



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

September 12, 2017

MEETING NOTICE

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation will be held on Monday, September 18, 2017. The meeting will be held in the Cardiovascular Conference Room of Washington Hospital, located at 2000 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

VANESSA TERRASAS
Recording Secretary



Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

AGENDA

BOARD OF DIRECTORS' MEETING WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

September 18, 2017 – 7:30 A.M.
2000 Mowry Avenue, Fremont, CA 94538
Cardiovascular Conference 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,
Executive Assistant |
| III. CONSIDERATION OF MINUTES OF
July 25, 2017 | <i>Motion Required</i> |
| IV. COMMUNICATIONS
A. Oral
B. Written | |
| V. PRESIDENT AND CHIEF EXECUTIVE
OFFICER REPORT | Nancy Farber,
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.

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|--------------|--|-------|
| 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
Medical Foundation Budget Estimate for
Fiscal Year 2017/18. | Chair |
| IX. | ADJOURNMENT | Chair |

NEXT MEETING: November 13, 2017

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on July 25, 2017 in the Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 1:02 p.m.

CALL TO ORDER

Present: Russ Blowers, Shirley Buschke, Miro Garcia, Benn Sah, M.D., Nancy Farber, Chief Executive Officer

ROLL CALL

Absent: Gloria Villasana Fuerniss

Also present: Kimberly Hartz, Sr. Associate Administrator, Ambulatory Care Services; Tina Nunez, Associate Administrator, Ambulatory Care Services; Chris Henry, Sr. Associate Administrator/CFO; Michael Engle, Sr. Director Ambulatory Care Services; Vanessa Terrasas, Executive Assistant; Robert Alfieri, Chief, Facilities Services

Guest: None

A motion was made by Director Blowers, seconded by Director Garcia to approve the minutes of the meeting of May 8, 2017. The motion was carried by the following vote:

*APPROVAL OF
MINUTES OF
May 8, 2017*

Ayes: Directors Blowers, Buschke, Garcia and Sah

Noes: None

Abstain: None

Absent: Fuerniss

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

COMMUNICATIONS

Robert Alfieri, Chief of Facilities Services at Washington Hospital, presented an update on the Morris Hyman Critical Care Pavilion. Mr. Alfieri noted construction is on schedule to be completed in 2018.

*PRESIDENT & CHIEF
EXECUTIVE OFFICER
REPORT*

Mr. Alfieri also provided an update on the hospital cafeteria project. He noted the project is on schedule to be completed by November 2017 but prior to reopening OSHPD approval is required.

Ms. Farber announced that Washington Hospital will receive accreditation by The Joint Commission for 3 years. She noted the survey included the Hospital and Lab. Ms. Farber said it was a very positive and successful survey and expressed her appreciation of the staff response and physicians availability.

Ms. Farber noted the Prenatal Diagnostic Clinic will be opening at the 1900 building. Patients are currently being seen at the Gamma Knife Center.

Ms. Farber stated that physical violence in hospitals is on the rise. She noted that our Emergency Department staff is seeing this more frequently. For this reason, the Hospital will be taking the necessary precautions to protect staff, physicians and visitors. Security will receive additional training in this area and signs will be posted in the Emergency Department stating physical assault is a crime.

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 a closed session at 1:38 p.m.

*ADJOURN TO
CLOSED SESSION*

Chairman Sah adjourned the meeting to open session at 2:30 a.m. He reported that no action was taken in closed session.

*ADJOURN TO OPEN
SESSION*

The Washington Township Hospital Development Corporation Budget Estimate for fiscal year 2017/18 was presented for approval. The budget included total operating revenue of \$31,413,695 and total expenses of \$29,459,454 for a budgeted net income of \$507,852. The Capital Budget is estimated at \$4,419,030.

*ACTION ITEMS –
DEVCO Budget
Estimate FY 2017/18*

Director Blowers moved to accept the Washington Township Hospital Development Corporation Budget Estimate for fiscal year 2017/18. On a second from Director Buschke, the motion was carried with the following vote:

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

The purchase of the Washington Township Medical Foundation Gadox DR Upgrade Radiographic System was presented for approval as an emergency item. The equipment has already been purchased due to the need to replace it immediately in order to meet the needs of the patients at the Orthopedic Clinic. The previous x-ray processor was 12 years old and required a significant number of repairs. In addition, the previous processor utilized computed radiography, which took several minutes to capture an image, while digital radiography captures an image in seconds. This item was not part of the approved FY 2016/17 Fixed Assets budget. The purchase of this equipment did not to exceed \$44,835.

*WTMF Purchase of
Gadox DR Upgrade
Radiographic System*

Director Buschke moved to accept the purchase of the Washington Township Medical Foundation Gadox DR Upgrade Radiographic System. On a second from Director Blowers, the motion was carried with the following vote:

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

There being no further business, the meeting adjourned at 2:30 p.m. The next meeting is currently scheduled for November 13, 2017 at 7:30 a.m.

ADJOURNMENT

Benn Sah, M.D.
Chair

Russ Blowers
Secretary



Memorandum

DATE: September 15, 2017

TO: Board of Directors
Washington Township Hospital Development Corporation

FROM: Nancy Farber
President and Chief Executive Officer

SUBJECT: WTMF Budget Estimate FY 2017/18

The Budget Estimate for FY 2017/18 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 2017/18, the Washington Township Medical Foundation is budgeted as follows:

Visits are budgeted at 171,466
Total Operating Revenue is budgeted at \$37,261,241
Total Expenses are budgeted at \$60,564,302
Net Loss is budgeted at (\$23,303,061)
Total Capital Budget of \$85,239

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. The Washington Township Medical Foundation contracts with third-party payers for the delivery of health care services and focuses on research and educational activities.

The 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 the Washington Township Medical Foundation provides an important strategic initiative in helping us meet our goal of providing access to 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 2017/18 Budget Estimate.

A handwritten signature in black ink, appearing to read "Nancy Farber". The signature is fluid and cursive, with a large initial "N" and "F".

NANCY FARBER
President and Chief Executive Officer

Washington Township Medical Foundation

FY2017/18 Budget Estimate

	FY 2018 Budget	FY 2017 Unaudited	Change	% Change
Visits	171,466	165,955	5,511	3.3%
OPERATING REVENUE				
Gross Patient Revenue	\$61,822,167	\$56,932,199	\$4,889,968	8.6%
Contractual Adjustments	(34,828,258)	(30,300,774)	(4,527,484)	-14.9%
Net Patient Revenue	26,993,909	26,631,425	362,484	1.4%
Contractual Adjustments %	56.3%	53.2%	-3.1%	
Other Non-Patient Revenue**	10,267,332	9,126,539	1,140,793	12.5%
Total Operating Revenue	37,261,241	35,757,964	1,503,277	4.2%
OPERATING EXPENSES				
PSA Costs	38,974,340	39,107,531	133,191	0.3%
Salaries & Wages	9,548,148	7,920,205	(1,627,943)	-20.6%
Benefits	2,763,830	2,347,513	(416,317)	-17.7%
Professional & Purchased Services	3,095,373	3,039,952	(55,421)	-1.8%
Supplies	1,942,673	1,840,720	(101,953)	-5.5%
Occupancy Costs	2,948,283	2,866,924	(81,359)	-2.8%
Depreciation	198,692	217,564	18,872	8.7%
Other Expense*	1,092,963	1,049,553	(43,410)	-4.1%
Total Operating Expense	60,564,302	58,389,962	(2,174,340)	-3.7%
NET PROFIT / (LOSS)	(\$23,303,061)	(\$22,631,998)	(\$671,063)	-3.0%

* 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, & PAMF Rev

Washington Township Hospital
Development Corporation
Summary Income Statement
June 2017

	Current Month			Year - To - Date		
	Actual	Budget	Favorable/(Unfavorable) Variance %	Actual	Budget	Favorable/(Unfavorable) Variance %
(1) Visits	3,062	3,467	(405) (11.7%)	39,267	39,267	253 0.6%
(2) Treatments & Procedures	199	309	(110) (35.6%)	3,510	4,478	(968) (21.6%)
(3) Total	3,261	3,776	(515) (13.6%)	43,030	43,745	(715) (1.6%)
Gross Revenue	3,459,603	3,595,446	(135,843) (3.8%)	41,164,362	42,619,914	(1,455,552) (3.4%)
(4) Patient Revenue	771,907	797,319	(25,412) (3.2%)	10,933,809	9,474,739	1,459,070 15.4%
(5) Other Revenue	4,231,510	4,392,765	(161,255) (3.7%)	52,098,171	52,094,653	3,518 0.0%
Deductions	1,760,935	1,808,095	47,160 (2.6%)	21,389,201	21,440,535	51,335 0.2%
(7) Total Deductions	50.9%	50.3%	(0.6%)	52.0%	50.3%	(1.7%)
Contractual Percentage	2,470,675	2,584,670	(114,095) (4.4%)	30,708,970	30,654,117	54,853 0.2%
(8) Net Revenue	773,737	758,579	15,158 (2.0%)	9,073,750	9,054,390	19,360 (0.2%)
Expenses	246,064	278,746	32,682 11.7%	2,999,738	3,409,921	410,183 12.0%
(9) Purchased Labor	275,485	265,264	10,221 (3.9%)	3,332,660	3,191,281	(141,379) (4.4%)
(10) Purchased Benefits	248,070	296,067	47,997 16.2%	3,146,702	3,432,393	285,691 8.3%
(11) Supplies	192,420	213,966	21,546 10.1%	2,529,910	2,554,750	24,840 1.0%
(12) Professional Fees	81,652	61,598	20,054 (24.6%)	949,675	964,715	15,040 1.6%
(13) Purchased Services	39,540	23,671	15,869 (40.0%)	269,702	240,871	(28,831) (12.0%)
(14) Depreciation and Amort	463,623	434,794	28,829 (6.6%)	5,500,241	5,305,713	(194,528) (3.7%)
(15) Building Lease	124,515	131,055	6,540 5.0%	1,515,844	1,604,439	88,595 5.5%
(16) Other Expenses	2,445,106	2,483,740	38,634 1.6%	29,318,222	29,758,473	440,251 1.5%
(20) Total Expenses	25,469	100,930	(75,461) (74.8%)	1,390,748	895,644	495,104 55.3%
(21) Net Operating Income/Loss	105,458	95,350	10,108 (10.6%)	1,352,490	1,077,372	(275,118) (25.5%)
(22) Minority Interest	(79,989)	5,580	(85,569) (1,533.5%)	38,258	(181,728)	219,986 121.1%
(23) Net Income/Loss						