



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 E. Nicholson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

**Wednesday, June 27, 2018– 6:00 P.M.
Board Room, 2000 Mowry Avenue**

AGENDA

PRESENTED BY:

- | | | |
|--|--|---|
| I. CALL TO ORDER &
PLEDGE OF ALLEGIANCE | | Michael Wallace
Board Member |
| II. ROLL CALL | | Dee Antonio
District Clerk |
| III. COMMUNICATIONS | | |
| A. Oral | | |
| B. Written | | |
| IV. CLOSED SESSION | | |
| A. Conference with Legal Counsel-Anticipated
Litigation pursuant to Government Code
section 54956.9(d)(2) (1 matter) | | Nancy Farber
Chief Executive Officer |
| B. Conference involving a trade secret pursuant to
Health & Safety Code section 32106 | | |
| C. Report on personnel matters, Cal Gov. Code
Section 54957 | | |
| V. OPEN SESSION | | |
| Report on Closed Session | | Michael Wallace
Board Member |
| VI. ACTION | | |
| A. Consideration of Exterior Painting Bids-
George Masker | | Motion Required |
| VII. ADJOURNMENT | | Michael Wallace
Board Member |

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.



Washington Hospital Healthcare System

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

DEVCO FINANCIAL STATEMENTS

Reporting Period 10

Month of April 2018



**Washington Township Hospital
Development Corporation
Summary Income Statement
April 2018**

	Current Month				Year - To - Date			
	Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
			Variance	%			Variance	%
	3,316	3,524	(208)	(5.9%)	33,687	34,300	(613)	(1.8%)
	150	196	(46)	(23.5%)	2,462	3,209	(747)	(23.3%)
	3,466	3,720	(254)	(6.8%)	36,149	37,509	(1,360)	(3.6%)
	3,635,734	3,923,364	(287,630)	(7.3%)	36,393,269	38,899,246	(2,505,977)	(6.4%)
	776,747	772,025	4,722	0.6%	8,176,575	7,836,837	339,738	4.3%
4,412,481	4,695,389	(282,908)	(6.0%)	44,569,844	46,736,083	(2,166,239)	(4.6%)	
	1,841,403	2,019,750	178,347	8.8%	17,677,958	20,030,207	2,352,249	11.7%
	50.6%	51.5%	0.9%		48.6%	51.5%	2.9%	
2,571,078	2,675,639	(104,561)	(3.9%)	26,891,886	26,705,876	186,010	0.7%	
	765,173	782,035	16,862	2.2%	7,762,319	7,798,330	36,011	0.5%
	249,143	262,276	13,133	5.0%	2,572,523	2,612,116	39,593	1.5%
	269,752	318,516	48,764	15.3%	3,011,220	3,182,876	171,656	5.4%
	256,396	222,593	(33,803)	(15.2%)	2,591,695	2,732,283	140,588	5.1%
	173,476	198,390	24,914	12.6%	1,969,383	2,014,522	45,139	2.2%
	74,898	92,647	17,749	19.2%	826,575	952,269	125,694	13.2%
	21,308	22,594	1,286	5.7%	219,088	225,909	6,821	3.0%
	431,126	423,043	(8,083)	(2.1%)	4,324,162	4,266,045	(58,117)	(1.4%)
	176,276	128,049	(48,227)	(37.7%)	1,314,348	1,293,709	(20,639)	(1.6%)
2,418,148	2,450,143	31,995	1.3%	24,591,313	25,078,059	486,746	1.9%	
	152,930	225,496	(72,566)	(32.2%)	2,300,573	1,627,817	672,756	41.3%
	141,050	155,550	14,500	9.3%	1,317,540	1,190,672	(126,868)	(10.7%)
11,880	69,946	(58,066)	(83.0%)	983,033	437,145	545,888	124.9%	

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
June 22, 2018

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. The latest national labor figures continue to show strong job growth and a declining unemployment rate. As anticipated, the Federal Reserve recently raised the target interest rate by a quarter point, and if economic expansion and inflation continue on their current path, it is expected that the Federal Reserve will raise the target interest rate twice more this year.

The Bureau of Labor Statistics job report showed the U.S. economy created 223,000 jobs in May, as the unemployment rate declined to 3.8% from 3.9% in the previous month. This is the lowest national unemployment rate in eighteen years. Claims for U.S. jobless benefits continue to remain at historically low levels, coming in recently at 222,000. The four-week moving average, a less volatile measure, rose to 225,500. The national housing market continues to remain strong with demand outpacing supply. However, rising interest rates and growing home prices are beginning to test the durability of the housing market as more markets are seeing home values higher than their local economies can support.

The California economy delivered a positive jobs report in April (state unemployment data lags national data by a month) with job growth coming in at 39,300 jobs as the state's unemployment rate ticked down to 4.2% from 4.3% in the previous month. Similar to the national market, the California housing market remains strong and housing affordability remain an issue as strong demand continues to outpace supply. Economists continue to monitor the international trade and tariff discussions in order to determine the potential impact to the California economy.

Locally, the District's unemployment rate decreased in April (local unemployment data lags national data by a month) to 2.4% from 2.7% in the previous month. Just over 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 Legislature had until June 15 to pass a budget bill. In addition, June 29 is the last day for policy committees to hear and report fiscal bills to fiscal committees and until July 6 for policy committees to meet and report bills. The Legislature will then be on recess from July 6 to August 6.

Some of the bills that have been introduced worth highlighting include:

SB 538 (Monning) Hospital Contracts

This is a two-year bill that was originally introduced in February 2017, and currently sits in the Assembly Health Committee with a hearing scheduled for June 19. This bill, the Health Care Market Fairness Act of 2018, would prohibit contracts between hospitals and contracting agents, health care service plans, or health insurers from containing certain provisions, including, but not limited to, setting payment rates or other terms for nonparticipating affiliates of the hospital and would require the contracting agent, plan, or insurer to keep the contract's payment rates confidential from any payor that is or may become financially responsible for the payment. The bill would make any prohibited contract provision void and unenforceable.

AB 3087 (Kalra) California Health Care Cost, Quality, and Equity Commission

This bill died in the Assembly Appropriations committee on May 25. This bill would have created the California Health Care Cost, Quality, and Equity Commission, an independent state agency, to control in-state health care costs and set the amounts accepted as payment by health plans, hospitals, physicians, physician groups, and other health care providers.

State Budget

Governor Brown reached a budget deal with Democratic legislative leaders and a vote on the budget deal occurred by the June 15 deadline. The total state budget is approximately \$200 billion, and includes reserve funds that will bring the State's "rainy-day fund" to more than \$17 billion. Of importance are a number of proposed budget items related to health care that did not get included in the budget compromise:

- The elimination of 340B drug pricing for hospitals in the State that had been proposed in the Governor's May revise;
- The Senate's proposal to expand Medi-Cal to undocumented adults;
- The Assembly's proposal to expand Medi-Cal for individuals with incomes up to 138% of the federal poverty level for aged, blind, and disabled;
- The Assembly's proposal to provide premium assistance or tax credits for those with income levels between 200%-600% of the federal poverty level.

Staff is reviewing the published budget for potential impacts to the District residents and Healthcare System.

Federal Legislature

Opioid Crisis

Last week, the full House heard fifty-seven opioid bills that were previously voted on by the House Energy and Commerce, Ways and Means, and Education and Workforce committees. The bills include provisions that will attempt to tackle the importation of synthetic drugs, offer more services to children and families, provide resources and materials to emergency rooms, as well as create grant programs for communities and increase services through Medicare and Medicaid programs. The Senate Finance committee is concurrently hearing this week the Helping to End Addiction and Lessen (HEAL) Substance Use Disorders Act of 2018, which includes roughly twenty different bills related to the opioid epidemic. It is expected that the House and Senate will pass opioid legislation before the summer recess in August.

II. FOUNDATION

Critical Care Capital Campaign

The capital campaign has been under way for over a year now and has raised \$5.25 million towards the goal of \$7.5 million. The total raised includes \$587,000 raised from the employee giving campaign.

32nd Annual Top Hat Dinner Dance

The Foundation's annual Top Hat gala will be held on Saturday, October 13. The co-chairs for this year's event are Marsha Badella, Foundation trustee, Dr. Carmen Agcaoili, and Dr. Kadeer Halimi. The dinner dance will raise funds for medical equipment needed in the new ICU/CCU in the Morris Hyman Critical Care Pavilion.