



# 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, April 22, 2015 - 6:00 P.M.  
Conrad E. Anderson, MD Auditorium C**

### 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 and discussion regarding<br>California Government Code section<br>54957: Personnel matters |  |
|             | B. Report involving a trade secret<br>pursuant to Health & Safety Code<br>section 32106              |  |
|             | New Program  |  |
|             | Estimated date of public disclosure:<br>April 2016   |  |
| <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

April 17, 2015

## I. LEGISLATION

### **Federal and Local Economic Update**

The national economic outlook remains cautiously optimistic. The national employment figures showed a marked slowdown in hiring last month compared to the previous year, and U.S. economic growth cooled in the fourth quarter to a 2.2 percent annual rate. There still remains concern over global economic stability, as Eurozone economies continue to show signs of a fragile economic recovery and economic growth in China is starting to show signs of a slowdown. Given the recent national jobs report, slow national economic expansion, and concerns over the international economy, the Federal Reserve may wait until later in the year to begin raising interest rates.

The Bureau of Labor Statistics job report showed the US economy added 126,000 jobs in March as the unemployment rate held steady at 5.5%. March was the weakest jobs growth in more than a year, ending a 12-month streak in which the U.S. economy had added at least 200,000 positions. Claims for U.S. jobless benefits increased recently by 14,000 to a seasonally adjusted 281,000. The four-week moving average, a less volatile measure, fell by 3,000 to 282,250. In contrast with the March job report, claims for unemployment benefits remain at very low levels and are a sign that the U.S. labor market remains solid. The national housing market continues to remain stable. Last month, the number of properties that received a foreclosure filing in the U.S. was 4% lower than the previous month and 9% lower than the same time last year. Home sales were down 30% compared with the previous month, and down 19% compared to a year ago.

The California economy showed solid unemployment gains in February (state unemployment data lags national data by a month), as the state added 29,400 new payroll jobs and the unemployment rate dropped to 6.7%, down from 6.9% a month earlier. This is the state's lowest unemployment rate in nearly seven years. The state's Legislative Analyst's Office is monitoring the potential effects of the statewide drought on the economy, and currently is projecting minimal impact to the economy in the short run. Last month, the number of properties that received a foreclosure filing in California was 8% lower than the previous month and 12% lower than the same time last year. Home sales were down 25% compared with the previous month, and down 8% compared to a year ago.

Locally, the District's unemployment rate decreased in February, (local unemployment data lags national data by a month), declining to 4.2% from 4.5% in January. Just over 7,600 District residents in the labor force are unemployed. Foreclosure activity in the District decreased last month to 25 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**

#### *SGR Repeal*

This month, the U.S. Senate approved legislation that would permanently replace Medicare's sustainable growth rate (SGR) formula. Last month, the House also approved the bill. The measure calls for providing a 0.5% annual payment increase through 2019 for physicians who participate in Medicare and then transitioning to an incentive-based payment system designed to encourage participation in alternative payment models. The bill also includes several other measures related to health spending, such as funding for community health centers, which serve low-income individuals in every state. In addition, the bill includes a two-year extension of funding for the Children's Health Insurance Program (CHIP) and also would delay fully enforcing CMS' "two-midnight" rule for two months. Overall, the SGR replacement measure will cost about \$213 billion over ten years. The bill now heads to President Obama for his consideration, and he has indicated he will sign the measure.

### **CA Legislature**

Bills are currently being set for hearings in Policy Committees, which must pass bills out of committee by the end of this month. Bills have until June 5 to pass out of their house of origin, and then need to be passed by both houses by September 11 for consideration by the Governor.

Some of the bills worth highlighting include:

#### **SB 346 (Wieckowski): Health Facilities: Community Benefits**

This bill would declare the necessity of establishing uniform standards for reporting the amount of charity care and community benefits a facility provides to ensure that private nonprofit hospitals and nonprofit multispecialty clinics actually meet the social obligations for which they receive favorable tax treatment. District hospitals are currently excluded from this measure.

#### **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.

#### **AB 430 (Hernandez): Trauma Care Systems**

This bill would require a local EMS agency implementing a trauma care system, as part of the minimum standards, to, among other things, commission an independent nonprofit organization or governmental entity qualified to assess trauma systems to conduct a comprehensive regional assessment of equitability and access to its trauma system. The bill would also require the assessment to be performed in conjunction with other local EMS agencies in that agency's region and the regional trauma coordinating committee (RTCC) established by the authority for that region.

#### **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, as specified.

## **II. FOUNDATION**

### **Capital Campaign**

To date, \$4.88 million has been raised for the Critical Care Campaign, which represents 81 percent of the \$6 million goal.

### **IJRR Fundraising**

The year-end mailing to raise funds for a digital x-ray machine for the IJRR has raised \$35,791 to date.

### **Washington on Wheels Fundraising**

The Foundation raised \$11,000 to earn a \$5,000 matching grant from the Harriett Despeaux Good Works Fund administered by the East Bay Community Foundation. The amount raised by the Foundation included \$5,800 from the Niles (Fremont) Rotary Club.

### **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. To date, \$62,500 has been raised in sponsorships and 150 golfers are registered to play.



# Washington Hospital Healthcare System

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www.whhs.com

## DEVCO FINANCIAL STATEMENTS

Reporting Period 8

Month of February 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  
February 2015**

Current Month					Year - To - Date				
Actual	Budget	Favorable/(Unfavorable)			Actual	Budget	Favorable/(Unfavorable)		
		Variance	%				Variance	%	
3,603	3,234	369	11.4%	(1) Visits	28,915	26,878	2,037	7.6%	
301	261	40	15.3%	(2) Treatments & Procedures	3,501	3,505	(4)	(0.1%)	
3,904	3,495	409	11.7%	(3) Total	32,416	30,383	2,033	6.7%	
Gross Revenue									
4,591,290	3,725,836	865,454	23.2%	(4) Patient Revenue	35,018,061	30,944,246	4,073,815	13.2%	
744,424	730,791	13,633	1.9%	(5) Other Revenue	6,315,668	6,159,497	156,171	2.5%	
<b>5,335,714</b>	<b>4,456,627</b>	<b>879,087</b>	<b>19.7%</b>	<b>(6) Total Gross Revenue</b>	<b>41,333,729</b>	<b>\$37,103,743</b>	<b>4,229,986</b>	<b>11.4%</b>	
Deductions									
2,292,834	1,900,905	(391,929)	(20.6%)	(7) Total Deductions	18,110,224	15,731,927	(2,378,297)	(15.1%)	
49.9%	51.0%	1.1%		Contractual Percentage	51.7%	50.8%	(0.9%)		
<b>3,042,880</b>	<b>2,555,722</b>	<b>487,158</b>	<b>19.1%</b>	<b>(8) Net Revenue</b>	<b>23,223,505</b>	<b>21,371,816</b>	<b>1,851,689</b>	<b>8.7%</b>	
Expenses									
843,519	786,905	(56,614)	(7.2%)	(9) Purchased Labor	7,152,268	6,689,392	(462,876)	(6.9%)	
288,355	271,518	(16,837)	(6.2%)	(10) Purchased Benefits	2,311,413	2,269,634	(41,779)	(1.8%)	
321,009	295,005	(26,004)	(8.8%)	(11) Supplies	2,541,745	2,519,095	(22,650)	(0.9%)	
15,500	15,500	0	0.0%	(12) Contract Mgmt Services	124,000	124,000	0	0.0%	
223,113	191,944	(31,169)	(16.2%)	(13) Professional Fees	1,582,224	1,528,873	(53,351)	(3.5%)	
259,016	234,162	(24,854)	(10.6%)	(14) Purchased Services	2,117,646	1,965,818	(151,828)	(7.7%)	
13,524	15,667	2,143	13.7%	(15) Legal and Audit	143,919	127,836	(16,083)	(12.6%)	
75,081	74,419	(662)	(0.9%)	(16) Depreciation and Amort	618,825	615,354	(3,471)	(0.6%)	
18,260	14,916	(3,344)	(22.4%)	(17) Utilities	172,518	137,262	(35,256)	(25.7%)	
409,614	410,562	948	0.2%	(18) Building Lease	3,374,245	3,287,371	(86,874)	(2.6%)	
74,506	84,876	10,370	12.2%	(19) Other Expenses	588,421	652,348	63,927	9.8%	
<b>2,541,497</b>	<b>2,395,474</b>	<b>(146,023)</b>	<b>(6.1%)</b>	<b>(20) Total Expenses</b>	<b>20,727,224</b>	<b>19,916,983</b>	<b>(810,241)</b>	<b>(4.1%)</b>	
501,383	160,248	341,135	212.9%	(21) Net Operating Income/Loss	2,496,281	1,454,833	1,041,448	71.6%	
269,897	131,292	(138,605)	(105.6%)	(22) Minority Interest	1,627,992	1,162,948	(465,044)	(40.0%)	
<b>231,486</b>	<b>28,956</b>	<b>202,530</b>	<b>699.4%</b>	<b>(23) Net Income</b>	<b>868,289</b>	<b>291,885</b>	<b>576,404</b>	<b>197.5%</b>	