



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' MEETING

WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

Monday, August 10, 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.

- | | PRESENTED BY: |
|--|---|
| I. CALL TO ORDER | Chair |
| II. ROLL CALL | Vanessa Terrasas,
Clerk |
| III. CONSIDERATION OF MINUTES OF
May 11, 2015 | <i>Motion Required</i> |
| IV. COMMUNICATIONS
A. Oral
B. Written | |
| V. PRESIDENT AND CHIEF EXECUTIVE
OFFICER REPORT | 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

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.

- | | | |
|--------------|---|-------|
| VI. | CLOSED SESSION | Chair |
| VII. | ADJOURN TO OPEN SESSION & REPORT ON
CLOSED SESSION | Chair |
| VIII. | OPEN SESSION
A. Report to Open Session

B. Action Item

1. Acceptance of the Washington Township Hospital
Development Corporation Budget Estimate FY
2015-16. | Chair |
| IX. | ADJOURNMENT | Chair |

NEXT MEETING: MONDAY, November 9, 2015



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

July 31, 2015

MEETING NOTICE

The scheduled meeting of the Board of Directors of the Washington Township Hospital Development Corporation will be held on Monday, August 10, 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

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on May 11, 2015 in the Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 7:31 am. *CALL TO ORDER*

Present: Russ Blowers, Shirley Buschke, James Stone, Benn Sah, M.D., Nancy Farber, Chief Executive Officer *ROLL CALL*

Absent: Miro Garcia

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

Director Blowers made mention of the second sentence under the Election of Officers 2015 section incorrectly noted members rather than officers. A motion was made by Director Blowers, seconded by Director Stone, to approve the minutes of the meeting of March 9, 2015 with the correction. The motion was carried by the following vote: *APPROVAL OF MINUTES OF March 9, 2015*

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

No oral or written communications were received.

COMMUNICATIONS

Ms. Farber introduced Donald Pipkin, Chief of Strategic Management at Washington Hospital, who provided a Lean presentation to the Board. The Lean process focuses on eliminating waste and inefficient practices in order to continue to excel in providing high quality health care. *LEAN PRESENTATION*

Mr. Pipkin identified key principles Washington Hospital can apply including the workplace organization process called 5S, which was recently implemented in the Operating Room. The 5S is designed to create stable working environments and continuous flow by streamlining department processes, storage and work areas. Mr. Pipkin noted there will be regular teams of staff and physicians throughout the Hospital attending week long workshops aimed at eliminating non-value added activities through standardization in order to improve Washington Hospital processes. At the end of every workshop, the teams will provide a brief 30 minute report to discuss their activities during the week.

Ms. Farber provided an update on construction of the Morris Hyman Critical Care Pavilion and parking structure. The new Morris Hyman Pavilion will house a larger emergency room and expanded intensive care and coronary care units and will provide space for 68 additional private medical/surgical beds. The base for the pavilion is currently being excavated 40 feet down in order to create a "base isolated" seismic system which, during an earthquake, is designed to move with the earthquake wave while keeping the building upright and protect it against severe damage. The parking structure will provide 648 spaces for staff, volunteers and physician parking. The seven level building will be built about one level per month. Currently, installation of column rebars and wall form work is being placed. The estimated completion date is March 2016 for the parking structure and it is on schedule.

*PRESIDENT & CHIEF
EXECUTIVE OFFICER
REPORT*

Ms. Farber noted Washington Hospital will be adopting a Violence-Free policy due to the increase hostile patients which varies from verbal to physical assault against hospital personnel. The new policy will include patients being discharged even against physician orders.

Ms. Farber discussed Governor Jerry Brown's State of Emergency declaration and the proposed water conservation initiatives related to the Development Corporation off-site properties as well as the Hospital. Proposed initiatives include, but are not limited to, reduction in water utilization, installation of low flow sprinklers and automatic shut-off faucets.

Ms. Farber gave an update on a few initiatives in development with Washington Hospital and UCSF. Local access to UCSF's specialty services being offered to tri-city residents include the Special Care Nursery, Pediatric Hospitalists, and a heart failure clinic. A pediatric cardiologist program and a pediatric surgical program are in development. Currently, we are working with UCSF on recruiting a cardiac surgeon.

Ms. Farber mentioned an Epic upgrade is scheduled for the end of May. She also noted Dr. Carmencita Agcaoili will be the recipient of the Remo Cerruti Physician of the Year award.

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, Chairman Sah adjourned the meeting to closed session at 8:33 a.m.

*ADJOURN TO CLOSED
SESSION*

Washington Township Hospital Development Corporation
May 11, 2015
Page 3

Chairman Sah adjourned the meeting to open session at 8:46 a.m. He reported that no action was taken in closed session. *ADJOURN TO OPEN SESSION*

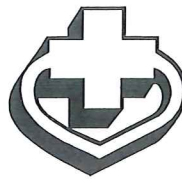
There being no further business, the meeting adjourned at 8:48 a.m. The next meeting is currently scheduled for Monday, August 10, 2015 at 7:30 am. *ADJOURNMENT*

Benn Sah, M.D.
Chairman

Shirley Buschke
Secretary

Washington Township Hospital
Development Corporation
Summary Income Statement
May 2015

	Current Month			Year - To - Date			
	Actual	Budget	Favorable/(Unfavorable) Variance %	Actual	Budget	Favorable/(Unfavorable) Variance %	
3,809	3,564	245	6.9% (1)	40,476	37,813	2,663	7.0%
295	271	24	8.9% (2)	4,334	4,350	(16)	(0.4%)
4,104	3,835	269	7.0% (3)	44,810	42,163	2,647	6.3%
Gross Revenue							
3,950,293	3,458,231	492,062	14.2% (4)	47,957,556	41,946,258	6,011,298	14.3%
769,646	844,373	(74,727)	(8.8%) (5)	8,763,229	8,509,314	253,915	3.0%
4,719,939	4,302,604	417,335	9.7% (6)	56,720,785	\$50,455,572	6,265,213	12.4%
Deductions							
2,111,301	1,769,131	(342,170)	(19.3%) (7)	24,891,424	21,321,042	(3,570,382)	(16.7%)
53.4%	51.2%	(2.3%)		51.9%	50.8%	(1.1%)	
2,608,638	2,533,473	75,165	3.0% (8)	31,829,361	29,134,530	2,694,831	9.2%
Expenses							
878,653	790,791	(87,862)	(11.1%) (9)	9,827,308	9,114,808	(712,500)	(7.8%)
268,539	269,276	737	0.3% (10)	3,176,156	3,095,975	(80,181)	(2.6%)
301,582	292,369	(9,213)	(3.2%) (11)	3,526,071	3,416,291	(109,720)	(3.2%)
38,475	42,325	3,850	9.1% (12)	458,247	465,575	7,328	1.6%
183,119	185,287	2,168	1.2% (13)	1,905,608	2,033,488	127,880	6.3%
215,279	199,234	(16,045)	(8.1%) (14)	2,686,754	2,451,134	(235,620)	(9.6%)
25,894	15,667	(10,227)	(65.3%) (15)	209,612	174,837	(34,775)	(19.9%)
75,256	74,368	(888)	(1.2%) (16)	838,561	844,416	(5,855)	(0.7%)
21,274	19,843	(1,431)	(7.2%) (17)	227,228	(41,178)	(268,406)	(22.1%)
421,386	414,784	(6,602)	(1.6%) (18)	4,539,477	(91,804)	(4,631,281)	(2.0%)
85,206	80,190	(5,016)	(6.3%) (19)	844,328	903,872	59,544	6.6%
2,514,663	2,384,134	(130,529)	(5.5%) (20)	28,336,949	27,220,068	(1,116,881)	(4.1%)
93,975	149,339	(55,364)	(37.1%) (21)	3,492,412	1,914,462	1,577,950	82.4%
105,114	61,640	(43,474)	(70.5%) (22)	2,242,644	1,458,683	(783,961)	(53.7%)
(11,139)	87,699	(98,838)	(112.7%) (23)	1,249,788	455,779	793,989	174.2%
Net Operating Income/Loss							
Minority Interest							
Net Income							



Memorandum

DATE: August 7, 2015

TO: Board of Directors
Washington Township Hospital Development Corporation

FROM: Nancy Farber
President and Chief Executive Officer

SUBJECT: Budget Estimate FY 2015/16

The Budget Estimate for FY 2015/16 for the Washington Township Hospital Development Corporation (DEVCO) is being presented for recommendation of adoption to the Board of Directors of the Development Corporation.

This budget takes into account inflation, contractual changes, staffing changes and budgetary changes related to the opening of a new local competitive surgery center.

For the FY 2015/16, the Washington Township Hospital Development Corporation is budgeted as follows:

Visits are budgeted at 49,925
Total Operating Revenue is budgeted at \$27,678,957
Total Expenses are budgeted at \$27,184,700
Net Loss is budgeted at (\$567,689)

This budget document reflects a healthcare system that continues to be sensitive to the rapidly changing economy, healthcare environment and reimbursement at the state and federal levels and still provides community services and access to care for the underinsured. Our continued commitment to these programs through the Development Corporation provides an important mechanism in helping us to meet our goal of improving and maintaining the health status of the residents of the District. I am recommending that the Board of Directors of the Washington Township Hospital Development Corporation approve the FY 2015/16 Budget Estimate.

NANCY FARBER
Chief Executive Officer



DEVELOPMENT
CORPORATION

Washington Township Hospital Development Corporation

Income Statement

Budget Estimate FY 2015/16

	Budget Estimate FY 2015/16	Projected FY 2014/15	\$ Change	% Change
Visits	49,925	51,047	(1,122)	-2.2%
Revenue	\$48,009,390	\$58,325,856	(\$10,316,466)	-17.7%
Other Revenue	7,036,266	7,255,465	(219,199)	-3.0%
Revenue Deductions	27,366,699	31,250,773	(3,884,074)	-12.4%
Total Operating Revenue	\$27,678,957	\$34,330,548	(\$6,651,591)	-19.4%
Expense:				
Salaries	\$6,393,073	\$8,150,861	(\$1,757,788)	-21.6%
Benefits	2,327,746	2,854,451	(526,705)	-18.5%
Supplies	3,042,714	3,869,315	(826,601)	-21.4%
Contract Mgmt Services	535,550	503,726	31,824	6.3%
Professional Fees	1,538,015	1,495,162	42,853	2.9%
Purchased Services	2,593,494	3,336,201	(742,707)	-22.3%
Purchased Labor	2,540,797	2,594,029	(53,232)	-2.1%
Purchased Benefits	701,695	648,296	53,399	8.2%
Legal & Audit	176,621	234,010	(57,389)	-24.5%
Depreciation	886,972	920,107	(33,135)	-3.6%
Utilities	237,288	218,561	18,727	8.6%
Building Lease	5,291,817	5,082,323	209,494	4.1%
Vehicle Lease	1	21,192	(21,191)	-100.0%
Vehicle Expense	5,500	4,153	1,347	32.4%
Interest Expense	-	3,476	(3,476)	-100.0%
Professional Liab Ins	93,390	94,032	(642)	-0.7%
Taxes Fees & Licenses	277,581	275,062	2,519	0.9%
Other Expense	542,446	471,378	71,068	15.1%
Total Expense	\$27,184,700	\$30,776,335	(\$3,591,635)	-11.7%
Income from Operations	\$494,257	\$3,554,213	(\$3,059,956)	-86.1%
Minority Interest in WOSC	1,061,946	2,565,036	(1,503,090)	-58.6%
Net Income/(Loss)	(\$567,689)	\$989,177	(\$1,556,866)	-157.4%

* This budget includes the Washington Radiation Oncology Center.