



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 24, 2019– 6:00 P.M.

Board Room, 2000 Mowry Avenue

AGENDA

PRESENTED BY:

- | | |
|--|---|
| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | Bernard Stewart
Board Member |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. COMMUNICATIONS | |
| A. Oral | |
| B. Written | |
| IV. CLOSED SESSION | |
| A. Conference with Legal Counsel-Existing Litigation pursuant to Government Code section 54956.9(d)(2) | Nancy Farber
Chief Executive Officer |
| B. Conference involving a trade secret pursuant to Health & Safety Code section 32106 | |
| C. Report on personnel matters, Cal Gov. Code Section 54957 | |
| V. OPEN SESSION | |
| Report on Closed Session | Bernard Stewart
Board Member |
| VI. ACTION | |
| A. Consideration of Claim: Jack Tarkoff | <i>Motions Required</i> |
| B. Consideration of Claim: Shriniwas Kulkarni | |
| C. Consideration of Claim: Anjali Kulkarni | |
| VII. ADJOURNMENT | Bernard Stewart
Board Member |



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 8

Month of February 2019



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

Current Month				Year - To - Date				
Actual	Budget	Favorable/(Unfavorable)			Actual	Budget	Favorable/(Unfavorable)	
		Variance	%				Variance	%
3,388	3,461	(73)	(2.1%)	(1) Visits	26,653	27,867	(1,214)	(4.4%)
233	191	42	22.0%	(2) Treatments & Procedures	2,328	2,197	131	6.0%
3,621	3,652	(31)	(0.8%)	(3) Total	28,981	30,064	(1,083)	(3.6%)
				Gross Revenue				
3,369,134	4,353,783	(984,649)	(22.6%)	(4) Patient Revenue	31,110,133	35,555,450	(4,445,317)	(12.5%)
797,379	811,701	(14,322)	(1.8%)	(5) Other Revenue	6,690,749	6,747,982	(57,233)	(0.8%)
4,166,513	5,165,484	(998,971)	(19.3%)	(6) Total Gross Revenue	37,800,882	42,303,432	(4,502,550)	(10.6%)
				Deductions				
1,917,405	2,151,084	233,679	10.9%	(7) Total Deductions	16,310,371	17,406,291	1,095,920	6.3%
56.9%	49.4%	(7.5%)		Contractual Percentage	52.4%	49.0%	(3.4%)	
2,249,108	3,014,400	(765,292)	(25.4%)	(8) Net Revenue	21,490,511	24,897,141	(3,406,630)	(13.7%)
				Expenses				
797,888	800,948	3,060	0.4%	(9) Purchased Labor	6,752,734	6,818,990	66,256	1.0%
257,940	282,119	24,179	8.6%	(10) Purchased Benefits	2,190,811	2,414,103	223,292	9.2%
223,929	364,406	140,477	38.5%	(11) Supplies	2,515,379	2,918,748	403,369	13.8%
325,660	255,125	(70,535)	(27.6%)	(12) Professional Fees	2,235,409	2,202,292	(33,117)	(1.5%)
166,757	209,136	42,379	20.3%	(13) Purchased Services	1,568,518	1,718,603	150,085	8.7%
90,315	99,380	9,065	9.1%	(14) Depreciation and Amort	720,825	785,731	64,906	8.3%
20,262	21,638	1,376	6.4%	(15) Utilities	181,086	189,725	8,639	4.6%
442,195	439,341	(2,854)	(0.6%)	(16) Building Lease	3,553,399	3,513,759	(39,640)	(1.1%)
129,148	129,129	(19)	(0.0%)	(17) Other Expenses	1,031,163	1,037,064	5,901	0.6%
2,454,094	2,601,222	147,128	5.7%	(18) Total Expenses	20,749,324	21,599,015	849,691	3.9%
(204,986)	413,178	(618,164)	(149.6%)	(19) Net Operating Income/Loss	741,187	3,298,126	(2,556,939)	(77.5%)
(75,340)	250,690	326,030	130.1%	(20) Minority Interest	565,971	1,916,692	1,350,721	70.5%
(129,646)	162,488	(292,134)	(179.8%)	(21) Net Income/Loss	175,216	1,381,434	(1,206,218)	(87.3%)

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
April 19, 2019

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic, but guarded. The national labor market data showed a pickup in hiring activity in March compared to the previous month, unemployment claims remain historically low, and wages showed favorable annual growth for the sixth straight month. Global economic indicators continue to point to a slowdown in international economic growth in 2019, with the major contributing factors to this slowdown being ongoing trade tensions, a slowdown in China's economy, and continued concerns associated with Brexit. As the global economy continues its slowdown, the decline in economic activity will begin to increasingly impact the U.S. economy.

The Bureau of Labor Statistics job report showed the U.S. economy created 196,000 jobs in March, as the unemployment rate remained at 3.8%. Hourly wage growth showed year-over-year growth of 3.2%, the sixth straight month above 3.0% as wage growth continues to outpace inflation. Claims for U.S. jobless benefits continue to remain at historically low levels, coming in recently at 196,000, the lowest level since 1969. The four-week moving average, a less volatile measure, declined to 207,000, which is the lowest level in the four-week moving average since 1969 as well. The national housing market continues to show signs of a housing market slowdown, which is typical for this time of year, but also continues to be due to limited supply and affordability barriers. Early indications from the Federal Reserve point to the potential of no further increases to the target interest rate in 2019, which may help to revitalize sales activity as home prices begin to soften in some markets.

The California economy showed a pickup in job growth in February (state unemployment data lags national data by a month), as the economy added 14,600 jobs and the state's unemployment rate remained at 4.2%. The California housing market continues to remain generally strong overall, however, there are ongoing signs that we have entered into a market slowdown as affordability across the state remains an issue, however, sales activity has moderated over the past two months due to some improvements in affordability and lower interest rates 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 2.8% from 3.0% in the previous month. Approximately 5,450 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

Policy committees in both houses are nearing the April 26 deadline to hear and report bills to the appropriate fiscal committee. Each house must then pass bills introduced in that house by May 31, after which all bills that have made it through their house of origin will go through a similar process in the alternate chamber.

Staff continues to monitor the bills that have been introduced, and some of the bills worth highlighting include:

AB 329 (Rodriguez) Hospitals, Assaults and Batteries

As reported previously, Washington has been working with Assembly member Rodriguez and his staff to introduce a bill aimed at increasing the criminal penalties and fines for assaults against all health care workers engaged in providing services inside a hospital, including the emergency department. Last week, the Assembly member amended the bill to clarify language in the existing penal code, and to include assaults in the penal code language as carrying higher jail time and financial penalties. The amended bill now does the following and is expected to be heard by the Public Health and Safety Committee on April 23:

- Still contains the provision to allow hospitals to post a sign indicating that assaults and batteries may result in criminal conviction;
- Amends the term hospital “grounds” to hospital “property”;
- Amends 241.2 of the penal code to include assaults on hospital property as being subject to higher fines and jail time;
- Amends 243.2 of penal code to clarify that batteries committed on hospital property are subject to higher fines and jail time.

AB 890 (Wood) Nurse Practitioners

This bill has passed out of the assembly policy committee, and currently sits in the Assembly Appropriations committee. This bill would authorize a nurse practitioner who holds a certification as a nurse practitioner from a national certifying body to practice without the supervision of a physician and surgeon if the nurse practitioner meets specified requirements, including having practiced under the supervision of a physician and surgeon for an unspecified number of hours. The bill would authorize a nurse practitioner to perform specified functions in addition to any other practices authorized by law, including ordering and interpreting diagnostic procedures, certifying disability, and prescribing, administering, and dispensing controlled substances.

SB 758 (Portantino) Hospitals: Seismic Safety

This bill currently sits in the Senate Health Committee and is scheduled for a hearing on April 24. As reported previously, 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 constructed on and after March 7, 1973. The Legislature has indicated they intend to

evaluate seismic safety building standards applicable to hospitals, and this bill was recently amended to require the following two actions by hospitals, the latter of which will provide information to the legislature on the types of services located in facilities that currently do not meet the 2030 seismic standards as they exist today, which the legislature will use as part of their ongoing assessment of the seismic building standards. The bill would do the following:

- Require before January 1, 2020, the owner of an acute care inpatient hospital whose building does not substantially comply with described seismic safety regulations or standards required by 2030 to submit to the office an attestation that the board of directors of that hospital is aware that the hospital building is required to meet a specified deadline for substantial compliance with those regulations and standards.
- Would require, on or before January 1, 2021, the owner of an acute care inpatient hospital to update the above-described submission by reporting the services provided in each building of the acute care inpatient hospital.

SB 567 (Caballero) Workers' Compensation: Hospital Employees

This bill currently is scheduled for a hearing in the Senate Labor policy committee on April 24. Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law creates a rebuttable presumption that specified injuries sustained in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of employment. This bill would define "injury," for a hospital employee who provides direct patient care in an acute care hospital, to include infectious diseases, cancer, musculoskeletal injuries, post-traumatic stress disorder, and respiratory diseases. The bill would create rebuttable presumptions that these injuries that develop or manifest in a hospital employee who provides direct patient care in an acute care hospital arose out of and in the course of the employment. The bill would extend these presumptions for specified time periods after the hospital employee's termination of employment.

Federal Legislation

Late last month, the Democrats released a "sweeping" piece of health care legislation aimed at lowering health premiums, out-of-pocket costs, and protecting individuals with pre-existing conditions. The Protecting Pre-Existing Conditions & Making Health Care More Affordable Act of 2019 was introduced by Energy and Commerce Chairman Frank Pallone, Jr. (D-NJ), Ways and Means Chairman Richard Neal (D-MA), and Education and Labor Chairman Bobby Scott (D-VA), the three Chairmen whose committees have jurisdiction over health care. The bill mirrors earlier proposals Democrats put forward to strengthen the Affordable Care Act (ACA). The Energy and Commerce Health Subcommittee is in the process of marking up several smaller measures that makeup part of the bill, along with other bills meant to lower prescription drug prices. The measure would also fund a reinsurance program, as well as programs to help people sign up for insurance coverage.

Meanwhile, The Department of Justice (DOJ) in a recent legal filing said a federal appeals court should strike down the entire ACA as unconstitutional, changing its previous position that the court should only strike down parts of the law. The DOJ is now urging the 5th U.S. Circuit Court of Appeals to affirm U.S. District Judge Reed O'Connor's December 2018 ruling and invalidate the entire ACA. DOJ in the filing said it no longer is "urging that any portion of the district court's judgment be reversed." The Democratic AGs who are defending the law in the case have 21 days to respond to DOJ's brief, and this response is expected very soon.

II. FOUNDATION

Critical Care Capital Campaign

With the total raised in the capital campaign at \$5.56 million, the Foundation is now focusing on raising funds for a new MRI machine for the Hyman Pavilion. Grant applications will be submitted to the Hearst Foundation (\$500,000 request), and the Wayne and Gladys Valley Foundation (\$1.5 million request).

Gene Angela Pessagno Golf Tournament

Planning is under way for the Foundation's annual golf tournament, which is scheduled this year for Thursday, May 2 at Castlewood Country Club. \$65,000 has been raised towards our \$90,000 sponsorship goal, and 135 golfers have been recruited. The committee has decided to add a long-drive professional on one course and a golf-ball launcher on the other. The live auction will include an opportunity for two to play in the Lexus Champions for Charity Tournament, a luxury suite at an Oakland Athletics home game, and a case of wine contributed by the board of trustees of the Foundation.

Other Fundraising Activities

Foundation staff members are working on a \$500,000 grant application that was invited by the Stupski Foundation to support the provision of palliative care for outpatients. An interdisciplinary team is contributing to the application, which is due at the end of May.