

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, June 25, 2014 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 6:04 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: William Nicholson, MD, Bernard Stewart, DDS, Patricia Danielson, RHIT, Jacob Eapen, MD
Excused: Michael Wallace

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer, Catherine Bartling, District Clerk

Guests: Ed Fayen, Kimberly Hartz, Chris Henry, Stephanie Williams, Kent Joraanstad, Dan Nardoni, Kristin Ferguson, Angus Cochran, Janice Stewart, Bryant Welch, Mary Bowron, Gus Arroyo, Chris Brown, Paul Kozachenko, Albert Brooks, MD, Gisela Hernandez, Mike Engle, Alice Santos, Vera Teyrovsky, Colleen Doerr, Matt Stewart, Christine Nguyen-Flores

Director Stewart moved the oral communications out of agenda order and read a statement regarding the Alameda County Grand Jury report. A copy of Director Stewart's statement is attached to these minutes. Following Director Stewart's statement, Ms. Farber responded noting the Grand Jury report will be discussed at a future Board meeting and a formal response to the report will be submitted within 90 days.

*COMMUNICATIONS
ORAL*

Nancy Farber Introduced Chris Henry, Chief Financial Officer and Dan Nardoni, Senior Director, Budgeting and Ancillary Financial Services who presented the Budget Estimate for Fiscal Year 2014-2015.

*EDUCATION SESSION:
Budget Estimate for
Fiscal Year 2014-2015*

Mr. Henry reviewed how the Affordable Care Act played a significant factor in the 2013-2014 fiscal year noting it delayed private insurance plan compliance from 2014 to 2016; large employer penalty from 2014 to 2015; small business health options delayed from 2014 to 2015; employer mandate for employers with 50-99 employees delayed from 2014 to 2016; sustainable growth rate adjustment delayed one year and the ICD-10 and two-midnight rule delayed to October 2015.

Mr. Henry discussed government payor reimbursement plans and their estimated cumulative 5-year impacts for Washington Hospital. He reviewed the cost of California hospital seismic standards, and the estimated financial impact of unfunded mandates on construction, the Epic electronic health record and ICD-10. Meaningful Use compliance standards and potential costs were presented.

Mr. Henry noted Washington Hospital's accomplishments, some of which included Baby-Friendly Hospital by the World Health Organization and the United Nations Children's Fund, The Joint Commission Advanced Primary Stroke Program Recertification, American Heart Association/American Stroke Association's Get with the Guidelines Gold Plus Quality and Target Stroke Honor Roll, Quest for Zero Award in OB and OR.

Mr. Henry presented the budget estimate for the district. The Fiscal Year 2014-2015

provides for:

- Funding of depreciation expense,
- Funding of contributions to the retirement plan,
- Debt service on revenue bonds and general obligation bonds,
- Net income targets on operating income,
- Compliance with all bond requirements,
- New limited capital spending requests.

Mr. Nardoni presented the Fiscal Year 2014-2015 Volume Budget discussing admissions, surgical cases, deliveries, cardiac surgical cases, neuro surgical cases and emergency room visits.

In accordance with District Law, Policies and Procedures, Director Eapen moved for approval of Resolution No. 1146, Budget Estimate Fiscal Year 2014-2015. Director Danielson seconded the motion.

*APPROVAL OF
RESOLUTION NO. 1146,
BUDGET ESTIMATE
FISCAL YEAR 2014-
2015.*

Roll call was taken:

Bernard Stewart, DDS - aye
William Nicholson, MD - aye
Patricia Danielson, RHIT - aye
Jacob Eapen, MD - aye

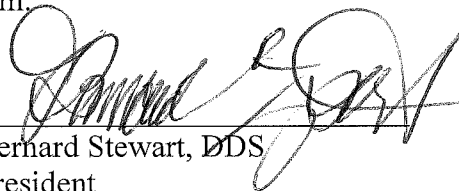
The motion carried.

There was no closed session.

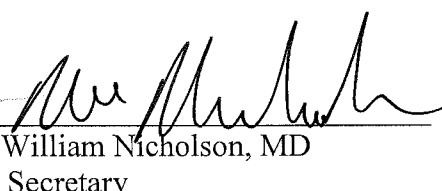
*ADJOURN TO CLOSED
SESSION*

There being no further business, Director Stewart adjourned the meeting at 7:20 p.m.

ADJOURNMENT



Bernard Stewart, DDS
President



William Nicholson, MD
Secretary