



Washington Township Health Care District

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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, February 27, 2019– 6:00 P.M.

Board Room, 2000 Mowry Avenue

AGENDA

PRESENTED BY:

- | | |
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| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | Bernard Stewart
Board Member |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. COMMUNICATIONS | |
| A. Oral | |
| B. Written | |
| IV. CLOSED SESSION | |
| A. Conference with Legal Counsel-Existing Litigation pursuant to Government Code section 54956.9(d)(2) (1 matter) | Nancy Farber
Chief Executive Officer |
| <i>Nancy Teske v Washington Hospital
HG15791479</i> | |
| B. Conference involving a trade secret pursuant to Health & Safety Code section 32106 | |
| C. Report on personnel matters, Cal Gov. Code Section 54957 | |
| V. OPEN SESSION | |
| Report on Closed Session | Bernard Stewart
Board Member |
| VI. ACTION | |
| A. Consideration of Claim: Wayne Sanders | <i>Motions Required</i> |
| B. Consideration of Two Mediators | |
| C. Consideration of Settlement: Teske | |
| VII. ADJOURNMENT | Bernard Stewart
Board Member |

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
February 22, 2019

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic, but guarded. The national labor market continues to show favorable job growth, low unemployment, low unemployment claims, and wages show favorable annual growth for the fourth straight month. The global economy continues to show signs that the international economy will likely enter into a period of slower economic growth in 2019, due in part to trade tensions, a slowdown in China's economy, and fears associated with Brexit.

The Bureau of Labor Statistics job report showed the U.S. economy created 304,000 jobs in January, as the unemployment rate remained ticked up to 4.0% from 3.9% in the previous month. Hourly wage growth showed year-over-year growth of 3.2%, the fourth straight month above 3.0% and above the current rate of inflation. Claims for U.S. jobless benefits continue to remain at historically low levels, however have risen in recent weeks to 239,000. The four-week moving average, a less volatile measure, rose to 231,750, which is the highest level since January 2018. It is likely that the federal government shutdown contributed to the increase in unemployment claims. Economists continue to anticipate that the national GDP growth rate will slow as we enter the second half of 2019, potentially decreasing to as low as a 2.0% annual growth rate. The national housing market continues to show signs of a housing market slowdown, as higher interest rates, coupled with high home values, continue to impact sales figures. January marked the sixth consecutive month of declining sales and had the largest year-over-year inventory increase in a decade at 6.4%.

The California economy showed continued job growth in December (state unemployment data lags national data by a month), adding 24,500 jobs as the state's unemployment rate edged up to 4.2% from 4.1% in the previous month. This is the 105th straight month of employment expansion for the State, and for calendar year 2018 California added 284,300 jobs. Similar to the national market, the California housing market is strong overall, however there are continued signs that we have entered into a market slowdown and affordability continues to plague sales activity growth.

Locally, the District's unemployment rate decreased slightly in December (local unemployment data lags national data by a month) decreasing to 2.5% from 2.6% in the previous month. Approximately 5,000 District residents in the labor force are unemployed.

Analysis of all of the economic measures included above is ongoing and carefully monitored for potential impacts to hospitals and opportunities for Washington to contribute expertise and advocacy through our elected officials.

State and Federal Legislative Update

CA Legislature

The California legislature is currently in the bill introduction period of this session, and the deadline for bills to be introduced is today, February 22. Policy committees in the house of origin must hear and report bills to the appropriate fiscal committee by April 26, and each house must pass bills introduced in that house by May 31.

Staff continues to monitor the bills that have been introduced, and at this point some of the bills worth highlighting include:

AB 329 (Rodriguez) Hospitals, Assaults and Batteries

As reported previously, Washington has been working with Assembly member Rodriguez and his staff to introduce a bill aimed at increasing the criminal penalties and fines for assaults against all health care workers engaged in providing services inside a hospital, including the emergency department. Assembly member Rodriguez introduced the bill earlier this month and staff will continue to work with the Assembly member and his staff over the coming months as the bill progresses through the relevant policy and fiscal committees.

SB 175 (Pan) Healthcare Coverage, Minimum Essential Coverage and AB 414 (Bonta) Healthcare Coverage, Minimum Essential Coverage

Similar bills were introduced in both the Senate and Assembly that address the topic of health coverage for every resident in California. Both bills would require a California resident to ensure that the resident, and any dependent of the resident, is covered under minimum essential coverage for each month beginning after 2019. The bills would impose a penalty for the failure to maintain minimum essential coverage and would require the Exchange to determine the penalty, if any, for a resident and would require the Franchise Tax Board to collect the penalty. The bills would require the Exchange to determine whether to grant a certification that a resident is exempt from the requirement to maintain minimum essential coverage, the penalty, or both, and would require the Exchange to notify the resident and the Franchise Tax Board of its determination.

AB 528 (Low) Controlled Substances, CURES Database

Existing law requires the Department of Justice to maintain the Controlled Substance Utilization Review and Evaluation System (CURES) for the electronic monitoring of the prescribing and dispensing of Schedule II, Schedule III, and Schedule IV controlled substances by a health care practitioner authorized to prescribe, order, administer, furnish, or dispense a Schedule II, Schedule III, or Schedule IV controlled substance. Existing law requires a dispensing pharmacy, clinic, or other dispenser to report specified information to the Department of Justice as soon as reasonably possible, but not more than 7 days after the date a controlled substance is dispensed. This bill would require a dispensing pharmacy, clinic, or other dispenser to report the information required by the CURES database no more than one working day after a controlled substance is dispensed.

Federal Legislature

Much of the Federal Legislature's focus last month was centered on a temporary funding bill to re-open the Federal government, and much of this month was focused on a longer-term spending bill that ultimately funded the affected government agencies and programs past February 15, 2019. As regulatory agencies resume normal operations, we expect to see a pickup in proposed regulatory rules in the coming months and we anticipate legislative attention on hospital pricing and transparency, the 340B discount drug program, pharmaceutical prices, and health care accrediting agencies over the coming months. Staff will continue to monitor potential federal regulations and legislation that may impact the Hospital and the District.

II. FOUNDATION

Critical Care Capital Campaign

The capital campaign has been under way for two years now and has raised \$5.56 million from community donors, physicians and employees. Our stretch goal for the campaign is \$7 million. Grants applications are being submitted to the Joseph and Vera Long Foundation (\$200,000 request), the Hearst Foundation (\$500,000 request), and the Wayne and Gladys Valley Foundation (\$1.5 million request).

Gene Angela Pessagno Golf Tournament

Planning is under way for the Foundation's annual golf tournament, which is scheduled this year for Thursday, May 2 at Castlewood Country Club. The committee has met and is considering ways to freshen up the tournament and attract additional golfers.