



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 F. Nicholson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

Wednesday, January 14, 2015 – 6:00 P.M.
Conrad E. Anderson, MD Auditorium

AGENDA

- | | PRESENTED BY: |
|--|--|
| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | Patricia Danielson, RHIT
Board Member |
| II. ROLL CALL | Christine Flores
Senior Executive Assistant |
| III. EDUCATION SESSION: | |
| Sexual Assault Response Team (SART)
Program | Michael Platzbecker
Emergency Room Manager |
| IV. CONSIDERATION OF MINUTES | |
| December 10, 15, and 22, 2014 | <i>Motion Required</i> |
| V. COMMUNICATIONS | |
| A. Oral | |
| B. Written | |
| From Peter Lunny, MD, Chief of Staff,
dated December 22, 2014 requesting approval
of Medical Staff Credentialing Action Items. | <i>Motion Required</i> |
| VI. INFORMATION | PRESENTED BY: |
| A. Service League Report | Gail Tomita
Service League President |

- | | | |
|----|--|--|
| B. | Medical Staff Report | Peter Lunny, MD
Chief of Staff |
| C. | Hospital Calendar | Nancy Farber
Chief Executive Officer |
| D. | Construction Report | Ed Fayen, Senior Associate
Administrator |
| E. | Quality Report
Centers for Medicare and Medicaid Services:
Inpatient Quality Reporting Program
Updates for Calendar Year 2015 | Mary Bowron, DNP, RN, CIC
Senior Director of Quality &
Resource Management |
| F. | Finance Report | Chris Henry
Chief Financial Officer |
| G. | Hospital Operations Report | Nancy Farber
Chief Executive Officer |

VII. ACTION

- | | | |
|----|---|------------------------|
| A. | Consideration of Reappointment of
Development Corporation Board Members | <i>Motion Required</i> |
| B. | Consideration of Reappointment of Citizens
Bond Oversight Committee Members | <i>Motion Required</i> |
| C. | Consideration of the Chief Executive Officer's
Employment Agreement and Compensation | <i>Motion Required</i> |

VIII. ADJOURN TO CLOSED SESSION

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.

- | | |
|----|---|
| A. | Report involving a trade secret pursuant to
Health & Safety Code section 32106

New Program

Estimated date of public disclosure: December
2015 |
| B. | Report and discussion regarding California
Government Code section 54957: Personnel
matters |

**IX. RECONVENE TO OPEN SESSION &
REPORT ON CLOSED SESSION**

Patricia Danielson, RHIT
Board Member

X. ADJOURNMENT

Patricia Danielson, RHIT
Board Member

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, December 10, 2014 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Director Stewart called the meeting to order at 6:01 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

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

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer, Peter Lunny, Chief of Medical Staff, Gail Tomita, Service League President, Christine Nguyen-Flores, Senior Executive Assistant

Guests: Kimberly Hartz, Ed Fayen, Chris Henry, Bryant Welch, Stephanie Williams, Tina Nunez, Kristin Ferguson, Larry Bowen, Cindy Noonan, Angus Cochran, Bryant Welch, Mary Bowron, Albert Brooks, MD, Bill Emberley

Director Nicholson read Resolution No. 1150, Resolution and Order of the Board of Directors of Washington Township Health Care District acknowledging the appointment of Bernard L. Stewart, Jacob Eapen, and Michael J. Wallace as Directors of the Board of Directors of Washington Township Health Care District.

*APPROVAL OF
RESOLUTION NO. 1150,
CERTIFICATE OF
NOVEMBER 4, 2014
GENERAL ELECTION,
BOARD OF DIRECTORS*

Director Wallace seconded the motion.

Roll call was taken:

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

The Oath of Office was administered to Directors Bernard L. Stewart, Michael J. Wallace, and Jacob Eapen by the Honorable Ron Sabraw.

*OATH OF OFFICE:
DIRECTORS STEWART,
WALLACE, AND EAPEN*

Director Stewart stated each December Board officers were elected. Director Wallace moved for the following slate of Board officers for the calendar year 2015:

ELECTION OF OFFICERS

President: Patricia Danielson
First Vice President: Michael Wallace
Second Vice President: William Nicholson
Treasurer: Jacob Eapen
Secretary: Bernard Stewart

Director Nicholson seconded the motion.

Roll call was taken:

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

The motion unanimously carried. Director Danielson assumed the Chair as President of the Board for 2015.

Ms. Farber introduced Kristin Ferguson, Chief of Compliance. Ms. Ferguson presented the AB 1234 Ethics Training and spoke about the Code of Professional Conduct, Web-based training, and on-going discussion. Ms. Ferguson went on to discuss the Basic Ethical Principles for Public Service Officials and Public Service Ethics Law. Ms. Ferguson reported on the four categories of Ethics Law which include: laws related to personal gain, laws related to personal advantages and "perks", government transparency laws, and laws related to fair processes as well as discussing the different types of gains, advantages, perks, and laws that pertain to each category. Ethics training is an on-going process; public officials are stewards of the public's trust and earning and holding that trust is based on attention to ethical principles and public service ethics laws.

*EDUCATION SESSION:
AB 1234 Ethics Training*

Director Nicholson moved for approval of the minutes of November 12, 17, and 24, 2014.

*APPROVAL OF MINUTES
OF NOVEMBER 12, 17,
AND 24, 2014.*

Director Stewart seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

Before the floor was open to oral communication from the public, Director Danielson presented a statement in regards to concerns of premium pay and the Chief Executive Officer's compensation; Ms. Farber also presented a statement in regards to the current CNA negotiations of twelve hour shifts for nurses.

*COMMUNICATIONS
ORAL*

Director opened the floor to oral communications from the public.

Husain Sarhang was invited to address the Board. Mr. Sarhang addressed the Board regarding the parking lot and parking spaces. Stephanie Howell was invited to address the Board. Ms. Howell addressed the Board regarding twelve hour shifts for nurses.

The following written communication was received from Peter Lunny, M.D., Chief of Staff, dated November 24, 2014 requesting approval of Medical Staff Credentialing Action Items as follows:

*COMMUNICATIONS
WRITTEN*

Appointments:

Karamloo, Sara, DPM; Lam, Manual, MD; Swan, Megan, MD

Reappointments:

Adie, Elizabeth, MD; Chari, Sumitra, MD; Dearborn, John Thomas, MD; Do, Hanh-Nguyen, MD; Kamboj, Vineet, DPM; Lin, Roy, MD; Lyell, Deirdre Judith, MD; Maxwell, Andrew J, MD; Mehigan, John Thomas, MD; Mitarai, Tsuyoshi, MD; Peela, Bhaskari, MD; Saxena, Gunjan K, MD; Sharma, Ranjana, MD; Skolnik, Christine L, RNFA; Taylor, Daniel L, MD; Veerappan, Annamalai, MD; Vo, Phuong Thao, MD

Transfer in Staff Category:

Carmel, Jeffrey, MD; Zandi, Iraj, MD

Completion of Proctoring & Advancement in Staff Category:

Eftimie, Bogdan, MD; Long, Richard, MD; Tylor, Dale, MD; Yasar, Sharif, MD

Completion of Proctoring prior to Eligibility for Advancement in Staff Category:

Armstrong, Sherry, CCP; Husain, Lubna, MD; Martinez, Dennis, MD; Sud, Sohil, MD; Wong, Francis, DO

Resignations:

French, Andrea, MD; Liao, Yungting, MD; Maestretti, Randy, PA-C; Mandiberg, Robert, MD

Director Nicholson moved for approval of the credentialing action items.

Director Stewart seconded the motion.

Roll call was taken:

Patricia Danielson, RHIT – aye

Michael Wallace - aye

William Nicholson, MD - aye

Bernard Stewart, DDS - aye

Jacob Eapen, MD - aye

The motion unanimously carried.

Gail Tomita, Service League President presented the Service League Report. Ms. Tomita shared that the Gift shop elves decorated 11 Christmas trees that were offered in a drawing during the Jewelry sale in the lobby of Washington West. Ms. Tomita also noted that despite the inclement weather, the \$5 Jewelry sale was another huge success. All of the money earned will be donated to the hospital in the annual donation.

*SERVICE LEAGUE
REPORT*

Dr. Lunny reported there are 557 Medical Staff members.

*MEDICAL STAFF
REPORT*

The Hospital Calendar video highlighted the following events:

*HOSPITAL CALENDAR:
Community Outreach*

Throughout November and December Lucy Hernandez, Community Outreach Coordinator, presented 21 hand hygiene classes for students at Blacow Elementary, Chadbourne Elementary, Durham Elementary, Forest Park Elementary, and Glankler Elementary Schools all located in Fremont; 464 students attended.

November 12th, Washington Hospital hosted a Rose Garden Remembrance event. This event provided an opportunity for the Hospital community to remember Employees, physicians, volunteers and board members who have passed away while serving Washington Hospital. Dr. Edward Whalen and volunteers Bernadine Goularte and Geri Kimble were remembered during this event. Michelle Hedding, SpiritualCare Nurse, provide nondenominational reflections.

November 14th, Dr. Alexander Sah, orthopedic surgeon, presented on "Treatments for Hip Pain"; 23 people attended.

November 14th, Washington Hospital nurses and staff from Respiratory Care hosted a health fair at Kitayama Elementary School in Union City. Staff provided information on asthma, hand hygiene and offered blood pressure screenings; 76 people were screened and 150 people attended the event.

November 15th, Washington Hospital hosted the 6th annual Diabetes Awareness Health Fair. The event featured a health fair and presentations on complications of diabetes, insulin, and carbohydrates and diabetics. Presenters included Dr. Prasad Katta, endocrinologist, Dr. Archana Bindra, endocrinologist, and Anna Mazzei, Registered Dietitian; 49 people attended.

November 18th, Dr. Gabriel Herscu, vascular surgeon, presented on "Varicose Veins"; 19 people attended.

November 20th, Dr. Albert Brooks, Chief of Medical Services, provided a birthing simulation for the students in Medical Explorers post 539. The overall purpose of Medical Explorers is to provide worksite-based experiences for students ages 15 through 20 to help them pursue their interests in healthcare. The program has two components which include scheduled monthly informational meetings and clinical rotations.

December 4th, as part of the Diabetes Matters program, Lorie Roffelsen, Registered Dietitian, presented "Healthy Eating During the Holidays"; 10 people attended.

December 4th, Michelle Hedding, Spiritual Care Coordinator presented to the Tri-City Interfaith Council on Advanced Health Care Directives, POLST Forms and end of life issues related to hospice and palliative care; 25 people attended.

Upcoming Health Promotions & Community Outreach Events

Tuesday, January 6th from 6:00 to 8:00 p.m., as part of the Stroke Education Series, Dr. Ash Jain, cardiologist and Doug Van Houten, R.N., will be presenting "Stroke Prevention and Other Disease Processes" and "Healthy Lifestyle - Be Smart and Avoid Stroke"

Thursday, January 8th from 7 to 8 p.m., as part of the Diabetes Matters Series, Dr. Sarbjit Hundal, ophthalmologist, will be presenting, "Diabetes & Your Eyes: Prevention and Treatment of Complications."

Monday, January 19th from 7 to 8:30 p.m., Dr. Victoria Leiphart will be presenting, "Restoring Balance", a four-week stress reduction program.

Friday, January 23rd Lincoln Elementary School in Newark will hold a health fair for students, teachers and parents. Washington Hospital Staff will host a booth to provide health information and blood pressure screenings.

Washington Hospital Healthcare Foundation Report

*HOSPITAL CALENDAR:
Washington Hospital
Foundation Report*

Washington Hospital Healthcare Foundation rang in the holiday season in early December with the Trees of Angels celebration, which raises funds for hospice care in the Washington Township Healthcare District. The festivities began on December 1, when the Foundation partnered with the City of Newark to light the holiday tree at Newark City Hall.

On Wednesday, December 3, Carol Dutra Vernaci threw the switch to light the holiday tree at the Nakamura Clinic in Union City. Held in conjunction with the Union City Chamber of Commerce's annual holiday mixer, this tree lighting attracted 80 attendees. The James Logan Jazz Singers serenaded the crowd.

The Foundation hosted the annual Children's Holiday Breakfast on Saturday, December 6, catered by Bernardin Family McDonald's. The 375 attendees at this event enjoyed a magic show performed by Ronald McDonald.

On December 8th, Fremont Mayor Bill Harrison lit the angel tree at the Bernardin Family McDonald's Restaurant at the corner of I-680 and Mission Boulevard. 120 district residents joined the Foundation for the occasion and were treated to seasonal music sung by the "What the Dickens!" chorus.

The final tree lighting will take place on Thursday December 11th. The event will kick off with a High School Choral Competition which will begin at 5:30pm in the Anderson Auditorium inside Washington West. The Tree Lighting will take place in the Washington West Lobby immediately after the Choral Competition.

Washington Hospital Healthcare Board of Directors' Report

*HOSPITAL CALENDAR:
Board of Directors' Report*

Washington Township Healthcare District Board Members attended the Bay Area Women Against Rape (BAWAR) Grand opening on December 3rd. their new 2nd location at Washington East, 1900 Mowry Avenue in Fremont, will allow greater access for those that live in southern Alameda County. Board members also attended the Newark chamber of Commerce's Annual Holiday Luncheon on December 4th.

Washington Hospital Employee Association, W.H.E.A.

*HOSPITAL CALENDAR:
Washington Hospital
Employee Association,
W.H.E.A.*

WHEA participated in the Annual Drive for Warmth, for the Tri City Volunteers to distribute to those in need. Five barrels of coats, jackets, gloves, scarves and blankets were donated by Hospital staff and volunteers. During the month of November, WHEA sold 326 certificates for See's Candy at a discounted rate to employees and volunteers.

Washington On Wheels Mobile Health Clinic, W.O.W.

*HOSPITAL CALENDAR:
Washington On Wheels
Mobile Health Van*

During the month of November the Washington On Wheels Mobile Health Clinic (W.O.W.) continued to serve community members at the Fremont Family Resource Center the Ruggeri Senior Center in Union City and Brier Elementary School in Fremont. W.O.W. also provided occupational health services, including influenza vaccines to employees of Fremont Bank. 238 community members received healthcare at the Washington on Wheels clinic and 195 members received occupational health services.

Internet Marketing

*HOSPITAL CALENDAR:
Internet Report*

There were over 43,191 visits to the hospital website in the month of November. The hospital's Physician Finder section was the most viewed webpage with 12,805 page views, followed by the Employment section with 8,364 page views and About WHHS for 6,830 page views. The Volunteers section had 6,710 views and the Women's Health and Pregnancy with 2,111.

InHealth - Channel 78

*HOSPITAL CALENDAR:
InHealth*

During the month of November, Washington Hospital's cable channel 78, InHealth, captured new programming including a Diabetes Matters presentation called "Sweet or Sour? The Scoop on Sugar Substitutes" and two Health and Wellness seminars called "Treatments for Hip Pain" and "Varicose Veins." InHealth aired new programming including a Diabetes Matters Presentation "What to Expect When Hospitalized with Diabetes" and a Health and Wellness seminar called "Treatment Options for Sleep Apnea" as well as the November Board of Director's Meeting.

Additional Events

*HOSPITAL CALENDAR:
Additional Events*

On November 20, Washington Hospital participated in the California Department of Public Health statewide disaster drill to test the Hospital's ability to effectively receive, isolate and stabilize a patient suspected of having Ebola and work with county and state agencies. Specifically, Hospital staff focused on testing communications, including public information and warning; command center management; dealing with a medical surge; and public health epidemiological surveillance. The drill lasted from 8 am to noon and included staff from all areas of the Hospital.

On December 5th, students from Fremont Christian School's ARK American Cancer Society club, delivered Christmas cards for patients undergoing cancer treatment. ARK stands for Acts of Random Kindness. They are a service club who perform charitable service for cancer patients.

Employee of the Month

*HOSPITAL CALENDAR:
Employee of the Month –
Ruben Sanchez*

Ruben Sanchez has been a dedicated Environmental Services team member since August 2011, confidently working a variety of area assignments, tasks and shifts including EVS Lead. Prior to joining EVS he was a security officer appointed here on the WHHS campus for 2 years. Ruben has been described by his co-workers as an employee who has energized the team, enhanced moral and has always supported the department and Hospital as a whole. While away from the job, Ruben is also very energetic and enthusiastic between several other activities including: fitness training, boating, snowboarding, automotive repair, fishing and relaxing with his wife, family and friends.

Ms. Farber introduced Ed Fayen, Senior Associate Administrator. Mr. Fayen presented a construction update regarding the parking garage; currently in the process of removing parking lot lights as well as the start of removing asphalt and concrete in preparation for start of construction. Mr. Fayen went on to report on

*CONSTRUCTION
REPORT
Construction Update*

the Hyman Pavilion, noting the contractors and subcontractors for the shoring and concrete work has been awarded; they are now going through the process of their submittals through OSHPD. Mr. Fayen noted we are continuing bidding and prequalification of all the other major sub-contractors.

Mary Bowron, Senior Director of Quality and Resource Management presented the Quarterly Dashboard - Quarter ending September 2014. Ms. Bowron reviewed the Core Measure Compliance that included acute myocardial infarction, heart failure, pneumonia, surgical care improvement project and hospital outpatient surgery. Ms. Bowron continued by discussing the infection prevention indicators, Central line associated bloodstream infections (CLABSI), surgical site infections, C-difficile, catheter associated urinary tract infections (CAUTI) hospital acquired MRSA Bloodstream Infections, and hospital acquired VRE infections. Ms. Bowron went on to discuss the nurse sensitive indicators which the pressure ulcer prevalence and moderate + injury falls. Ms. Bowron also discussed the Joint Commission National Patient Safety Goals which include hand off communication, patient identification, procedure time out and hand hygiene. Ms. Bowron continued the presentation by reporting on Readmission rates for Medicare pneumonia, Medicare heart failure and Medicare AMI readmissions.

*QUALITY REPORT
Quality Dashboard –
Quarter Ending September
2014.*

Chris Henry, Chief Financial Officer, presented the Finance Report for October 2014. The average daily census was 151.5 with admissions of 997 resulting in 4,697 patient days. Outpatient observation equivalent days were 289. The average length of stay was 4.82 days. The case mix index was 1.404. Deliveries were 170. Surgical cases were 368. Joint Replacement cases were 117. Neurosurgical cases were 34. Cardiac Surgical cases were 16. The Outpatient visits were 7,910 and Emergency visits were 4,416. Total productive FTEs were 1,179.5. FTEs per adjusted occupied bed were 6.32.

FINANCE REPORT

Ms. Farber presented the Hospital Operations Report for November. There were 952 patient admissions with an average daily census of 151. This was lower than the budget of 952 admissions and 2.6% below the budgeted average daily census of 155. Preliminary information indicated inpatient revenue for the month of November at approximately \$111,100,000; 55.1% was Medicare and 21.4% was Medi-Cal, for a total of 76.5% in government program revenue. There were 149 deliveries in the Hospital resulting in 325 baby days. There were 325 surgical cases at the Hospital and 590 cases at the Outpatient Surgery Center. The Emergency Room saw 4,175 patients. The clinics saw approximately 3,300 patients. FTEs per Adjusted Occupied Bed were 6.30.

*HOSPITAL OPERATIONS
REPORT*

Director Nicholson moved for the adoption of Resolution No. 1151. This is a Memorandum of Understanding between Nancy Farber, Chief Executive Officer, authorized representative of Washington Hospital, and the United Healthcare Workers West, Local 250, SEIU/UHW, a recognized majority representative under the terms of Board Resolution 331A, effective December 10, 2014.

*APPROVAL OF
RESOLUTION NO. 1151,
MEMORADUM OF
UNDERSTANDING
BETWEEN WASHINGTON
HOSPITAL AND THE
UNITED HEALTHCARE
WORKERS WEST, LOCAL
250, SEIU/UHW*

Director Wallace seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

In accordance with District Law, Policies, and Procedures, Director Nicholson moved the Chief Executive Officer be authorized to enter into the necessary contracts and proceed with the purchase of the Epic Perpetual software licenses, for a total amount not to exceed \$1,238,050.00.

*APPROVAL OF EPIC
PERPETUAL LICENSE
CONVERSION FEE*

Director Wallace seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

In accordance with District Law, Policies, and Procedures, Director Nicholson moved the Chief Executive Officer be authorized to enter into the necessary contracts and proceed with the purchase of the Dragon Medical 360 Network Edition Speech Recognition software and implementation services, for a total amount not to exceed \$97,162.00.

*APPROVAL OF DRAGON
MEDICAL 360 NETWORK
EDITION SPEECH
RECOGNITION
IMPLEMENTATION*

Director Wallace seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

In accordance with District Law, Policies and Procedures, Director Nicholson moved the Chief Executive Officer be authorized to enter into the necessary contracts and proceed with the purchase of the hardware, software and implementation services for a total amount not to exceed \$323,224.00 to include:

*APPROVAL OF
APPLICATION
UPGRADES*

- Epiphany Electro Cardiography Management
- FormFast On-Demand Forms Printing
- Stix Employee Health Management
- PACS Cubes Imaging Distribution System
- CBORD Patient Nutrition Services System
- Xcelera Cardiovascular Image Management System

Director Wallace seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

In accordance with Health & Safety Code Sections 1461, 1462, and 32106 and Government Code Section 54954.6(h). Director Danielson adjourned the meeting to closed section at 7:56p.m. as the discussion pertained to Hospital trade secrets, human resources matters and risk management.

*ADJOURN TO
CLOSED SESSION*

Director Danielson reconvened the meeting to open session at 8:50p.m. and reported no action was taken in closed session.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Stewart adjourned the meeting at 8:51p.m.

ADJOURNMENT

Patricia Danielson, RHIT
President

Bernard Stewart, DDS
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, December 15, 2014 in the Conrad E. Anderson, MD Auditorium 2500 Mowry Avenue, Fremont, California. Director Danielson called the meeting to order at 6:02 p.m. and led those present in the Pledge of Allegiance.

*CALL
TO
ORDER*

Directors present: Bernard Stewart, DDS; William Nicholson, MD; Patricia Danielson, RHIT; Jacob Eapen, MD; Michael Wallace

*ROLL
CALL*

Also present: Kimberly Hartz, Senior Associate Administrator, Chris Henry, Associate Administrator, Paul Kozachenko, Christine Flores, Senior Executive Assistant

There were no oral or written communications.

COMMUNICATIONS

In accordance with Government Code section 54956.9(d)(2), Director Danielson adjourned the meeting to closed session at 6:04 p.m. for a conference with legal counsel regarding anticipated litigation: Claim of Filardo.

*ADJOURN TO
CLOSED SESSION*

Director Danielson reconvened the meeting to open session at 6:11 p.m. and reported no action was taken in closed session.

*RECONVENE TO
OPEN SESSION &
REPORT ON
CLOSED SESSION*

In accordance with District Law, Policies and Procedures, Director Nicholson moved for denial of the claim received on November 21, 2014 on behalf of Marty Filardo, and that the Chief Executive Officer be directed to provide notice in accordance with government code section 945.6. There were no comments from the public.

*CONSIDERATION
OF CLAIM:
FILARDO*

Director Wallace seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

In accordance with District Law, Policies and Procedures, Director Nicholson moved the Chief Executive Officer be authorized to enter into the necessary contracts and proceed with the purchase of the hardware, software, and implementation services for PCCI (Parkland Center for Clinical Innovation) Pieces system implementation for a total amount not to exceed \$205,608.

*APPROVAL OF THE
BUDGET FOR THE
PCCI (PARKLAND
CENTER FOR
CLINICAL
INNOVATION)
PIECES SYSTEM
IMPLEMENTATION*

The proposed installation includes:

- Pieces All Cause Base Platform
- Impression Case Management Portal Service
- Pieces CHF Disease ID Service Pieces AMI/PNA Disease ID Bundle Service
- Management Dashboard Service

Director Stewart seconded the motion.

Before proceeding with the roll call vote of the Board of Directors, Director Danielson asked for comments from the public regarding this action item; there were no comments from the public.

Roll call was taken:

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

The motion unanimously carried.

In accordance with Government Code section 54957, Director Danielson adjourned the meeting to closed session at 6:15 p.m., as the discussion pertained to a personnel matter.

*ADJOURN TO
CLOSED SESSION*

Director Danielson reconvened the meeting to open session at 8:45 p.m. and reported no action was taken in closed session.

*RECONVENE TO
OPEN SESSION &
REPORT ON
CLOSED SESSION*

There being no further business, Director Stewart adjourned the meeting at 8:45 p.m.

ADJOURNMENT

Patricia Danielson, RHIT
President

Bernard Stewart, DDS
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, December 22, 2014, in the Boardroom, Washington Hospital, 2000 Mowry Avenue, Fremont, California. Director Danielson called the meeting to order at 7:30 a.m.

*CALL
TO
ORDER*

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

*ROLL
CALL*

Also present: Peter Lunny, MD; Jan Henstorf, MD; John Romano, MD; Kranthi Achanta, MD; Albert Brooks, MD; Stephanie Williams

There were no oral or written communications.

COMMUNICATIONS

Director Danielson adjourned the meeting to closed session at 7:30 a.m. as the discussion pertained to Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Sections 1461 and 32155.

*ADJOURN TO
CLOSED SESSION*

Director Danielson reconvened the meeting to open session at 9:20 a.m. and reported no action was taken in closed session.

*RECONVENE TO
OPEN SESSION &
REPORT ON CLOSED
SESSION*

There being no further business, the meeting adjourned at 9:20 a.m.

ADJOURNMENT

Patricia Danielson, RHIT
President

Bernard Stewart, DDS
Secretary



Memorandum

DATE: January 9, 2015

TO: Board of Directors

FROM: Nancy Farber, Chief Executive Officer

SUBJECT: Reappointment of the Washington Township Hospital Development Corporation Board Members

The Washington Township Hospital Development Corporation is a public benefit (nonprofit) California Corporation which is affiliated with the District. A five member Board of Directors governs the Washington Township Hospital Development Corporation (DEVCO). The current boards of directors are: Russ Blowers, Shirley Bushke, Miro Garcia, Benn Sah, M.D., and James Stone.

I am recommending for consideration by the Washington Township Health Care District Board of Directors the reappointment of these individuals to the Washington Township Hospital Development Corporation for the 2015 calendar year.




Washington Hospital
Healthcare System

S I N C E 1 9 4 8

Memorandum

DATE: January 9, 2015

TO: Nancy Farber, Chief Executive Officer

FROM:  Ed Fayen, Sr. Associate Administrator
System Operations & Management Support Services

SUBJECT: Reappointment of Members to the Independent Citizens Bond Oversight Committee

The Independent Citizens Bond Oversight Committee is a committee appointed by the Washington Township Health Care District Board of Directors to oversee the disbursement of the Measure FF and Measure Z bond proceeds.

I am recommending for consideration by the Washington Township Health Care District Board of Directors the reappointment of three individuals to the Independent Citizens Bond Oversight Committee. They are Alberto Huezo, Jack Balch, and Kevin Hom.



GONSALVES & KOZACHENKO
ATTORNEYS AT LAW

Gonsalves & Kozachenko
1133 Auburn Street
Fremont, CA 94538
P: 510-770-3900 F: 510-657-9876

To: Board of Directors
From: Paul Kozachenko, Legal Counsel

RE: *Consideration of the Chief Executive Officer's Employment Agreement: Base Salary and At-Risk Compensation*

Background

The Chief Executive Officer is the only employee of the District who is hired directly by the Board. Annually, the Board reviews the CEO's performance as required by the employment agreement. As a part of that process, the Board considers data provided by an independent healthcare compensation consultant and any and all other factors the Board considers important. The Board then decides whether or not base salary should be adjusted and whether to make an award of "at-risk" compensation. At this time, the Board also considers whether to make any other revisions to the Chief Executive Officer's Employment Agreement.

The District has a long-standing philosophy of wage parity for all employees, which includes the CEO. Wage parity means the CEO is not paid at the top of the scale nor is she compensated towards the bottom. The District's compensation philosophy of marketplace parity establishes a base salary for the CEO at the 65th percentile of her peer group and total cash compensation for the CEO in the range of the 75th percentile of her peer group with a maximum possible "at-risk" award of 40% of base salary. Benchmarking executive compensation based on peer group data is a standard practice for establishing reasonable compensation for executives working for non-profits. The District's compensation philosophy not only reflects the District's long standing philosophy of wage parity for all employees but also acknowledges the CEO's 30-plus years of experience as a healthcare chief executive officer.

For purposes of applying its compensation philosophy, in 2008, the Board decided to adopt a blended peer group which consisted of a "blend" between the adjusted national peer group and the California peer group.

Attached to this memorandum is Integrated Healthcare Strategies' *CEO Total Cash Compensation Review ("IHS Report")* for use by the Board during its annual review of the CEO's Employment Agreement and cash compensation. The memo is consistent with the format used in prior years. The goal of the *IHS Report* is to provide the Board with a report, from an independent consultant, regarding compensation levels paid by similarly situated organizations for functionally comparable positions. Appendix A and B include a list of a similarly situated organizations in IHS's proprietary database. For convenience, the list of California organizations making up IHS's proprietary database is separately listed.

In addition to its proprietary database, IHS provides data from two purchased surveys: one from Sullivan, Cotter & Associates and one from Mercer.

The data provided by IHS is comprehensive. Page 12 of the *IHS Report* summarizes the breadth of the data:

- IHS's proprietary database includes data reported by approximately 400 health care systems and 950 hospitals covering 25,000 executives and 200 positions;
- The Mercer Report includes data reported by 209 health care systems, 848 hospitals and 114 health plans; and
- The Sullivan, Cotter & Associates Report includes data reported by 368 health systems and 1,157 hospitals.

The table on page 27 compiles all of the data on one page and can be used as reference for comparing the data by peer group, proprietary database and surveys.

IHS is a leading healthcare compensation consultant in the United States. Hundreds of healthcare systems use Integrated Healthcare Strategies' services, as an independent consultant, to satisfy Internal Revenue regulations for determining the range of reasonable compensation.

The *IHS Report* provides the Board with appropriate comparability data in accordance with IRS regulations. In its report, IHS reviewed background data on the District for the 2013-2014 Fiscal Year. IHS then compiled data on compensation levels in healthcare systems similar to WHHS in size and complexity using data from IHS's proprietary database and salary surveys. The peer groups include a National peer group and a California peer group (see Appendix A and B to the *IHS Report*). Based on the foregoing, IHS prepared market charts summarizing compensation survey data at the 25th percentile, 50th percentile, 75th percentile and 90th percentile for the previously selected blended peer group. The charts are prepared for both base salary and total cash compensation (which includes the potential "at-risk" award.)

As the chart on page 15 shows, the CEO's current base salary of \$677,178 is below 50th percentile of the blended peer group and is 85% of 65th percentile target of \$800,000. (In 2008, the CEO's base salary was adjusted to match the compensation philosophy target of the 65th percentile of the blended peer group. Since that time the CEO's base salary has not kept up with increases in the blended peer group.)

With regard to consideration of an award of "at-risk" compensation, as described above, the District's compensation philosophy provides for a maximum possible "at-risk" award of 40% of base salary with total cash compensation in the range of the 75th percentile of the blended peer group. The bar chart on Page 20 of the *IHS Report* shows that with the maximum possible award of 40% of base salary, the CEO's total cash compensation would be less than the 75th percentile of the blended peer group (see page 24: \$948,049 vs. \$997,000).

Historically, the Board has considered a number of factors in determining the amount of the "at-risk" portion of the CEO's compensation. These factors include a consideration of various accomplishments during the past fiscal year. The Board has received a separate memorandum from the CEO which includes a list of accomplishments for the Board's consideration in determining an award of "at-risk" compensation.

In addition to reviewing cash compensation, the Board typically agrees to extend the CEO's Employment Agreement by one year. The Board also considers other revisions to the CEO's Employment Agreement but none are proposed at this time.

In summary, the Board should consider the following for action:

1. An award of "at-risk" compensation based on the Board's existing compensation philosophy for accomplishments during the preceding fiscal year.
2. A base salary adjustment based on the existing compensation philosophy, or if the Board so chooses, a modified compensation philosophy. Board options include reconsideration of the appropriate peer group.
3. Any other modifications the Board determines are appropriate to the CEO's Employment Agreement, including, but not limited to, extension of the term of the agreement by one year.



Memorandum

DATE: January 9, 2015

TO: Board of Directors, Washington Township Health Care District

FROM: Nancy Farber, Chief Executive Officer

SUBJECT: **Progress Report**

Introduction

Washington Hospital Healthcare System began fiscal year 2014 in a challenging financial environment. The impact of the federal Affordable Care Act, in conjunction with significant reductions in Medicare reimbursement, and the proliferation of high deductible, high co-pay insurance products affected the economics of our health care industry nationwide and at Washington Hospital Healthcare System (WHHS). Specifically, Washington Hospital experienced a net revenue reduction of an estimated \$17 million because of the Affordable Care Act and Medicare payment reductions.

Consequently, similar to many other hospitals, WHHS had to make the necessary changes in our spending plan to assure the continued viability and to continue to fulfill our commitment to our community to provide the needed health care services. We had to take difficult steps to drive down the cost of operations while not endangering the significant progress we have made to enhance services and to preserve WHHS' ability to deliver quality health care to our patients and residents of our District.

Fiscal Environment

Overall, EBITDA (Earnings Before Interest, Taxes Depreciation and Amortization) for the Washington Township Health Care District's fiscal year 2014 was \$20,861,000, down from \$31,369,000 in the prior year. Net revenue was down \$19.5 million from FY13 and operating expenses before depreciation were down \$8.9 million. However, as mentioned, difficult but necessary steps were taken to assure the viability for our Healthcare System and the results of that work is becoming evident in the fiscal year 2015 financial results.

We are pleased to report that Washington Hospital's EBITDA for the 5 months ended November 30, 2014 was \$24,501,000, up \$15,822,000 from EBITDA of \$8,679,000 in the same period last year. Washington Hospital's Income from Operations for the 5 months ended November 30, 2014 was \$6,150,000, up \$15,399,000 from the Operating Loss of \$(9,249,000) in the same period last fiscal year. Additionally, at December 31, 2014, days cash on hand for the Hospital was 174, up 15.2% from the 151 days cash at July 1, 2014 and up 31.8% from days cash at November 30, 2013 of 132 days.

These financial improvements are the result of many operational initiatives that were completed and/or begun in FY2014, some of which included:

- A reduction of the work force through a variety of initiatives. In order to match the reduced volume of patients Washington Hospital was experiencing coupled with the decreases in reimbursement, difficult reductions in labor were made. We were able to greatly minimize the impact of these reductions on our employees as a result of implementing a voluntary retirement program and allowing staffing levels to be reduced through attrition. However, a limited reduction in workforce was a necessary step. Based on November 2014 data, 220 FTEs were reduced through attrition, 15 FTEs were part of the voluntary retirement program and 31 FTEs were eliminated through a layoff. These decisions were not made lightly and only after implementing other options to reduce our costs and increase revenue.
- The following numbers represent the changes in labor: During the first pay period of July 2013, Washington Hospital recorded 1,577 FTEs. By June 2014, we were operating at 1,380.8 FTEs. This represented a reduction of 196.2 FTEs. For the month of November, 2014 we operated at 1,311 FTEs.
- By completing the project of pursuing State funds through the Alameda County Low Income Health Plan, we secured more than \$3,000,000 to fund indigent care at Washington Hospital. Significant effort was required to educate Alameda County on how Washington could participate without impacting the County's own funding and to develop the processes for drawing the funds.
- Met the required deadlines and criteria to secure Meaningful Use funding for Washington Hospital in the amount of approximately \$2,700,000. This funding is part of the Medicare and Medicaid EHR Incentive Programs that provide financial incentives for the meaningful use of certified EHR technology to improve patient care. To receive an EHR incentive payment, providers have to show that they are meaningfully deploying their EHRs by meeting thresholds for a number of objectives that are aimed at improving patient care.
- Reduced observation stays and short inpatient stays in line with CMS (Centers for Medicare and Medicaid Services) guidelines. When patients enter the hospital, physicians often need to decide whether to admit them as inpatients or to provide observation services. Observation services are short-term treatments and assessments provided to outpatients to determine whether patients require further treatment as inpatients or can be discharged. Nationwide, CMS was concerned that patients were spending long periods of time in observation stays without being admitted as inpatients. In addition, CMS was concerned about patients who experienced short inpatient stays

when they should have been treated as outpatients. As a result, CMS established guidelines for the length of time a patient could be considered an observation patient and guidelines to reduce the number of short inpatient stays. During the 12 month period ended September 30, 2014, the number of cases with observation stays lasting more than 24 hours was reduced 54% from the same period last year. This resulted in an estimated decrease in unreimbursed costs of approximately \$1.3 million.

- Implemented a Case Management, Revenue Cycle and Clinical Documentation Improvement Project. The net savings from this project in FY2015 is estimated to be between \$1.5 million and \$2.3 million. This results in lower cost of care while improving the standard of care.
- Implemented a Supplies Cost Reduction Project. The net savings resulting from this project in FY2015 is estimated to be between \$500,000 and \$800,000.
- Implemented Professional Fee Reductions. Given the reduction in workforce, changes to the compensation for physicians acting in medical director roles were also implemented. Reductions in contracted professional fees were implemented with estimated annual savings of over \$500,000.

Significant Initiatives

As demonstrated above, steps were taken to drive down the cost of operations. At the same time significant progress was made to enhance services and to preserve WHHS' ability to deliver quality health care to our patients. The following outlines some of these initiatives and successes:

- **UCSF Partnership:** WHHS has continued to expand the important partnership with UCSF Medical Center in many significant ways. This collaboration brings the highest level of medical care into our community and provides residents easier access if they need to receive services at UCSF. The intent is to create a comprehensive, sustainable and integrated regional health care network that serves the needs of the Washington Township residents now and in the future.
 - In collaboration with UCSF, WHHS opened the new Washington Special Care Nursery. The Special Care Nursery transitioned from Packard Children's Hospital to Washington Hospital without any disruption in care for our youngest, at-risk patients. Nearly all of the nurses who worked for Packard Children's Hospital chose to transition to the new nursery. This initiative is projected to bring over \$500,000 in improvements to Washington Hospital's operating bottom line. The nursery is staffed by specialized physicians from UCSF.

- Transitioned the pediatric hospitalist program to UCSF. The pediatric hospitalists are now available 24/7 in Washington's Pediatric Unit and Emergency Department.
 - In conjunction with UCSF's Heart Transplant Program, the hospitals are working together to offer local heart failure outreach clinics as a "bridge to transplant" for those requiring transplant services.
 - Established a liver outreach clinic so patients needing liver transplant services can be seen in the local community for evaluation and for care after any procedures.
 - Launched the Washington Cancer Genetics Program with UCSF that provides greater access to genetic counseling services for residents of our district.
 - Planning with UCSF the provision of telemedicine services for use in the Special Care Nursery and Pediatric Department.
 - Expanding and enhancing cardiac surgical services at Washington through the collaboration.
 - Planning a training program in pediatrics for third year UCSF medical students at Washington.
- **Joint Commission Survey:** Received full 3-year accreditation with acknowledgement of best practices, for Medication Safety and the successful implementation of our electronic medical record system (EPIC). Specifically, the Joint Commission surveyors were especially interested in the extensive amount of training that the staff had received on EPIC, the command they had of the system and the focus on patient safety. Every three years, Washington receives an unannounced five day survey by The Joint Commission, an independent agency that evaluates and accredits more than 19,000 U.S. health care organizations annually. The successful survey demonstrates our commitment and leadership role in providing quality patient care.
 - The successful negotiation of a contract with **Aetna health plan** that provides Aetna members access to the full spectrum of services for the first time since October 1, 2012.
 - **Phase 2 of the Facility Master Plan:** The selection of a general contractor and construction management firm for the construction of the 250,000 square foot Morris Hyman Critical Care Pavilion and the nearby parking structure. Both important projects are moving forward on time and are being monitored by an independent Citizens Oversight Committee. The Morris Hyman Critical Care Pavilion will comply with California's stringent seismic safety standards, with a "base isolation" system similar to that of other advanced facilities in the Bay Area and many earthquake-prone areas throughout the world. In Phase I, both the Center for Joint Replacement Project and the Power Plant Project were completed on time and under budget and the hope is to achieve the same standard for Phase 2 of the Facility Master Plan.

- **EPIC Enhancements:** Implementation of MyChart, a secure patient portal that gives individuals access to their own personal medical record whenever and wherever they need it. And the implementation of Care Everywhere, giving our clinicians fast, secure access to the medical records of visitors from outside our community and giving other hospitals on the EPIC system access, with permission, to our patients' medical records when there is a medical emergency away from home. We are also very aware of the need to ensure the security of our IT systems to help protect patient information from unauthorized access. We have studied best practices and have established security screening criteria that all of our vendors must meet.
- **Lean Journey:** Completed the planning stage for our Lean transformation journey which is based on the extensively proven Toyota Production System. Lean focuses on improving patient safety and quality while reducing waste from our operations.

Recognitions

During Fiscal Year 2014, Washington Hospital Healthcare System was recognized by numerous outside organizations for the quality of care provided. These included:

OVERALL QUALITY AND SAFETY

Baby-Friendly Hospital by the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) Washington Hospital is one of few U.S. hospitals recognized for exceptional support of breastfeeding moms and babies. (March 2014)

Washington Center for Wound Healing and Hyperbaric Medicine Wins Center of Distinction Award. Healogics names Washington Center for Wound Healing and Hyperbaric Medicine a Center of Distinction for Year 2013. The award recognizes center's extraordinary performance, both individually and as a team; and the center's excellent healing rates, outlier rates, the median days to heal and patient satisfaction. (March 2014)

Rated "Excellent" by Consumer Reports for Scheduled Surgeries. For the first time, Consumer Reports evaluated scheduled surgeries. Washington Hospital was rated as "Excellent" in multiple categories and was the only East Bay hospital to receive the top overall "Excellence" rating in surgical site infection scores. (August 2013)

Best Hospital in the San Francisco Metro Region by U.S. News and World Report in 7 Specialty Areas. U.S. News & World Report has ranked Washington Hospital as the best hospital in the San Francisco Metro Region in 7 specialty areas. Washington Hospital was recognized for its high performance in nine specialties including gastroenterology and GI surgery, geriatrics, gynecology, nephrology, neurology and neurosurgery, orthopedics, and

urology. Washington Hospital also scored high in patient safety, demonstrating commitment to reducing accidents and medical mistakes. (July 2014)

Quest for Zero Award in ED Washington Hospital has been recognized by Beta Healthcare Group for its Quest for Zero quality initiative in the Emergency Department. Quest for Zero is a risk reduction program to improve patient safety. Washington Hospital earned the award when 100% of the Emergency Department nurses and physicians completed Tier I & Tier 2 of the Quest for Zero initiative. (2013)

Quest for Zero Award in OB Washington Hospital has been recognized by Beta Healthcare Group for its Quest for Zero quality initiative in Obstetrics. Quest for Zero is a risk reduction program to improve patient safety. (2014)

Practice Greenhealth Partner for Change. Washington Hospital has received the Practice Greenhealth Partner for Change Award in recognition of its achievements in developing programs to prevent pollution, reduce and recycle solid waste, eliminate mercury, reduce water and energy consumption and establish “green” purchasing policies. (June 2014)

NEUROSCIENCES / STROKE

The Joint Commission Advanced Primary Stroke Program Recertification. The Joint Commission has granted Washington Hospital full recertification of its Advanced Primary Stroke program. The Stroke Program certification process is designed to help organizations continuously provide safe, high-quality care, treatment and services. Washington Hospital has received recertification for two more years and received no recommendations for improvement, which is the highest outcome possible for recertification. (July 2013)

American Heart Association/American Stroke Association’s Get with the Guidelines Gold Plus Quality Achievement and Target Stroke Honor Roll. AHA acknowledges Washington Hospital’s commitment and success in implementing a higher standard of stroke care by ensuring that stroke patients receive treatment according to nationally accepted standards and recommendations. The Target Stroke Honor Roll recognizes hospitals that treat acute ischemic stroke in the most effective way possible using evidence-based guidelines. (July 2013)

Ranked Among the Top 10% in the Nation for Treatment of Stroke by Healthgrades
(October 2013)

Five Star Rating for Spinal Fusion Surgery

Washington Hospital is Five-Star rated for Spinal Fusion, according to Healthgrades (October 2013).

Stroke Care Excellence Award

Washington Hospital is a recipient of the 2014 Healthgrades' Stroke Care Excellence Award (November 2013).

Five Star Rating for Treatment of Stroke

Washington Hospital is Five-Star rated for Treatment of Stroke by Healthgrades (October 2013).

ORTHOPEDECS

One of Healthgrades America's 100 Best Hospitals for Orthopedic Surgery

(October 2013)

Orthopedic Surgery Excellence Award from Healthgrades (October 2013)

Top 5% in the Nation for Joint Replacement

Washington Hospital's Joint Replacement Program is ranked among the Top 5% in the Nation by Healthgrades for 8 consecutive years (October 2013).

Top 5% in the Nation for Overall Orthopedic Services

Washington Hospital's Orthopedic Services is ranked among the Top 5% in the Nation by Healthgrades (October 2013).

One of America's 100 Best Hospitals for Joint Replacement

Healthgrades named Washington Hospital one of America's Best 100 Best Hospitals for Joint Replacement and for three consecutive years (October 2013).

Joint Replacement Excellence Award

Washington Hospital is a recipient of the Healthgrades Joint Replacement Excellence Award for 8 years in a row and is the only Bay Area* hospital to receive this prestigious recognition for this many consecutive years (October 2013).

Five Star Rating for Total Knee Replacement

Washington Hospital is Five-Star rated for Total Knee Replacement 9 years in a row (October 2013).

Five Star Rating for Total Hip Replacement

Washington Hospital is Five-Star rated for Total Hip Replacement 11 years in a row (October 2013).



INTEGRATED
HEALTHCARE STRATEGIESSM

CEO TOTAL CASH COMPENSATION REVIEW

Presented To

**WASHINGTON TOWNSHIP HEALTH CARE
DISTRICT BOARD OF DIRECTORS**

January 14, 2015



Introduction

Base Salary Analysis

Total Cash Compensation Analysis

Issues for Consideration

Appendices



INTRODUCTION



The leading specialist in executive compensation consulting for not-for-profit health care organizations

- Services include analysis and design of all aspects of executive compensation
- Clients include:
 - 1,200 major health care providers
 - 1,800 hospitals
 - 400 integrated systems
 - 500 physician groups
 - Large, multi-specialty group practices
 - National and state health care associations

Washington Township Health Care District / Washington Hospital Healthcare System



INTEGRATED
HEALTHCARE STRATEGIESSM

- Washington Township Health Care District
 - The District operates Washington Hospital and employs the CEO
 - The District is governed by a five member publicly elected Board of Directors
 - The District is self funded and receives no parcel or other tax revenue to fund operations
- Washington Hospital Healthcare System is a complex integrated healthcare delivery system that includes the 352-bed acute care Washington Hospital
- Washington Hospital Healthcare System's primary service area encompasses 124 square miles of Alameda County with a population of more than 320,000 residents
- Scope information is as follows:
 - Net revenue – \$457 million
 - Operating expenses – \$470 million
 - Full-time employees – 1,712

Washington Township Health Care District / Washington Hospital Healthcare System



INTEGRATED
HEALTHCARE STRATEGIESSM

- Washington Hospital Healthcare System includes:
 - The Institute for Minimally Invasive and Robotic Surgery
 - The Gamma Knife® Center/Taylor McAdam Bell Neuroscience Institute
 - Joint Commission Certified Stroke Program
 - American Diabetes Association (ADA) Certified Diabetes Program
 - The Cardiovascular Institute
 - The Washington Women’s Center
 - The Washington Special Care Nursery
 - Washington Outpatient Imaging Center
 - Washington Radiation Oncology Center
 - Washington Outpatient Surgery Center
 - Washington Outpatient Rehabilitation Center
 - Washington Radiation Oncology Center
 - Washington Outpatient Catheterization Laboratory
 - Washington Center for Joint Replacement
 - Washington Urgent Care
 - Washington Township Medical Foundation
 - Ohlone Student Health Center
 - Washington Properties – a 4 acre retail center
 - Medical Office Building – 1900 Mowry Avenue and 2500 Mowry Avenue
 - Washington On Wheels
 - Washington Clinic for Wound Healing and Hyperbaric Medicine



The IRS recommends the following best practices.

- Executive compensation should be approved by a board or committee made up entirely of independent directors
- Board or committee should use appropriate comparability data to make its decisions
 - Data should be collected by a reputable third-party consulting firm
 - Data should represent like jobs and like organizations
- Decisions, rationale, and process must be documented in contemporaneous minutes



- INTEGRATED last reviewed the base compensation of the CEO of Washington Hospital Healthcare System in 2013
 - Report and recommendations presented to Board in November 2013
 - The Chief Executive Officer last salary increase was in 2013
- WHHS's compensation philosophy targets the CEO's base salary at around the 65th percentile of the blended peer group of national and regional data with an opportunity to earn an incentive award at around the 75th percentile of the blended peer group
 - In 2008, WHHS set the CEO's base salary at the 65th percentile of the blended peer group
 - Since 2009, the CEO's base salary has been below the 65th percentile of the blended peer group



This year INTEGRATED was asked to:

- Assess the competitiveness of WHHS' CEO compensation by comparing market data with the Chief Executive Officer's cash compensation
- Review and analyze the compensation philosophy and peer group used to determine the Chief Executive Officer's cash compensation
- Provide appropriate suggestions, if necessary, for modifying the compensation program to support WHHS' compensation philosophy



A compensation philosophy is an important tool that

- Facilitates effective governance of executive compensation
- Supports business strategy, mission and culture
- Encourages consistency in compensation decisions
- Acts as a guide for current and future decision-making on compensation issues
- Promotes regulatory compliance

WHHS should ensure that its CEO compensation program

- Rewards good performance, pays competitively with WHHS peers, and treats executives equitably
- Reflects its mission and goals
- Aids in attracting and retaining outstanding CEO talent



Base compensation for WHHS' CEO is based on the same compensation philosophy used for all of WHHS employees:

- Consistent with wage parity, WHHS' goal is to pay competitively with the market.
- Other factors, including tenure, experience, and performance are also considered in setting the CEO's salary



WHHS' current CEO compensation philosophy positions base salary as follows:

- In order to take into account both national and regional data, market data is drawn from a blended peer group of California systems and national systems adjusted for the cost of living in Fremont, California
 - Executives are hired from a national market, so the Board decided to include national data
 - Salaries in Fremont are higher than the national average, so the Board decided to adjust the national data and blend it with data from a California peer group
- Base salary administered using ranges built around the 65th percentile of the blended peer group



- INTEGRATED developed both national and California peer groups from our own proprietary database that includes data reported by approximately 400 health care systems and 950 hospitals, covering 25,000 executives and 200 positions
 - A list of peer group organizations is included in Appendix B
- INTEGRATED also compiled data from the following published survey sources
 - Integrated Health Networks Compensation Survey, Mercer Human Resource Consulting - data reported by 209 health care systems, 848 hospitals, and 114 health plans
 - Survey of Manager and Executive Compensation in Hospitals and Health Systems, Sullivan, Cotter & Associates - data reported by 368 health systems and 1,157 hospitals



INTEGRATED completed the following steps:

- Reviewed background data on WHHS
- Compiled data on compensation levels in two peer groups of systems similar to WHHS in size and complexity using data from INTEGRATED's proprietary database and salary surveys
- Compared the CEO's salary to salaries in the peer groups
- Prepared a market chart summarizing the compensation survey data at the 25th percentile, median, 75th percentile, and 90th percentile (see Appendix A)
- Prepared this report to present our analysis and conclusions



BASE SALARY ANALYSIS

Salary Comparisons – Blended Peer Group



The following table compares the CEO's salary to 50th percentile (P50), 65th percentile (P65), and 75th percentile (P75) salary levels from the blended peer group:

- Market data from the California and adjusted national peer groups were combined to form the blended national peer group

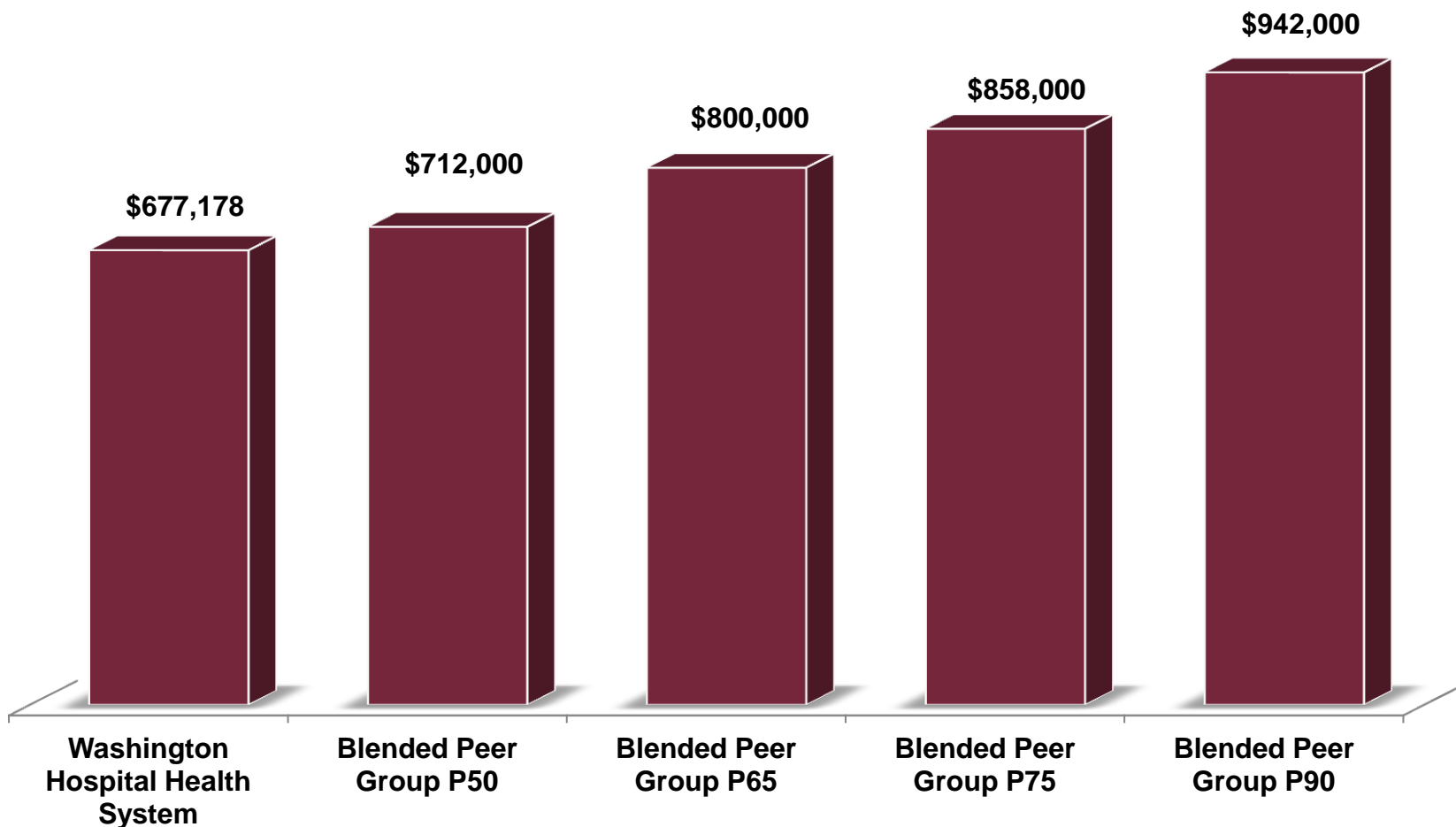
WHHS CEO Salary	Peer Group P50	WHHS as a % of P50	Peer Group P65	WHHS as a % of P65	Peer Group P75	WHHS as a % of P75
\$677,178	\$712,000	95%	\$800,000	85%	\$858,000	79%

- The Chief Executive Officer's salary is positioned :
 - 5% below the blended national peer group P50 salary level
 - 15% below the blended national peer group P65 salary level
 - 21% below the blended national peer group P75 salary level

Salary Comparison Summary – Chief Executive Officer (Farber)



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TOTAL CASH COMPENSATION ANALYSIS



Prevalence

- Over 80% of the organizations in WHHS' peer group has an annual executive incentive plan

Incentive Opportunity

- The following table compares WHHS' maximum incentive opportunity with median maximum incentive opportunity for CEOs in the peer group:

Position	WHHS Maximum Award	Median Maximum Award
Chief Executive Officer	40%	40%

- The maximum incentive opportunity for WHHS' CEO is competitive with the median maximum opportunity for CEOs in WHHS' peer group

Total Cash Comparisons – Blended Peer Group



The following table compares the CEO's total cash compensation (TCC) (salary plus most recent incentive award) to 50th percentile (P50), 65th percentile (P65), and 75th percentile (P75) salary levels from the blended peer group:

- Market data from the California and adjusted national peer groups were combined to form the blended national peer group

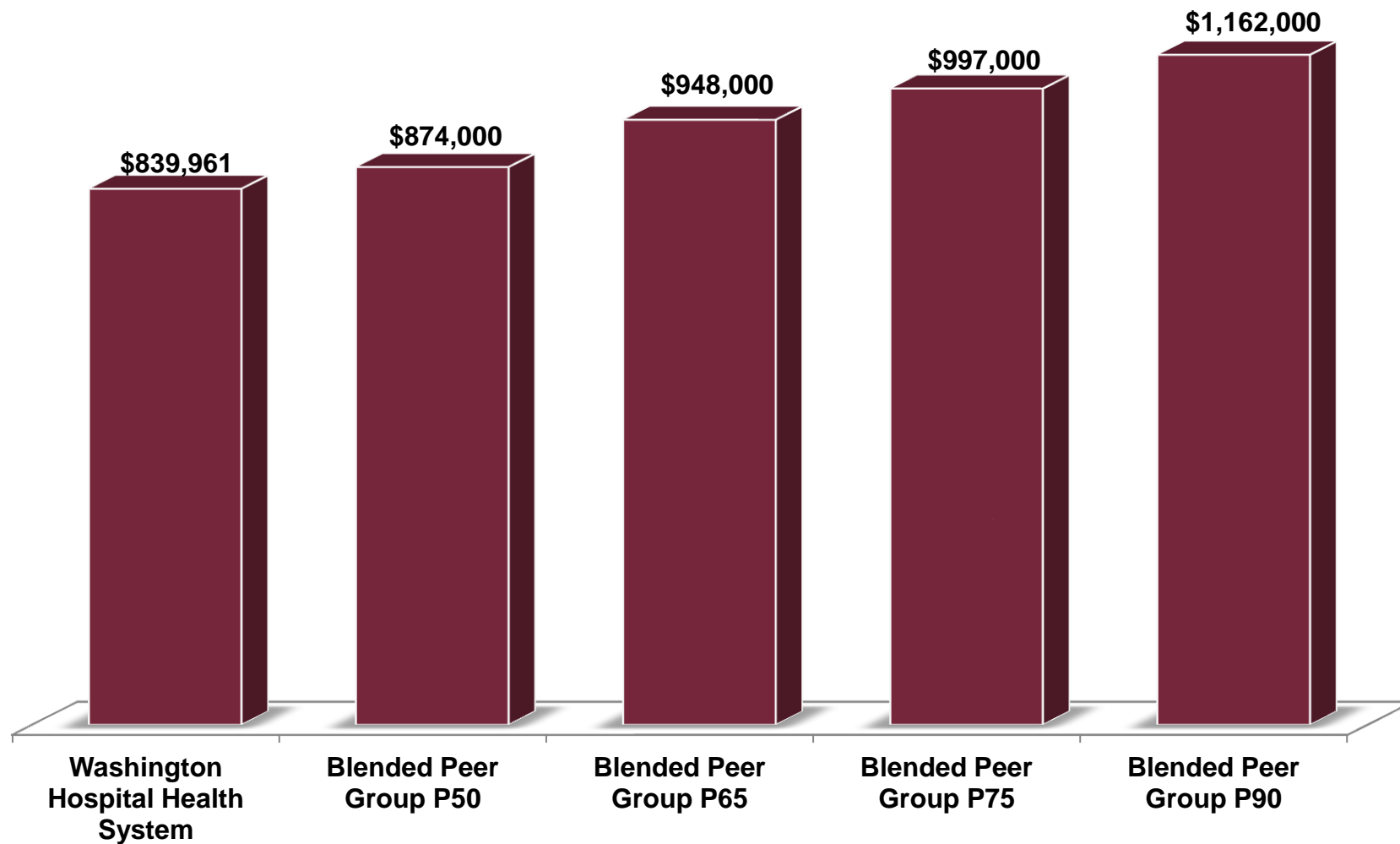
WHHS CEO TCC	Peer Group P50	WHHS as a % of P50	Peer Group P65	WHHS as a % of P65	Peer Group P75	WHHS as a % of P75
\$839,961	\$874,000	96%	\$948,000	89%	\$997,000	84%

- The Chief Executive Officer's total cash compensation is positioned :
 - 4% below the blended national peer group total cash compensation P50
 - 11% below the blended national peer group total cash compensation P65
 - 16% below the blended national peer group total cash compensation P75

Total Cash Comparison Summary – Chief Executive Officer (Farber)



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ISSUES FOR CONSIDERATION



Executive salary increases

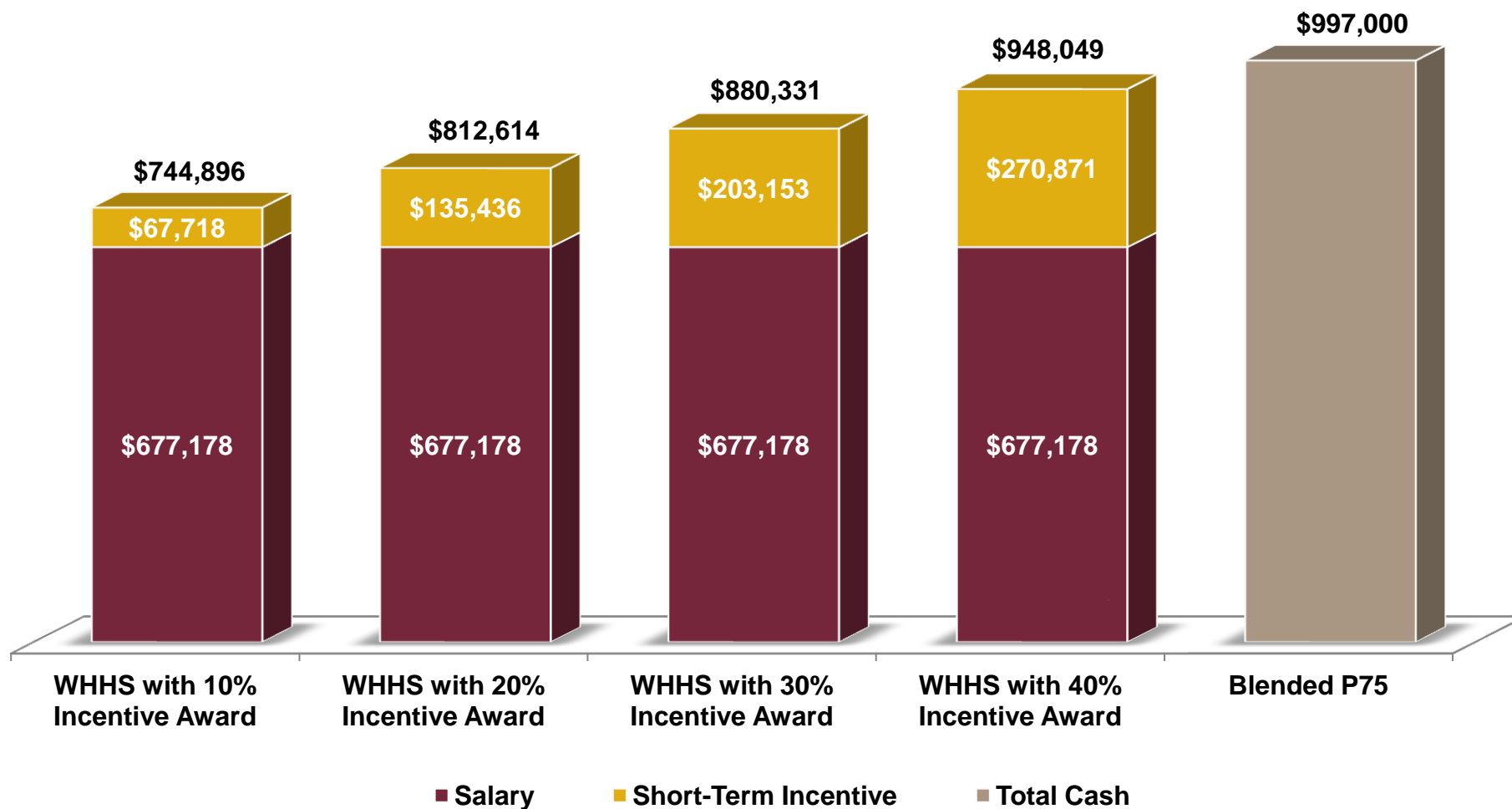
- Salary increases in 2014 averaged about 3.0%
- INTEGRATED and other sources are predicting average salary increases of 3.0% for 2015



In addition to base salary, the WHHS compensation program includes an incentive component that can pay up to a maximum of 40% of base salary

- Provides the Chief Executive Officer with an incentive opportunity that can position total cash compensation around the 75th percentile of the peer group
- The chart on the following page compares a range of potential incentive awards with the 75th percentile of the blended peer group

Incentive Award Comparison – Chief Executive Officer (Farber)



Next Step



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HEALTHCARE STRATEGIESSM

- The Board should receive and consider this market data as it makes its decision on CEO compensation



APPENDIX A

Market Data

Chief Executive Officer (Farber)



Washington Hospital Healthcare System

Competitive Pay Analysis

Data Effective Date: 11/1/2014

Position: Chief Executive Officer
 Incumbent: Nancy Farber
 Base Salary: \$677,178
 Incentive: \$162,783
 Total Cash: \$839,961
 Position Match: Chief Executive Officer

Demographics:

Net Revenue: \$457M

Op. Expenses: \$470M

Survey	Description	n=	Base Salary				Total Cash			
			50th %ile	65th %ile	75th %ile	90th %ile	50th %ile	65th %ile	75th %ile	90th %ile
National Peer Group										
INTEGRATED	Systems, \$225M-\$750M Net Revenue, Median = \$458M	82	664.2	714.0	747.2	815.2	795.8	882.9	941.0	1039.7
Sullivan Cotter	Systems, Regression @ \$457M Net Revenue (#7000)	269	647.2	709.3	750.8	854.3	753.1	843.5	903.8	1054.4
Mercer	Systems, Regression @ \$457M Net Revenue (#4100A)	67	676.6	741.6	784.9	893.1	786.8	881.3	944.2	1101.6
	<i>Averages:</i>		663	722	761	854	779	869	930	1065
	<i>Averages + 18%*:</i>		782	852	898	1008	919	1026	1097	1257
California Peer Group										
INTEGRATED	Systems, \$100M-\$1.1B Net Revenue, Average = \$449M	22	642.5	747.8	818.1	875.5	829.5	870.6	898.0	1066.3
	<i>Averages:</i>		643	748	818	875	829	871	898	1066
Blended Peer Group										
	<i>Blended Averages*:</i>		712	800	858	942	874	948	997	1162

* See slide 11



APPENDIX B

Peer Group List

National Peer Group



System	City	St	Net Rev
Alameda County Medical Center	San Leandro	CA	\$542.0
Baptist Health System, Inc.	Birmingham	AL	\$503.1
Bayhealth Medical Center	Dover	DE	\$462.9
Beebe Medical Center	Lewes	DE	\$274.6
Blanchard Valley Health System	Findlay	OH	\$275.0
Boulder Community Hospital	Boulder	CO	\$265.0
Cape Cod Healthcare Inc.	Hyannis	MA	\$679.8
Cape Fear Valley Health System	Fayetteville	NC	\$740.0
Centegra Health System	McHenry	IL	\$398.2
Centra Health Inc.	Lynchburg	VA	\$666.0
CentraState Healthcare System	Freehold	NJ	\$243.1
Cheyenne Regional Medical Center	Cheyenne	WY	\$247.7
Chinese Hospital	San Francisco	CA	\$107.9
Citrus Valley Health Partners	Covina	CA	\$507.1
Columbus Regional Health Care System	Columbus	GA	\$435.0
Columbus Regional Hospital	Columbus	IN	\$248.0
Community Health Corporation	Plano	TX	\$501.6
Community Hospital of the Monterey Peninsula	Monterey	CA	\$454.0
Community Medical Centers	Fresno	CA	\$1,043.7
Cottage Health System	Santa Barbara	CA	\$630.8
Covenant HealthCare	Saginaw	MI	\$477.7
Daughters of Charity Health System	Los Altos	CA	\$1,090.8
Deaconess Health System	Evansville	IN	\$649.9
DeKalb Medical	Decatur	GA	\$393.0
Edward Hospital & Health Services	Naperville	IL	\$591.0
Eisenhower Medical Center	Rancho Mirage	CA	\$443.0
El Camino Hospital	Mountain View	CA	\$658.0

National Peer Group



System	City	St	Net Rev
Freeman Health System	Joplin	MO	\$519.6
Fremont-Rideout Health Group	Marysville	CA	\$292.1
Great River Health System	West Burlington	IA	\$226.5
Guthrie Healthcare System	Sayre	PA	\$371.4
Gwinnett Health System	Lawrenceville	GA	\$592.1
Harrison Medical Center	Bremerton	WA	\$385.0
Health Quest	Poughkeepsie	NY	\$712.0
Hendrick Health System	Abilene	TX	\$332.3
Henry Mayo Newhall Memorial Hospital	Valencia	CA	\$266.9
Hoag Memorial Hospital Presbyterian	Newport Beach	CA	\$871.0
Hollywood Presbyterian Medical Center	Los Angeles	CA	\$269.0
Holy Redeemer Health System	Huntingdon Valley	PA	\$359.5
Hunterdon Healthcare System	Flemington	NJ	\$262.0
Huntington Hospital	Pasadena	CA	\$483.0
Infirmity Health System Inc.	Mobile	AL	\$669.3
InterHealth Corporation	Whittier	CA	\$762.0
Jersey City Medical Center	Jersey City	NJ	\$329.4
JFK Health System	Edison	NJ	\$430.6
John C. Lincoln Health Network	Phoenix	AZ	\$512.5
Kaweah Delta Health Care District	Visalia	CA	\$442.0
Lake Hospital System	Painesville	OH	\$335.0
Martin Health System	Stuart	FL	\$465.0
Meriter Health Services	Madison	WI	\$469.0
Metro Health Corporation	Grand Rapids	MI	\$332.0
Monongalia Health System	Morgantown	WV	\$243.0
Mosaic Life Care	St. Joseph	MO	\$549.5
NCH Healthcare System	Naples	FL	\$473.8

National Peer Group

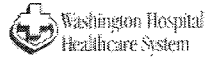


INTEGRATED
HEALTHCARE STRATEGIESSM

System	City	St	Net Rev
Norman Regional Health System	Norman	OK	\$337.0
Northbay Healthcare System	Fairfield	CA	\$401.1
Northeast Georgia Health System	Gainesville	GA	\$662.9
Northwest Community Healthcare	Arlington Heights	IL	\$505.6
Oklahoma Heart Hospital	Oklahoma City	OK	\$358.0
Palomar Health	Escondido	CA	\$521.0
Peninsula Regional Medical Center	Salisbury	MD	\$386.0
Pomona Valley Hospital Medical Center	Pomona	CA	\$437.0
Redlands Community Hospital	Redlands	CA	\$200.0
Rockford Health System	Rockford	IL	\$423.7
Roper St. Francis Healthcare	Charleston	SC	\$726.3
Saint Peter's University Hospital	New Brunswick	NJ	\$410.8
Salem Health	Salem	OR	\$532.2
Sanford Bismarck	Bismarck	ND	\$396.0
St. Joseph's Health Care System	Paterson	NJ	\$584.0
Stamford Hospital	Stamford	CT	\$553.0
Stormont-Vail HealthCare	Topeka	KS	\$515.9
ThedaCare	Appleton	WI	\$702.7
Tri-City Medical Center	Oceanside	CA	\$290.0
Truman Medical Center	Kansas City	MO	\$459.5
University Health Care System	Augusta	GA	\$391.0
Upper Chesapeake Health	Bel Air	MD	\$378.0
Valley Health System	Winchester	VA	\$743.9
Valley Health System	Ridgewood	NJ	\$668.0
Valley Presbyterian Hospital	Van Nuys	CA	\$328.0
West Jefferson Medical Center	Marrero	LA	\$250.6
Western Connecticut Health Network	Danbury	CT	\$737.7
Yavapai Regional Medical Center	Prescott	AZ	\$235.2

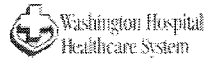


System	City	St	Net Rev
Alameda County Medical Center	San Leandro	CA	\$542.0
Chinese Hospital	San Francisco	CA	\$107.9
Citrus Valley Health Partners	Covina	CA	\$507.1
Community Hospital of the Monterey Peninsula	Monterey	CA	\$454.0
Community Medical Centers	Fresno	CA	\$1,043.7
Cottage Health System	Santa Barbara	CA	\$630.8
Daughters of Charity Health System	Los Altos	CA	\$1,090.8
Eisenhower Medical Center	Rancho Mirage	CA	\$443.0
El Camino Hospital	Mountain View	CA	\$658.0
Fremont-Rideout Health Group	Marysville	CA	\$292.1
Henry Mayo Newhall Memorial Hospital	Valencia	CA	\$266.9
Hoag Memorial Hospital Presbyterian	Newport Beach	CA	\$871.0
Hollywood Presbyterian Medical Center	Los Angeles	CA	\$269.0
Huntington Hospital	Pasadena	CA	\$483.0
InterHealth Corporation	Whittier	CA	\$762.0
Kaweah Delta Health Care District	Visalia	CA	\$442.0
Northbay Healthcare System	Fairfield	CA	\$401.1
Palomar Health	Escondido	CA	\$521.0
Pomona Valley Hospital Medical Center	Pomona	CA	\$437.0
Redlands Community Hospital	Redlands	CA	\$200.0
Tri-City Medical Center	Oceanside	CA	\$290.0
Valley Presbyterian Hospital	Van Nuys	CA	\$328.0



WASHINGTON HOSPITAL
MONTHLY OPERATING REPORT

November 2014



**WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
November 2014**

<u>Schedule Reference</u>	<u>Schedule Name</u>
Board - 1	Statement of Revenues and Expenses
Board - 2	Balance Sheet
Board - 3	Operating Indicators



Memorandum

DATE: January 9, 2015
TO: Board of Directors
FROM: Nancy Farber
SUBJECT: Washington Hospital – November 2014
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board 3

<u>ACUTE INPATIENT:</u>	November <u>Actual</u>	<u>Budget</u>	Current 12 <u>Month Avg.</u>
Average Daily Census	151.0	154.6	154.6
# of Admissions	952	954	966
Patient Days	4,530	4,638	4,701
Discharge ALOS	4.77	4.86	4.83

<u>OUTPATIENT:</u>	November <u>Actual</u>	<u>Budget</u>	Current 12 <u>Month Avg.</u>
OP Visits	6,576	7,195	7,401
ER Visits	4,175	3,992	4,362
Observation Equivalent Days – OP	247	191	255

Comparison of November acute inpatient statistics to those of the budget showed a slightly lower level of admissions and a lower level of patient days. The average length of stay (ALOS) based on discharged days was below budget. Outpatient visits were lower than budget. Emergency Room visits were above budget for the month.

2. Staffing – Schedule Board 3

Total paid FTEs were 0.6 above budget. Total productive FTEs for November were 1,169.7, 44.5 above the budgeted level of 1,125.2. Nonproductive FTEs were 43.9 below budget. Productive FTEs per adjusted occupied bed were 5.62, 0.16 above the budgeted level of 5.46. Total FTEs per adjusted occupied bed were 6.30, 0.06 below the budgeted level of 6.36.

3. Income - Schedule Board 1

For the month of November the Hospital realized a gain of \$494,000 from operations.

Total Gross Patient Service Revenue of \$153,189,000 for November was 4.3% below budget.

Deductions from Revenue of \$118,076,000 represented 77.08% of Total Gross Patient Service Revenue. This percentage is above the budgeted amount of 76.29%.

Total Operating Revenue of \$35,307,000 was \$2,864,000 below the budget.

Total Operating Expense in November was \$2,667,000 (7.1%) below the budgeted amount.

The Total Non-Operating Gain of \$1,173,000 for the month of November includes an unrealized gain on investments of \$144,000 and property tax revenue of \$785,000. This property tax revenue will be used to pay the debt service for the general obligation bonds.

The Total Net Gain for November was \$1,667,000, which was \$110,000 less than the budgeted gain of \$1,777,000.

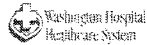
The Total Net Gain for November using FASB accounting principles, in which the unrealized gain on investments and property tax revenues are removed from the non-operating income and expense, was \$738,000 compared to budgeted gain of \$993,000.

4. Balance Sheet – Schedule Board 2

There were no noteworthy changes in assets and liabilities when compared to the October 2014 amounts.

NANCY FARBER
Chief Executive Officer

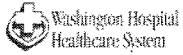
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WASHINGTON HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
 November 2014
 GASB FORMAT
 (In thousands)

NOVEMBER				YEAR TO DATE				
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.		ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
				1	OPERATING REVENUE			
\$ 111,100	\$ 120,147	\$ (9,047)	-7.5%	2	INPATIENT REVENUE	\$ 577,607	\$ 604,221	\$ (26,614) -4.4%
42,089	39,915	2,174	5.4%	3	OUTPATIENT REVENUE	232,977	206,174	26,803 13.0%
153,189	160,062	(6,873)	-4.3%	4	TOTAL PATIENT REVENUE	810,584	810,395	189 0.0%
(118,076)	(122,104)	4,028	3.3%	5	CONTRACTUAL ALLOWANCES	(621,754)	(617,770)	(3,984) -0.6%
77.08%	76.29%			6	CONTRACTUAL AS % OF REVENUE	76.70%	76.23%	
35,113	37,958	(2,845)	-7.5%	7	NET PATIENT REVENUE	188,830	192,625	(3,795) -2.0%
194	213	(19)	-8.9%	8	OTHER OPERATING INCOME	904	913	(9) -1.0%
35,307	38,171	(2,864)	-7.5%	9	TOTAL OPERATING REVENUE	189,734	193,538	(3,804) -2.0%
				10	OPERATING EXPENSES			
13,413	13,051	(362)	-2.8%	11	SALARIES & WAGES	68,471	66,772	(1,699) -2.5%
4,515	5,457	942	17.3%	12	EMPLOYEE BENEFITS	26,003	28,932	2,929 10.1%
3,813	4,011	198	4.9%	13	SUPPLIES	20,371	20,650	279 1.4%
4,730	4,862	132	2.7%	14	PURCHASED SERVICES & PROF FEES	24,831	24,405	(426) -1.7%
1,249	1,265	16	1.3%	15	INSURANCE, UTILITIES & OTHER	6,627	6,745	118 1.7%
3,415	5,187	1,772	34.2%	16	PROVISION FOR DOUBTFUL ACCOUNTS	18,930	26,284	7,354 28.0%
2,773	2,773	0	0.0%	17	DEPRECIATION	13,796	13,745	(51) -0.4%
905	874	(31)	-3.5%	18	INTEREST EXPENSE	4,555	4,492	(63) -1.4%
34,813	37,480	2,667	7.1%	19	TOTAL OPERATING EXPENSE	183,584	192,025	8,441 4.4%
494	691	(197)	-28.5%	20	OPERATING INCOME (LOSS)	6,150	1,513	4,637 306.5%
1.40%	1.81%			21	OPERATING INCOME MARGIN %	3.24%	0.78%	
217	216	1	0.5%	22	NON-OPERATING INCOME & (EXPENSE)			
(18)	0	(18)	0.0%	23	INVESTMENT INCOME	1,121	1,101	20 1.8%
45	86	(41)	-47.7%	23	REALIZED GAIN/(LOSS) ON INVESTMENTS	(32)	0	(32) 0.0%
785	784	1	0.1%	24	RENTAL INCOME, NET	298	398	(100) -25.1%
144	0	144	0.0%	25	PROPERTY TAX REVENUE	4,444	4,441	3 0.1%
1,173	1,086	87	8.0%	26	UNREALIZED GAIN/(LOSS) ON INVESTMENTS	(282)	0	(282) 0.0%
\$ 1,667	\$ 1,777	\$ (110)	-6.2%	27	TOTAL NON-OPERATING INCOME & EXPENSE	5,549	5,940	(391) -6.6%
4.72%	4.66%			28	NET INCOME (LOSS)	\$ 11,699	\$ 7,453	\$ 4,246 57.0%
				29	NET INCOME MARGIN %	6.17%	3.85%	
\$ 738	\$ 993	\$ (255)	-25.7%	30	NET INCOME (LOSS) USING FASB PRINCIPLES**	\$ 7,537	\$ 3,012	\$ 4,525 150.2%
2.09%	2.60%				NET INCOME MARGIN %	3.97%	1.56%	

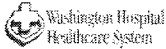
**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS



WASHINGTON HOSPITAL
BALANCE SHEET
 November 2014
(In thousands)

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOW			NOVEMBER 2014	AUDITED JUNE 2014	LIABILITIES, NET POSITION AND DEFERRED INFLOWS			NOVEMBER 2014	AUDITED JUNE 2014
CURRENT ASSETS					CURRENT LIABILITIES				
1	CASH & CASH EQUIVALENTS		\$ 25,892	\$ 13,995	1	CURRENT MATURITIES OF L/T OBLIG	\$ 5,993	\$ 10,010	
2	ACCOUNTS REC NET OF ALLOWANCES		54,142	50,447	2	ACCOUNTS PAYABLE	14,060	20,804	
3	OTHER CURRENT ASSETS		9,024	8,189	3	OTHER ACCRUED LIABILITIES	42,741	40,982	
4	TOTAL CURRENT ASSETS		<u>89,058</u>	<u>72,631</u>	4	INTEREST	8,090	10,119	
					5	TOTAL CURRENT LIABILITIES	<u>70,884</u>	<u>81,915</u>	
ASSETS LIMITED AS TO USE					LONG-TERM DEBT OBLIGATIONS				
6	BOARD DESIGNATED FOR CAPITAL AND OTHER		172,895	165,678	6	REVENUE BONDS AND OTHER	208,594	213,386	
7	GENERAL OBLIGATION BOND FUNDS		134,434	136,916	7	GENERAL OBLIGATION BONDS	197,502	198,703	
8	REVENUE BOND FUNDS		10,389	10,388					
9	BOND DEBT SERVICE FUNDS		7,027	26,248	OTHER LIABILITIES				
10	OTHER ASSETS LIMITED AS TO USE		15,099	15,030	10	NET PENSION LIABILITY	57,359	71,400	
11	TOTAL ASSETS LIMITED AS TO USE		<u>339,844</u>	<u>354,260</u>	11	WORKERS' COMP	8,941	8,418	
13	OTHER ASSETS		118,688	113,193	12	SUPPLEMENTAL MEDICAL RETIREMENT	35,641	34,466	
14	NET PROPERTY, PLANT & EQUIPMENT		394,536	401,352	14	NET POSITION	352,272	340,573	
15	TOTAL ASSETS		<u>\$ 942,126</u>	<u>\$ 941,436</u>	15	TOTAL LIABILITIES AND NET POSITION	<u>\$ 931,193</u>	<u>\$ 948,861</u>	
16	DEFERRED OUTFLOWS		4,277	23,403	16	DEFERRED INFLOWS	15,210	15,978	
17	TOTAL ASSETS AND DEFERRED OUTFLOWS		<u>\$ 946,403</u>	<u>\$ 964,839</u>	17	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	<u>\$ 946,403</u>	<u>\$ 964,839</u>	



**WASHINGTON HOSPITAL
OPERATING INDICATORS**
November 2014

12 MONTH AVERAGE	NOVEMBER						YEAR TO DATE					
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.		
154.6	151.0	154.6	(3.6)	-2%	1							
8.4	8.2	6.4	1.8	28%	2							
10.6	10.8	9.5	1.3	14%	3							
173.6	170.0	170.5	(0.5)	0%	4							
4,701	4,530	4,638	(108)	-2%	5							
966	952	954	(2)	0%	6							
4.83	4.77	4.86	(0.09)	-2%	7							
1.489	1.443	1.505	(0.062)	-4%	8							
111	110	110	-	0%	9							
25	19	29	(10)	-34%	10							
9	13	9	4	44%	11							
57	44	70	(26)	-37%	12							
345	325	334	(9)	-3%	13							
584	457	561	(104)	-19%	14							
151	149	140	9	6%	15							
7,401	6,576	7,195	(619)	-9%	16							
4,362	4,175	3,992	183	5%	17							
1,201.3	1,169.7	1,125.2	(44.5)	-4%	18							
183.6	141.7	185.6	43.9	24%	19							
1,384.9	1,311.4	1,310.8	(0.6)	0%	20							
5.70	5.62	5.46	(0.16)	-3%	21							
6.57	6.30	6.36	0.06	1%	22							

PATIENTS IN HOSPITAL

OTHER KEY UTILIZATION STATISTICS

SURGICAL CASES

LABOR INDICATORS