



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 26, 2017 – 6:00 P.M.

Conrad E. Anderson, MD Auditorium

AGENDA

PRESENTED BY:

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| <p>I. CALL TO ORDER &
PLEDGE OF ALLEGIANCE</p> <p>II. ROLL CALL</p> <p>III. COMMUNICATIONS</p> <p style="padding-left: 40px;">A. Oral</p> <p style="padding-left: 40px;">B. Written</p> <p>IV. CLOSED SESSION</p> <p style="padding-left: 40px;">A. Conference involving a trade secret pursuant to
Health & Safety Code section 32106</p> <p style="padding-left: 80px;">New Facility/New Program</p> <p style="padding-left: 80px;">Estimated date of public disclosure:
April 2018</p> <p style="padding-left: 40px;">B. Report on personnel matters, Cal Gov. Code
Section 54957</p> <p>V. OPEN SESSION</p> <p style="padding-left: 40px;">Report on Closed Session</p> <p>VI. ADJOURNMENT</p> | <p>William Nicholson
Board Member</p> <p>Dee Antonio
District Clerk</p> <p>Nancy Farber
Chief Executive Officer</p> <p>William Nicholson
Board Member</p> <p>William Nicholson
Board Member</p> |
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STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
April 21, 2017

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook is cautiously optimistic. National labor figures showed a marked slowdown in hiring in March, and GDP growth for the first quarter of 2017 is expected to come in at less than one percent. However, unemployment claims remain at historically low levels and equity markets continue their recent trend of relatively strong performance.

The Bureau of Labor Statistics job report showed the U.S. economy added 98,000 jobs in March, as the unemployment rate ticked down to 4.5% from 4.7% in the previous month. This is the lowest unemployment rate in nearly a decade, and despite the lackluster job growth, wages continued to show solid growth as employers are finding that they need to boost pay to attract workers in a tightening job market. Claims for U.S. jobless benefits remain at historically low levels, coming in at 234,000 recently, which suggests the labor market remains strong despite a sharp slowdown in job growth in March. Claims have now been below 300,000, a threshold associated with a healthy labor market, for 110 straight weeks. The four-week moving average, a less volatile measure, declined by 3,000 to 247,250. The national housing market is picking up after the typically slower winter months, as demand continues to rise while the supply of housing continues to remain tight. Home sales jumped nearly nine percent in March compared with March 2016, even as the number of homes for sale dropped by over ten percent.

The California economy continues to demonstrate strong growth, as the latest jobs report showed payroll jobs increased in February (state unemployment data lags national data by a month) by 22,900 jobs as the state's unemployment rate declined again this month to 5.0%, down from 5.1% in the previous month. California's February unemployment rate is the lowest in ten years. Over the last twelve months, the state has added 315,800 jobs, an increase of 1.9% and continues to outpace the national job growth rate over the same period of 1.6%. The California real estate market remains strong, however there are some early signs that the supply shortage that has driven up home prices sharply during the economic recovery are beginning to drive some residents to leave the state. Out-migration, however, is still far below the levels seen during the last decade's housing bubble when out-migration was nearly triple what it was in 2016 according to U.S. Census Bureau data.

Locally, the District's unemployment rate ticked down slightly in February (local unemployment data lags national data by a month) to 3.3% from 3.4% in the previous month. Just over 6,100 District residents in the labor force are unemployed. The District's unemployment rate remains well below that of Alameda County, which was 3.9% in February.

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

The window for bills to pass out of policy committees began earlier this month. All bills need to be heard in their policy committee by April 28, 2017 for fiscal bills and by May 12, 2017 for non-fiscal bills. Although there is continued uncertainty at the federal level on the potential changes to the Affordable Care Act, the consensus in Sacramento is that the federal funding for health care services will likely remain in place for this calendar year. Staff is monitoring the bills that have been introduced, and some of the bills worth highlighting include:

AB 1650 (Maienschein): Emergency Medical Services – Community Paramedicine

Existing law, the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act, governs local emergency medical services (EMS) systems. The act establishes the Emergency Medical Services Authority, which is responsible for the coordination and integration of all state agencies concerning emergency medical services. Among other duties, the authority is required to develop planning and implementation guidelines for emergency medical services systems, provide technical assistance to existing agencies, counties, and cities for the purpose of developing the components of emergency medical services systems, and receive plans for the implementation of emergency medical services and trauma care systems from local EMS agencies. This bill would create the Community Paramedic Program and would authorize the Authority to authorize a local EMS agency that opts to participate in the program to provide specified services, such as case management services and linkage to nonemergency services for frequent EMS system users, through a local community paramedic program. The bill would require the authority, in consultation with the Office of Statewide Health Planning and Development, to develop criteria to qualify services for participation in the program, develop an application and application process for local EMS agencies seeking to participate in the program, and to review and approve applications for participation in the program as a component of the local EMS agency's EMS plan. The bill would authorize a local EMS agency to opt to participate in the program if it meets the criteria established by the authority and completes the application process developed by the criteria. The bill would specify the necessary components of a community paramedic service plan to be included in the local EMS agency's application. The bill would require the medical director of the local EMS agency to oversee the local community paramedic program.

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

This bill currently sits in the Senate Health Committee and is scheduled to be heard the week of April 16, 2017. 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.

SB 43 (Hill) Antimicrobial-Resistant Infection – Reporting

This bill would require specified general acute care hospitals and clinical laboratories to submit a report to the Department of Public Health, commencing July 1, 2019, and each July 1 thereafter, containing an antibiogram of the facility for the previous year. The bill would require the Antimicrobial Stewardship and Resistance Subcommittee of the Healthcare Associated Infections Advisory Committee of the department, on or before January 1, 2019, to develop and recommend to the department the acceptable electronic format for the report and a method for the department to accurately estimate the number of deaths that result from antimicrobial resistant infections for specified types of antimicrobial infections.

SB 562 (Lara) The Healthy California Act

This bill currently sits in the Senate Health committee, and a hearing date has not yet been scheduled. This bill was originally submitted in anticipation of changes to the *Affordable Care Act* at the federal level. This bill, the Healthy California Act, would create the Healthy California program to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. The bill, among other things, would provide that the program cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of other existing federal and state provisions, including, but not limited to, the state's Children's Health Insurance Program (CHIP), Medi-Cal, ancillary health care or social services covered by regional centers for persons with developmental disabilities, Knox-Keene, and the federal Medicare program. The bill would require the board to seek all necessary waivers, approval, and agreements to allow various existing federal health care payments to be paid to the Healthy California program, which would then assume responsibility for all benefits and services previously paid for with those funds.

Federal Legislature

Both houses of Congress are currently on recess and will reconvene on April 25, 2017. As you know, last month Speaker Paul Ryan announced that the House would not vote on *The American Health Care Act* (AHCA) because it appeared there was not sufficient support to pass the legislation. Following the legislative setback, Republicans are attempting to determine their next steps, and it is not yet clear what the next legislative approach may include. Staff continues to monitor the situation for potential impacts to the Hospital and District residents.

II. FOUNDATION

Critical Care Capital Campaign

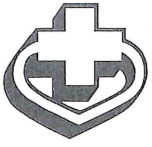
The capital campaign has been under way for a year now and has raised over \$1.2 million from fifteen gifts. We are currently briefing and soliciting medical directors and community members capable of making significant leadership gifts to the campaign.

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 \$87,000 in sponsorships and have recruited 180 golfers.

Top Hat XXXI

The Foundation's annual Top Hat dinner dance will take place on October 14, 2017. Proceeds from the event have been earmarked to support the Radiation Oncology Program. Co-chairs for the event will be Debbie Jackson, president of the Service League, Gary Charland, president and CEO of Masonic Homes of California, and William Dugoni, M.D.



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 8

Month of February 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
 February 2017

	Current Month			Year - To - Date		
	Actual	Budget	Favorable/(Unfavorable) %	Actual	Budget	Favorable/(Unfavorable) %
(1) Visits	10	10	0.3%	26,092	25,575	517
(2) Treatments & Procedures	(59)	(59)	(20.2%)	2,686	3,217	(531)
(3) Total	(49)	(49)	(1.4%)	28,778	28,792	(14)
Gross Revenue						
(4) Patient Revenue	(217,290)	(217,290)	(6.5%)	26,998,057	28,251,742	(1,253,685)
(5) Other Revenue	(2,448)	(2,448)	(0.3%)	7,619,408	6,235,810	1,383,598
(6) Total Gross Revenue	(219,738)	(219,738)	(5.3%)	34,617,465	34,487,552	129,913
Deductions						
(7) Total Deductions	71,548	71,548	4.2%	13,891,471	14,216,768	325,297
Contractual Percentage	(1.2%)	(1.2%)		51.5%	50.3%	(1.2%)
(8) Net Revenue	(148,190)	(148,190)	(6.1%)	20,725,994	20,270,784	455,210
Expenses						
(9) Purchased Labor	16,859	16,859	2.4%	5,956,155	6,004,780	48,625
(10) Purchased Benefits	43,143	43,143	15.7%	2,035,179	2,280,399	245,220
(11) Supplies	23,099	23,099	8.9%	2,232,682	2,125,399	107,283
(13) Professional Fees	18,396	18,396	6.5%	2,098,171	2,253,065	154,894
(14) Purchased Services	(22,968)	(22,968)	(10.8%)	1,676,467	1,696,058	19,591
(16) Depreciation and Amort	5,729	5,729	7.0%	628,635	637,765	9,130
(17) Utilities	(1,242)	(1,242)	(7.0%)	169,561	160,943	8,618
(18) Building Lease	(10,593)	(10,593)	(2.4%)	3,559,756	3,532,690	27,066
(19) Other Expenses	6,661	6,661	5.0%	1,008,395	1,075,695	67,300
(20) Total Expenses	79,084	79,084	3.3%	19,365,001	19,766,794	401,793
(21) Net Operating Income/Loss	(69,106)	(69,106)	(264.2%)	1,360,993	503,990	857,003
(22) Minority Interest	36,070	36,070	57.9%	1,106,163	706,001	400,162
(23) Net Income/Loss	(33,036)	(33,036)	(91.3%)	254,830	(202,011)	456,841