



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

Monday, March 21, 2016 – 6:00 P.M.

Anderson C

AGENDA

- | | | |
|-------------|--|---|
| I. | CALL TO ORDER &
PLEDGE OF ALLEGIANCE | Michael Wallace
Board Member |
| II. | ROLL CALL | Christine Flores
District Clerk |
| III. | COMMUNICATIONS | |
| | A. Oral | |
| | B. Written | |
| IV. | CLOSED SESSION | Nancy Farber
Chief Executive Officer |
| | A. Report involving a trade secret
pursuant to Health & Safety Code
section 32106 | |
| | New Program | |
| | Estimated date of public disclosure:
March 2017 | |
| | B. Report and discussion regarding
California Government Code section
54957: Personnel matters | |
| V. | OPEN SESSION | |
| | Report on Closed Session | Michael Wallace
Board Member |
| VI. | ADJOURNMENT | Michael Wallace
Board Member |

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
March 18, 2016

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook is cautiously optimistic. Overall, domestic economic indicators continue to indicate a relatively stable and growing economy, and international indicators continue to point towards a global slowdown. National employment figures remain healthy and the stock markets have recovered from the meager start to 2016, as the Fed continues to hold on interest rate increases in the immediate future.

The Bureau of Labor Statistics job report showed the U.S. economy added 242,000 jobs in February as the unemployment rate remained at 4.9%. In addition, revisions to the December and January employment figures show that 30,000 more jobs were added in those months than previously reported. Claims for U.S. jobless benefits declined to a five-month low recently, dropping by 18,000 to a seasonally adjusted 259,000. The four-week moving average, a less volatile measure, fell by 2,500 to 267,500. The national housing market continues to hold steady ahead of the typically busy spring season. Last month, the number of properties that received a foreclosure filing in the U.S. was 8% lower than the previous month and 11% lower than the same time last year. Home sales were up 23% compared with the previous month, and down 59% compared with a year ago.

The California economy continues to have positive economic indicators; however the latest jobs report showed payroll jobs actually shrank in the first month of 2016. In January (state unemployment data lags national data by a month), the state lost 1,500 payroll jobs, however the unemployment rate still decreased to 5.7%, from 5.8% a month earlier. It's not unusual for the two indicators, which are calculated from separate surveys, to go in separate directions in a given month. Many economists say year-over-year comparisons are usually more reliable, and California's unemployment rate has declined markedly since January 2015, from 6.8% to 5.7%. California has seen some of the strongest job growth in the country in the past year. The state has added 444,900 jobs since January 2015, a growth rate of 2.8%. Last month, the number of properties that received a foreclosure filing in the state was 8% higher than the previous month and 11% lower than the same time last year. Home sales were down 1% compared with the previous month, and down 62% compared with a year ago.

Locally, the District's unemployment rate held steady in January, (local unemployment data lags national data by a month) remaining at 3.6%. Just fewer than 6,700 District residents in the labor force are unemployed. Foreclosure activity in the District was slightly higher than last month at 41 foreclosures, and home sales figures in the District mirrored the pace seen at the national and state levels.

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

Federal Legislature

As part of the House budget resolution process, the Energy and Commerce Committee announced this month the Common Sense Savings Act of 2016 (H.R. 4725), legislation introduced by Health Subcommittee Chairman Joe Pitts (R-PA) to reduce the federal deficit by almost \$25 billion through cuts to Medicaid, the Children's Health Insurance Program (CHIP) and the Prevention and Public Health Fund. The legislation would:

- Eliminate the enhanced federal Medicaid matching funds available for the coverage of prisoners as a result of the Affordable Care Act's Medicaid expansion. States would continue to be allowed to receive federal funds for Medicaid coverage for prisoner inpatient services, but at the traditional federal matching rate.
- Reduce the amount of the non-federal share that can come from providers by gradually reducing the Medicaid provider tax threshold from its current 6 percent of the net patient service revenues to 5.5 percent (the amount that was in place until Oct. 1, 2011).
- Eliminate the 23 percentage point increase in the CHIP matching rate implemented in the Affordable Care Act.
- Repeal the Prevention and Public Health Fund, which amounts to more than \$14 billion over the next 10 years.
- Close a loophole in a current statute that has allowed lottery winners to retain taxpayer-financed Medicaid coverage. While the provider tax provision wouldn't immediately impact the current Medi-Cal hospital fee, the provision sets a dangerous precedent and threatens the program that California hospitals depend on. Representative Lois Capps (D-CA) offered an amendment, which failed, to strike the provider tax provision. H.R. 4725 was passed out of committee along party lines. All four Californians on the committee — Reps. Cardenas, Capps, Eshoo and Matsui — voted no.

CA Legislature

The special session on health care was ended earlier this month, starting the clock on the effective date of the End of Life Bill, which will take effect on June 9, 2016.

The deadline for submission of new legislation was February 19th, and most of the bills have been referred to a policy committee. Bills have until April 22nd to pass out of the policy committees before being referred to the relevant fiscal committee. Staff is currently in the process of reviewing introduced legislation that may impact the Health Care District, and will continue to monitor this legislation over the next several months.

Some of the introduced legislation worth noting includes:

AB 1707 (Linder) Public Records: Response to Request

The California Public Records Act requires state and local agencies to make public records available for inspection, unless an exemption from disclosure applies. The act requires a response to a written request for public records that includes a denial of the request, in whole or in part, to be in writing. This bill instead would require that response to be in writing regardless of whether the request was in writing. The bill would require that written response additionally to include a list that contains the title or other identification of each record requested but withheld due to an exemption and the specific exemption that applies to that record.

AB 2257 (Maienschein) Local Agency Meetings: Agenda, Online Posting

The Ralph M. Brown Act requires the legislative body of a local agency to post, at least 72 hours before the meeting, an agenda containing a brief general description of each item of business to be transacted or discussed at a regular meeting, in a location that is freely accessible to members of the public and to provide a notice containing similar information with respect to a special meeting at least 24 hours prior to the special meeting. This bill would require an online posting of an agenda by a local agency to have a prominent direct link to the current agenda itself.

AB 2389 (Ridley-Thomas) Special Districts: District-Based Elections, Reapportionment

Existing law provides for political subdivisions, including special districts, which encompass areas of representation within the state. With respect to these areas, public officials are generally elected by all of the voters of the political subdivision (at-large) or by or from districts formed within the political subdivision (district-based). Under existing law, the manner of election of a governing body of a special district is generally specified in the statutes creating the district. If a political subdivision changes from an at-large method of election to a district-based election, existing law generally requires the political subdivision to submit to the voter an ordinance or resolution providing for the election of members of the governing body by district. This bill would authorize a governing body of a special district, as defined, to require, by resolution, that the election of the members of its governing body be elected using district-based elections without being required to submit the resolution to the voters for approval.

AB 2471 (Quirk) Health Care Districts: Dissolution

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts by local agency formation commissions. Existing law establishes the procedures for the dissolution of the existence of a district and sets forth provisions for winding up the affairs of a dissolved district. Existing

law generally authorizes the dissolution of a district without voter approval, except as specified. Notwithstanding those provisions, existing law subjects the dissolution of a health care district to voter approval. This bill would require a local agency formation commission to order the dissolution of a health care district without an election if the health care district meets certain criteria. The bill would subject a dissolution under these provisions to the provisions of the act for winding up the affairs of a dissolved district.

AB 2476 (Daly) Local Governments: Parcel Taxes, Notices

Existing law authorizes cities, counties, and special districts to impose a parcel tax or property-related fee for specified purposes. This bill would require, before the adoption of any new parcel tax, the legislative body of a local agency, as defined, to provide notice of the vote to enact the proposed parcel tax to the owner of each parcel affected by the tax within one week of the local agency voting to place the proposed parcel tax on the ballot. This bill would require the notice to include specified information and to be provided to the property owner in a specified manner. This bill would provide that the local agency may recover the reasonable costs of the notice from the proceeds of the parcel tax. By imposing new duties upon local county officials, this bill would impose a state-mandated local program.

Sponsored Legislation

Staff continues to work with the author's office on potential amendments to the bill Washington is sponsoring, Assembly Bill 1857. As reported previously, the bill is authored by Assembly Member Rodriguez, and would require peace officers, when bringing a patient to a health care facility whose identity is known, to disclose to staff whether the patient has a violent criminal history. The goal of the bill is to help ensure the safety of health care staff and patients. Staff met with local union representatives over the past several weeks to garner support for the bill before the bill is heard in the Assembly Public Safety Committee, which will occur in the next few weeks.

II. FOUNDATION

Capital Campaign

The Foundation is working with CCS on the timing of the six-month engagement for the capital campaign. Staff from the Foundation and CCS has been working together on the material needed to collect to put together the case statement for donors. The term of the consulting engagement is for six months, at which point CCS will return to brief the boards of the District and the Foundation on the results of the campaign. CCS anticipates beginning the engagement in late March or early April.

Golf Tournament

Planning has begun on the golf tournament, which will take place at Castlewood Country Club on Monday, April 25. The committee has met twice and is working to collect raffle items recruit golfers.



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 7

Month of January 2016

Nancy Farber, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Washington Urgent Care
Washington Radiation Oncology Center • Washington Outpatient Surgery Center
Cardiovascular Institute • Washington Outpatient Rehabilitation Center • Washington Center for Joint Replacement
Taylor McAdam Bell Neuroscience Institute • Institute for Minimally Invasive and Robotic Surgery
Sandy Amos R.N. Infusion Center • Washington Outpatient Imaging Center • Washington Women's Center

**Washington Township Hospital
Development Corporation
Summary Income Statement
January 2016**

Current Month				Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)	
		Variance	%			Variance	%
2,922	3,796	(874)	(23.0%)	21,817	24,608	(2,791)	(11.3%)
262	336	(74)	(22.0%)	2,868	3,158	(290)	(9.2%)
3,184	4,132	(948)	(22.9%)	24,685	27,766	(3,081)	(11.1%)
Gross Revenue							
3,081,710	3,737,154	(655,444)	(17.5%)	22,717,696	25,374,134	(2,656,438)	(10.5%)
749,734	755,332	(5,598)	(0.7%)	5,340,356	5,364,207	(23,851)	(0.4%)
3,831,444	4,492,486	(661,042)	(14.7%)	28,058,052	\$30,738,341	(2,680,289)	(8.7%)
Deductions							
1,677,621	2,044,474	366,853	17.9%	12,175,806	13,933,038	1,757,232	12.6%
54.4%	54.7%	0.3%		53.6%	54.9%	1.3%	
2,153,823	2,448,012	(294,189)	(12.0%)	15,882,246	16,805,303	(923,057)	(5.5%)
Expenses							
790,231	738,895	(51,336)	(6.9%)	5,648,001	5,249,579	(398,422)	(7.6%)
269,807	248,777	(21,030)	(8.5%)	1,825,965	1,782,217	(43,748)	(2.5%)
259,847	257,939	(1,908)	(0.7%)	1,739,716	1,808,842	69,126	3.8%
232,783	322,499	89,716	27.8%	1,903,493	2,011,344	107,851	5.4%
181,634	202,017	20,383	10.1%	1,337,615	1,373,840	36,225	2.6%
79,378	79,943	565	0.7%	558,660	557,405	(1,255)	(0.2%)
17,896	17,258	(638)	(3.7%)	135,688	141,020	5,332	3.8%
442,577	439,512	(3,065)	(0.7%)	3,029,752	3,077,280	47,528	1.5%
128,706	69,345	(59,361)	(85.6%)	892,346	482,121	(410,225)	(85.1%)
2,402,859	2,376,185	(26,674)	(1.1%)	17,071,236	16,483,648	(587,588)	(3.6%)
(249,036)	71,827	(320,863)	(446.7%)	(1,188,990)	321,655	(1,510,645)	(469.6%)
(40,179)	95,048	135,227	142.3%	(72,702)	653,973	726,675	111.1%
(208,857)	(23,221)	(185,636)	(799.4%)	(1,116,288)	(332,318)	(783,970)	(235.9%)