



# Washington Township Hospital Development Corporation

2000 Mowry Avenue, Fremont, CA 94538-1716

November 23, 2015

## MEETING NOTICE

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation will be held on Monday, November 30, 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' MEETING WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION

**Monday, November 30, 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,<br>Clerk                               |
| <b>III. CONSIDERATION OF MINUTES OF<br/>August 10, 2015</b> | <i>Motion Required</i>                                   |
| <b>IV. COMMUNICATIONS</b><br>A. Oral<br>B. Written          |  |
| <b>V. PRESIDENT AND CHIEF EXECUTIVE<br/>OFFICER REPORT</b>  | Nancy Farber,<br>President and Chief<br>Executive Office |

*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.*

- |              |   |       |
|--------------|---|-------|
| <b>VI.</b>   | <b>CLOSED SESSION</b>   | Chair |
| <b>VII.</b>  | <b>ADJOURN TO OPEN SESSION &amp; REPORT ON<br/>CLOSED SESSION</b>   | Chair |
| <b>VIII.</b> | <b>OPEN SESSION</b><br>A. Report to Open Session<br><br>B. Action Item<br><br>1. Acceptance of the Washington Township Medical<br>Foundation Budget Estimate of FY 2015-16. | Chair |
| <b>IX.</b>   | <b>ADJOURNMENT</b>  | Chair |

**NEXT MEETING: TBD**



---

# Memorandum

**DATE:** November 24, 2015

**TO:** Board of Directors  
Washington Township Hospital Development Corporation

**FROM:** Nancy Farber  
President and Chief Executive Officer

**SUBJECT:** WTMF Budget Estimate FY 2015/16

The Budget Estimate for FY 2015/16 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 2015/16, the Washington Township Medical Foundation is budgeted as follows:

Visits are budgeted at 168,652  
Total Operating Revenue is budgeted at \$33,718,840  
Total Expenses are budgeted at \$50,670,917  
Net Loss is budgeted at (\$16,952,077)  
Total Capital Budget of \$224,349

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 through opportunities for care coordination and collaboration. 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 FY2015-16 Budget Estimate.

A handwritten signature in black ink that reads "Nancy Farber". The signature is written in a cursive style with a large, looped initial "N".

NANCY FARBER  
President and Chief Executive Officer  
NF/vt

# WTMF Budget Estimate FY2015/16

## Consolidated Income Statement

	FY 2016 Budget	FY 2015 Actual	Change	% Change
<b>Visits</b>	<b>168,652</b>	<b>154,824</b>	<b>13,828</b>	<b>8.9%</b>
Gross Patient Revenue	\$52,446,614	\$48,447,930	\$3,998,684	8.3%
Contractual Adjustments	(27,457,316)	(25,600,423)	(1,856,893)	-7.3%
<b>Net Patient Revenue</b>	<b>24,989,298</b>	<b>22,847,507</b>	<b>2,141,791</b>	<b>9.4%</b>
Contractual Allowance %	-52.35%	-52.84%	0.49%	
Other Non-Patient Revenue	8,729,542	9,121,370	(391,828)	-4.3%
<b>Total Operating Revenue</b>	<b>33,718,840</b>	<b>31,968,877</b>	<b>1,749,963</b>	<b>5.5%</b>
<b>Operating Expenses</b>				
Physician Fees/PSA	33,005,374	30,968,417	(2,036,957)	-6.6%
Salaries & Wages	7,464,366	6,942,584	(521,782)	-7.5%
Benefits	2,074,961	1,816,897	(258,064)	-14.2%
Professional & Purchased Services	2,607,752	2,544,332	(63,420)	-2.5%
ICD 10 Implementation	111,259	0	(111,259)	-100.0%
Supplies	1,610,527	1,498,527	(112,000)	-7.5%
Occupancy Costs	2,646,054	2,517,001	(129,053)	-5.1%
Depreciation	282,940	265,837	(17,103)	-6.4%
Other Expense*	867,684	800,099	(67,585)	-8.4%
<b>Total Operating Expenses</b>	<b>50,670,917</b>	<b>47,353,694</b>	<b>(3,317,223)</b>	<b>-7.0%</b>
<b>Net Income (Loss)</b>	<b>(\$16,952,077)</b>	<b>(\$15,384,817)</b>	<b>(\$1,567,260)</b>	<b>10.2%</b>

\* Other Expense includes Insurance, Marketing, Bank Charges, Interpreting, Record Storage, Equip Rent, R&M, Scribes, Taxes & Licenses

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on August 10, 2015 in the Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont, California. Chairman Sah called the meeting to order at 7:43 am.

*CALL  
TO  
ORDER*

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

*ROLL  
CALL*

Absent: James Stone

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 that Director Garcia was not noted as absent in the minutes. A motion was made by Director Buschke, seconded by Director Garcia, to approve the minutes of the meeting of May 11, 2015 with the correction. The motion was carried by the following vote:

*APPROVAL OF  
MINUTES OF  
May 11, 2015*

Ayes: Directors Blowers, Buschke, Garcia and Sah

Noes: None

Absent: Director Stone

Abstain: None

No oral or written communications were received.

*COMMUNICATIONS*

Ms. Farber provided an update on the Lean/Kaizen workshops that have been taking place. These are week long workshops that staff and physicians attend and are aimed at eliminating non-value added activities through standardization in order to improve Washington Hospital processes. At the end of every workshop, the teams provide a brief 30 minute report out to discuss their activities during the week. Each workshop report out is recorded and DVD's are made available for staff and physicians. Ms. Farber explained the Emergency Department and Operating Room recently implemented the workplace organization process called 5S and provided a report of their activities. A DVD of the Emergency Department Lean report out was handed out to the DEVCO Board members.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT*

Ms. Farber explained Washington Hospital has seen a decrease in supply expenses due to the VHA program that the Hospital has initiated. Where appropriate, Ms. Farber plans to try to make hospital supplies uniform to reduce escalating costs.

Ms. Nunez provided an update on construction of the parking structure and the Morris Hyman Critical Care Pavilion. Utilities are currently being worked on for the parking structure and the third of seven levels has been completed. The parking structure will provide 648 spaces for staff, volunteers and physician parking. The shoring and mass excavation is complete for the Morris Hyman Critical Care Pavilion. Currently being worked on are the footings that will

house the base isolators. The 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 estimated completion date of the parking structure is March 2016 and June 2018 for the Morris Hyman Critical Care Pavilion.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT CONT'D*

Ms. Farber stated Washington Hospital will be moving from the current coding system, ICD 9, to the ICD 10 system. This is a federally mandated requirement. Washington Hospital will maintain both ICD 9 and ICD 10 systems for a period of time to accommodate payers who will not be able to accept the new ICD 10 codes.

Ms. Farber stated the Epic upgrade that took place at the end of May, was a success. The hospital will be implementing a new Clinical Lab System (Beaker) which is scheduled for this November. Beaker is an Epic product.

Ms. Hartz noted the Washington Township Medical Foundation budget would be presented at a future DEVCO Board meeting. She also noted newly recruited physicians to the Foundation included Dr. Steven Zonner, Family Practice Primary Care Sports Medicine, Dr. Rohit Sehgal, Cardiology and Dr. Harman Chawla, Internal Medicine/Infectious Disease. Ms. Hartz noted Dr. Dianne Martin will join the Foundation this November.

Ms. Farber mentioned Washington Hospital implemented a new patient program geared toward the patient experience. Alice Santos, previously the Washington Hospital Assistant Chief Nursing Officer, is now the Patient Experience Officer and oversees the program. Working with the hospital concierge, Ms. Santos aims at making the patient visit a more pleasant one.

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 8:24 a.m.

*ADJOURN TO CLOSED  
SESSION*

Chairman Sah adjourned the meeting to open session at 9:12 a.m.

*ADJOURN TO OPEN  
SESSION*

The Washington Township Hospital Development Corporation fiscal 2015/2016 budget was presented for approval. The budget included total operating revenue of \$27,678,957 and total expenses of \$27,184,700 for a budgeted net loss of \$567,689.

*WASHINGTON  
TOWNSHIP HOSPITAL  
DEVELOPMENT  
CORPORATION  
BUDGET ESTIMATE  
FY 2015-2016*

Director Blowers moved to accept the Washington Township Hospital Development Corporation Budget Estimate Fiscal Year 2015-2016. On a second from Director Buschke, the motion was carried with the following vote:



*Washington Township Hospital Development Corporation*  
*August 10, 2015*  
*Page 3*

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

*WASHINGTON  
TOWNSHIP HOSPITAL  
DEVELOPMENT  
CORPORATION  
BUDGET ESTIMATE  
FY 2015-2016 CONT'D*

There being no further business, the meeting adjourned at 9:15 a.m. The next meeting is currently scheduled for Monday, November 9, 2015 at 7:30 am. *ADJOURNMENT*

---

Benn Sah, M.D.  
Chairman

---

Shirley Buschke  
Secretary

Washington Township Hospital  
Development Corporation  
Summary Income Statement  
September 2015

	Current Month			Year-To-Date			
	Actual	Budget	Favorable/(Unfavorable) %	Actual	Budget	Variance	Favorable/(Unfavorable) %
3,019	3,584	(565)	(15.8%)	9,707	10,544	(837)	(7.9%)
502	318	184	57.9%	1,152	949	203	21.4%
3,521	3,902	(381)	(9.8%)	10,859	11,493	(634)	(5.5%)
			(1) Visits				
			(2) Treatments & Procedures				
			(3) Total				
			Gross Revenue				
2,124,702	3,658,500	(1,533,798)	(41.9%)	8,815,203	10,912,473	(2,097,270)	(19.2%)
760,171	771,075	(10,904)	(1.4%)	2,223,376	2,216,714	6,662	0.3%
2,884,873	4,429,575	(1,544,702)	(34.9%)	11,038,579	\$13,129,187	(2,090,608)	(15.9%)
			(4) Patient Revenue				
			(5) Other Revenue				
			(6) Total Gross Revenue				
			Deductions				
1,038,843	2,009,061	970,218	48.3%	4,608,719	6,003,915	1,395,196	23.2%
48.9%	54.9%	6.0%	(7) Total Deductions	52.3%	55.0%	2.7%	
1,846,030	2,420,514	(574,484)	(23.7%)	6,429,860	7,125,272	(695,412)	(9.8%)
			Contractual Percentage				
			(8) Net Revenue				
			Expenses				
755,715	753,688	(2,027)	(0.3%)	2,234,078	2,115,852	(118,226)	(5.6%)
239,904	251,413	11,509	4.6%	689,132	703,271	14,139	2.0%
229,993	267,576	37,583	14.0%	706,277	784,512	78,235	10.0%
43,901	44,629	728	1.6%	132,423	133,889	1,466	1.1%
227,446	233,325	5,879	2.5%	731,151	681,111	(50,040)	(7.3%)
215,864	190,153	(25,711)	(13.5%)	567,818	538,081	(29,737)	(5.5%)
15,720	14,634	(1,086)	(7.4%)	29,590	25,003	(4,587)	(18.3%)
79,893	79,648	(245)	(0.3%)	234,332	234,332	(0)	(0.3%)
20,731	22,224	1,493	6.7%	63,723	65,499	1,776	2.7%
431,723	439,512	7,789	1.8%	1,279,663	1,319,232	39,569	3.0%
122,314	66,744	(55,570)	(83.3%)	376,532	198,720	(177,812)	(89.5%)
2,383,204	2,363,546	(19,658)	(0.8%)	7,045,360	6,799,502	(245,858)	(3.6%)
(537,174)	56,968	(594,142)	(1,042.9%)	(615,500)	325,770	(941,270)	(288.9%)
(203,411)	94,977	298,388	314.2%	(205,389)	285,199	490,588	172.0%
(333,763)	(38,009)	(295,754)	(778.1%)	(410,111)	40,571	(450,682)	(1,110.8%)
			(21) Net Operating Income/Loss				
			(22) Minority Interest				
			(23) Net Income/Loss				