



Washington Township Health Care District

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Kimberly Hartz, Chief Executive Officer

Board of Directors

Jacob Eapen, MD
William F. Nicholson, MD
Bernard Stewart, DDS
Michael J. Wallace
Jeannie Yee

BOARD OF DIRECTORS' MEETING

Monday, December 23, 2019 – 7:30 a.m.
Board Room, 2000 Mowry Avenue

AGENDA

- I. CALL TO ORDER & PLEDGE OF ALLEGIANCE** William Nicholson, MD
Board 1st Vice President
- II. ROLL CALL**
- III. COMMUNICATIONS**
 - A. Oral
This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.
 - B. Written
- IV. CLOSED SESSION**
In accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, portions of this meeting may be held in closed session.
 - A. Medical Audit and Quality Assurance Prasad Kilaru, MD
Chief of Staff

Reports regarding Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Sections 1461 and 32155.
- V. OPEN SESSION** William Nicholson, MD
Board 1st Vice President
 - A. Report on Closed Session
- VI. ADJOURNMENT** William Nicholson, MD
Board 1st Vice President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
December 13, 2019

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. The national labor market continues to show strong hiring, and unemployment claims continue to remain at historically low levels. Global economic indicators continue to point to an increasingly broad slowdown in international economic growth, particularly in key Asian and European economies, as ongoing trade tensions continue to impact international economics.

The Bureau of Labor Statistics job report showed the U.S. economy created 266,000 jobs in November, as the unemployment rate ticked down to 3.5% from 3.6% in the prior month, which is the lowest unemployment rate since hitting this percentage earlier in 2019 and matches the lowest jobless rate since 1969. Hourly wage growth ticked up again last month, with year-over-year growth coming in at 3.1%. Claims for U.S. jobless benefits continue to remain at historically low levels, coming in recently at 203,000, suggesting the labor market continues on solid footing despite early concerns of an overall economic slowdown. The four-week moving average, a less volatile measure, decreased slightly to 217,750. The national housing market continues to show signs of softening. Despite low mortgage rates, affordability and inventory shortages continue to create challenges for consumers across the country.

The California economy showed continued hiring in October (state unemployment data lags national data by a month), as the economy added 23,600 jobs and the state's unemployment rate declined to 3.9%, down from 4.0% in the previous month and the lowest unemployment rate in the state since 1976. The California housing market, like the national market, continues to show signs of softening as very tight inventories have depressed overall sales activity and affordability remains an issue in many parts of the state.

Locally, the District's unemployment rate increased slightly in October (local unemployment data lags national data by a month) increasing to 2.4% from 2.3% in the previous month. Approximately 4,600 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

The California Legislature is currently in recess. The Legislature will reconvene for the start of the next session on January 6, 2020. All new bills to be considered during the next session will need to be introduced in their house of origin by February 21, 2020, after which they will proceed through the applicable policy and fiscal committee review process. All bills that will be sent to the Governor's desk must pass through both houses by the end of August, and the Governor will then have until September 30, 2020 to sign or veto bills.

Federal Legislature

Over the past month, much of the federal legislative focus continues to be on the ongoing impeachment investigation of the President. As reported previously, over the past several quarters, there had been notable legislative focus on key issues to the health care industry, including prescription drug pricing, surprise billing, and price transparency, however, these topics have recently fallen in priority as Congress focuses on the impeachment process. Given the current political climate, it is anticipated that key legislative issues pertaining to healthcare will not rise in priority until early 2020, which is when we expect the impeachment process in both chambers to be completed. Whether these issues rise in priority next year, will likely depend on the politics of the upcoming November 2020 election. Staff will continue to monitor federal legislative focus in healthcare for potential impacts to the Health Care District.

II. FOUNDATION

Executive Director, Washington Hospital Healthcare Foundation

Juliana Schirmer, the candidate who accepted the position of Executive Director for the Foundation, rescinded her acceptance of the offer earlier this month due to a family emergency that will necessitate her remaining in her position with the Regional Parks Foundation. We have reinitiated the search for the position and will begin interviewing candidates in January, 2020.

Annual Meeting of the Foundation

The Foundation will hold its annual meeting on Tuesday, January 28, 2020. At the meeting, the trustees will vote in new members of the board of trustees, select officers, recognize those terming off the board, and approve the annual disbursement to the Hospital. Dr. Bruce Lin will provide the medical presentation for the event.



DEVCO FINANCIAL STATEMENTS

Reporting Period 4

Month of October 2019

Kimberly Hartz, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Institute for Joint Restoration and Research • Sandy Amos RN Infusion Center
Taylor McAdam Bell Neuroscience Institute • UCSF - Washington Cancer Center • Washington Center for Wound Healing & Hyperbaric Medicine
Washington Maternal Child Education • Washington on Wheels • Washington Outpatient Diabetes Program • Washington Outpatient Imaging Center
Washington Outpatient Rehabilitation Center • Washington Outpatient Surgery Center • Washington Prenatal Diagnostic Center
Washington Radiation Oncology Center • Washington Special Care Nursery • Washington Sports Medicine • Washington Township Medical Foundation
Washington Urgent Care • Washington Wellness Center • Washington Women's Center



Washington Township Hospital
Development Corporation
Summary Income Statement
October 2019

	Current Month			Year - To - Date			
	Actual	Budget	Variance	Actual	Budget	Variance	Favorable/(Unfavorable) %
(1) Visits	3,830	3,780	50	13,843	13,196	647	4.9%
(2) Treatments & Procedures	537	683	(146)	1,497	1,364	133	9.8%
(3) Total	4,367	4,463	(96)	15,340	14,560	780	5.4%
Gross Revenue							
(4) Patient Revenue	4,083,713	4,645,394	(561,681)	16,435,088	16,993,209	(558,121)	(3.3%)
(5) Other Revenue	958,031	904,813	53,218	3,562,863	3,474,122	88,741	2.6%
(6) Total Gross Revenue	5,041,744	5,550,207	(508,463)	19,997,951	20,467,331	(469,380)	(2.3%)
Deductions							
(7) Total Deductions	2,172,483	2,438,535	266,052	8,522,730	8,926,949	404,219	4.5%
Contractual Percentage	53.2%	52.5%	(0.7%)	51.9%	52.5%	0.6%	
(8) Net Revenue	2,869,261	3,111,672	(242,411)	11,475,221	11,540,382	(65,161)	(0.6%)
Expenses							
(9) Purchased Labor	953,198	914,001	(39,197)	3,588,737	3,579,781	(8,956)	(0.3%)
(10) Purchased Benefits	282,624	296,027	13,403	1,147,363	1,166,075	18,712	1.6%
(11) Supplies	383,639	391,800	8,161	1,465,155	1,378,239	(86,916)	(6.3%)
(12) Professional Fees	365,131	308,534	(56,597)	1,372,039	1,252,650	(119,389)	(9.5%)
(13) Purchased Services	231,900	222,544	(9,356)	926,536	904,549	(21,987)	(2.4%)
(14) Depreciation and Amort	94,319	92,796	(1,523)	377,615	372,323	(5,292)	(1.4%)
(15) Utilities	27,869	25,837	(2,032)	114,493	107,404	(7,089)	(6.6%)
(16) Building Lease	483,492	415,191	(68,301)	1,732,404	1,656,610	(75,794)	(4.6%)
(17) Other Expenses	144,312	130,263	(14,049)	526,345	523,482	(2,863)	(0.5%)
(18) Total Expenses	2,966,484	2,796,993	(169,491)	11,250,687	10,941,113	(309,574)	(2.8%)
(19) Net Operating Income/Loss	(97,223)	314,679	(411,902)	224,534	599,269	(374,735)	(62.5%)
(20) Minority Interest	(8,332)	180,022	188,354	238,809	498,523	259,714	52.1%
(21) Net Income/Loss	(88,891)	134,657	(223,548)	(14,275)	100,746	(115,021)	(114.2%)