



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

## Board of Directors

Russ Blowers

Shirley Buschke

Miro Garcia

Benn Sah, M.D.

James Stone

February 26, 2015

## MEETING NOTICE

The rescheduled annual meeting of the Board of Directors of the Washington Township Hospital Development Corporation will be held on Monday, March 9, 2015. The meeting will be held in the Board Room of Washington Hospital, and will commence at 7:30 a.m.

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.

This notice is posted pursuant to Section 54956 of the Government Code.

By direction of the President & Chief Executive Officer  
Washington Township Hospital Development Corporation

VANESSA TERRASAS  
Recording Secretary



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

## AGENDA

Board of Directors

Russ Blowers

Shirley Buschke

Miro Garcia

Benn Sah, M.D.

James Stone

### BOARD OF DIRECTORS' ANNUAL MEETING

#### WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

**Monday, March 9, 2015 – 7:30 A.M.**

**2000 Mowry Avenue, Fremont, CA 94538**

**Board Room – First Floor**

**Assistance for the Disabled:** If you are disabled in any way and need accommodation to participate in the meeting, please call Vanessa Terrasas, Recording Secretary, at (510) 791-3438 for assistance so the necessary arrangements can be made.

	<b>PRESENTED BY:</b>
<b>I. CALL TO ORDER</b>	Chair
<b>II. ROLL CALL</b>	Vanessa Terrasas Clerk
<b>III. EDUCATION SESSION</b> A. AB 1234 Ethics Training	Kristin Ferguson, Chief of Compliance
<b>IV. CONSIDERATION OF MINUTES OF October 13, 2014</b>	<i>Motion Required</i>
<b>V. ELECTION OF OFFICERS</b>	<i>Motion Required</i>
<b>VI. COMMUNICATIONS</b> A. Oral B. Written	
<b>VII. PRESIDENT AND CHIEF EXECUTIVE OFFICER REPORT</b>	Nancy Farber President and Chief Executive Officer

*Nancy Farber, President and Chief Executive Officer*

Washington Urgent Care • Washington Outpatient Surgery Center • Washington Medical Billing  
Washington Outpatient Rehabilitation Center • Washington Radiation Oncology Center

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|--------------|---|-------|
| <b>VIII.</b> | <b>CLOSED SESSION</b>   | Chair |
| <b>IX.</b>   | <b>ADJOURN TO OPEN SESSION &amp; REPORT ON<br/>CLOSED SESSION</b>                                     | Chair |
| <b>X.</b>    | <b>OPEN SESSION</b>   | Chair |
|              | A. Report to Open Session   |       |
|              | B. Action Item  |       |
|              | 1. Consideration of Amendment to the original project<br>budget related to the Newark Medical Clinic. |       |
| <b>XI.</b>   | <b>ADJOURNMENT</b>  | Chair |

**NEXT MEETING: MONDAY, MAY 11, 2015**

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on October 13, 2014 in the Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 7:33 am.

*CALL  
TO  
ORDER*

Present: Russ Blowers, Shirley Buschke, Miro Garcia, James Stone, Benn Sah, M.D.

*ROLL  
CALL*

Absent: Nancy Farber, Chief Executive Officer

Also present: Kimberly Hartz, Sr. Associate Administrator, Ambulatory Care Services; Chris Henry, Associate Administrator/CFO; Tina Nunez, Associate Administrator, Ambulatory Care Services; Michael Engle, Sr. Director Ambulatory Care Services; Vanessa Terrasas, Recording Secretary

A motion was made by Director Blowers, seconded by Director Garcia to approve the minutes of the meeting of June 9, 2014. The motion was carried by the following vote:

*APPROVAL OF  
MINUTES OF  
June 9, 2014*

Ayes: Directors Blowers, Buschke, Garcia, Sah and Stone

Noes: None

Absent: None

Abstain: None

No oral or written communications were received.

*COMMUNICATIONS*

Ms. Hartz provided the President and Chief Executive Officer Report on behalf of Ms. Farber who was not present.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT*

Ms. Hartz explained that WHHS continues to not meet budget targets due to the impact of the Affordable Care Act in conjunction with significant reductions in Medicare reimbursements and increases in expenses. In the course of the fiscal year, WHHS began to take action in many areas knowing we were experiencing lower volumes along with reductions in reimbursement. WHHS initiated a project with VHA to achieve greater efficiencies in purchasing. In addition, vacant position in which the lower volumes substantiated we could do without were not filled. Also, a voluntary retirement program was offered to employees who filled positions that we could do without being filled. Through attrition, WHHS was able to reduce the workforce by 196.2 FTEs or 12%. Because of the measures taken early in the process, WHHS was able to substantially reduce the number of positions subject to the reduction in force which equated to 2% or 31 positions.

Ms. Hartz noted our operations and programs will continue to be reviewed for improvement and cost reduction. The fiscal impacts mean we must continually work to become more efficient in how we provide our services. In October 2014, WHHS will embark on its Lean transformation journey, which is based on the Toyota Production System. Lean focuses on driving waste from our operations while enhancing high quality health care. Rona Consulting Group,

Lean healthcare consultants, will be onsite to begin educating the management staff on the Lean process.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT CONT'D*

Ms. Hartz reported that WHHS is focusing on our collaboration with UCSF and developing initiatives such as a Liver Transplant Clinic and Pediatric Specialty clinics. The goal of this collaboration is to improve access for District residents.

Currently, WHHS is in negotiations with SEIU. The discussions have stalled over our request that employees pay a small portion of the premium costs for providing benefits to cover a spouse or family members. Employees who only need coverage for themselves will continue to pay nothing toward premiums for benefit coverage. Overall, the contribution proposed is modest compared to what most other hospitals in the greater Bay Area require their employees to pay for premiums to cover the employee only or to provide coverage that includes their family members. We could be criticized if we are not good stewards of the District's assets by not being aligned with the market.

Ms. Hartz reported that Ms. Farber established an Ebola taskforce in reaction to the recent situation with the nurse in Texas who tested positive for Ebola. This taskforce is comprised of nurses, physicians and staff, and will ensure that the initiatives implemented meet federal guidelines and will be coordinated with the County of Alameda's Public Health Department. Washington Hospital will participate in a nationwide conference call the CDC has scheduled to assure we have the most up-to-date information. There will be mandatory training on precautions and the removal of masks and gowns for all hospital employees system wide including clinical staff at the off-sites.

Ms. Hartz reported the Joint Commission unannounced survey in August was a success with minor issues requiring follow up.

Ms. Hartz provided an update on the crosswalk between Washington West and the Hospital's Emergency Room. Although several modifications have been made to the lanes, a safety light activation system installed and pine trees removed that lined Civic Center, motorists continue to be confused. Due to more construction occurring at the existing Hospital in the future, producing more traffic, the District Board of Directors voted at its last meeting to install a traffic signal light to improve the crosswalk safety. Ms. Farber is working with the City of Fremont for this long term resolution.

Ms. Hartz announced as of September 1, 2014, Washington Hospital entered into a contract with Aetna. Since the new contract was implemented, Washington has experienced some volume increase. There is still an ongoing lawsuit against Aetna for incorrect reimbursement for services provided prior to termination. A scheduled mediation will be forthcoming.

In accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California

*ADJOURN TO CLOSED  
SESSION*

Government Code, Chairman Sah adjourned the meeting to closed session at 7:57 a.m.

Chairman Sah adjourned the meeting to open session at 8:56 a.m.

*ADJOURN TO OPEN  
SESSION*

Director Russ moved to appoint Chris Henry to the Washington Outpatient Surgery Center Board of Directors. Chris Henry would replace Neil Marks who had recently resigned. On a second from Director Stone, the motion was carried with the following vote:

*APPOINTMENT TO  
WASHINGTON  
OUTPATIENT SURGERY  
CENTER BOARD OF  
DIRECTORS*

Ayes: Directors Blowers, Buschke, Garcia, Sah and Stone  
Noes: None  
Abstain: None  
Absent: None

The Washington Township Hospital Development Corporation fiscal 2014/2015 budget was presented for approval. The budget included total operating revenue of \$31,274,956 and total expenses of \$29,649,299 for a budgeted net income of \$56,056 after minority interest in Washington Outpatient Surgery Center.

*WASHINGTON  
TOWNSHIP HOSPITAL  
DEVELOPMENT  
CORPORATION  
BUDGET ESTIMATE FY  
2014-2015*

Director Buschke moved to accept the Washington Township Hospital Development Corporation Budget Estimate Fiscal Year 2014-2015. On a second from Director Stone, the motion was carried with the following vote:

*ADJOURNMENT*

Ayes: Directors Blowers, Buschke, Garcia, Sah and Stone  
Noes: None  
Abstain: None  
Absent: None

There being no further business, the meeting adjourned at 9:02 a.m. The next meeting is currently scheduled for Monday, November 10, 2014 at 7:30 am.

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Benn Sah, M.D.  
Chairman

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Shirley Buschke  
Secretary

**Washington Township Hospital District  
Development Corporation  
Summary Income Statement  
December 2014**

	Current Month			Year - To - Date			
	Actual	Budget	Favorable/(Unfavorable) Variance %	Actual	Budget	Favorable/(Unfavorable) Variance %	
3,517	3,188	329	10.3% (1) Visits	21,490	20,061	1,429	7.1%
413	568	(155)	(27.3%) (2) Treatments & Procedures	2,776	2,675	101	3.8%
3,930	3,756	174	4.6% (3) Total	24,266	22,736	1,530	6.7%
4,945,605	3,866,522	1,079,083	27.9% (4) Gross Revenue	26,191,437	23,362,307	2,829,130	12.1%
786,424	756,289	30,135	4.0% (5) Patient Revenue	4,787,065	4,676,553	110,512	2.4%
5,732,029	4,622,811	1,109,218	24.0% (6) Total Gross Revenue	30,978,502	\$28,038,860	2,939,642	10.5%
2,362,882	1,970,361	(392,521)	(19.9%) (7) Total Deductions	13,778,610	11,859,887	(1,918,723)	(16.2%)
47.8%	51.0%	3.2%	Contractual Percentage	52.6%	50.8%	(1.8%)	
3,369,147	2,652,450	716,697	27.0% (8) Net Revenue	17,199,892	16,178,973	1,020,919	6.3%
904,479	821,591	(82,888)	(10.1%) (9) Expenses	5,422,670	5,072,788	(349,882)	(6.9%)
295,090	283,461	(11,629)	(4.1%) (10) Purchased Labor	1,713,176	1,716,288	3,112	0.2%
330,795	314,431	(16,364)	(5.2%) (11) Purchased Benefits	1,936,772	1,912,828	(23,944)	(1.3%)
41,800	42,325	525	1.2% (12) Contract Mgmt Services	254,735	253,950	(785)	(0.3%)
283,988	186,813	(97,175)	(52.0%) (13) Professional Fees	1,113,224	1,150,864	37,640	3.3%
249,539	219,908	(29,631)	(13.5%) (14) Purchased Services	1,409,529	1,335,253	(74,276)	(5.6%)
12,466	15,667	3,201	20.4% (15) Legal and Audit	110,373	96,502	(13,871)	(14.4%)
76,517	76,494	(23)	(0.0%) (16) Depreciation and Amort	467,225	464,407	(2,818)	(0.6%)
16,520	14,364	(2,156)	(15.0%) (17) Utilities	130,660	108,111	(22,549)	(20.9%)
419,851	408,778	(11,073)	(2.7%) (18) Building Lease	2,554,346	2,468,033	(86,313)	(3.5%)
73,326	87,796	14,470	16.5% (19) Other Expenses	445,509	486,388	40,879	8.4%
2,704,371	2,471,628	(232,743)	(9.4%) (20) Total Expenses	15,558,219	15,065,412	(492,807)	(3.3%)
664,776	180,822	483,954	267.6% (21) Net Operating Income/Loss	1,641,673	1,113,561	528,112	47.4%
353,497	152,302	(201,195)	(132.1%) (22) Minority Interest	1,162,553	902,739	(259,814)	(28.8%)
311,279	28,520	282,759	991.4% (23) Net Income	479,120	210,822	268,298	127.3%