



# 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, October 26, 2016 – 6:00 P.M.  
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### AGENDA

- |             |   |   |
|-------------|---|---|
| <b>I.</b>   | <b>CALL TO ORDER &amp;<br/>PLEDGE OF ALLEGIANCE</b>   | Michael Wallace<br>Board Member         |
| <b>II.</b>  | <b>ROLL CALL</b>  | Christine Flores<br>District Clerk      |
| <b>III.</b> | <b>COMMUNICATIONS</b><br>A. Oral<br>B. Written  |   |
| <b>IV.</b>  | <b>CLOSED SESSION</b><br>A. Report involving a trade secret<br>pursuant to Health & Safety Code<br>section 32106<br>New Program | Nancy Farber<br>Chief Executive Officer |
| <b>V.</b>   | <b>OPEN SESSION</b><br>Report on Closed Session   | Michael Wallace<br>Board Member         |
| <b>VI.</b>  | <b>ACTION</b><br>A. Consideration of Response to<br>LAFCO letter dated September 27,<br>2016                                    |   |
| <b>VII.</b> | <b>ADJOURNMENT</b>  | Michael Wallace<br>Board Member         |

**STRATEGIC PLANNING**  
**PRIORITIES & PROGRESS REPORT**  
October 21, 2016

**I. LEGISLATION**

**Federal and Local Economic Update**

The national economic outlook remains cautiously optimistic. Labor market figures, which are down slightly over the past two months, still point to sustainable job market growth. The Federal Reserve continues to consider an interest rate hike, which continues to remain very likely before the end of the year.

The Bureau of Labor Statistics job report showed the U.S. economy added 156,000 jobs in September, as the unemployment rate ticked up to 5.0% from 4.9% in the previous month, as more job seekers returned to the labor force. The nation has added 178,000 jobs in the typical month this year, roughly double the pace necessary to keep up with population growth. Claims for U.S. jobless benefits have declined to a 42-year low, coming in at 246,000. The four-week moving average, a less volatile measure, dropped to 249,250, the lowest the four-week average has been since 1973. The national housing market continues to show signs of stability as we enter into the slow time of the year for the market. Last month, the number of properties that received a foreclosure filing in the U.S. was 13% lower than the previous month and 24% lower than the same time last year.

The California economy continues to demonstrate solid growth, as the latest jobs report showed payroll jobs increased in August (state unemployment data lags national data by a month) by 63,000 jobs as the state's unemployment rate remained at 5.5%. In the month of August, California accounted for just over 40% of all the new jobs created in the country. Over the past twelve months, California has added 378,000 jobs. Last month, the number of properties that received a foreclosure filing in the state was 21% lower than the previous month and 11% lower than the same time last year.

Locally, the District's unemployment rate ticked down in August (local unemployment data lags national data by a month) to 3.9% from 4.0% in the previous month. Just over 7,400 District residents in the labor force are unemployed. Foreclosure activity in the District remained steady last month at 34 foreclosures.

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 Legislature is currently in recess. The 2017-2018 Regular Session will convene on December 5, 2016.

## **II. FOUNDATION**

### **Critical Care Capital Campaign**

The Campaign Cabinet, the volunteer leadership of the campaign, has now met several times and is leading the campaign in the community. To date, the campaign has raised \$550,000 in pledges. The priority has been on soliciting gifts from cabinet members and identifying prospects in the community to approach for gifts.

### **Top Hat**

Top Hat took place on October 8. 640 attendees joined us for dinner and dancing. With most of the expenses received, the event raised net revenue of approximately \$220,000.



# Washington Hospital Healthcare System

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

## DEVCO FINANCIAL STATEMENTS

Reporting Period 2

Month of August 2016

*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  
August 2016

	Current Month			Year - To - Date		
	Actual	Budget	Favorable/(Unfavorable) %	Actual	Budget	Favorable/(Unfavorable) %
(1) Visits	3,358	3,265	93	6,281	6,664	(383)
(2) Treatments & Procedures	262	329	(67)	515	642	(127)
(3) Total	3,620	3,594	26	6,796	7,306	(510)
Gross Revenue						
(4) Patient Revenue	3,640,524	3,756,671	(116,147)	6,665,169	7,308,781	(643,612)
(5) Other Revenue	804,268	786,156	18,112	1,565,832	1,561,273	4,559
(6) Total Gross Revenue	4,444,792	4,542,827	(98,035)	8,231,001	8,870,054	(639,053)
Deductions						
(7) Total Deductions	1,833,939	1,894,299	60,360	3,340,926	3,680,694	339,768
Contractual Percentage	50.4%	50.4%	0.0%	50.1%	50.4%	0.3%
(8) Net Revenue	2,610,853	2,648,528	(37,675)	4,890,075	5,189,360	(299,285)
Expenses						
(9) Purchased Labor	773,067	789,476	16,409	1,488,899	1,526,738	37,839
(10) Purchased Benefits	251,949	280,843	28,894	488,632	558,726	70,094
(11) Supplies	324,126	275,230	(48,896)	598,418	533,879	(64,539)
(13) Professional Fees	301,656	294,362	(7,294)	599,609	585,206	(14,403)
(14) Purchased Services	226,352	220,458	(5,894)	402,826	406,617	3,791
(16) Depreciation and Amort	78,127	76,564	(1,563)	157,751	153,064	(4,687)
(17) Utilities	24,193	23,147	(1,046)	47,678	45,626	(2,052)
(18) Building Lease	445,627	441,844	(3,783)	885,792	881,626	(4,166)
(19) Other Expenses	121,425	133,860	12,435	244,293	270,486	26,193
(20) Total Expenses	2,546,522	2,535,784	(10,738)	4,913,898	4,961,968	48,070
(21) Net Operating Income/Loss	64,331	112,744	(48,413)	(23,823)	227,392	(251,215)
(22) Minority Interest	85,173	124,545	39,372	111,017	220,915	109,898
(23) Net Income/Loss	(20,842)	(11,801)	(9,041)	(134,840)	6,477	(141,317)



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# Memorandum

**DATE:** October 26, 2016

**TO:** Board of Directors, Washington Township Health Care District

**FROM:** Nancy Farber, Chief Executive Officer

**SUBJECT:** LAFCO Letter dated September 27, 2016

In a letter dated September 27, 2016 (attached to this memo), the Local Agency Formation Commission for Alameda County ("LAFCO") requested that the District provide responses to three questions related to a special study LAFCO is conducting of the Eden Township Healthcare District.

The three questions are:

1. Does WTHD receive any portion of the ad valorem 1 % property tax or does the tax revenue cited in your budget come from property tax assessments or special taxes?
2. Does WTHD have the interest and ability to expand its boundaries and responsibilities to include the Eden Township Healthcare District?
3. If WTHD is interested, please indicate any conditions, concerns or issues affecting a potential consolidation.

Previously, management contacted LAFCO to get an extension of the deadline specified in the LAFCO letter. The District's response is due on October 31, 2016. After due consideration, management has prepared the attached draft response for your consideration and approval.

The answer to the first question is factual and does not need explanation.

The proposed response to the second question is based on our view that expansion of our boundaries is inconsistent with the main goal of the recently Board adopted Strategic Map:

*"Position WHHS as the Medical Center of Choice for Patients, Providers, Staff, District Residents and All Payers"*

The goal of the Strategic Map is centered on our current District residents. They have placed their trust in us and we must not over-extend our limited resources.

Given the recommended response to the second question, no response is necessary to the third question.

If you approve of the draft letter, we ask that you adopt a motion approving the draft response.

[Date]

Mona Palacios  
Executive Officer  
1221 Oak Street, Suite 555  
Oakland, CA 94612

**RE: Eden Township Healthcare District Special Study - Questions for WTHD**

Dear Ms. Palacios:

In your letter dated September 27, 2016, you indicated that LAFCO's project consultant had three questions for the District. Your questions and the District's responses follow.

1. Does WTHD receive any portion of the ad valorem 1% property tax or does the tax revenue cited in your budget come from property tax assessments or special taxes?

Response to Question Number One:

The District does not receive any portion of the ad valorem 1% property tax. All property tax revenue is for service on general obligation bonds approved by the voters of the District. No taxes are received to fund general operations.

2. Does WTHD have the interest and ability to expand its boundaries and responsibilities to include the Eden Township Healthcare District?

Response to Question Number Two:

The District does not have the interest or ability to expand its boundaries and responsibilities to include Eden Township.

The District's attention must remain on existing District residents. Recently, the District's Board of Directors adopted a strategic map which is focused on:

*"Position WHHS as the Medical Center of Choice for Patients, Providers, Staff, District Residents and All Payers"*

Our District residents have placed their trust in us as evidenced by the passage of two bond measures, Measure FF in 2004 and Measure Z in 2012. Expansion of the District boundaries to include Eden Township would strain existing resources to the detriment of existing residents. In this day and age of immense challenges for healthcare providers, it is vital that the District stay focused on its core mission.

However, it should be noted that the District's facilities are open and available to the residents of Eden Township. Indeed, many of our existing patients reside within Eden Township. The District is willing to do additional outreach to the residents of Eden to make them aware of the District's healthcare services. This can be done without the need to expand our District's boundaries. If a further discussion on the subject of outreach to the residents of Eden Township is warranted, our District is certainly willing to be part of that discussion.



3. If WTHD is interested, please indicate any conditions, concerns or issues affecting a potential consolidation.

Response to Question Number Three:

In light of the District's response to question number two, no response is necessary.

Thank you for the opportunity to provide our responses. If you have any questions, please do not hesitate to contact me.

Sincerely,

Nancy Farber  
Chief Executive Officer

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