



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

Board of Directors

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

BOARD OF DIRECTORS' MEETING

Wednesday, May 27, 2020– 6:00 P.M.
Meeting Conducted by Teleconference
Dial In: 1-877-336-1829 Passcode: 2122606

AGENDA

PRESENTED BY:

- | | |
|--|--|
| <p>I. CALL TO ORDER & PLEDGE OF ALLEGIANCE</p> <p>II. ROLL CALL</p> <p>III. COMMUNICATIONS</p> <p>A. Oral
<i>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.</i></p> <p>B. Written</p> | <p>Michael Wallace
Board President</p> <p>Dee Antonio
District Clerk</p> |
| <p>IV. CONSENT CALENDAR</p> <p>A. Consideration of Budgeted Capital Request:
Replacement of Coils & Condensate Pan for Air Handler Unit 38 (\$163,875.00)</p> <p>B. Consideration of Budgeted Capital Request:
Split System Air Condition Unit for Prenatal Diagnostic Clinic (\$65,272.66)</p> | <p><i>Motion Required</i></p> |
| <p>V. ANNOUNCEMENTS</p> | <p>Kimberly Hartz
Chief Executive Officer</p> |
| <p>VI. CLOSED SESSION
<i>In accordance with Section 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.</i></p> <p>A. Conference involving trade secrets pursuant to Health & Safety Code section 32106
Continuing Program discussion – to be disclosed January 2021</p> | <p>Kimberly Hartz
Chief Executive Officer</p> |

Board Meeting Agenda
May 27, 2020

B. Report of Medical Staff and Quality Assurance
Committee, Health & Safety Code section
32155

VII. OPEN SESSION

Report on Closed Session

Michael Wallace
Board President

VIII. ADJOURNMENT

Michael Wallace
Board 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.



Memorandum

DATE: March 13, 2020

TO: Kimberly Hartz, Chief Executive Officer

FROM: Edward Fayen, Executive Vice President & Chief Operating Officer

SUBJECT: Replacement of coils and condensate pan for Air Handler Unit 38

Air Handler Unit 38 serves Operating Rooms 4 and 5, the O.R. Utility Room and 2 East with re-conditioned warm and cool fresh air and is approximately 25 years old. Both the hot water and chilled water coils, as well as the condensate pan, need to be replaced due to age related corrosion. A leak has already occurred into the main hospital's front lobby due to this corrosion, and a complete failure of the system is imminent. This repair and replacement will substantially extend the life of this important piece of infrastructure.

This item was approved in the FY 20 Capital Budget for \$163,875.00

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the replacement of the coils and condensate pan for Air Handler Unit 38 project for an amount not to exceed **\$163,875.00**.

EF/mc



Memorandum

DATE: March 13, 2020

TO: Kimberly Hartz, Chief Executive Officer

FROM: Edward Fayen, Executive Vice President & Chief Operating Officer

SUBJECT: **Split System Air Condition Unit for Prenatal Diagnostic Clinic**

During the construction of the Prenatal Diagnostic Clinic in 2017, there were no upgrades or additions made to the existing HVAC system in the 1900 building. The existing HVAC system is unable to maintain the temperature in the patient treatment rooms in a manner consistent with patient care requirements. Installing a split system A/C unit will bring the room's temperature into compliance, particularly through the warmer months of the year.

This item was approved in the FY 20 Capital Budget for \$65,550.00.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase and installation of a split system air condition unit for the PDC for an amount not to exceed **\$65,272.66**.

EF/mc



Washington Hospital Healthcare System

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 9

Month of March 2020

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
March 2020**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
2,565	3,893	(1,328)	(34.1%)	30,448	31,648	(1,200)	(3.8%)
324	244	80	32.8%	3,003	2,606	397	15.2%
2,889	4,137	(1,248)	(30.2%)	33,451	34,254	(803)	(2.3%)
3,170,623	4,389,152	(1,218,529)	(27.8%)	36,152,274	39,138,269	(2,985,995)	(7.6%)
997,091	871,310	125,781	14.4%	8,774,421	7,777,487	996,934	12.8%
4,167,714	5,260,462	(1,092,748)	(20.8%)	44,926,695	46,915,756	(1,989,061)	(4.2%)
1,367,269	2,298,586	931,317	40.5%	18,461,509	20,558,137	2,096,628	10.2%
43.1%	52.4%	9.3%		51.1%	52.5%	1.4%	
2,800,445	2,961,876	(161,431)	(5.5%)	26,465,186	26,357,619	107,567	0.4%
796,093	915,123	119,030	13.0%	8,004,966	8,084,156	79,190	1.0%
292,590	298,561	5,971	2.0%	2,657,655	2,654,174	(3,481)	(0.1%)
274,037	377,788	103,751	27.5%	3,343,792	3,228,915	(114,877)	(3.6%)
386,093	303,962	(82,131)	(27.0%)	3,220,362	2,715,438	(504,924)	(18.6%)
288,469	244,736	(43,733)	(17.9%)	2,316,068	2,018,633	(297,435)	(14.7%)
94,753	91,904	(2,849)	(3.1%)	850,279	833,022	(17,257)	(2.1%)
23,806	21,553	(2,253)	(10.5%)	219,125	215,089	(4,036)	(1.9%)
532,091	419,257	(112,834)	(26.9%)	4,555,384	3,741,066	(814,318)	(21.8%)
124,872	121,401	(3,471)	(2.9%)	1,155,555	1,149,225	(6,330)	(0.6%)
2,812,804	2,794,285	(18,519)	(0.7%)	26,323,186	24,639,718	(1,683,468)	(6.8%)
(12,359)	167,591	(179,950)	(107.4%)	142,000	1,717,901	(1,575,901)	(91.7%)
80,840	115,210	34,370	29.8%	420,909	1,252,310	831,401	66.4%
(93,199)	52,381	(145,580)	(277.9%)	(278,909)	465,591	(744,500)	(159.9%)

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
May 22, 2020

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains unfavorable. The global COVID-19 pandemic continues to put a significant strain on financial, commercial, and services sectors across all segments of the national and global economies.

The Bureau of Labor Statistics job report showed the U.S. economy lost 20,500,000 jobs in April, as the unemployment rate skyrocketed to 14.7%, up from 4.4% in the previous month. This is the worst monthly job loss in U.S. history and the highest unemployment rate since the Great Depression, effectively wiping out a decade's worth of employment gains in a single month and is roughly double the job losses experienced during the economic downturn from 2007 to 2009. Claims for U.S. jobless benefits continue to come in at unprecedented numbers, as nearly 3 million Americans filed for unemployment last week. This brings the rolling total during the COVID-19 crisis to 36.5 million unemployment claims, although the weekly tally has declined over the last six weeks. The ongoing economic downturn is expected to continue to worsen across all sectors of the national economy over the coming weeks, if not months, and may take years to recover.

The California economy showed significant decline in employment in March (state unemployment data lags national data by a month), as the economy lost 99,500 jobs and the state's unemployment rate increased to 5.3%, up from 3.9% in the previous month. The April jobs report is expected to show significantly higher job losses across the state. Like the national economy, the impact from the global pandemic is significant for the state's economy, and is expected to continue over the coming months.

Locally, the District's unemployment rate increased in March (local unemployment data lags national data by a month) to 3.5%, up from 2.8% the previous month. Approximately 6,600 District residents in the labor force are unemployed, and these figures are expected to rise in the April jobs report.

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 Assembly and Senate resumed the legislative session this month, after temporarily suspending it due to the shelter in place order. The Legislature has until June 15 to pass a balanced budget or go without pay, and much of the focus in Sacramento now is on getting the budget passed by the deadline. It is anticipated that over the coming months before the legislative session ends there will be fewer bills considered than in prior years, as members triage their legislative platforms and committee chairs pare hearing agendas in order to focus on the budget and related COVID-19 bills.

Last week, the Governor released the May revision of the budget. Although tax revenues normally collected on April 15 are delayed until July 15, the Governor is planning for a \$54 billion deficit. This is a significant change from the budget he proposed in January, which included a budget surplus of more than \$5 billion. The massive deficit consists of \$41 billion in lower revenues and the other \$13 billion comprising of increased costs associated with fighting the COVID-19 pandemic and increased numbers of people moving into the Medi-Cal program.

The Governor is estimating the unemployment rate will peak around 18% in July of this year, which will result in an additional two million people needing Medi-Cal. Total Medi-Cal enrollment is expected to jump to 14.5 million. The state will benefit from the \$16.5 billion reserves they have accumulated through the last economic recovery, but those are expected to be expended over the next three budget years.

To account for the deficit, the Governor is proposing a number of actions including:

- Leverage monies sent to the state through CARES Act.
- Cancelling program expansions and spending increases, including various spending programs from the 2019-2020 budget.
- Reduce state employee salaries by 10%. This would still need to be negotiated with unions.
- Draw funds from reserve funds. \$8.3 billion would be drawn this year.
- Reduce state operating costs by five percent by implementing efficiencies.
- Borrow and transfer funds from other special funds from various departments and boards.
- Temporarily suspend net operating losses and temporarily limit to \$5 million the amount of credits a taxpayer can use in any given tax year.
- Assume funds from the HEROES Act currently being negotiated in Congress.

There are additional actions being proposed, but these are the most significant. A large portion of Governor Newsom's focus was on the importance of the federal government providing monetary assistance. A number of the cuts are contingent on whether the federal government provides money through the HEROES Act.

Looking more closely at the health-related budget actions, there were a few actions worth highlighting including:

- In the January budget, the Governor made one of his main priorities to reshape the Medi-Cal program to focus on treating the “whole person”. This proposal, called Cal-AIM, would have expanded the types of services offered under the Medi-Cal program to address some of the social determinants of health. This plan is put on hold in the May revise.
- The proposal to expand Medi-Cal to cover adult undocumented individuals will not be pursued.
- 340B Supplemental Payment Pool - The May Revision proposes to withdraw this proposal to provide payments to non-hospital clinics for 340B pharmacy services.
- Proposition 56 was passed in 2016 to increase tobacco taxes. A significant portion of the funds have been used to supplement Medi-Cal reimbursement for physicians. \$1.2 billion of these funds will be repurposed to pay for the growth in the Medi-Cal program, thus eliminating the supplemental provider reimbursement.
- Medi-Cal Managed Care capitated rates will be reduced by 1.5%.
- Program approved in the 2019-2020 budget for \$20 million to place alcohol and drug counselors in emergency departments was reversed and those funds will be moved into the Medi-Cal budget.
- Proposal to assist with the cost of hearing aids and related services for children without health insurance coverage in low income households was withdrawn.

There were no proposals for financial assistance for hospitals. The Governor pointed to monies provided through the CARES Act as how hospitals have been receiving funding.

Federal Legislature

Earlier this month, House Democrats released a draft of the HEROES Act which is intended to increase financial support for impacted segments of the economy from the COVID-19 pandemic. The bill reflects Democratic priorities, including aid for state and local governments, an additional \$100 billion in funding for the provider relief fund, and extending loan forgiveness for PPP. The House approved the bill earlier this week, and the Senate is not expected to take action until after Memorial Day. Key elements of the bill in its current draft form include:

- Strengthens our nation’s comprehensive testing and contact tracing infrastructure
 - Provides \$75 billion in grants to state, local, Tribal, and territorial health departments to support testing, contact tracing, and isolation or quarantine with special consideration for a grantees burden of disease, need for surge mitigation, and intention to serve populations experiencing disparities.
 - Requires the Centers for Disease Control and Prevention (CDC) to coordinate with states and public health jurisdictions to establish a coordinated, evidence-based testing system that ensures equitable access across race, ethnicity and geography. The updated strategic testing plan must include specific plans and benchmarks with clear timelines.

- Provides stable and affordable health coverage for millions of Americans.
 - Provides subsidies for the cost of COBRA premiums to allow workers to maintain their employer-sponsored coverage if workers lose employment or been furloughed as a result during this economic downturn.
 - Allows State Medicaid programs to cover COVID-19 treatment for uninsured patients.
 - Establishes special enrollment periods for Medicare beneficiaries and individuals seeking coverage through the Affordable Care Act (ACA) exchanges.

- Supports hospitals and frontline healthcare workers
 - Appropriates an additional \$100 billion into the provider relief fund and includes clear guidance to ensure that funds are distributed to providers in the most equitable and efficient way. Providers will be reimbursed on a quarterly basis for all COVID-19-related expenses and a portion of their lost revenues.
 - Increases payments to facilities that serve a high proportion of Medicaid patients through September 30, 2021.
 - Improves the Accelerated and Advance Payment Program that has been critical to keeping providers afloat for the past few months. This bill would lower the loans interest rate, extend the payment period, and lower the amount of per claim recoupment. It also ensures that Part B premiums are not negatively impacted by this program.
 - Provides enhanced traditional Medicare payments to cover excess costs hospitals incur for more expensive COVID-19 patients.
 - Allows early Medicaid enrollment for individuals that are soon to be released from prison, some of the most hard-hit facilities in the pandemic, so that individuals can have access to healthcare upon release.

Staff will continue to monitor the HEROES Act as it is considered by the Senate in the coming weeks.

II. FOUNDATION

Executive Director, Washington Hospital Healthcare Foundation

We have narrowed down the search for the executive director position to a single finalist, who has met with the Foundation officers and staff, via Zoom. We hope to wrap up the search very soon.

Golf Tournament

The 35th Annual Gene Angelo Pessagno Golf Tournament has been postponed to Thursday, August 13, 2020 at Castlewood Country Club.

COVID-19 Emergency Response Fund

We have received an unprecedented response from the community donating masks, gloves, sanitizing wipes and other supplies to help our emergency responders. The Foundation is working with Infection Prevention and Nursing Administration to ensure proper handling and deployment of the donated material. We have also received monetary donations for the fund, totaling almost \$200,000.