and delivery process that are client-directed and employ psychosocial rehabilitation and recovery principles. Existing law authorizes participating counties to pay for the services provided from moneys distributed to the counties from various continuously appropriated funds, including the Mental Health Services Fund when included in a county plan.

This bill would delete the provisions that authorize a county to participate in the program, and instead require each county to implement the provisions of Laura's Law. The bill would delete the January 1, 2017, repeal date of those provisions, thereby extending the program indefinitely. By imposing additional duties upon the counties to implement these provisions, the bill would impose a state-mandated local program. The bill would also

authorize the court to order a person to obtain assisted outpatient treatment for an initial period not to exceed 12 months if requisite criteria are met.

**AB 172 (Rodriguez): Emergency Departments: Assaults and Batteries**

This bill would make an assault committed against a physician, nurse, or other health care worker of a hospital engaged in providing services within the emergency department punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000, or by both that fine and imprisonment. By expanding the scope of a crime, this bill would impose a state-mandated local program.

**SB 26 (Hernandez): California Health Care Cost and Quality Database**

This bill would state the intent of the Legislature to establish a system to provide valid, timely, and comprehensive health care performance information that is publicly available and can be used to improve the safety, appropriateness, and medical effectiveness of health care, and to provide care that is safe, medically effective, patient-centered, timely, affordable, and equitable. The bill would require the Secretary of California Health and Human Services to, no later than January 1, 2017, enter into a contract with one or more independent, nonprofit organizations to administer the California Health Care Cost and Quality Database.

**SB 145 (Pan): Health Facilities: Patient Transporting**

This bill would prohibit a general acute care hospital, acute psychiatric hospital, or special hospital from causing a patient with a blood alcohol content of 0.8% percent or greater to be transported to another location except when the patient is either medically stabilized or appropriately transferred to another health facility pursuant to another provision of law. The bill would make the violation of that provision subject to civil penalties.

**II. FOUNDATION**

**Capital Campaign**

To date, \$5.1 million has been raised for the Critical Care Campaign, which represents 85 percent of the \$6 million goal.

**IJRR Research and Education Fund**

The Foundation's fund to support the research and education function within the IJRR currently has \$70,000 in contributions. The year-end mailing for the IJRR has raised \$32,720 to date.

**Golf Tournament**

The annual Foundation golf tournament will take place on Monday, April 27, at Castlewood Country Club. Proceeds from the tournament will support surgical services at Washington Hospital.

**Annual Meeting**

At the Foundation's annual meeting in January, the trustees approved a disbursement of \$168,169.16 to WHHS. The trustees also approved disbursements to Pathways Home Health and Hospice (\$10,000), HERS Breast Cancer Foundation (\$15,709.57, from a restricted fund being held by WHHF for HERS), and the Service League (\$27,47.57, from an anonymous donor).

Rod Silveira began his two-year term as President of the Foundation at the annual 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 2014

*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 District  
Development Corporation  
Summary Income Statement  
December 2014**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
3,517	3,188	329	10.3%	21,490	20,061	1,429	7.1%
413	568	(155)	(27.3%)	2,776	2,675	101	3.8%
<b>3,930</b>	<b>3,756</b>	<b>174</b>	<b>4.6%</b>	<b>24,266</b>	<b>22,736</b>	<b>1,530</b>	<b>6.7%</b>
				Gross Revenue			
4,945,605	3,866,522	1,079,083	27.9%	26,191,437	23,362,307	2,829,130	12.1%
786,424	756,289	30,135	4.0%	4,787,065	4,676,553	110,512	2.4%
<b>5,732,029</b>	<b>4,622,811</b>	<b>1,109,218</b>	<b>24.0%</b>	<b>30,978,502</b>	<b>\$28,038,860</b>	<b>2,939,642</b>	<b>10.5%</b>
				Deductions			
<b>2,362,882</b>	<b>1,970,361</b>	<b>(392,521)</b>	<b>(19.9%)</b>	<b>13,778,610</b>	<b>11,859,887</b>	<b>(1,918,723)</b>	<b>(16.2%)</b>
47.8%	51.0%	3.2%		52.6%	50.8%	(1.8%)	
<b>3,369,147</b>	<b>2,652,450</b>	<b>716,697</b>	<b>27.0%</b>	<b>17,199,892</b>	<b>16,178,973</b>	<b>1,020,919</b>	<b>6.3%</b>
				Expenses			
904,479	821,591	(82,888)	(10.1%)	5,422,670	5,072,788	(349,882)	(6.9%)
295,090	283,461	(11,629)	(4.1%)	1,713,176	1,716,288	3,112	0.2%
330,795	314,431	(16,364)	(5.2%)	1,936,772	1,912,828	(23,944)	(1.3%)
41,800	42,325	525	1.2%	254,735	253,950	(785)	(0.3%)
283,988	186,813	(97,175)	(52.0%)	1,113,224	1,150,864	37,640	3.3%
249,539	219,908	(29,631)	(13.5%)	1,409,529	1,335,253	(74,276)	(5.6%)
12,466	15,667	3,201	20.4%	110,373	96,502	(13,871)	(14.4%)
76,517	76,494	(23)	(0.0%)	467,225	464,407	(2,818)	(0.6%)
16,520	14,364	(2,156)	(15.0%)	130,660	108,111	(22,549)	(20.9%)
419,851	408,778	(11,073)	(2.7%)	2,554,346	2,468,033	(86,313)	(3.5%)
73,326	87,796	14,470	16.5%	445,509	486,388	40,879	8.4%
<b>2,704,371</b>	<b>2,471,628</b>	<b>(232,743)</b>	<b>(9.4%)</b>	<b>15,558,219</b>	<b>15,065,412</b>	<b>(492,807)</b>	<b>(3.3%)</b>
<b>664,776</b>	<b>180,822</b>	<b>483,954</b>	<b>267.6%</b>	<b>1,641,673</b>	<b>1,113,561</b>	<b>528,112</b>	<b>47.4%</b>
<b>353,497</b>	<b>152,302</b>	<b>(201,195)</b>	<b>(132.1%)</b>	<b>1,162,553</b>	<b>902,739</b>	<b>(259,814)</b>	<b>(28.8%)</b>
<b>311,279</b>	<b>28,520</b>	<b>282,759</b>	<b>991.4%</b>	<b>479,120</b>	<b>210,822</b>	<b>268,298</b>	<b>127.3%</b>