



# 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 Eipen, M.D.  
William R. Nicholson, M.D.  
Bernard Stewart, D.D.S.  
Michael J. Wallace*

## BOARD OF DIRECTORS' MEETING

**Monday, March 20, 2017 – 6:00 P.M.  
Conrad E. Anderson, MD Auditorium**

### AGENDA

#### PRESENTED BY:

- |   |   |
|---|---|
| <b>I. CALL TO ORDER &amp;<br/>PLEDGE OF ALLEGIANCE</b>  | William Nicholson<br>Board Member       |
| <b>II. ROLL CALL</b>  | Dee Antonio<br>District Clerk           |
| <b>III. COMMUNICATIONS</b><br>A. Oral<br>B. Written   |   |
| <b>IV. CLOSED SESSION</b><br>A. Conference involving a trade secret pursuant to<br>Health & Safety Code section 32106<br>New Facility/New Program<br>Estimated date of public disclosure:<br>March 2018<br>B. Report on personnel matters, Cal Gov. Code<br>Section 54957 | Nancy Farber<br>Chief Executive Officer |
| <b>V. OPEN SESSION</b><br>Report on Closed Session  | William Nicholson<br>Board Member       |
| <b>VII. ADJOURNMENT</b>   | William Nicholson<br>Board Member       |



# Washington Hospital Healthcare System

2000 Mowry Avenue Fremont California 94538-1716 • (510) 797-1111  
www.whhs.com

## DEVCO FINANCIAL STATEMENTS

Reporting Period 7

Month of January 2017

*Nancy Farber, Chief Executive Officer*

Washington Township Health Care District • Washington Hospital • Institute for Joint Restoration and Research  
Sandy Amos R.N. Infusion Center • Taylor McAdam Bell Neuroscience Institute • Washington Center for Wound Healing and Hyperbaric Medicine  
Washington Outpatient Imaging Center • Washington Outpatient Rehabilitation Center • Washington Outpatient Surgery Center  
Washington Radiation Oncology Center • Washington Special Care Nursery • Washington Urgent Care • Washington Women's Center



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

	Current Month				Year - To - Date			
	Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
			Variance	%			Variance	%
	3,411	2,928	483	16.5%	22,896	22,389	507	2.3%
	269	294	(25)	(8.5%)	2,453	2,925	(472)	(16.1%)
	3,680	3,222	458	14.2%	25,349	25,314	35	0.1%
	3,345,155	3,385,045	(39,890)	(1.2%)	23,849,342	24,885,737	(1,036,395)	(4.2%)
	770,506	772,573	(2,067)	(0.3%)	6,855,124	5,469,077	1,386,047	25.3%
	4,115,661	4,157,618	(41,957)	(1.0%)	30,704,466	30,354,814	349,652	1.2%
	1,665,362	1,706,192	40,830	2.4%	12,270,729	12,524,478	253,749	2.0%
	49.8%	50.4%	0.6%		51.5%	50.3%	(1.2%)	
	2,450,299	2,451,426	(1,127)	(0.0%)	18,433,737	17,830,336	603,401	3.4%
	767,006	749,447	(17,559)	(2.3%)	5,261,288	5,293,053	31,765	0.6%
	270,553	303,005	32,452	10.7%	1,802,736	2,004,813	202,077	10.1%
	272,599	265,287	(7,312)	(2.8%)	1,997,019	1,866,636	(130,383)	(7.0%)
	242,472	272,099	29,627	10.9%	1,834,329	1,970,827	136,498	6.9%
	200,128	210,791	10,663	5.1%	1,441,473	1,484,032	42,559	2.9%
	76,681	82,209	5,528	6.7%	552,208	555,609	3,401	0.6%
	19,758	18,128	(1,630)	(9.0%)	150,672	143,296	(7,376)	(5.1%)
	441,458	441,844	386	0.1%	3,107,319	3,090,846	(16,473)	(0.5%)
	143,721	141,384	(2,337)	(1.7%)	882,750	943,389	60,639	6.4%
	2,434,376	2,484,194	49,818	2.0%	17,029,794	17,352,501	322,707	1.9%
	15,923	(32,768)	48,691	148.6%	1,403,943	477,835	926,108	193.8%
	53,915	61,248	7,333	12.0%	1,079,892	643,660	(436,232)	(67.8%)
	(37,992)	(94,016)	56,024	59.6%	324,051	(165,825)	489,876	295.4%

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**STRATEGIC PLANNING  
PRIORITIES & PROGRESS REPORT  
March 17, 2017**

**I. LEGISLATION**

**Federal and Local Economic Update**

The national economic outlook remains optimistic, as key economic indicators continue to show signs of a strengthening economy. National labor figures remain strong and equities markets continue to perform well. This week, the Federal Reserve increased the target interest rate by a quarter point, as Fed Chairwoman Janet Yellen noted “The overall message is the economy’s doing well.”

The Bureau of Labor Statistics job report showed the U.S. economy added 235,000 jobs in February, as the unemployment rate ticked down to 4.7% from 4.8% in the previous month. The nation has generated 77 straight months of job gains totaling more than 15 million, and the unemployment rate has been below 5% for 10 straight months. Claims for U.S. jobless benefits remain at historically low levels, coming in at 241,000 recently. Two weeks ago claims had fallen to a 44-year low of 223,000. The four-week moving average, a less volatile measure, edged up by 750 to 237,250. The national housing market remains stable, as the nation continues to see overall home price growth as the supply of homes for sale remains tight.

The California economy continues to demonstrate strong growth, as the latest jobs report showed payroll jobs increased in January (state unemployment data lags national data by a month) by 9,700 jobs as the state’s unemployment rate declined again this month to 5.1%, down from 5.2% in the previous month. California has continued its year-long trend of outpacing the national economy in job growth, with the state increasing jobs at a year-over-year rate of 2% compared to the national rate of 1.6%.

Locally, the District’s unemployment rate ticked up slightly in January (local unemployment data lags national data by a month) to 3.4% from 3.2% in the previous month. Just over 6,400 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**

Now that all bills for the first year of the legislative session have been submitted, policy committee hearings begin in a couple weeks and the budget sub committees continue to review the Governor's proposed budget. In terms of health care issues, there continues to be discussion among Legislators on how to respond to what is happening at the federal level. The big topics this year in health appear to be community paramedicine, scope of practice expansion, mental health care and supporting services, and drug pricing. With the lack of clarity at the federal level on the impact of the changes to the Affordable Care Act, there are a few Legislators interested in exploring the idea of establishing a single payer system in California and there are numerous spot bills that have been submitted related to health care, the details of which will not be clear for a couple more weeks. Staff is monitoring the bills that have been introduced, and some of the bills worth highlighting include:

#### **SB 647 (Pan): Health care providers - contracts**

Current law, the Health Care Providers' Bill of Rights, prescribes restrictions on the types of contractual provisions that may be included in agreements between health care service plans and health care providers and agreements between health insurers and health care providers. Current law provides that when a contracting agent sells, leases, or transfers a health care provider's contract to a payor, the rights and obligations of the health care provider shall be governed by the underlying contract between the health care provider and the contracting agent. A recent court decision, however, ruled that a third-party payer may obtain the benefits of the discounted rates of a "leased network", but is not required to comply with the other obligations of the underlying contract between the health plan and the network providers. This bill intends to restore the Legislature's intent in enacting the Health Care Providers' Bill of Rights by clarifying that a third party seeking the benefit of a contract between a health plan and a provider must also accept the obligations that are part of that contract.

#### **AB 387 (Thurmond): Minimum wage – health profession interns**

Current law requires the minimum wage for all industries to not be less than specified amounts to be increased from January 1, 2017, to January 1, 2022. This bill would expand the definition of "employer" for purposes of these provisions to include a person who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, hours, or working conditions of a person engaged in a period of supervised work experience to satisfy requirements for licensure, registration, or certification as an allied health professional, as defined. In short, AB 287 would require hospitals to pay allied health students minimum wage for time spent in the training required for the students' licensure.

**SB 687 (Skinner): Health facilities – emergency services and the Attorney General**

Existing law requires any nonprofit corporation that operates or controls a health facility or operates or controls a facility that provides similar health care, to provide written notice to and obtain the written consent of the Attorney General prior to selling or otherwise disposing of a material amount of its assets to a for-profit corporation or entity, a mutual benefit corporation or entity, or another nonprofit corporation or entity. Existing law authorizes the Attorney General to consider, before consenting to an agreement to sell or dispose of assets to these corporations or entities, whether the terms and conditions of the agreement or transaction are fair and reasonable to the nonprofit corporation, and whether the agreement or transaction is at a fair market value. This bill would apply the above notice and consent requirements to when the nonprofit corporation plans to sell, transfer, lease, exchange, option, convey, or otherwise dispose of a licensed emergency center within one year after the Attorney General gives a specified consent or conditional consent.

**AB 428 (Ridley-Thomas): Local Government – Ralph M. Brown Act**

Current law, until January 1, 2018, authorizes a health authority that conducts a teleconference meeting to count members who are outside the jurisdiction of the authority toward the establishment of a quorum when participating in the teleconference if at least 50% of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction. This bill would extend the operation of these provisions relating to the establishment of a quorum for teleconferenced meetings of a health authority indefinitely.

**AB 1089 (Mullin): Local elective office – contribution limitations**

The Political Reform Act of 1974 prohibits a person, other than a small contributor committee or political party committee, from making to a candidate for elective state office a contribution totaling more than a specified amount per election. For a candidate for elective state office other than a candidate for statewide elective office, the limitation on contributions is \$3,000 per election, as that amount is adjusted by the Fair Political Practices Commission in January of every odd-numbered year. This bill, commencing January 1, 2019, instead would prohibit a person from making to a candidate for local elective office a contribution totaling more than the amount set forth in the act. This bill would also authorize a county, city, special district, or school district to impose a limitation that is different from the limitation imposed by this bill.

**Federal Legislature**

Staff continues to monitor the potential impacts that changes in policy can have on hospitals and specifically Washington, given the recent changes at the Federal level from the election. In a recent update provided by **Holland and Knight**, Washington's lobbying group in Washington DC, the topic of repealing and replacing the Affordable Care Act was covered.

The Congressional Republican leadership has indicated that they will approach the repeal and replacement of the Affordable Care Act in three steps: (1) repeal and replace through the so-called "budget reconciliation" process; (2) administrative actions to the extent

permitted by federal law; and (3) separate legislation for policy changes or other priorities that cannot be accomplished through the budget reconciliation process.

On Monday, March 6th, House Republicans released their Affordable Care Act (ACA) repeal and replace budget reconciliation legislation. The *American Health Care Act (AHCA)* consists of two titles – one drafted by the Energy and Commerce Committee and one by the Ways and Means Committee. The legislation is similar to a number of proposals that the GOP has circulated over the past year or two, but also excludes a number of changes that have been widely discussed.

Concurrent markup of the legislation occurred on March 8-9 in the two committees. Next, the House Budget and subsequently the House Rules Committee will consider the legislation. House floor action could occur as early as the week of March 27<sup>th</sup>. The Senate is then anticipated to take up the House bill with the intent of completing consideration prior to a two week recess that begins Friday, April 7<sup>th</sup>. This time frame could be shortened or lengthened and, of course, either body could fail to take final action on the legislation. Based on recent updates coming out of the Capitol, it does appear that the April goal originally set by Speaker Ryan is rather optimistic, given some of the concerns expressed by members of the GOP about the bill in its current form.

## II. FOUNDATION

### **Critical Care Capital Campaign**

The capital campaign has been under way and has raised \$1.1 million from eleven gifts. We are currently briefing and soliciting medical directors and community members capable of making significant leadership gifts to the campaign.

### **Golf Tournament**

The Foundation's annual golf tournament will be held on Monday, April 24, 2017 at Castlewood Country Club. Proceeds from the event will benefit the Surgical Services Fund. To date, we have received \$81,000 in sponsorships and have recruited 110 golfers.