



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, March 25, 2015 - 6:00 P.M.
Conrad E. Anderson, MD Auditorium C**

AGENDA

- | | | |
|-------------|---|--|
| I. | CALL TO ORDER &
PLEDGE OF ALLEGIANCE | Patricia Danielson, RHIT
Board Member |
| II. | ROLL CALL | Christine Flores
Senior Executive Assistant |
| III. | COMMUNICATIONS
A. Oral
B. Written | |
| IV. | CLOSED SESSION
A. Report and discussion regarding
California Government Code section
54957: Personnel matters
B. Report involving a trade secret
pursuant to Health & Safety Code
section 32106

New Program

Estimated date of public disclosure:
March 2016 | Nancy Farber
Chief Executive Officer |
| V. | OPEN SESSION

Report on Closed Session | Patricia Danielson, RHIT
Board Member |
| VI. | ADJOURNMENT | Patricia Danielson, RHIT
Board Member |

**STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
March 20, 2015**

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. The national employment figures continue to show meaningful and sustained job growth, and the national housing market continues to show signs of stabilization. There remains concern over global economic stability, as Eurozone economies and Russia continue to show signs of economic instability. It is anticipated a move by the Federal Reserve in the middle portion of this year to raise interest rates, however a meaningful growth in wages or inflation could push this decision to as early as June.

The Bureau of Labor Statistics job report showed the US economy added 295,000 jobs in February as the unemployment rate ticked down to 5.5%. February was the twelfth straight monthly gain above 200,000. The national job market and economy are easily outpacing those of other major nations. Though Europe and Japan are showing signs of growing more than last year, their economies remain feeble. Claims for U.S. jobless benefits decreased recently by 36,000 to a seasonally adjusted 289,000. The four-week moving average, a less volatile measure, fell by 3,750 to 302,250. The national housing market continues to show signs of stabilizing. However, sales volumes remain sluggish due to a lack of inventory, which has helped to drive up prices. National home prices climbed 4.6% year over year. Last month, the number of properties that received a foreclosure filing in the U.S. was 1% higher than the previous month and 8% lower than the same time last year. Home sales were up 5% compared with the previous month, and down 7% compared to a year ago.

The California economy showed notable unemployment gains in January (state unemployment data lags national data by a month), as the state added 67,300 new payroll jobs and the unemployment rate dropped to 6.9%, down from 7.0% a month earlier. The latest monthly results also showed that December was considerably stronger than previously reported. Instead of only 700 jobs being created last month, officials now say payrolls grew by 19,800. Last month, the number of properties that received a foreclosure filing in California was 18% higher than the previous month and 5% lower than the same time last year. Home sales were up 9% compared with the previous month, and down 9% compared to a year ago.

Locally, the District's unemployment rate increased in January, (local unemployment data lags national data by a month), rising to 4.5% from 4.0% in December. Just over 8,250 District residents in the labor force are unemployed. Foreclosure activity in the District decreased last month to 45 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

King V. Burwell

This month, the Supreme Court heard the case of King v. Burwell, which challenges the Internal Revenue Service's authority to issue tax subsidies to individuals who purchased health insurance through the Federal health insurance exchanges. A ruling is expected by the end of June. The potential impact of this ruling at both the state and federal levels is being assessed.

Federal Budget

The Senate Budget Committee is expected to release their budget blueprint next week. As part of the proposed budget, it is expected that the Committee will propose turning more responsibility of Medicaid over to the states in order to cut federal expenses. While details of the proposal are not yet finalized, it is expected that the Committee will propose turning funding for Medicaid into something similar to a block grant. This approach would call for the federal government to pay states a lump sum, instead of a percentage of Medicaid's costs.

CA Legislature

The California Legislature has now completed the introduction of bills for this session, and there were more than 2,200 bills introduced. All fiscal bills that are to go to a floor vote have until May 1 to pass out of policy committees. Committees are slowly beginning to schedule bills for hearings. The Budget is the busiest Committee at this point, however there is not a lot of controversy around the proposed Budget. The health provider community is pushing hard to increase Medi-Cal reimbursement rates. The Administration and Department of Health Care Services have been criticized for the lack of access to care for Medi-Cal enrollees and why they are not supportive of increasing Medi-Cal reimbursement rates.

Some of the bills already introduced worth highlighting include:

SB 323 (Hernandez): Nurse Practitioners

The Nursing Practice Act provides for the licensure and regulation of nurse practitioners by the Board of Registered Nursing. This bill would make legislative findings and declarations with respect to the importance of care provided by nurse practitioners. The bill aims to expand the scope of practice for nurse practitioners without a physician's supervision.

AB 366 (Bonta): Medi-Cal: Provider Reimbursement

This bill would require claims for Medi-Cal payments pursuant to the inpatient hospital reimbursement methodology to be increased by a percentage to be determined for the 2015-16 fiscal year. The bill would also require, commencing July 1, 2016, and annually thereafter, the department to increase each diagnosis-related group payment claim amount based on increases in the medical component of the California Consumer Price Index.

SB 128 (Wolk): End of Life

This bill would enact the End of Life Option Act authorizing an adult who meets certain qualifications, and who has been determined by his or her attending physician to be suffering from a terminal illness, to make a request for medication prescribed pursuant to these provisions for the purpose of ending his or her life. The bill would establish the procedures for making these requests.

AB 1300 (Ridley-Thomas): Mental Health

The overarching goal of AB 1300 is to provide more clarity and specificity around the mental health laws (Lanterman-Petris-Short Act) for the detention and release of a person who is a danger to themselves or others. Currently, due to the lack of clarity in this area, counties are all handling these situations differently. Established in 1967, the Lanterman-Petris-Short Act (LPS Act) governs the involuntary commitment of individuals for psychiatric treatment in California. In the 48 years since its passage, there have been significant changes in the mental health delivery system, adversely impacting a patient's ability to obtain prompt evaluation and treatment as required by current law. In addition, the fragmented and inconsistent application of the LPS Act by California's 58 counties has led to an increasing and often inappropriate dependence on hospital emergency departments to care for this population, without the necessary resources.

In summary, the primary objectives of this bill are to:

- Clearly articulate when a 5150 hold starts, stops, is discontinued, and who may perform these decision-making functions;
- Increase the emphasis on the prompt provision of services in both LPS-designated and non-LPS designated facilities;
- Clarify a patient's involuntary 5150 hold status when receiving involuntary psychiatric treatment out of their county of residence, across county lines and when, admitted into a medical floor of a hospital;
- Incorporate the use of tele-health for involuntary treatment, assessment and evaluation purposes; and,
- Create optional county mental health "local or regional liaisons" to facilitate increased communication between hospitals and community services.

II. FOUNDATION

Capital Campaign

To date, \$4.85 million has been raised for the Critical Care Campaign, which represents 81 percent of the \$6 million goal.

IJRR Research and Education Fund

The year-end mailing to raise funds for a digital x-ray machine for the IJRR has raised \$33,720 to date.

Golf Tournament

The annual Foundation golf tournament will take place on Monday, April 27, at Castlewood Country Club. Proceeds from the tournament will support surgical services at Washington Hospital.



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 7

Month of January 2015

Nancy Farber, Chief Executive Officer

Washington Township Health Care District • Washington Hospital • Washington Urgent Care
Washington Radiation Oncology Center • Washington Outpatient Surgery Center
Washington Cardiovascular Institute • Washington Outpatient Rehabilitation Center • Institute for Joint Restoration and Research
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 District
Development Corporation
Summary Income Statement
January 2015**

Current Month					Year - To - Date				
Actual	Budget	Favorable/(Unfavorable)			Actual	Budget	Favorable/(Unfavorable)		
		Variance	%				Variance	%	
3,822	3,583	239	6.7%	(1) Visits	25,312	23,644	1,668	7.1%	
424	569	(145)	(25.5%)	(2) Treatments & Procedures	3,200	3,244	(44)	(1.4%)	
4,246	4,152	94	2.3%	(3) Total	28,512	26,888	1,624	6.0%	
Gross Revenue									
4,235,334	3,856,104	379,230	9.8%	(4) Patient Revenue	30,426,771	27,218,410	3,208,361	11.8%	
784,179	752,151	32,028	4.3%	(5) Other Revenue	5,571,244	5,428,706	142,538	2.6%	
5,019,513	4,608,255	411,258	8.9%	(6) Total Gross Revenue	35,998,015	\$32,647,116	3,350,899	10.3%	
Deductions									
2,038,780	1,971,136	(67,644)	(3.4%)	(7) Total Deductions	15,817,390	13,831,023	(1,986,367)	(14.4%)	
48.1%	51.1%	3.0%		Contractual Percentage	52.0%	50.8%	(1.2%)		
2,980,733	2,637,119	343,614	13.0%	(8) Net Revenue	20,180,625	18,816,093	1,364,532	7.3%	
Expenses									
886,079	829,701	(56,378)	(6.8%)	(9) Purchased Labor	6,308,749	5,902,489	(406,260)	(6.9%)	
309,882	281,829	(28,053)	(10.0%)	(10) Purchased Benefits	2,023,058	1,998,117	(24,941)	(1.2%)	
283,964	311,261	27,297	8.8%	(11) Supplies	2,220,736	2,224,090	3,354	0.2%	
35,607	42,325	6,718	15.9%	(12) Contract Mgmt Services	290,342	296,275	5,933	2.0%	
245,887	186,065	(59,822)	(32.2%)	(13) Professional Fees	1,359,111	1,336,929	(22,182)	(1.7%)	
267,259	208,626	(58,633)	(28.1%)	(14) Purchased Services	1,676,788	1,543,881	(132,907)	(8.6%)	
20,022	15,667	(4,355)	(27.8%)	(15) Legal and Audit	130,395	112,169	(18,226)	(16.2%)	
76,519	76,529	10	0.0%	(16) Depreciation and Amort	543,744	540,935	(2,809)	(0.5%)	
23,598	14,233	(9,365)	(65.8%)	(17) Utilities	154,258	122,344	(31,914)	(26.1%)	
410,285	408,778	(1,507)	(0.4%)	(18) Building Lease	2,964,631	2,876,810	(87,821)	(3.1%)	
68,406	81,084	12,678	15.6%	(19) Other Expenses	513,915	567,472	53,557	9.4%	
2,627,508	2,456,098	(171,410)	(7.0%)	(20) Total Expenses	18,185,727	17,521,511	(664,216)	(3.8%)	
353,225	181,021	172,204	95.1%	(21) Net Operating Income/Loss	1,994,898	1,294,582	700,316	54.1%	
195,542	128,918	(66,624)	(51.7%)	(22) Minority Interest	1,358,095	1,031,656	(326,439)	(31.6%)	
157,683	52,103	105,580	202.6%	(23) Net Income	636,803	262,926	373,877	142.2%	