



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 E. Nicholson, M.D.

Bernard Stewart, D.D.S.

Michael J. Wallace

BOARD OF DIRECTORS' MEETING

Wednesday, April 12, 2017 – 6:00 P.M.

Conrad E. Anderson, MD Auditorium

AGENDA

- | | PRESENTED BY: |
|---|---|
| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | William Nicholson, MD
Board Member |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. EDUCATION SESSION:
Our Genes, Our Fate? | Bogdan Eftimie, MD
UCSF-Washington Cancer Center |
| IV. CONSIDERATION OF MINUTES
March 8, 20, 22, and 27, 2017 | <i>Motion Required</i> |
| V. COMMUNICATIONS | |
| A. Oral | |
| B. Written | |
| From Kranthi Achanta, MD Chief of Staff,
dated March 27, 2017 requesting
approval of Medical Staff Credentialing
Action Items. | <i>Motion Required</i> |
| VI. INFORMATION | PRESENTED BY: |
| A. Service League Report | Debbie Jackson
Service League |
| B. Medical Staff Report | Kranthi Achanta, MD
Chief of Staff |
| C. Hospital Calendar | Nancy Farber
Chief Executive Officer |

- D. Lean/Kaizen Report:
Lean Update
Donald Pipkin
Chief of Strategic Management
Elizabeth Kurkjian, M.D.
Director, Kaizen Promotion Office
- E. Construction Report
Ed Fayen
Senior Associate Administrator
- F. Quality Report:
Quality Dashboard Quarter Ending
December 2016
Mary Bowron, DNP, RN, CIC
Senior Director of Quality & Resource
Management
- G. Finance Report
Chris Henry
Senior Associate Administrator and
Chief Financial Officer
- H. Hospital Operations Report
Nancy Farber
Chief Executive Officer

VII. ACTION

- A. Debt Issuance Policy
- B. Continuous Interface to Cadwell EEG
- C. IT Application Upgrades
- D. Laundry Carts

Motion Required

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 and discussion regarding California Government Code section 54957:
Personnel matters
- B. Conference regarding medical audit reports, quality assurance reports and privileging pursuant to Health & Safety Code Section 32155.
- C. Report involving a trade secret pursuant to Health & Safety Code section 32106

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

William Nicholson, MD
Board Member

- A. Bids for PreNatal Diagnostic Clinic Project

Board Meeting Agenda

April 12, 2017

Page 3

X. ADJOURNMENT

William Nicholson, MD
Board Member

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, March 8, 2017 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Director Nicholson called the meeting to order at 6:00 pm and led those present in the Pledge of Allegiance.

CALL TO ORDER

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

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer; Kranthi Achanta, Chief of Medical Staff; Debbie Jackson, Service League 1st President; Dee Antonio, District Clerk

Guests: Ed Fayen, Kimberly Hartz, Chris Henry, Bryant Welch, Stephanie Williams, Tina Nunez, Kristin Ferguson, Mary Bowron, Albert Brooks, MD, Angus Cochran, Donald Pipkin

Nancy Farber, Chief Executive Officer, introduced Kristin Ferguson, Chief of Compliance to present the education session: Workplace Violence.

*EDUCATION SESSION:
Workplace Violence*

In 2014, SB 1299 was passed and signed into law requiring Cal/OSHA to develop Workplace Violence Prevention regulations for healthcare facilities by July 1, 2015. The SB 1299 regulations became effective April 1, 2017 requiring all hospital WPV incidents to report to Cal/OSHA. By April 2018, Hospital Workplace Violence Prevention Plans and staff education must be in place.

Workplace Violence includes the use of physical force against a hospital employee by a patient or a person accompanying a patient that results in, or has a high likelihood of resulting in injury, psychological trauma, or stress, regardless of whether the employee or staff member sustains a physical injury; an incident involving the use of a firearm or other dangerous weapon regardless of whether the employee or staff member sustains an injury.

Ms. Ferguson reviewed the four categories of workplace violence as defined by SB 1299 and the requirement for healthcare facilities to establish, implement, and maintain an effective WPVP plan at all times, in all in-patient and out-patient care settings. Ms. Ferguson outlined the eight required elements of the Workplace Violence Protection Plan and noted that revisions to the current plan will be made to ensure compliance with SB 1299 regulations will be in place by April 1, 2018. WPVP will also be incorporated into new physician orientation.

Special training is required for Emergency Department staff, Security staff, and Nursing Supervisors.

Ms. Ferguson reviewed the Cal/OSHA reporting requirements and SB 1299 recordkeeping requirements.

Director Stewart moved for approval of the minutes of February 8, 22, and 27, 2017.

*APPROVAL OF
MINUTES OF February
8, 22, and 27, 2017*

Director Danielson seconded the motion.

Roll call was taken:

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

The motion carried.

Director Nicholson opened the floor to communications from the public. Kim Lake and Maria Vivanco, WHHS staff nurses, were invited to address the Board. They chose today, International Women's Day, to talk to the Board about their concerns with staffing during this high census period. Ms. Lake stated that morale was low and she raised concerns regarding having to use vacation days in order to get education. Ms. Vivanco, who is also the C.N.A. representative, presented the Board with a petition signed by nurses asking for reinstatement of a nurse who had been suspended.

*COMMUNICATIONS:
ORAL*

The following written communication received from Kranthi Achanta, MD., Chief of Staff, dated February 27, 2017 requesting approval of Medical Staff Credentialing Action Items as follows:

*COMMUNICATIONS:
WRITTEN*

Appointments:

Nair, Anil MD, Shah, Payal MD

Temporary Privileges:

Nair, Anil MD, Shah, Payal MD

Locum Tenens

Chao, Lissette, PA-C

Reappointments:

Achanta, Kranthi MD, Aderson, Steven MD, Andreson, Joseph MD, Chen, Xiaochuan MD, Ellner, Laurence MD, Goehner, Paul MD, Habibi, Ali MD, Hung, Sammy MD, Khetrapal, Rabin MD, Kilaru, Prasad MD, Kishiyama, Jeffrey MD, Larson, David MD, Laver, David DPM, Lewis, David MD, Liang, Mark MD, Lin, Jinn MD, Louis, Jennifer MD, Low, Kenneth MD, Singh, Geeta MD, Smith, Brian MD, Spears, Robert MD, Vora, Samir MD, Wat, Norman DDS, Wilson, Byron MD, Wilson, Vanessa MD

Transfer in Staff

Chen, Xiaochuan MD, Lam, Michael MD, Wat, Norman DDS

Completion of Proctoring & Advancement in Staff Category

Beygui, Ramin MD

Completion of Proctoring Prior to Eligibility & Advancement in Staff Category

Caldwell, Katherine MD

Extension of Proctoring and Provisional Category

Syed, Ghufuran MD, Tran, Michael MD, Wasieleski, Lindsay MD

Delete Privilege Requests

Anderson, Steven MD, Hung, Sammy MD, Spears, Robert MD, Wilson, Byron MD

Withdrawal of Application

Bains, Tarunpreet MD, Jaiswal, Rohit CCP, Rosen-Levin, Elise MD, Rounds, Allison CCP, Towers, Barry CCP

Resignations

Aldeguer, Ylaine MD, Asfour, Ramzi MD, Assali, Albert MD, Lee, Edwin MD, Manjuck, Janice MD, Nguyen, Christopher MD, Sung, Yon MD

Director Stewart moved for approval of the credentialing action items presented by Dr. Achanta.

Director Danielson seconded the motion.

Roll call was taken:

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

The motion carried.

Debbie Jackson, Service League, presented the Service League Report. The Service League Annual Meeting was held February 14, 2017. The past presidents plaque will be presented to the membership at the Volunteer Appreciation luncheon scheduled for April. The Gift Shop inventory is completed.

*SERVICE LEAGUE
REPORT*

Ms. Jackson attended the California Association of Hospitals Health Systems Volunteer Leadership Conference in San Diego which consisted of general sessions and group workshops on various topics. Ms. Jackson was invited to participate on a panel of Gift Shop managers. Total staffing hours for the month of February: 2,653 hours.

Dr. Kranthi Achanta reported there are 593 Medical Staff members which includes 354 active members.

*MEDICAL STAFF
REPORT*

The Hospital Calendar video highlighted the following events:

*HOSPITAL CALENDAR:
Community Outreach*

Past Health Promotions & Outreach Events

During the month of February, Lucy Hernandez, Community Outreach Project Manager, provided two hand hygiene presentations for students at Delaine Eastin Elementary School in Union City. Information was provided on proper hand washing and hygiene to prevent infection and the spread of germs. 55 students participated.

On Sunday, February 12th, as part of the Speaker's Bureau program, Carmencita Agcaoili, critical care medicine, presented Myths of Critical Care and Respiratory Diseases, to the members of St. Joseph Parish. 50 people attended

On Thursday, February 16th, from 6:30 to 8:30 pm, as part of the Speaker's Bureau program, Kristi Caracappa, Health Insurance Information Service Coordinator, presented "Medicare Options" to the members of the Calvary Chapel Church in Fremont. 17 people attended.

On Friday, February 17th, Washington Sports Medicine provided athletic trainers and host a first aid booth at the Special Olympics basketball tournament at Newark Memorial High School in Newark. 367 student athletes participated.

On Thursday, February 23rd, from 6 to 8 pm, Dr. Prasad Katta, endocrinologist, presented, "Symptoms of Thyroid Problems: What You Should Know." 52 people attended.

On Thursday, March 2nd, from 7 to 8 pm, as part of the Diabetes Matters Series, Luanne Sadueste, RN, presented, "Managing Your Time With Diabetes." 21 people attended.

On Saturday March 4th, from 9 am to 2 pm, Washington Hospital staffed a booth at the Mark Green Sports Center's 10 Year Anniversary Block Party Health Fair in Union City. Dr. Steven Zonner, family practice and sports medicine specialist also demonstrated EyeSync, a new state-of-the-art tool to improve concussion detection. Over 300 people attended and 34 were screened.

On Tuesday, March 7th, from 1 to 3 pm, Dr. Arun Srivatsa, gastroenterologist, presented "Digestive Health: What You Need to Know." 95 people attended.

Also on Tuesday, March 7th, as part of the Stroke Education Series, Melissa Reyes, RN, will present "Introduction to Stroke" and "Risk Factors for Stroke." 11 people attended.

Upcoming Health Promotions & Community Outreach Events

On Saturday, March 11th, from 10 am to 1 pm, Washington Hospital will host Stroke Awareness Day. This event screens community members for carotid artery blockage, atrial fibrillation and provides cholesterol, glucose and blood pressure screenings. This event is co-sponsored by Fremont Bank Foundation. Appointments are available for screenings at this event.

On Monday, March 13th, from 1 to 3 pm, as part of the Speaker's Bureau program, Maggie Guting, RD, will present "Nutrition and Cooking for Brain Health" to Fremont, Union City and Newark Senior Commissioners at the Newark Senior Center.

On Thursday, March 16th, from 7 to 8:30 pm, as part of the Women Empowering Women series, Dr. Victoria Leiphart, gynecologist, will present "Complementary Therapies for Depression and Anxiety."

On Tuesday, March 21st, from 1 to 3 pm, Vijaya Dudyala, internal medicine, will present "Strategies to Help Lower Your Cholesterol and Blood Pressure."

The presentation will be held at the Washington Township Medical Foundation Nakamura Clinic Conference Room, located at 33077 Alvarado-Niles Road in Union City.

On Tuesday, April 4th, from 6 to 8 pm, as part of the Stroke Education Series, Dr. Ash Jain, cardiologist, and Melissa Reyes, RN, will present "Acute Management of Stroke" and "Chronic Care and Stroke Rehabilitation."

On Thursday, April 6th, from 7 to 8 pm, as part of the Diabetes Matters Series, Dr. Jack Meyer, endocrinologist, will present, "Living With Diabetes: A Patient's Perspective."

On Saturday April 29th from 10 am to 2 pm, Washington Hospital will host the 11th Annual Women's Health Conference. This event will feature topics such as nutrition, heart health and the benefits of meditation in addition to a special presentation by Leslie D. Michelson, author of The Patient's Playbook, who will be sharing lifesaving strategies and decision-making tools that patients and family members can use to become savvy health care consumers.

Washington Hospital Healthcare Foundation

Washington Hospital Healthcare Foundation will host the 32st Annual Golf Tournament at Castlewood Country Club on Monday, April 24th. Held in memory of long-time Fremont businessman, Gene Angelo Pessagno, the tournament promises a day of great golf and fun surprises.

*HOSPITAL CALENDAR:
Washington Hospital
Foundation Report*

Washington Township Healthcare District Board of Directors Report

Washington Township Healthcare District Board Members attended the League of Volunteers' Elegant Affair on February 10th, the Newark Chamber of Commerce Business Luncheon, with a special presentation by Ed Fayen, Senior Associate Administrator, titled "The Future of Healthcare in our Community" on February 23rd, the Fremont Education Foundation's Excellence in Education Gala on February 24th and Abode Services' Journey Home Breakfast on March 3rd.

*WASHINGTON
TOWNSHIP
HEALTHCARE
DISTRICT:
Board of Directors Report*

WHEA is gearing up to hold its annual Sock and Undie drive during the month of March. The drive will benefit those at both SAVE and ABODE Services. Along with WHEA, individual hospital employees are encouraged to donate, socks, undergarments, diapers and personal care items to those in need.

*HOSPITAL CALENDAR:
WHEA*

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

During the month of February, the Washington On Wheels Mobile Health Clinic (W.O.W.) continued to serve community members at the Fremont Senior Center, Fremont Family Resource Center and the Ruggieri Senior Center in Union City.

*HOSPITAL CALENDAR:
Washington On Wheels
Mobile Health Van*

The W.O.W. Clinic also provided 12 influenza vaccines to our community members at Centro de Servicios in Union City and Abode services in Fremont.

The total number of community members receiving health care from the Washington On Wheels Clinic during the month of February was 45.

Internet and Social Media Marketing

There were 41,667 visits to the hospital website in the month of February. The hospital's Employment section was the most viewed webpage with 54,133 page views, followed by the About WHHS section with 21,559 page views and the Physicians section with 18,185 page views. The Volunteers section had 6,570 page views and the Women's Health & Pregnancy section had 3,150 page views.

The Hospital's social media presence is measured through total reach and engagement stats. The total reach for the month of February was 80,356.

InHealth - Channel 78

During the month of February, Washington Hospital's cable channel 78, InHealth, captured new programming including two Health and Wellness programs called "Understanding Mental Health Disorders" and "Symptoms of Thyroid Problems"

In addition, InHealth aired the February District Board of Directors meeting; a Diabetes Matter program titled "Open Enrollment: Navigating Insurance with Diabetes" and a Palliative Care Community Presentation called "Palliative Care — How Can This Help Me?"

Awards and Recognitions

Washington Hospital's cable channel 78, InHealth, received three Telly Awards for programming titled "Inside Washington Hospital: Advanced Treatment of Aneurysms, Inside Washington Hospital: Advanced Treatment of Aneurysms, and Zika Virus, a public service announcement."

The Telly Awards is the premier award honoring the best in TV/Cable, Digital/Streaming and Non-Broadcast productions. Founded in 1979 and now in its 38th season, the Telly is one of the most sought-after awards by industry leaders from large international firms, to local production companies and ad agencies. With the quantity and quality of non-broadcast, local cable and online internet video productions on the rise, the Telly Awards receive over 13,000 entries worldwide every year.

Employee of the Month

Wubnesh Yelma, certified nurse assistant on 6 West, is the March Employee of the Month. Wubnesh joined Washington Hospital in 2015 and quickly earned admirations from her fellow employees. She provides exceptional care to our patients and exemplifies compassion and commitment. Her coworkers expressed "she has an extra measure of pride in her work, advocate for patients, and a talent for cooperating with and supporting other staff members.

Nancy Farber introduced Donald Pipkin, Chief of Strategic Management. Mr. Pipkin presented Lean Certificates and Pins to Bryant Welch, BA, UPM; Daniel Nardoni, MBA; Jennifer Pomba; Katie Choy, DNP, RN-BC, CNS, NEA-BC; and Kimberly Hartz, MSc upon completion of their Lean Certification Training. This is a 12-18 month process that requires proficiency in Lean concepts and tools.

*HOSPITAL
CALENDAR:
Internet and Social
Media Marketing*

*HOSPITAL
CALENDAR:
InHealth*

*HOSPITAL
CALENDAR:
Awards & Recognitions*

*HOSPITAL
CALENDAR:
Employee of the Month –
Wubnesh Yelma*

*LEAN/KAIZAN
UPDATE
Lean Leader
Certification*

Ed Fayen presented the construction update on the Morris Hyman Critical Care Pavilion sharing photographs of the hard lid ceiling on the ground floor, the ceiling grid in the Biomed workshop on the ground floor, soffit framing and recessed lighting cans at the nursing station on the first floor, the interior walls painted in the physicians' work area on the first floor, main lobby area on the first floor, drywall in progress on the second floor, the electrical power in the second floor electrical room, drywall in progress on the third floor, installation of the wire sculpture in the north exterior courtyard area on the third floor, and the electrical equipment and wall construction in the penthouse. Mr. Fayen also included photographs of the CDU mock-up room and the ICU/CCU mock-up room currently located at the 1900 building. Mr. Fayen noted that the project is running on time and on budget.

*CONSTRUCTION
REPORT
Construction Update*

Nancy Farber introduced Dianne Martin, M.D. to present the Quality Report on Antimicrobial Stewardship, a program that is endorsed / required by the California Department of Public Health, The Joint Commission, CMS, the CDC and the White House. The Joint Commission requires (effective January 1, 2017) that the hospital has an antimicrobial stewardship program based on current scientific literature and that this be established as an organizational priority. The hospital must educate staff and licensed independent practitioners involved in antimicrobial ordering, dispensing, administration, and monitoring about antimicrobial resistance and antimicrobial stewardship practices upon hire or periodically thereafter based on need.

*QUALITY REPORT:
Antimicrobial
Stewardship*

The hospital must educate patients and their families as needed regarding the appropriate use of antimicrobial medications including antibiotics. The hospital must have an antimicrobial stewardship multidisciplinary team that includes ID physician, pharmacist, infection preventionist, and practitioner. The hospital's antimicrobial stewardship program must include the following core elements: Leadership Commitment, Accountability, Drug Expertise, Action, Tracking, Reporting, and Education. Antimicrobial stewardship must use organization-approved multidisciplinary protocols and must collect, analyze, and report data on its AMS program. The hospital must take action on improvement opportunities identified in its antimicrobial stewardship program.

Chris Henry, Chief Financial Officer, presented the Finance Report for January 2016. The average daily census was 214.6 with admissions of 1,216 resulting in 6,652 patient days. Outpatient observation equivalent days were 187. The average length of stay was 4.93 days. The case mix index was 1.464. Deliveries were 143. Surgical cases were 416. Joint Replacement cases were 157. Neurosurgical cases were 32. Cardiac Surgical cases were 12. The Outpatient visits were 6,747 and Emergency visits were 4,916. Total productive FTEs were 1,470.2. FTEs per adjusted occupied bed were 5.33.

FINANCE REPORT

Nancy Farber presented the Hospital Operations Report for February 2017. Preliminary information indicated gross revenue for the month of February at approximately \$179,834,000. The Average Length of Stay of 5.46 and there were 5,616 patient days. There were 345 Surgical Cases and 377 Cath Lab procedures at

*HOSPITAL
OPERATIONS REPORT*

the Hospital. Deliveries for January were 120. Non-Emergency Outpatient visits were 6,322. FTEs per Adjusted Occupied Bed were 5.69. The Washington Outpatient Surgery Center had 400 cases and the clinics saw approximately 3,904 patients.

Director Nicholson stated: "Tonight, we have an action item regarding the issuance of revenue bonds by the District. A representative from our Bond Counsel firm, Graham Beck of Nixon Peabody LLP, and our financial advisor, Gordon Howie, are present and available to answer any questions regarding this item.

"Item A on the Agenda, Resolution No. 1178l, Resolution Approving the Issuance and Sale of Certain Revenue Bonds of the District in an Aggregate Principal Amount Not to Exceed \$46,000,000, Approving the Execution and Delivery of a Supplemental Indenture, a Continuing Disclosure Agreement, a Preliminary Official Statement and Certain Other Actions Related Thereto."

Ms. Farber commented: "The District is permitted to issue two types of bond financing: (1) General Obligation Bonds – These bonds can be used to finance construction only. The debt service on general obligation bonds is paid by the residents of the District. (2) Revenue Bonds – Revenue Bonds can be used to finance construction and equipment. The debt service on revenue bonds is paid by the operations of Washington Hospital Health Care System. Neither type of bond financing can be used to fund District operations. Tonight we are seeking Board of Directors' permission to issue revenue bonds intended to provide the remainder of the funds needed to complete the construction of the Morris Hyman Critical Care Pavilion. Any residual funds remaining once construction is completed may be used to purchase equipment."

Director Danielson moved for adoption of Resolution No. 1178, which is the Resolution of the Board of Directors of Washington Township Health Care District approving the issuance and sale of certain revenue bonds of the District in an aggregate principal amount not to exceed \$46,000,000, approving the execution and delivery of a supplemental indenture, a continuing disclosure agreement, a preliminary official statement and certain other actions related thereto.

Director Stewart seconded the motion.

Roll call was taken:

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

The motion carried.

In accordance with District Law, Policies and Procedures, Director Danielson moved that the Board of Directors authorize the Chief Executive Officer to proceed with the equipment and epic build hours requested for the transition of the Wound Care and

CONSIDERATION OF
RESOLUTION No. 1178
APPROVING THE
ISSUANCE AND SALE
OF CERTAIN REVENUE
BONDS OF THE
DISTRICT IN AN
AGGREGATE
PRINCIPAL AMOUNT
NOT TO EXCEED
\$46,000,000,
APPROVING THE
EXECUTION AND
DELIVERY OF A
SUPPLEMENTAL
INDENTURE, A
CONTINUING
DISCLOSURE
AGREEMENT, A
PRELIMINARY
OFFICIAL STATEMENT
AND CERTAIN OTHER
ACTIONS RELATED TO
THEREFOR

APPROVAL OF CENTER
FOR WOUND HEALING
AND HYPERBARIC
MEDICINE

Hyperbaric Medicine Center for an amount not to exceed \$233,851.

Director Stewart seconded the motion.

Roll call was taken:

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

The motion carried.

In accordance with District Law, Policies and Procedures, Director Nicholson moved that the Board of Directors authorize the Chief Executive Officer to enter into the necessary contracts and proceed with the purchase of a BARD Site Rite 8 Ultrasound machine for a total amount not to exceed \$36,107.63.

*APPROVAL OF
ULTRASOUND SITE
RITE 8*

Director Stewart seconded the motion.

Roll call was taken:

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

The motion carried.

In accordance with Health & Safety Code Sections 1461, 1462 and 32106 and Government Section 54954.5(h) Director Nicholson adjourned the meeting to closed session at 8:05 pm, as the discussion pertained to Hospital trade secrets, Human Resources matters and Risk Management.

*ADJOURN TO CLOSED
SESSION*

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

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Nicholson adjourned the meeting at 8:40 pm.

ADJOURNMENT

William Nicholson, MD
President

Patricia Danielson, RHIT
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, March 20, 2017 in the Board Room, 2000 Mowry Avenue, Fremont, California. Director Nicholson called the meeting to order at 6:03 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

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

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer; Kimberly Hartz, Senior Associate Administrator; Ed Fayen, Senior Associate Administrator; Chris Henry, Associate Administrator; Stephanie Williams, Associate Administrator; Tina Nunez, Associate Administrator; Paul Kozachenko, Legal; Dee Antonio, District Clerk

There were no oral communications.

COMMUNICATIONS

There were no written communications.

In accordance with Health & Safety Code Sections 32106 and Government Section 54957, Director Nicholson adjourned the meeting to closed session at 6:04 p.m., as the discussion pertained to Hospital trade secrets, Human Resource matters, and Risk Management.

ADJOURN TO CLOSED SESSION

Director Nicholson reconvened the meeting to open session at 7:35 p.m. and reported no reportable action was taken in closed session.

RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

There being no further business, Director Nicholson adjourned the meeting at 7:35 p.m.

ADJOURNMENT

William Nicholson, MD
President

Patricia Danielson, RHIT
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, March 22, 2017 in the Board Room, 2000 Mowry Avenue, Fremont, California. Director Nicholson called the meeting to order at 6:00 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

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

ROLL CALL

Also present: Nancy Farber, Chief Executive Officer; Kimberly Hartz, Senior Associate Administrator; Ed Fayen, Senior Associate Administrator; Chris Henry, Associate Administrator; Stephanie Williams, Associate Administrator; Tina Nunez, Associate Administrator; Bryant Welch, Associate Administrator; Paul Kozachenko, Legal; Kristin Ferguson, Compliance; Steven Hirsch; Dee Antonio, District Clerk

There were no oral communications.

COMMUNICATIONS

There were no written communications.

In accordance with Health & Safety Code Sections 32106 and Government Section 54957, Director Nicholson adjourned the meeting to closed session at 6:01 p.m., as the discussion pertained to Hospital trade secrets, Human Resource matters, and Risk Management.

ADJOURN TO CLOSED SESSION

Director Nicholson reconvened the meeting to open session at 7:30 p.m. and reported no reportable action was taken in closed session.

RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

There being no further business, Director Nicholson adjourned the meeting at 7:30 p.m.

ADJOURNMENT

William Nicholson, MD
President

Patricia Danielson, RHIT
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, March 27, 2017 in the Fremont Conference Room, Washington Hospital, 2000 Mowry Avenue, Fremont, California. Director Nicholson called the meeting to order at 7:30 a.m.

*CALL
TO
ORDER*

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

*ROLL
CALL*

Also present: Kranthi Achanta, MD; Timothy Tsoi, MD; Peter Lunny, MD; Kimberly Hartz, Senior Associate Administrator

There were no oral or written communications.

COMMUNICATIONS

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

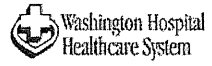
*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, the meeting was adjourned at 8:45 a.m.

ADJOURNMENT

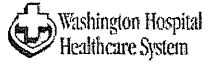
William Nicholson, MD
President

Patricia Danielson, RHIT
Secretary



WASHINGTON HOSPITAL
MONTHLY OPERATING REPORT

February 2017



WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
February 2017

<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: April 7, 2017
TO: Board of Directors
FROM: Nancy Farber
SUBJECT: Washington Hospital – February 2017
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board 3

<u>ACUTE INPATIENT:</u>	February <u>Actual</u>	<u>Budget</u>	Current 12 <u>Month Avg.</u>
Average Daily Census	200.6	183.1	160.2
# of Admissions	1,006	1,063	1,010
Patient Days	5,616	5,126	4,865
Discharge ALOS	5.46	4.82	4.67

<u>OUTPATIENT:</u>	February <u>Actual</u>	<u>Budget</u>	Current 12 <u>Month Avg.</u>
OP Visits	6,322	7,093	6,885
ER Visits	4,188	4,708	4,413
Observation Equivalent Days – OP	159	221	240

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

2. **Staffing – Schedule Board 3**

Total paid FTEs were 61.4 below budget. Total productive FTEs for February were 1,298.6, 34.3 below the budgeted level of 1,332.9. Nonproductive FTEs were 27.1 below budget. Productive FTEs per adjusted occupied bed were 5.04, 0.43 below the budgeted level of 5.47. Total FTEs per adjusted occupied bed were 5.69, 0.58 below the budgeted level of 6.27.

3. **Income - Schedule Board 1**

For the month of February the Hospital realized a gain of \$2,105,000 from operations.

Total Gross Patient Service Revenue of \$181,973,000 for February was 2.0% above budget.

Deductions from Revenue of \$142,589,000 represented 78.36% of Total Gross Patient Service Revenue. This percentage is above the budgeted amount of 76.55%, primarily due to payor mix.

Total Operating Revenue of \$40,729,000 was \$2,273,000 (5.3%) below the budget.

Total Operating Expense of \$38,624,000 was \$2,114,000 (5.2%) below the budgeted amount.

The Total Non-Operating Gain of \$2,073,000 for the month of February includes an unrealized gain on investments of \$196,000 and property tax revenue of \$1,344,000. This property tax revenue will be used to pay the debt service for the general obligation bonds.

The Total Net Gain for February was \$4,178,000, which was \$237,000 more than the budgeted gain of \$3,941,000.

The Total Net Gain for February 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 \$2,638,000 compared to a budgeted gain of \$2,546,000.

4. **Balance Sheet – Schedule Board 2**

There were no noteworthy changes in assets and liabilities when compared to January 2017.

NANCY FARBER
Chief Executive Officer

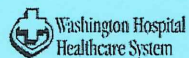
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WASHINGTON HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
 February 2017
GASB FORMAT
 (In thousands)

FEBRUARY				YEAR TO DATE				
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.		ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
				1	OPERATING REVENUE			
\$ 141,572	\$ 134,147	\$ 7,425	5.5%	2	INPATIENT REVENUE	\$ 1,005,492	\$ 1,018,317	\$ (12,825) -1.3%
40,401	44,342	(3,941)	-8.9%	3	OUTPATIENT REVENUE	363,075	354,082	8,993 2.5%
181,973	178,489	3,484	2.0%	4	TOTAL PATIENT REVENUE	1,368,567	1,372,399	(3,832) -0.3%
(142,589)	(136,639)	(5,950)	-4.4%	5	CONTRACTUAL ALLOWANCES	(1,057,378)	(1,048,749)	(8,629) -0.8%
78.36%	76.55%			6	CONTRACTUAL AS % OF REVENUE	77.26%	76.42%	
39,384	41,850	(2,466)	-5.9%	7	NET PATIENT REVENUE	311,189	323,650	(12,461) -3.9%
1,345	1,152	193	16.8%	8	OTHER OPERATING INCOME	6,354	4,922	1,432 29.1%
40,729	43,002	(2,273)	-5.3%	9	TOTAL OPERATING REVENUE	317,543	328,572	(11,029) -3.4%
				10	OPERATING EXPENSES			
15,300	15,679	379	2.4%	11	SALARIES & WAGES	123,545	125,259	1,714 1.4%
6,400	6,275	(125)	-2.0%	12	EMPLOYEE BENEFITS	46,366	46,553	187 0.4%
4,433	4,630	197	4.3%	13	SUPPLIES	35,331	36,279	948 2.6%
5,101	5,393	292	5.4%	14	PURCHASED SERVICES & PROF FEES	39,829	42,000	2,171 5.2%
1,300	1,525	225	14.8%	15	INSURANCE, UTILITIES & OTHER	11,011	12,014	1,003 8.3%
2,524	3,569	1,045	29.3%	16	PROVISION FOR DOUBTFUL ACCOUNTS	24,885	27,392	2,507 9.2%
2,873	2,872	(1)	0.0%	17	DEPRECIATION	22,597	22,747	150 0.7%
693	795	102	12.8%	18	INTEREST EXPENSE	5,874	6,430	556 8.6%
38,624	40,738	2,114	5.2%	19	TOTAL OPERATING EXPENSE	309,438	318,674	9,236 2.9%
				20	OPERATING INCOME (LOSS)	8,105	9,898	(1,793) -18.1%
2,105	2,264	(159)	-7.0%	21	OPERATING INCOME MARGIN %	2.55%	3.01%	
5.17%	5.26%			22	NON-OPERATING INCOME & (EXPENSE)			
203	220	(17)	-7.7%	23	INVESTMENT INCOME	1,918	1,772	146 8.2%
(60)	-	(60)	0.0%	24	REALIZED GAIN/(LOSS) ON INVESTMENTS	(91)	-	(91) 0.0%
390	62	328	529.0%	25	RENTAL INCOME, NET	1,077	499	578 115.8%
1,344	1,395	(51)	-3.7%	26	PROPERTY TAX REVENUE	10,772	11,019	(247) -2.2%
196	-	196	0.0%	27	UNREALIZED GAIN/(LOSS) ON INVESTMENTS	(2,682)	-	(2,682) 0.0%
2,073	1,677	396	23.6%	28	TOTAL NON-OPERATING INCOME & EXPENSE	10,994	13,290	(2,296) -17.3%
\$ 4,178	\$ 3,941	\$ 237	6.0%	29	NET INCOME (LOSS)	\$ 19,099	\$ 23,188	\$ (4,089) -17.6%
10.26%	9.16%			30	NET INCOME MARGIN %	6.01%	7.06%	
				31	NET INCOME (LOSS) USING FASB PRINCIPLES**	\$ 11,009	\$ 12,169	\$ (1,160) -9.5%
\$ 2,638	\$ 2,546	\$ 92	3.6%		NET INCOME MARGIN %	3.47%	3.70%	
6.48%	5.92%							

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



**WASHINGTON HOSPITAL
BALANCE SHEET**

February 2017
(In thousands)

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOWS			LIABILITIES, NET POSITION AND DEFERRED INFLOWS				
	FEBRUARY 2017	AUDITED JUNE 2016		FEBRUARY 2017	AUDITED JUNE 2016		
CURRENT ASSETS			CURRENT LIABILITIES				
1	CASH & CASH EQUIVALENTS	\$ 34,718	\$ 38,459	1	CURRENT MATURITIES OF L/T OBLIG	\$ 6,441	\$ 5,056
2	ACCOUNTS REC NET OF ALLOWANCES	68,823	62,580	2	ACCOUNTS PAYABLE	39,762	42,079
3	OTHER CURRENT ASSETS	9,129	8,018	3	OTHER ACCRUED LIABILITIES	58,517	57,095
4	TOTAL CURRENT ASSETS	112,670	109,057	4	INTEREST	3,057	11,321
				5	TOTAL CURRENT LIABILITIES	107,777	115,551
ASSETS LIMITED AS TO USE			LONG-TERM DEBT OBLIGATIONS				
6	BOARD DESIGNATED FOR CAPITAL AND OTHER	140,530	187,431	6	REVENUE BONDS AND OTHER	198,564	204,019
7	GENERAL OBLIGATION BOND FUNDS	109,346	184,470	7	GENERAL OBLIGATION BONDS	340,912	342,546
8	REVENUE BOND FUNDS	8,386	10,441				
9	BOND DEBT SERVICE FUNDS	8,618	25,041	OTHER LIABILITIES			
10	OTHER ASSETS LIMITED AS TO USE	15,128	15,591	10	NET PENSION LIABILITY	40,443	52,960
11	TOTAL ASSETS LIMITED AS TO USE	282,008	422,974	11	WORKERS' COMP	9,623	9,057
				12	SUPPLEMENTAL MEDICAL RETIREMENT	40,915	38,791
13	OTHER ASSETS	150,324	139,895				
14	NET PROPERTY, PLANT & EQUIPMENT	628,350	505,967	14	NET POSITION	444,515	425,416
15	TOTAL ASSETS	\$ 1,173,352	\$ 1,177,893	15	TOTAL LIABILITIES AND NET POSITION	\$ 1,182,749	\$ 1,188,340
16	DEFERRED OUTFLOWS	21,056	27,061	16	DEFERRED INFLOWS	11,659	16,614
17	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,194,408	\$ 1,204,954	17	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	\$ 1,194,408	\$ 1,204,954



**WASHINGTON HOSPITAL
OPERATING INDICATORS
February 2017**

12 MONTH AVERAGE	FEBRUARY						YEAR TO DATE			
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
160.2	200.6	183.1	17.5	10%	1	ADULT & PEDS AVERAGE DAILY CENSUS	162.7	158.9	3.8	2%
7.9	5.7	7.9	(2.2)	-28%	2	OUTPT OBSERVATION AVERAGE DAILY CENSUS	7.8	7.0	0.8	11%
10.7	9.5	10.9	(1.4)	-13%	3	WELLBORN NURSERY AVERAGE DAILY CENSUS	10.3	10.7	(0.4)	-4%
178.8	215.8	201.9	13.9	7%	4	TOTAL	180.8	176.6	4.2	2%
4.3	3.5	3.9	(0.4)	-10%	5	SPECIAL CARE NURSERY AVERAGE DAILY CENSUS *	4.3	3.8	0.5	13%
4,865	5,616	5,126	490	10%	6	ADULT & PEDS PATIENT DAYS	39,535	38,612	923	2%
1,010	1,006	1,063	(57)	-5%	7	ADMISSIONS-ADULTS & PEDS	7,954	8,032	(78)	-1%
4.67	5.46	4.82	0.64	13%	8	AVERAGE LENGTH OF STAY-ADULTS & PEDS	4.79	4.81	(0.02)	0%
1.520	1.540	1.566	(0.026)	-2%	9	OTHER KEY UTILIZATION STATISTICS OVERALL CASE MIX INDEX (CMI)	1.517	1.557	(0.040)	-3%
137	143	147	(4)	-3%	10	SURGICAL CASES JOINT REPLACEMENT CASES	1,085	1,108	(23)	-2%
25	17	30	(13)	-43%	11	NEURO SURGICAL CASES	199	197	2	1%
11	18	12	6	50%	12	CARDIAC SURGICAL CASES	93	81	12	15%
209	167	188	(21)	-11%	13	GENERAL SURGICAL CASES	1,611	1,836	(225)	-12%
382	345	377	(32)	-8%	14	TOTAL SURGICAL CASES	2,988	3,222	(234)	-7%
359	377	411	(34)	-8%	15	TOTAL CATH LAB PROCEDURES	2,848	3,121	(273)	-9%
150	120	144	(24)	-17%	16	DELIVERIES	1,158	1,214	(56)	-5%
6,885	6,322	7,093	(771)	-11%	17	OUTPATIENT VISITS	53,808	58,252	(4,444)	-8%
4,413	4,188	4,708	(520)	-11%	18	EMERGENCY VISITS	35,014	34,915	99	0%
1,222.5	1,298.6	1,332.9	34.3	3%	19	LABOR INDICATORS PRODUCTIVE FTE'S	1,214.5	1,235.0	20.5	2%
181.5	168.6	195.7	27.1	14%	20	NON PRODUCTIVE FTE'S	187.1	187.8	0.7	0%
1,404.0	1,467.2	1,528.6	61.4	4%	21	TOTAL FTE'S	1,401.6	1,422.8	21.2	1%
5.66	5.04	5.47	0.43	8%	22	PRODUCTIVE FTE/ADJ. OCCUPIED BED	5.48	5.77	0.29	5%
6.51	5.69	6.27	0.58	9%	23	TOTAL FTE/ADJ. OCCUPIED BED	6.33	6.64	0.31	5%

* included in Adult and Peds Average Daily Census

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

DEBT ISSUANCE POLICY

The Board of Directors (the "Board") of the Washington Township Health Care District (the "District") wishes to establish this Debt Issuance Policy (the "Debt Policy") to provide guidelines for the issuance of debt obligations of the District and to outline certain procedures in connection therewith.

For purposes of this Debt Policy, the term "debt obligations" shall include all types of obligations, whether taxable or tax-exempt as to interest, which the District may incur pursuant to the laws of the State of California (the "State"). Such obligations include, but are not limited to, general obligation bonds ("G.O. Bonds"), revenue bonds ("Revenue Bonds"), bond anticipation notes ("BANs"), tax and revenue anticipation notes ("TRANS"), and lease-purchase agreements which are capital in nature ("Leases"). Notwithstanding the foregoing, the District may enter into Leases reflecting an obligation of \$25,000 (per year) or less without the need to comply with this Debt Policy.

The debt obligations shall be issued to finance capital improvements, equipment acquisitions and other items for the District. This Debt Policy shall remain in place from its date of adoption by the Board until withdrawn, replaced or amended by further action of the Board. Senior District staff is directed to take all action required to implement this Debt Policy and to adhere to its precepts. All references in this Debt Policy to the "Chief Financial Officer" shall include any of his or her designees.

The Board directs District staff to adhere to the following procedures in connection with each proposed debt issue to determine the appropriate method of financing, subject to scheduling requirements, changes in market conditions, imminent changes in federal tax law or State law applicable to the District, or exigent circumstances.

Goals and Objectives

The Board establishes the following principal goals and objectives with respect to proposed debt obligations.

- **Cost-Effectiveness.** The District shall borrow, when required, in the most cost-effective manner possible, reducing the impact on its General Fund, within the context of preserving financial flexibility and meeting its capital funding requirements. In the context of G.O. Bonds and BANs, the District shall seek to borrow on such terms as are most beneficial to the taxpayers of the District, given the necessity for borrowing, the nature of the financing, the preservation of financial flexibility, and the then-prevalent market conditions. The District shall consider various factors in the financing of its capital improvements, including the availability of G.O. Bonds under unused authorizations from the voters, the impact of tax levies upon District taxpayers as a consequence of the issuance of G.O. Bonds and the legal restrictions on uses to which proceeds of G.O. Bonds may be put by the District; when circumstances dictate or it appears necessary and

advisable to the Board, including, but not limited to the need to finance equipment and furnishings for District facilities, the District shall consider whether the issuance of Revenue Bonds would be most advantageous to the District and, in so doing, shall consider the impact of long-term debt on the General Fund.

- ***Risk Profile.*** The District shall pursue financing vehicles with the lowest possible risk to the District and its taxpayers, avoiding elaborate and novel financing structures unless there shall be good cause shown.
- ***Maintenance of High Credit Ratings.*** The District shall strive to attain the best credit rating for each debt issue if deemed financially beneficial to obtain a credit rating for such debt issuance.
- ***Compliance with State and Federal Law.*** At all times, the District shall maintain strict compliance with State and federal law applicable to its debt obligations. In particular: (i) applicable provisions of the California Health and Safety Code and the California Government Code; and (ii) applicable requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") with respect to all tax-exempt debt obligations.
- ***Sizing of Transactions.*** The District's public offerings of debt shall be offered in the principal amounts that reflect the projected capital needs of the District, taking into account the costs of issuance of each transaction, interest rates that are obtainable for larger versus smaller financings and the staff time available to support each financing.
- ***Useful Life.*** The term of any debt obligation should not exceed limits established pursuant to the Tax Code and its Regulations or pertinent provisions of State law.

Relationship of Debt to, and Integration with, the District's Facilities Program and Budget.

Facilities Plan. The Chief Financial Officer, in consultation with the Chief Executive Officer, shall assess and identify the capital needs of the District and review the current facilities plan (the "Facilities Plan") to develop a schedule for when assets should be improved or acquired. The Chief Financial Officer shall identify potential funding sources and financing options and match those resources to the capital needs identified in the Facilities Plan. In making such determination, the Chief Financial Officer shall consider the above Goals and Objectives, as well as maximum term, average maturity, amortization of debt service, option redemption features, and use of variable or fixed-rate debt, credit enhancements, and other structuring considerations, as further discussed below, including, without limitation, statutory restrictions on the uses of proceeds of G.O. Bonds.

Budgets. The District recognizes the importance of emergency reserves, including liquidity in the General Fund, that can provide a financial cushion in years of low revenue receipts. In order to provide sufficient reserves for such circumstances, as stated in the Goals and Objectives above, this Debt Policy provides that the District borrow in the most cost-effective manner with the lowest possible impact to its General Fund, when possible and in the best interests of the District.

Policy Goals related to the District's Planning Goals and Objectives

The projects in the Facilities Plan must be in line with the District's healthcare mission and the Chief Financial Officer will only finance assets with debt obligations which further the District's healthcare mission and are consistent with this Debt Policy's goals and objectives.

Manner of Borrowing; Types of Debt that May be Issued and Purposes of Debt

Debt Obligations. The following are the types of debt obligations that the District may issue, in each case, with a preference first for tax-exempt debt and second for taxable debt:

1. *General Obligation Bonds*

G.O. Bonds shall be issued following approval by District voters, from any remaining authorization, in accordance with applicable provisions of the Health and Safety Code of the State or Government Code, as applicable, and shall only be issued to finance projects approved by the voters in the Ballot Measure at the election when such G.O. Bonds were authorized, and which comply with State law and applicable provisions of the Tax Code.

2. *Bond Anticipation Notes*

BANs shall be issued in compliance with State law, in anticipation of the sale of G.O. Bonds at the time the BANs are issued and only to the extent that there remains unissued G.O. Bond authorization from the voters. The proceeds from the sale of the BANs shall be used only for authorized purposes of the G.O. Bonds or to repay outstanding BANs authorized by the State law.

3. *Revenue Bonds*

Revenue Bonds shall be issued in accordance with applicable provisions of the Health and Safety Code of the State and the Indenture, dated as of July 1, 1993, between the District and U.S. Bank National Association, as successor Trustee thereunder (the "1993 Indenture") or some subsequently executed indenture, and shall be secured by a pledge of the revenues of the District's hospital facilities, as further described in the Indenture.

4. *Capitalized Leases*

Lease obligations are an appropriate means of financing capital equipment and facilities; however, the District will make an effort to purchase capital equipment with cash on hand where feasible. Agreements which constitute operating leases are specifically not covered by this Debt Policy.

In the event that the District does not, at the time the financing of a capital improvement is deemed necessary and appropriate, have access to voter-approved G.O. Bonds, and when it is not feasible to issue Revenue Bonds, the District may consider entering into a Lease. If and when voter-approved debt proceeds subsequently become

available and the previously financed capital improvement is eligible, the District may consider using G.O. Bond proceeds to take out the lease financing where appropriate.

5. *Short-Term Borrowing*

From time to time, the Board may determine it is in the best interests of the District to issue a debt obligation on a short-term basis; the District shall then take into consideration the need for future refinancing of that short-term debt obligation, if any.

Method of Sale

At the discretion of the Chief Executive Officer, in consultation with the Chief Financial Officer, any debt offering may be pursued as (1) a competitive sale; (2) a negotiated offering; or (3) a private placement. In making his or her election under this provision, the Chief Executive Officer and the Chief Financial Officer shall consider conditions in the municipal markets, the type and complexity of the transaction, the policies of the Alameda County Treasurer-Tax Collector, the timing of the issue and the costs of issuance. The District shall pursue the method that has the potential to achieve the lowest financing costs.

- ***Competitive Sales of Debt.*** In a competitive sale, underwriters submit sealed bids and the underwriter or the underwriting syndicate with the lowest true interest cost is awarded the sale.
- ***Negotiated Sales of Debt.*** In a negotiated sale, the underwriter or underwriting syndicate is selected through a request for proposal (RFP) process or through negotiations with the District.
- ***Private Placements.*** The Chief Financial Officer shall structure an offering as a private placement when critical timing issues prevent use of either a competitive or negotiated sale of debt. In connection with a proposed private placement, the Chief Financial Officer shall select the underwriter or underwriters submitting proposals for purchase of the obligations on the best terms for the District, with such results provided on an informational basis to the Board prior to the Board's considering an action to authorize the private placement.

Factors in Structuring Each Debt Offering

- ***Maximum Term.*** The maximum term of the debt obligations shall be limited to the shorter of the maximum term permitted under the Tax Code at the time or under State law.
- ***Average Maturity.*** The District shall attempt to align the useful life of the financed capital improvement with the period during which the debt obligation will be outstanding. The final maturity of the debt shall be equal to or less than the useful life of the assets being financed, and the average life of the financing shall not exceed 120% percent of the average life of the assets being financed. The District may also consider whether the useful life of the capital improvement

aligns with the period during which those benefiting from the improvement are paying for it.

- ***Debt Service Amortization.*** The District shall design the financing schedule and repayment of debt so as to take best advantage of market conditions, provide flexibility, and, as practical, to recapture or maximize its credit for future use. Annual debt service payments shall generally be amortized on a level basis or in the case of G.O. Bonds consistent with conservative growth expectations for assessed valuation.
- ***Redemption Provisions.*** The Chief Financial Officer shall set forth call provisions for each debt issue, in consultation with the underwriter and financial advisor, which provides the best economic outcome to the District taking into account the needs of the District and market conditions. While the Chief Financial Officer is allowed flexibility in setting the call provisions, debt obligations should generally be callable in no later than 10 years.
- ***Credit Enhancement of Debt Issues.*** The Chief Executive Officer, in consultation with the Chief Financial Officer and the financial advisor, shall determine whether it is financially advantageous to the District to purchase bond insurance to secure the repayment of its publicly offered debt obligations and/or a reserve fund surety policy to satisfy the reserve requirement. The costs of bond insurance and/or reserve fund surety policy on tax-exempt offerings must demonstrate an overall debt service savings to the District and/or its taxpayers. For other than G.O. Bond issues, the Chief Executive Officer, in consultation with the Chief Financial Officer may, upon consultation with the financial advisor, determine to obtain credit enhancement through the issuance of letters of credit or standby purchase agreements, upon his or her determination that it is financially advantageous to the District to do so.

Refundings

Refundings of tax-exempt debt, whether advance refundings or current refundings, shall be done as negotiated offerings pursuant to the above provisions. Refundings shall be considered by the Chief Executive Officer, in consultation with the Chief Financial Officer and recommended to the Board when a targeted present value savings can be achieved, based on calculations by the financial advisor, or when otherwise advised by legal counsel or the financial advisor. BANs shall be refunded, or “rolled over” by other BANs or paid off by the issuance of subsequent G.O. Bonds in accordance with their terms, without any requirement of a showing of savings, as their retirement is required by State law.

Selection of Professional Services

- ***Independent Financial Advisor.*** Irrespective of the nature of the sale of securities (competitive or negotiated), the District may select and retain a general financial advisory team led by an experienced independent financial advisor to provide advice on the District’s debt management program, debt issuance

structure, rating agency relations, credit enhancement decisions and other transaction details.

- ***Bond Counsel.*** The District shall select and retain a bond counsel who shall prepare Board resolutions, bond documents and provide tax advice on specific debt transactions.
- ***Disclosure Counsel.*** Irrespective of the nature of the sale of securities (competitive or negotiated), the District shall select and retain a disclosure counsel. In doing so, the District recognizes the importance of accurate and adequate disclosure and the relationship between District staff and disclosure counsel retained directly by District.
- ***Underwriter.*** The underwriter or underwriting syndicate shall be selected taking into account the considerations discussed in “Method of Sale” above.
- ***Ratings and Rating Agencies.*** At the option of the Chief Financial Officer, a publicly offered issue of debt may be rated by one or more of the national rating agencies (each, a “Rating Agency”), as the Chief Financial Officer shall elect, upon consultation with the financial advisor and other members of the financing team. The Chief Financial Officer may, from time to time when recommended by its financial advisor or other members of the financing team, provide updated financial and operational data to the Rating Agencies in order to maintain the rating of the District at the highest achievable level.
- ***Vendors Under Leases.*** In the event that the Chief Financial Officer should desire that a Lease be entered into with a vendor (each, a “Vendor”) that will be providing equipment or furnishings, the Chief Financial Officer shall determine if that Lease is the most cost-effective manner of financing the same. Vendor Leases intended to be tax-exempt shall also be reviewed and amended, if necessary, by bond counsel.
- ***Other Team Members.*** The District, upon consultation with staff and the financial advisor, shall select and retain other qualified and needed financing team members as may be required to fulfill the District’s obligations related to the District’s debt management program. Other financing team members may include, but are not limited to, special tax consultant, continuing disclosure consultant, continuing disclosure review consultant, continuing disclosure dissemination agent, trustee/fiscal agent, paying agent and bond registrar, financial printers, credit enhancement provider, reserve surety policy provider, economic analyst and/or data analyst, and arbitrage rebate service provider.

Post-Closing Procedures

The Chief Executive Officer and the Chief Financial Officer shall take such actions as may be necessary to ensure that the District complies with its post-issuance tax compliance procedures and continuing disclosure policies and procedures, which are incorporated herein by reference.

The District shall submit an annual report for any issue of debt for which it has submitted a report of final sale to the California Debt and Investment Advisory Committee ("CDIAC") on or after January 21, 2017, which shall cover a reporting period from July 1 to June 30, inclusive, such report to be delivered to CDIAC no later than seven months after the end of such reporting period in a method approved by CDIAC and which complies with Section 8855 of the Government Code of the State.

Internal Control Procedures

The Chief Executive Officer and the Chief Financial Officer shall take such actions as may be necessary to ensure that the District complies with its internal control procedures, which are consistent with the requirements of State law, to ensure that the proceeds of any debt issuance are directed to the intended use.



Memorandum

DATE: March 9, 2017

TO: Nancy Farber, Chief Executive Officer

FROM: Ed Fayen, Associate Administrator of Operations and Support
John Lee, Chief Information Officer
Mark Moran, Executive Director of Applications and Projects

SUBJECT: Continuous Interface to Cadwell EEG

A Cadwell EEG is currently in productive use in the EEG Department. In the interest of increasing accuracy and timeliness of patient information into the EMR, an EPIC/EEG interface for the 2 EEG machines is needed.

Having these interfaces will improved patient care through automated patient identification and timely and accurate delivery of results to the Epic Electronic Medical Record.

We calculate the hospital's costs to develop and implement the Continuous Interface to Cadwell EEG as follows:

• Software\License	\$ 4,700
• Vendor Labor	\$ 3,000
• External Labor	\$15,840
• Internal Labor	\$ 6,165
• Contingency	\$ 913
	<hr/>
	\$31,343

The project will take approximately 3 months to fully complete and will be performed using internal and external labor.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer 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 **\$31,343**.



Memorandum

DATE: March 15, 2017
TO: Nancy Farber, Chief Executive Officer
FROM: Ed Fayen, Senior Associate Administrator of Operations and Support
John Lee, Chief Information Officer
SUBJECT: Application Upgrades

There are numerous applications in use at the hospital that need to be upgraded in order to maintain vendor support, meet compliance requirements, have the latest security protection and maintain compatibility with other hospital systems, such as our Epic electronic medical record.

The following application upgrades are being proposed:

Application	Budget
Intellispace Perinatal (formerly OB TraceVue) Upgrade	\$55,671
SABA Cloud Learning Management System Upgrade	\$138,182
Midas Plus and Statit Reporting Upgrades	\$185,372
3M Chartscript Update	\$133,581
TOTAL	\$512,806

IntelliSpace Perinatal is a fetal monitoring system and clinical information display. This system interfaces patient and clinical documentation to our Epic electronic medical record system. The current system version will be out of support in 2018. Completing this upgrade will enable continued support of the system and enable WHHS to use new application features.

The SABA Enterprise Learning Management System (LMS) was implemented in 2012 to support Epic training needs and, in 2014, replaced the existing WHHS online training system. It is used by the hospital to create, track, and present web-based training courses to Hospital Staff and Physicians, as well as track classroom training. SABA is used for mandatory annual compliance training. The current version of SABA Enterprise is nearing end-of-life. This upgrade will migrate the current WHHS SABA Enterprise system to the SABA Cloud version. This system is hosted and requires no hardware upgrades.

Midas Plus is used for hospital incident reporting and is the main WHHS repository for quality data such as physician peer review, outside agency reporting and quality data tracking. Midas integrates with our Epic electronic medical record system. We are currently operating on the 2011 version of Midas and an upgrade is required for compliance and security purposes. In order to upgrade Midas, an update to the Statit system is required in order to maintain compatibility. Statit is used to maintain compliance with the Joint Commission Ongoing Professional Practice Evaluation (OPPE) requirements.

Finally, the 3M Chartscrip update will upgrade the hospital dictation system and replace the existing Rapid Telephone Access System (RTAS). The new module called Voicescrript has more features, such as the option for partial dictation, and is less costly. In addition, an infrastructure upgrade is required to address operating system security concerns.

These projects will be performed in parallel with vendor support and take approximately six months to fully complete. The majority of the Application Upgrades expense was budgeted in the Fiscal Year 2017 capital budget and the remaining \$147,431 needed is being allocated from other Fiscal Year 2017 information management capital budget items.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer 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 **\$512,806**.



Memorandum

DATE: March 15, 2017
TO: Nancy Farber, Chief Executive Officer
FROM: Ed Fayen, Senior Associate Administrator of Operations and Support
SUBJECT: Laundry Carts

It was noted during our mock Joint Commission survey that our laundry carts are not adequate. The current carts are either damaged from many years of use or contain wood on the base which does not allow for proper cleaning and presents an infection control issue. The purchase of new laundry carts will allow us to be compliant with every cart used in the transportation, processing and storage of clean and soiled linen.

New laundry carts were not included in the FY17 capital budget. However, we did budget \$158,541 for a new washing machine to replace our 80-pound washing machine which has burned through four motors and is in need of yet another motor. Since we have managed to handle the increased volume without the need of this machine, we are asking to purchase the new laundry carts instead of replacing the 80-pound washing machine. The total cost for the laundry carts, including tax and freight is \$68,461.67.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of the eight laundry carts for a total amount not to exceed **\$68,461.67**.



Memorandum

DATE: March 30, 2017

TO: Nancy Farber, Chief Executive Officer

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

SUBJECT: **Bids for the Prenatal Diagnostic Clinic Project**

At its meeting of May 11, 2016, the Board of Directors approved the budget for the Prenatal Diagnostic Clinic Project.

Washington Hospital Healthcare System advertised for pre-qualification of general contractors. Four firms picked up the pre-qualification materials and three firms submitted bids.

The results of the bid are as follows:

Build Group	\$ 596,314.00
CES	Did not bid
James R. Griffin, Inc.	\$ 574,855.46
City Building, Inc.	\$ 536,390.00

After careful review of the submitted bids, it has been determined that City Building, Inc. of San Mateo, CA is the lowest responsible bid for this project. The bid submitted by City Building, Inc. is \$170,000 over the construction budget. This overage was caused in large part by ADA accommodations dictated by the City of Fremont. This will increase the overall budget for this project to \$1,163,277.

In accordance with District Law, Policies and Procedures, I request that the Board of Directors accept by minute motion the bid received from City Building, Inc. for the Prenatal Diagnostic Clinic Project for an amount not to exceed \$536,390. In addition, we recommend the Board increase the construction budget for this project by \$170,000. Please direct the Chief Executive Officer to execute contractual documents to complete this project.