



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

August 14, 2019

MEETING NOTICE

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation will be held on Monday, August 19, 2019. The meeting will be held in the Conrad E. Anderson, MD Auditorium, located at 2500 Mowry Avenue, Fremont, California and will commence at 7:30a.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

HOLLY CEDILLO
Recording Secretary

Kimberly Hartz, President and Chief Executive Officer

Ohlone College Student Health Center • Washington Medical Billing • Washington on Wheels • Washington Outpatient Rehabilitation Center
Washington Outpatient Surgery Center • Washington Radiation Oncology Center • Washington Sports Medicine
Washington Township Medical Foundation • Washington Urgent Care



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

AGENDA

BOARD OF DIRECTORS' MEETING WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

Monday, August 19, 2019 – 7:30A.M.
2500 Mowry Avenue, Fremont, CA 94538
Conrad E. Anderson, MD Auditorium

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call Holly Cedillo, Recording Secretary, at (510) 818-7839 for assistance so the necessary arrangements can be made.

- | | | PRESENTED BY: |
|-------------|---|---|
| I. | CALL TO ORDER | Chair |
| II. | ROLL CALL | Holly Cedillo,
Executive Assistant |
| III. | CONSIDERATION OF MINUTES OF
February 14, 2019 and July 8, 2019 | <i>Motion Required</i> |
| IV. | COMMUNICATIONS
A. Oral
B. Written | |
| V. | PRESIDENT AND CHIEF EXECUTIVE
OFFICER REPORT | Kimberly Hartz,
President and Chief Executive
Officer |

Kimberly Hartz, President and Chief Executive Officer

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

- A. Report involving trade secret pursuant to Health and Safety Code, Section 32106. Estimated public disclosure date August 2020.

VII. ADJOURN TO OPEN SESSION & REPORT ON CLOSED SESSION Chair

VIII. OPEN SESSION Chair

- A. Report to Open Session
- B. Action Item
 - 1. Acceptance of the Radiation Oncology Center Alternative Project Scope for the Linear Accelerator/Planning System that will not require the construction of a second vault.
 - 2. Acceptance of the Washington Township Hospital Development Corporation Budget Estimate for Fiscal Year 2019/20.
 - 3. Acceptance of the Washington Township Medical Foundation Budget Estimate for Fiscal Year 2019/20.

IX. ADJOURNMENT Chair

NEXT MEETING: November 18, 2019

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on February 14, 2019 in the Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 7:37a.m. *CALL TO ORDER*

Present: Russ Blowers, Gloria Villasana Fuerniss, Miro Garcia, Benn Sah, M.D., Jeannie Yee and Nancy Farber, Chief Executive Officer *ROLL CALL*

Absent: Chris Henry, Sr. Associate Administrator/CFO

Also present: Kimberly Hartz, Sr. Associate Administrator, Ambulatory Care Services; Tina Nunez, Associate Administrator, Ambulatory Care Services; Walter Choto, Sr. Director, Ambulatory Care Services; and Holly Cedillo, Executive Assistant

Guest: Kristin Ferguson, Chief of Compliance; Mike Rogers, DEVCO Compliance Officer

A motion was made by Director Blowers, seconded by Director Fuerniss to approve the minutes of the meeting of November 19, 2018. The motion was carried by the following vote.

APPROVAL OF MINUTES OF November 19, 2018

Ayes: Directors Blowers, Fuerniss, Sah and Yee
Noes: None
Absent: None
Abstain: Director Garcia

At its January 9, 2019 meeting, the District Board of Directors voted to reappoint the Washington Township Hospital Development Corporation Board members. A motion was made by Director Blowers, seconded by Director Garcia, to elect the following slate of board officers for 2019 as follows:

ELECTION OF OFFICERS 2019

Benn Sah, M.D., as Chair, Jeannie Yee as Secretary, and Russ Blowers as Treasurer. The motion was carried by the following votes:

Ayes: Directors Blowers, Fuerniss, Garcia, Sah and Yee
Noes: None
Absent: None
Abstain: None

Ms. Hartz noted that there was no written or oral communication.

COMMUNICATIONS

Kristin Ferguson, Chief of Compliance at Washington Hospital, provided ethics training to the Board. The Board was advised that they are also required to complete ethics training online every two years. Once completed, members should print the certificate, keep a copy and provide the original to Holly Cedillo. Original certificates will be provided to Ms. Farber's office.

AB 1234 ETHICS TRAINING

Ethics training is required of local public officials including members of the legislative body of a local public agency. Ms. Ferguson shared the ethical principles for public service officials including laws related to personal gain, personal advantages, government transparency laws and laws related to fair processes. The importance of earning and holding the public's trust was emphasized. Ms. Ferguson also notified the Board that she is available to answer any questions or concerns regarding compliance issues.

*AB 1234 ETHICS
TRAINING (CONT'D)*

Ms. Farber shared information regarding Senate Bill No. 1152 which is an unfunded mandate requiring hospitals to implement a set of requirements regarding discharge planning for homeless patients. Upon discharge the hospital is required to coordinate services for homeless patients in preparation of their return to the community by connecting him or her with available resources, including referral for follow up care, food, clothing, shelter, discharge medications and transportation.

*PRESIDENT & CHIEF
EXECUTIVE OFFICER
REPORT*

Ms. Farber spoke about the plan to refurbish patient rooms in the main hospital. The 4th floor will be completely refurbished and both the 4th and 5th floor rooms will be transitioned to single-occupancy. The need for patient privacy will be accomplished with single-occupancy rooms.

Ms. Farber mentioned the seismic compliance and safety requirements that must be met by the Hospital by the year 2030. This will include retrofitting or rebuilding the North and South Towers of the main Hospital. Regulations required for seismic compliance and retrofitting is to ensure the ability to care for patients in the safest environment possible following an earthquake. Buildings that are not brought into compliance by January 1, 2030 will no longer be able to provide acute care service.

Ms. Farber provided an update regarding the relocation of Washington Urgent Care to the first floor of the Washington West building in the space that was occupied by the Community Health Resource Library. The bids for construction and relocation came in over budget and options to reduce the costs are being reviewed. Staff is also in the process of value engineering the project. It was noted that first floor access to the Washington Urgent Care is important as it will improve accessibility for patients.

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 8:28a.m.

*ADJOURN TO CLOSED
SESSION*

Chairman Sah adjourned the meeting to open session at 9:10a.m. He reported that no action was taken in closed session.

*ADJOURN TO OPEN
SESSION*

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There being no further business, the meeting adjourned at 9:12a.m. The next meeting is currently scheduled for May 20, 2019 at 7:30a.m.

ADJOURNMENT

Benn Sah, M.D.
Chair

(Board Member)
Secretary

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on July 8, 2019 in the Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 2:06 p.m.

*CALL
TO
ORDER*

Present: Steven Chan, DDS, Gloria Villasana Fuerniss, Benn Sah, MD and Kimberly Hartz, President and Chief Executive Officer

*ROLL
CALL*

Absent: Directors Russ Blowers and Miro Garcia

Also present: Tina Nunez, Associate Administrator, Ambulatory Care Services; Chris Henry, Sr. Associate Administrator/CFO, Walter Choto, Sr. Director, Ambulatory Care Services; and Holly Cedillo, Executive Assistant

Guest: Donald Pipkin, Chief of Strategic Management; Paul Kozachenko, Attorney

Director Sah stated that because a quorum of Directors that was in attendance at the February 14, 2019 meeting is not present today, the approval of minutes from the February 14, 2019 Board Meeting will be postponed to the next meeting scheduled for Monday, August 19, 2019.

*APPROVAL OF
MINUTES OF
February 14, 2019*

Donald Pipkin, Chief of Strategic Management at Washington Hospital, gave a presentation on Washington Hospital's Strategic Map for FY 2020-2022; "Healthcare System of Choice". Mr. Pipkin explained the strategic map is a one-page graphic that depicts the key elements of the hospital's 3-year strategy. In his presentation, Mr. Pipkin covered the external environment highlights, the commitment to our Core Values as related to the Strategic Map components, and the strategic plan.

*EDUCATION SESSION
WHHS Strategic Map:
2020-22 "Healthcare
System of Choice"*

Chairman Sah notified the Board of the letter of resignation submitted by Director Jeannie Yee, on April 27, 2019 to the Washington Township Hospital Development Corporation Board of Directors given her appointment to the Washington Township Health Care District Board of Directors.

COMMUNICATIONS

With the recent resignation of Director Jeannie Yee, Chairman Sah announced the appointment of Steven Chan, DDS to the Washington Township Hospital Development Corporation Board of Directors for the remainder of the 2019 calendar year. This appointment was voted on and approved at the May 8, 2019 Washington Township Health Care District Board of Directors meeting.

Chairman Sah informed the Board of the need to fill the position of Secretary on the DEVCO Board of Directors. Director Fuerniss nominated Steven Chan, DDS, as Secretary.

*ELECTION OF
SECRETARY*

A motion was made by Director Fuerniss, seconded by Chairman Sah, to elect Steven Chan, DDS as Secretary.

The motion was carried by the following votes:

Ayes: Directors Chan, Fuerniss and Sah
Noes: None
Absent: Directors Blowers and Garcia
Abstain: None

*ELECTION OF
SECRETARY CONT'D*

Paul Kozachenko, Legal Counsel, informed the Board that Nancy Farber has retired and, as a consequence, the Board must appoint a new President and Chief Executive Officer of DEVCO. Historically, the District's Chief Executive Officer has served as the President and Chief Executive Officer of DEVCO. As of July 1, 2019, Kimberly Hartz has been appointed by the District Board to serve as Chief Executive Officer of Washington Hospital Health Care System. The Board then proceeded to appoint Kimberly Hartz as the new President and Chief Executive Officer as of July 1, 2019. On a motion duly made by Director Fuerniss and seconded by Chairman Sah, the Board voted unanimously to appoint Kimberly Hartz as President and Chief Executive Officer.

*ELECTION OF
PRESIDENT AND
CHIEF EXECUTIVE
OFFICER*

The motion was carried by the following votes:

Ayes: Directors Chan, Fuerniss and Sah
Noes: None
Absent: Directors Blowers and Garcia
Abstain: None

Ms. Hartz welcomed Dr. Steven Chan to the DEVCO Board of Directors.

*PRESIDENT & CHIEF
EXECUTIVE OFFICER
REPORT*

Ms. Hartz reminded the group about the retirement event being held on July 14, 2019 in honor of Nancy Farber and encouraged all to attend.

Ms. Hartz shared with the group that an open house was held on June 5, 2019 at our Radiation Oncology Center to introduce Dr. Emi J. Yoshida, radiation oncologist, to the community and medical staff members. Dr. Yoshida met community members, other physicians and discussed new services planned to be implemented in the center. Dr. Yoshida joined our team at our Radiation Oncology Center on April 1, 2019.

Ms. Hartz notified the group that our Radiation Oncology Center received a three year accreditation from the American College of Radiology. This was a successful initiative led by Walter Choto, Senior Director of Ambulatory Care.

Ms. Nunez presented the group with the advertising for our Washington Urgent Care marketing campaign that will be published in the Tri-City Voice newspaper. This marketing campaign is to help raise awareness in our District about our Urgent Care facility. The campaign consists of digital advertisements and newspaper publications. Also, direct mail postcards are scheduled to be mailed, during the month of July and August and advertisements will be located at the

Fremont Bay Area Rapid Transit station (B.A.R.T.) during the month of August.

*PRESIDENT & CHIEF
EXECUTIVE OFFICER
REPORT CONT'D*

Ms. Hartz informed the group about the recent shooting that took place on Civic Center Drive in front of the emergency department of Washington Hospital. The Hospital takes the safety of staff, patients and visitors very seriously. In response to this incident, numerous CEO Brown Bag sessions were held discussing measures that have been implemented enhancing security and safety. Also, Ms. Hartz reminded the board that all staff is required to complete an annual education in SABA on active shooter training/education. Ms. Hartz also provided an update on Senate Bill 329 that is currently going through the legislature. It states that a battery or assault committed on the grounds of a public or private hospital is punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding \$2,000 or by both that fine and imprisonment. This is being proposed to ensure that individuals are held accountable for their behavior and penalties are in place as a deterrent from future assaultive behavior. Ms. Hartz will provide updates on this at future meetings. Additionally, Ms. Hartz noted that select management staff will be sent to Emergency Management Training in Alabama during the month of August for extensive training and education on disaster preparedness.

Ms. Hartz noted that The Laboratory Joint Commission is expected at any time now to perform a 5 day survey.

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 2:51p.m.

*ADJOURN TO CLOSED
SESSION*

Chairman Sah adjourned the meeting to open session at 3:20p.m. He reported that no action was taken in closed session.

*ADJOURN TO OPEN
SESSION*

Washington Township Medical Foundation (WTMF) currently has ultrasound equipment that is ten to fifteen years old. Due to the age of the equipment, parts are harder to order and repairs are more expensive. The purchase of a Voluson S8 with touch panel ultrasound machine and a Voluson P8 ultrasound machine will provide an advantage to the department. The equipment will provide improved workflow reducing patient wait time, easier diagnosis with the improved quality of images and reduced turnaround time on image acquisition allowing more time spent with patients. Although the FY 2019/20 budget has not been approved yet by the DEVCO Board, this capital item is needed immediately due to patient care needs. This item is budgeted in the FY 2019/20 capital budget.

*ACTION ITEM –
Purchase of two
ultrasound machines for
WTMF Women's Health*

A motion was made by Director Fuerniss to authorize the Chief Executive Officer to enter into the necessary contracts to proceed with the purchase of two ultrasound machines for WTMF Women's Health for an amount not to exceed

Washington Township Hospital Development Corporation

July 8, 2019

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\$84,112.00. On a second from Chairman Sah, the motion was carried with the following vote:

Ayes: Directors Chan, Fuerniss and Sah

Noes: None

Absent: Directors Blowers and Garcia

Abstain: None

There being no further business, the meeting adjourned at 3:25p.m. The next meeting is scheduled for August 19, 2019 at 7:30a.m.

*ACTION ITEM –
Purchase of two
ultrasound machines for
WTMF Women's Health
CONT'D*

ADJOURNMENT

Benn Sah, M.D.
Chair

Steven Chan, D.D.S.
Secretary

Washington Township Hospital
Development Corporation
Summary Income Statement
June 2019

	Current Month			Year - To - Date			
	Actual	Budget	Variance	Actual	Budget	Variance	Favorable/(Unfavorable) %
(1) Visits	3,120	3,399	(279)	40,659	42,615	(1,956)	(4.6%)
(2) Treatments & Procedures	258	227	31	3,239	3,029	210	6.9%
(3) Total	3,378	3,626	(248)	43,898	45,644	(1,746)	(3.8%)
Gross Revenue							
(4) Patient Revenue	3,728,350	4,888,170	(1,159,820)	46,557,271	54,655,274	(8,098,003)	(14.8%)
(5) Other Revenue	861,975	821,806	40,169	10,068,381	10,144,043	(75,662)	(0.7%)
(6) Total Gross Revenue	4,590,325	5,709,976	(1,119,651)	56,625,652	64,799,317	(8,173,665)	(12.6%)
Deductions							
(7) Total Deductions	2,130,009	2,467,795	337,786	24,818,970	27,003,747	2,184,777	8.1%
Contractual Percentage	57.1%	50.5%	(6.6%)	53.3%	49.4%	(3.9%)	
(8) Net Revenue	2,460,316	3,242,181	(781,865)	31,806,682	37,795,570	(5,988,888)	(15.8%)
Expenses							
(9) Purchased Labor	817,263	846,250	28,987	10,242,771	10,279,251	36,480	0.4%
(10) Purchased Benefits	275,877	298,498	22,621	3,293,678	3,628,632	334,954	9.2%
(11) Supplies	256,029	380,382	124,353	3,712,654	4,426,528	713,874	16.1%
(12) Professional Fees	274,158	285,235	11,077	3,325,466	3,281,280	(44,186)	(1.3%)
(13) Purchased Services	195,743	210,906	15,163	2,458,360	2,608,166	149,805	5.7%
(14) Depreciation and Amort	92,691	125,761	33,070	1,097,443	1,262,365	164,922	13.1%
(15) Utilities	28,763	41,937	13,174	274,474	298,708	24,234	8.1%
(16) Building Lease	434,011	406,147	(27,864)	5,197,614	5,174,459	(23,155)	(0.4%)
(17) Other Expenses	158,019	123,870	(34,149)	1,539,366	1,544,528	5,162	0.3%
(18) Total Expenses	2,532,564	2,718,986	186,432	31,141,826	32,503,916	1,362,090	4.2%
(19) Net Operating Income/Loss	(72,238)	523,195	(595,433)	664,856	5,291,654	(4,626,798)	(87.4%)
(20) Minority Interest	10,212	313,752	303,540	636,002	3,039,276	2,403,274	79.1%
(21) Net Income/Loss	(82,450)	209,443	(291,893)	28,854	2,252,378	(2,223,524)	(98.7%)



Memorandum

DATE: August 15, 2019

TO: Board of Directors
Washington Township Hospital Development Corporation

FROM: Kimberly Hartz,
President and Chief Executive Officer

SUBJECT: Radiation Oncology Linear Accelerator, Planning System, and Vault Project

On February 12, 2018 the Washington Township Hospital Development Corporation Board of Directors approved a capital project for the replacement of the linear accelerator, planning system, and construction of a second vault at the Washington Radiation Oncology Center. The total approved budget for the capital project is \$4,888,892.

In addition, the Washington Radiation Oncology Center previously used the Philips Pinnacle treatment planning system, and the planning system was replaced as part of the approved capital project with an improved planning system called RayStation in early 2019.

The original project entailed the building of a second vault given the cost and impact to patient care by trying to use the current vault; however, during the design process for the second vault, it was determined the soil conditions in the potential location for the second vault required substantial changes to the foundation and structural design of the second vault due to the low soil psi, adding considerable cost to the project. In addition, during the zoning permitting process, the City of Fremont has asked for additional changes to landscaping, ADA design, and parking, also adding costs to the project. In total, over \$600,000 would be added to the project due to these circumstances.

Therefore, staff has recommended an alternate scope to the capital project and it is recommended that the new linear accelerator be installed in the existing vault. During the project, the operations at Washington Radiation Oncology Center will be relocated to a radiation oncology center in Hayward through an exclusive use lease and patients will be able to be treated at the alternate location, staffed by Washington Radiation Oncology staff and physicians, until the new linear accelerator is commissioned. This alternate location was not available for a full-time lease during the original planning process, and over the last several months it has come to our attention that the current practice is winding down over the coming weeks and the site is now available for lease.

It is recommended that the scope of the approved capital project as it relates to the vault be changed to allow for the necessary improvements to the existing vault so the new linear accelerator can be installed and operations temporarily relocated during this time period.



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

DATE: August 15, 2019
TO: Board of Directors
Washington Township Hospital Development Corporation
FROM: Kimberly Hartz
President and Chief Executive Officer
SUBJECT: **Washington Township Hospital Development Corporation
Budget Estimate FY 2019/20**

The Budget Estimate for FY 2019/20 for the Washington Township Hospital Development Corporation (DEVCO) is being presented to the Board of Directors of the Development Corporation for its adoption.

This budget takes into account inflation, contracted changes, staffing changes and other operating changes.

For the FY 2019/20, the Washington Township Hospital Development Corporation is budgeted as follows:

Visits are budgeted at 48,304
Total Operating Revenue is budgeted at \$34,340,429
Total Expenses are budgeted at \$32,316,575
Net Income is budgeted at \$283,769
Total Capital Budget of \$591,695

I am recommending that the Board of Directors of the Washington Township Hospital Development Corporation approve the FY 2019/20 Budget Estimate.

KIMBERLY HARTZ
President and Chief Executive Officer

Kimberly Hartz, President and Chief Executive Officer

Income Statement

Budget Estimate FY 2019/20

	Budget Estimate FY 2020	Projected FY 2019	Change	% Change
Visits	48,304	45,376	2,928	6.5%
Gross Patient Revenue	\$ 58,167,149	\$ 52,318,908	\$ 5,848,241	11.2%
Other Revenue	8,082,820	7,972,890	109,930	1.4%
Contractual Allowances	31,909,540	28,820,630	(3,088,910)	-10.7%
Total Operating Revenue	\$ 34,340,429	\$ 31,471,168	\$ 2,869,261	9.1%
Expense:				
Salaries	7,831,361	7,614,775	(216,586)	-2.8%
Benefits	2,716,122	2,564,968	(151,154)	-5.9%
Supplies	4,345,280	3,826,848	(518,432)	-13.5%
Contract Mgmt Services	686,460	654,225	(32,235)	-4.9%
Professional Fees	1,759,317	1,560,547	(198,770)	-12.7%
Purchased Services	3,014,866	2,814,558	(200,308)	-7.1%
Purchased Labor	2,958,939	2,535,668	(423,271)	-16.7%
Purchased Benefits	826,796	722,994	(103,802)	-14.4%
Legal and Audit	263,944	288,748	34,804	12.1%
Depreciation	1,108,219	1,084,335	(23,884)	-2.2%
Utilities	294,077	271,470	(22,607)	-8.3%
Building Lease	4,998,782	5,330,305	331,523	6.2%
Vehicle Lease	1	1	-	0.0%
Vehicle Expense	8,713	8,160	(553)	-6.8%
Interest Expense	32,867	52,643	19,776	37.6%
Professional Liab Ins	80,288	73,672	(6,616)	-9.0%
Taxes, Fees & Licenses	263,454	286,825	23,371	8.1%
Other Expense	1,137,089	1,182,474	45,385	3.8%
Total Expense	\$ 32,316,575	\$ 30,873,216	\$ (1,443,359)	-4.7%
Income from Operations	\$ 2,023,854	\$ 597,952	\$ 1,425,902	238.5%
Minority Interest in WOSC	1,740,085	794,228	(945,857)	-119.1%
Net Income	\$ 283,769	\$ (196,276)	\$ 480,045	-244.6%

Capital Requests

Budget Estimate FY 2019/20

Medical Property Management	\$	70,692
Endoscopy Air Handler Evaporator Replacement		23,646
Repairs to air handling system at WOSC		47,046
WROC	\$	521,003
Projected Increase in Project Budget		500,000
Rapid Heat Oven for Masks		4,643
Flexible Fiberoptic Laryngoscope		5,860
Varian Medical Software Upgrade		10,500
Total Capital Requests	\$	<u>591,695</u>



Memorandum

DATE: August 15, 2019

TO: Board of Directors
Washington Township Hospital Development Corporation

FROM: Kimberly Hartz
President and Chief Executive Officer

SUBJECT: **WTMF Budget Estimate FY 2019/20**

The Budget Estimate for FY 2019/20 for the Washington Township Medical Foundation (WTMF) is being presented for recommendation of adoption to the Board of Directors of the Development Corporation.

This budget takes into account inflation, contracted changes, staffing changes, budgetary changes and market growth.


For the FY 2019/20, Washington Township Medical Foundation is budgeted as follows:

Visits are budgeted at 195,604
Total Operating Revenue is budgeted at \$44,198,653
Total Expenses are budgeted at \$66,937,707
Net Loss is budgeted at (\$22,739,054)
Total Capital Budget of \$310,569

This budget reflects a medical foundation that continues to grow and is committed to meeting the health care needs of the community through the provision of high quality, cost effective care locally. Washington Township Medical Foundation contracts with third-party payers for the delivery of health care services and focuses on research and educational activities.

Washington Township Medical Foundation is helping to better position Washington Hospital Healthcare System and physicians for the rapidly changing health care landscape at both the state and federal levels along with an environment driven by great uncertainty. Washington Township Medical Foundation provides opportunities for care coordination and collaboration that is important to the current and future success of Washington Hospital Healthcare System. WTMF also creates a vehicle that allows us to continue to successfully recruit primary care and specialist physicians to our community and offers community physicians another option for practicing medicine so that the health care needs of the community can be met now and into the future.

Our continued commitment to Washington Township Medical Foundation provides an important strategic initiative in helping us meet our goal of providing local access to quality care along with improving and maintaining the health status of the residents of our District. I am recommending that the Board of Directors of the Washington Township Hospital Development Corporation approve the FY 2019/20 Budget Estimate.

A handwritten signature in black ink, appearing to read "Kim Hartz", written in a cursive style.

KIMBERLY HARTZ
President and Chief Executive Officer

WTMF FY 2020

Consolidated Income Statement

	FY 2020	FY 2019		
	Budget	Projected	Change	% Change
Visits	195,604	187,094	8,510	4.5%
<u>OPERATING REVENUE</u>				
Gross Patient Revenue	\$ 64,817,959	\$ 61,964,388	\$ 2,853,571	4.6%
Contractual Adjustments	(32,021,578)	(30,673,140)	(1,348,438)	-4.4%
Net Patient Revenue	\$ 32,796,381	\$ 31,291,248	\$ 1,505,133	4.8%
Contractual Adjustments %	49.4%	49.5%	0.1%	
Other Non-Patient Revenue**	11,402,272	11,271,244	131,028	1.2%
Total Operating Revenue	\$ 44,198,653	\$ 42,562,492	\$ 1,636,161	3.8%
<u>OPERATING EXPENSES</u>				
PSA Costs	\$ 42,455,830	\$ 41,400,359	\$ (1,055,471)	-2.5%
Salaries & Wages	10,324,294	9,486,035	(838,259)	-8.8%
Benefits	3,387,154	3,230,821	(156,333)	-4.8%
Professional & Purchased Services	2,562,508	2,527,406	(35,102)	-1.4%
Supplies	2,600,115	2,287,208	(312,907)	-13.7%
Occupancy Costs	3,326,091	3,279,810	(46,281)	-1.4%
Depreciation	237,380	204,473	(32,907)	-16.1%
Other Expense*	2,044,335	1,766,928	(277,407)	-15.7%
Total Operating Expense	\$ 66,937,707	\$ 64,183,040	\$ (2,754,667)	-4.3%
NET PROFIT / (LOSS)	\$ (22,739,054)	\$ (21,620,548)	\$ (1,118,506)	-5.2%

* Other Expense includes: Insurance, Marketing, Bank Charges, Interpreting, Record Storage, Equip Rent, Taxes & Licenses

** Other Non Patient Revenue includes: Incentive Rev, Hospitalist Rev, Meaningful Use Rev, WTMG Management Fees, Lean Phys Champion, and PAMF Revenue

WTMF FY 2020

Capital Budget

Site	Item Description	Cost
Administration	Chairs for all clinics	\$ 19,167
Center Medical Group	MAC 2000 EKG Machine	4,356
Civic Center	MAC 2000 EKG Machine	4,356
ENT	Sterilizer M11 Ultraclave Automatic	4,353
Orthopedics	Tenant Improvements	15,950
Orthopedics	M11 Autoclave	4,353
Psychiatry	Tenant Improvements	10,450
Urology	Cysto Nephro Video Scope & Assoc components	95,128
Urology	Versana Ultrasound	38,837
Warm Springs	Tenant Improvements	18,150
WIMG	Retinal Eye Camera	7,000
WIMG	Phillips Page Writer TC30 Electrocardiograph	4,356
Women's Health	2 Mobile Ultrasounds	84,112
Total		\$ 310,569