



# 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, May 24, 2017 – 6:00 P.M.  
Conrad E. Anderson, MD Auditorium**

### AGENDA

#### PRESENTED BY:

- |   |   |
|---|---|
| <b>I. CALL TO ORDER &amp;<br/>PLEDGE OF ALLEGIANCE</b>  | William Nicholson<br>Board Member       |
| <b>II. ROLL CALL</b>  | Dee Antonio<br>District Clerk           |
| <b>III. COMMUNICATIONS</b><br><br>A. Oral<br>B. Written   |   |
| <b>IV. ACTION</b><br><br>A. Consideration of Resolution 1179 Approving the Issuance and Sale of and Determining to Proceed with Negotiated Sale of Certain Revenue Refunding Bonds of the District in an Aggregate Principal Amount Not to Exceed \$80,000,000, Approving the Execution and Delivery of a Supplemental Indenture, a Bond Purchase Agreement, an Escrow Agreement, a Continuing Disclosure Agreement, a Preliminary Official Statement and Certain Other Actions Related Thereto |   |
| <b>V. CLOSED SESSION</b><br><br>A. Conference involving a trade secret pursuant to Health & Safety Code section 32106<br><br>New Facility/New Program<br><br>Estimated date of public disclosure: May 2018<br><br>B. Report on personnel matters, Cal Gov. Code Section 54957   | Nancy Farber<br>Chief Executive Officer |
| <b>VI. OPEN SESSION</b><br><br>Report on Closed Session   | William Nicholson<br>Board Member       |
| <b>VII. ADJOURNMENT</b>   | William Nicholson<br>Board Member       |

## RESOLUTION NO. 1179

### **RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP HEALTH CARE DISTRICT APPROVING THE ISSUANCE AND SALE OF AND DETERMINING TO PROCEED WITH NEGOTIATED SALE OF CERTAIN REVENUE REFUNDING BONDS OF THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000, APPROVING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT AND CERTAIN OTHER ACTIONS RELATED THERETO**

WHEREAS, the Washington Township Health Care District (the “District”), County of Alameda, State of California (the “State”) a local healthcare district, is duly organized and existing under the laws of the State, particularly the Local Health Care District Law, constituting Division 23 of the Health and Safety Code of the State (the “Law”), and has previously issued and sold certain of its revenue bonds, including, *inter alia*, its Refunding and Revenue Bonds, 2007 Series A (the “2007 Prior Bonds”), the proceeds of which were applied to (i) finance the acquisition, expansion, renovation and equipping of certain of the District’s facilities; (ii) refund a portion of the District’s Revenue Bonds, Series 1993; and (iii) finance the costs of issuing the 2007 Prior Bonds; and

WHEREAS, the 2007 Prior Bonds were issued as Additional Bonds pursuant to that certain Indenture, dated as of July 1, 1993 (the “Original Indenture”), by and between the District and Union Bank, N.A., as the initial trustee (the “Initial Trustee”), as subsequently supplemented and amended (as so amended, the “Indenture”); and

WHEREAS, pursuant to the provisions of Section 53580 *et seq.* of the Government Code of the State of California (the “Refunding Law”), the District may determine to refund any of its outstanding revenue bond obligations upon favorable terms, subject to certain requirements; and

WHEREAS, this Board of Directors (the “Board”) has determined that conditions in the municipal markets are favorable for the refunding of all remaining outstanding 2007 Prior Bonds (hereafter, the “Refunded Bonds”) on a current basis; and

WHEREAS, in order to effect the refunding of the Refunded Bonds, the Board has determined to issue not to exceed \$80,000,000 aggregate principal amount of the District’s Revenue Refunding Bonds, 2017 Series B (the “Bonds”); and

WHEREAS, the Board has also determined that market conditions and other factors make it necessary and advisable for the Board to sell the Bonds pursuant to a negotiated sale to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriter”); and

WHEREAS, in connection therewith, there have been presented to this meeting of the Board forms of the following documents for consideration in connection with the proposed issuance of the Bonds:

- (a) A form of Eighth Supplemental Indenture (the “Eighth Supplemental Indenture”), by and between the District and U.S. Bank National Association, as successor to the Initial Trustee (the “Trustee”);
- (b) A form of Escrow Deposit and Trust Agreement (the “Escrow Agreement”), by and between the District and the Trustee, in its capacity as escrow agent for the Refunded Bonds;
- (c) A form of Bond Purchase Contract (the “Purchase Contract”), by and between the District and the Underwriter, pursuant to which the Bonds will be purchased;
- (d) A form of Preliminary Official Statement (the “Preliminary Official Statement”), pursuant to which the Bonds will be marketed by the Underwriter; and
- (e) A form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), to be entered into by the District with FSC Continuing Disclosure Services for the purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”); and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of the Bonds, and the indebtedness of the District, including the proposed issue of the Bonds, is within all limits proscribed by law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Washington Township Health Care District, County of Alameda, State of California, as follows:

1. Recitals. The Board determines that the foregoing recitals are true and correct.
2. Definitions. The capitalized terms as used herein shall, for all purposes of this Resolution, have the meanings set forth in the Recitals hereof, in the Indenture or as ascribed to them below, unless the context clearly requires some other meaning.
  - (a) “Bond Counsel” means Nixon Peabody LLP, or any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax status of securities issued by public entities.
  - (b) “Closing Date” means the date upon which there is an exchange of Bonds for the proceeds representing the purchase price of the Bonds by the Underwriter.
  - (c) “Code” means the Internal Revenue Code of 1986, as amended and as in effect on the date of issuance of the Bonds or (except as otherwise

referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

- (d) “Cost of Issuance” means all items of expense directly or indirectly reimbursable to the District relating to the issuance, execution and delivery of the Bonds including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, fees and expenses of the Trustee, financial and other professional consultant fees, Bond Counsel Fees, costs of obtaining credit ratings, municipal bond insurance premiums, if such insurance is determined to be advisable, and all charges and expenses in connection with the foregoing.
- (e) “Owner” shall mean the registered owner, as indicated in the registration books of the Trustee, of any Bond.
- (f) “Resolution” means this Resolution.
- (g) “Special Counsel” means Mary K. Norvell, Attorney at Law.
- (h) “Tax and Nonarbitrage Certificate” means the certificate of the District to be delivered on the Closing Date, setting forth the requirements of the Code applicable to the Bonds.

3. Purpose of Bonds. That for the purpose of providing funds for the refunding in full of the Refunded Bonds and payment of the cost of issuance of the Bonds, the Board hereby authorizes the issuance of the Bonds in accordance with the requirements of the Law and the Indenture, in an aggregate principal amount not to exceed \$80,000,000. The true interest cost of the Bonds shall not exceed 5.00% per annum, payable semiannually. The Board has specifically determined that the aggregate principal amount of the Bonds does not exceed an amount equal to 50% of the District’s average annual gross revenues for the preceding three-year period, ended June 30, 2016. The Bonds shall be designated the “Washington Township Health Care District Revenue Refunding Bonds, 2017 Series B” and shall be revenue obligations of the District, secured by the pledge of Revenues.

4. Appointment of Consultants; Terms and Conditions of Sale; Approval of Legal Documents.

- (a) The Board hereby confirms the appointment of Mary K. Norvell, Attorney at Law, as Special Counsel to the District, C. Gordon Howie, as special consultant to the District, Nixon Peabody LLP, as Bond Counsel to the District, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as Underwriter and Wells Consultancy LLC, as special legal consultant to the District in connection with the sale and issuance of the Bonds.

- (b) The Bonds shall be issued upon the terms and conditions established in the Eighth Supplemental Indenture, and shall be issued in fully registered form, in the authorized denominations of \$5,000 or any integral multiple thereof, substantially in the form appended to the Eighth Supplemental Indenture.
- (c) The Chief Executive Officer of the District, the Senior Associate Administrator and Chief Financial Officer of the District or any designee of either (each, an “Authorized Officer”) and each of them acting alone is hereby authorized, in the name and on behalf of the District, to execute the Bond Purchase Contract in substantially the same form as submitted to this Board, with such additional information included therein as is dependent upon pricing of the Bonds and with such additions, changes or corrections therein as the Authorized Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District, such approval to be conclusively evidenced by such Authorized Officer’s execution thereof, so long as the aggregate principal amount of the Bonds shall not exceed Eighty Million Dollars (\$80,000,000), so long as the Underwriter’s discount with respect to the Bonds shall not exceed one percent (1.0%) of the principal amount of the Bonds and so long as the true interest cost of the Bonds shall not exceed five percent (5.0%) per annum. The final maturity of the Bonds shall be not later than July 1, 2037, the final maturity date of the Refunded Bonds. The Bonds may be sold at par, at a discount or with an original issue premium.
- (d) The District acknowledges receipt from the Underwriter of its letter respecting compliance with Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”).

5. Supplemental Indenture. The proposed form of the Eighth Supplemental Indenture presented to and considered by the Board at this meeting is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name of the District, to execute and deliver to the Trustee the Eighth Supplemental Indenture in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Eighth Supplemental Indenture by said Authorized Officer. The Bonds may be issued as serial Bonds or term Bonds and shall be subject to optional redemption prior to their respective maturity dates, or mandatory sinking fund redemption, on the dates and at the prices as set forth in the Eighth Supplemental Indenture.

6. Escrow Agreement. The proposed form of the Escrow Agreement presented to and considered by the Board at this meeting is hereby approved. The Authorized Officers are, and each of them acting alone is, hereby authorized and directed, for and in the name of the District, to execute and deliver to the Escrow Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such

requirement or approval to be conclusively evidenced by the execution of the Escrow Agreement by said Authorized Officer.

7. Official Statement. The Preliminary Official Statement relating to the Bonds presented to and considered by the Board at this meeting is hereby approved. This Board also hereby authorizes the use and distribution of: (a) a Preliminary Official Statement in substantially the form presented to this Board with such changes as the Authorized Officer executing the certificate described below may approve, such approval to be conclusively evidenced by the execution of such certificate by such Authorized Officer; (b) an official statement in substantially the form of the Preliminary Official Statement with such changes as may be necessary or desirable in connection with the sale of the Bonds as determined by the Authorized Officer executing the same (the "Official Statement"), such determination to be conclusively evidenced by the execution and delivery of the Official Statement by such Authorized Officer and (c) any amendments or supplements to the Preliminary Official Statement or the Official Statement which an Authorized Officer may deem necessary or desirable, such determination to be conclusively evidenced by the execution of such amendment or supplement or of a certificate as described below by such Authorized Officer. The Authorized Officers are, and each of them acting alone is, hereby authorized to approve such additions, deletions or changes to the Preliminary Official Statement and Official Statement, as are necessary or desirable to effect the purposes of this Resolution and to comply with applicable laws and to deliver copies of the Preliminary Official Statement and the Official Statement, and to execute the Official Statement. Upon approval of the Preliminary Official Statement by an Authorized Officer (such approval to be evidenced by execution of a certificate substantially in the form of Exhibit A attached hereto and by this reference incorporated herein, with such changes as may be necessary or advisable), such Preliminary Official Statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to the Rule.

8. Continuing Disclosure Agreement. The form of Continuing Disclosure Agreement, substantially in the form appended to the Preliminary Official Statement and presented to and considered by the Board at this meeting, is hereby approved and the Board hereby authorizes any Authorized Officer to execute the Continuing Disclosure Agreement with such changes therein as may be approved by the Authorized Officer executing the same. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement in order to assist the Underwriter in complying with the requirements of the Rule. Any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section; however, noncompliance with this Section shall not constitute a default under or cause the acceleration of the Bonds.

9. Payment of the Bonds. The Bonds shall be payable solely from the Revenues to be received by the District from the operation of its health care facilities and shall not be deemed to constitute a debt or liability of the District under any constitutional charter or statutory debt limitation. Neither the faith and credit nor the taxing power of the District shall be pledged to the payment of the principal of or interest on the Bonds.

10. Tax Covenants of the District.

- (a) The District covenants that it will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such Section is applicable to the Bonds.
- (b) The District covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code.
- (c) The District covenants that it shall comply with the provisions of the Tax and Nonarbitrage Certificate.

11. Notice of Redemption. In connection with the current refunding of the 2007 Bonds, the Authorized Officers are hereby authorized to order the Trustee, in its capacity as trustee for the 2007 Prior Bonds, to send out a notice of redemption, conditioned upon the issuance of the Bonds and the receipt by the Trustees of sufficient moneys to pay the redemption price of the 2007 Prior Bonds on the redemption date, to the owners of the 2007 Prior Bonds in accordance with Section 4.03 of the Indenture in order to effect redemption of the 2007 Prior Bonds at the earliest possible date.

12. Necessary Acts and Conditions. This Board determines that all acts and conditions necessary to be performed by the Board or which have been precedent to in the issuing of the Bonds in order to make them legal, valid and binding revenue bonds of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds; and that due provision has been made for levying and collecting Revenues in an amount sufficient to pay principal and interest on the Bonds when due.

13. Approval of Actions. Officers of the Board and Authorized Officers of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, certificates, instruments, and agreements supplemental to the foregoing, which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution, and to take all additional actions as may do the same in order to permit the issuance of the Bonds in the manner and on the terms set forth in this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

14. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Washington Township Health Care District, duly called and at which a quorum was present and acting throughout, conducted at a location freely accessible to the public this 24th day of May, 2017, at Fremont, California, by the following vote:

AYES:           Members: \_\_\_\_\_

NOES:           Members: \_\_\_\_\_

ABSENT:        Members: \_\_\_\_\_

ABSTENTIONS: Members: \_\_\_\_\_

\_\_\_\_\_  
President, Board of Directors

Attest:

\_\_\_\_\_  
Secretary, Board of Directors



**EXHIBIT A**

**FORM OF 15C2-12 CERTIFICATE**

With respect to the proposed sale of its Revenue Refunding Bonds, 2017 Series B, in the maximum aggregate amount of not to exceed \$80,000,000, Washington Township Health Care District (the “**District**”) has delivered to you a Preliminary Official Statement, dated as of the date hereof (the “**Preliminary Official Statement**”). The District, for purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission (“**Rule 15c2-12**”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

WASHINGTON TOWNSHIP HEALTH  
CARE DISTRICT

Dated: \_\_\_\_\_, 2017

By: \_\_\_\_\_ [form only]  
Authorized Officer

**STRATEGIC PLANNING**  
**PRIORITIES & PROGRESS REPORT**  
**May 19, 2017**

**I. LEGISLATION**

**Federal and Local Economic Update**

The national economic outlook remains cautiously optimistic. National labor figures showed a boost in hiring in April and unemployment claims remain at historically low levels. The national economy, however, grew at just a 0.7 percent annualized basis in the first quarter of the year.

The Bureau of Labor Statistics job report showed the U.S. economy added 211,000 jobs in April, as the unemployment rate ticked down to 4.4% from 4.5% in the previous month. This is the lowest unemployment rate in a decade. Claims for U.S. jobless benefits remain at historically low levels, coming in at 232,000 recently. Claims have now been below 300,000, a threshold associated with a healthy labor market, for 115 straight weeks and this is the longest such stretch since 1970. The four-week moving average, a less volatile measure, declined slightly to 240,750. The national housing market continues to show robust activity and price appreciation, driven in part by the continued tight supply of homes for sale.

The California economy continues to demonstrate strong growth, as the latest jobs report showed payroll jobs increased in March (state unemployment data lags national data by a month) by 19,300 jobs as the state's unemployment rate declined to 4.9%, down from 5.0% in the previous month. This is the first time since December 2006 that the state's unemployment rate has fallen below 5.0%. The California real estate market remains strong, and housing prices continue to rise in the face of strong demand and a limited number of homes for sale. There is a general concern about a housing crisis in the state, as housing costs are consistently high across the state. The state legislature currently is considering over 100 bills aimed at addressing the housing shortage through various mechanisms.

Locally, the District's unemployment rate ticked down slightly in March (local unemployment data lags national data by a month) to 3.2% from 3.3% in the previous month. Just over 6,100 District residents in the labor force are unemployed.

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

## **State and Federal Legislative Update**

### **CA Legislature**

The focus for the past few weeks continues to be on the budget. The Governor has released his May revise, and although the revenue estimates were improved the Administration still forecasts a revenue shortfall of more than \$3 billion. The Governor also did not make any changes to his budget regarding the use of the Prop 56 (Tobacco Tax) funds for purposes other than increasing provider reimbursement rates. This has set up a big push by provider groups to push the Legislature to include using the funds for increasing reimbursement rates in the budget they would send to the Governor. Budget sub-committees continue to meet as the Legislature moves to meet its deadline of providing a budget to the Governor by June 15<sup>th</sup>.

Outside of the budget, we have passed the policy committee deadline and bills are currently in the Appropriations Committees. Many bills are moving to the suspense file which will be handled late next week. The single payer bill, SB 562 (Lara), recently had an extensive hearing lasting nearly three hours. There were significant concerns raised by multiple members of the Senate Health Committee, many of which centered on how the program would be funded. Senator Lara stated those details are being worked on and would be amended into the bill as it went through the Appropriations Committee.

Some of the bills worth highlighting include:

### **AB 1728 (Assembly Committee on Local Government): Health Care Districts – Board of Directors**

This bill currently sits on the Assembly floor. Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district, which includes purchasing, receiving, having, taking, holding, leasing, using, and enjoying property. This bill would require the board of directors to adopt an annual budget in a public meeting, on or before September 1 of each year, that conforms to generally accepted accounting and budgeting procedures for special districts, establish and maintain an Internet Web site that lists contact information for the district, and adopt annual policies for providing assistance or grant funding, if the district provides assistance or grants.

### **SB 448 (Wieckowski): Local Government: Districts**

This bill currently sits in the Senate Appropriations Committee Suspense File and we will know by May 26 if this bill is revived. Current law requires a report of an audit of a special district's accounts and records made by a certified public accountant or public accountant to be filed with the Controller and the county auditor of the county in which the special district is located within 12 months of the end of the fiscal year or years under examination. This bill would require that those audit reports also be filed with the local agency formation commission of either the county in which the special district is located or, if the special

district is located in 2 or more counties, the county containing the greatest percentage of the assessed value of taxable property of the district.

### **SB 562 (Lara) The Healthy California Act**

This bill currently sits in the Senate Appropriations Committee and is scheduled for its next hearing on May 22. This bill was originally submitted in anticipation of changes to the *Affordable Care Act* at the federal level. This bill, the Healthy California Act, would create the Healthy California program to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. The bill, among other things, would provide that the program cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of other existing federal and state provisions, including, but not limited to, the state's Children's Health Insurance Program (CHIP), Medi-Cal, ancillary health care or social services covered by regional centers for persons with developmental disabilities, Knox-Keene, and the federal Medicare program. The bill would require the board to seek all necessary waivers, approval, and agreements to allow various existing federal health care payments to be paid to the Healthy California program, which would then assume responsibility for all benefits and services previously paid for with those funds.

### **Federal Legislature**

Staff continues to monitor the potential impacts that changes in policy can have on hospitals and specifically Washington. In a recent update provided by **Holland and Knight**, Washington's lobbying group in Washington DC, the topic of repealing and replacing the Affordable Care Act was covered.

On May 4, 2017, the House of Representatives narrowly passed H.R. 1628, the American Health Care Act (AHCA) by a vote of 217-213, with all Democrats and 20 Republicans opposing the bill. The legislation traversed a perilous journey in the past two months, and appeared to be in jeopardy of never coming to a vote only six weeks ago. However, a variety of changes were made after the bill was pulled from the House floor on March 24th. The legislation is now in the Senate where it faces a very ambiguous future. Assuming united Democratic opposition, the Republicans can afford to lose the support of no more than two of their senators. And both conservative and moderate Republicans have expressed concerns about different aspects of the House legislation. It is possible that the Senate will start fresh with their own approach to "repeal and replace" the Affordable Care Act (ACA) rather than work from the House bill.

Senate action is expected to be very different than the House process. It is unclear whether the Senate will go straight to the floor with legislation (a manager's amendment to the House bill) or first move its legislation through the committee process. However, initial public statements from key leaders indicate that they will craft their own bill, drawing upon the House-passed AHCA to the extent they support particular approaches or provisions. Senate Majority Leader Mitch McConnell (R-Ky.) has convened a working group among several of his colleagues to seek consensus on the Senate Republican approach. Both

Senate Finance Committee Chairman Orrin Hatch (R-Utah) and Senate Health, Education, Labor, and Pensions (HELP) Committee Chairman Lamar Alexander (R-Tenn.) bring decades of experience in health care policy, politics and deal-making.

Either way, significant changes from the House bill, as well as numerous amendments, should be expected as the process moves forward, whether in committee or on the Senate floor. And as this legislation is being considered in the context of budget reconciliation, any amendments are subject to the Byrd Rule (requiring that they have a direct relationship to spending or revenue) and may be struck on points of order.

Another wrinkle is that the House passed the AHCA before release of an updated Congressional Budget Office (CBO) 'score' or analysis of the bill's budgetary and coverage impacts. The Senate will not move forward with the AHCA until CBO releases an updated score, which is expected to be released the week of May 22. This score will – as it did in the House – have implications for the support the bill will receive.

Should the Senate be successful in passing its version of AHCA, and the House is not willing to accept this bill, a conference committee will be necessary to resolve differences between the chambers. Many bills have died in conference (such as the Patient's Bill of Rights in the 1990s). Republicans will have to navigate the policy and political needs of each chamber in carefully calibrating a conference committee agreement that will then be able to be approved by both the House and Senate. Given the varying perspectives within the Republican party, and between the chambers, this would be no easy feat.

## II. FOUNDATION

### **Critical Care Capital Campaign**

The capital campaign has been under way for a year now and has raised \$1.4 million from seventeen gifts. We are currently briefing and soliciting medical directors and community members capable of making significant leadership gifts to the campaign. Major donor prospects are being taken for tours of the Hyman Pavilion worksite.

### **Golf Tournament**

After expenses, the Foundation's annual golf tournament raised \$100,000 for surgical services at Washington Hospital.

### **Top Hat XXXI**

The Foundation's annual Top Hat dinner dance will take place on October 14. Proceeds from the event have been earmarked to support the Radiation Oncology Program. Co-chairs for the event will be Debbie Jackson, president of the Service League, Gary Charland, president and CEO of Masonic Homes of California, and William Dugoni, M.D.



## DEVCO FINANCIAL STATEMENTS

Reporting Period 9

Month of March 2017

*Nancy Farber, Chief Executive Officer*

Washington Township Health Care District • Washington Hospital • Washington Clinics  
Washington Radiation Oncology Center • Washington Outpatient Surgery Center  
Washington Heart Program • Washington Outpatient Rehabilitation Center • Washington Center for Joint Replacement  
Taylor McAdam Bell Neuroscience Institute • Institute for Minimally Invasive and Robotic Surgery  
Washington Outpatient Imaging Center • Washington Women's Center

**Washington Township Hospital  
Development Corporation  
Summary Income Statement  
March 2017**

Current Month				Year - To - Date				
Actual	Budget	Favorable/(Unfavorable)		Actual	Budget	Favorable/(Unfavorable)		
		Variance	% Variance			Variance	% Variance	
3,735	3,380	355	10.5%	29,827	28,955	872	3.0%	
261	328	(67)	(20.4%)	2,947	3,545	(598)	(16.9%)	
3,996	3,708	288	7.8%	32,774	32,500	274	0.8%	
				<b>Gross Revenue</b>				
3,772,120	3,743,221	28,899	0.8%	(4) Patient Revenue	30,770,177	31,994,963	(1,224,786)	(3.8%)
872,994	804,512	68,482	8.5%	(5) Other Revenue	8,492,402	7,040,323	1,452,079	20.6%
<b>4,645,114</b>	<b>4,547,733</b>	<b>97,381</b>	<b>2.1%</b>	<b>(6) Total Gross Revenue</b>	<b>39,262,579</b>	<b>39,035,286</b>	<b>227,293</b>	<b>0.6%</b>
				<b>Deductions</b>				
2,025,784	1,882,193	(143,591)	(7.6%)	<b>(7) Total Deductions</b>	<b>15,917,255</b>	<b>16,098,961</b>	<b>181,706</b>	<b>1.1%</b>
53.7%	50.3%	(3.4%)		Contractual Percentage	51.7%	50.3%	(1.4%)	
<b>2,619,330</b>	<b>2,665,540</b>	<b>(46,210)</b>	<b>(1.7%)</b>	<b>(8) Net Revenue</b>	<b>23,345,324</b>	<b>22,936,325</b>	<b>408,999</b>	<b>1.8%</b>
				<b>Expenses</b>				
823,260	800,269	(22,991)	(2.9%)	(9) Purchased Labor	6,779,415	6,805,048	25,633	0.4%
244,377	292,206	47,829	16.4%	(10) Purchased Benefits	2,279,556	2,572,605	293,049	11.4%
340,213	281,548	(58,665)	(20.8%)	(11) Supplies	2,572,895	2,406,948	(165,947)	(6.9%)
290,335	303,165	12,830	4.2%	(13) Professional Fees	2,388,506	2,556,230	167,724	6.6%
222,447	221,468	(979)	(0.4%)	(14) Purchased Services	1,898,914	1,917,526	18,612	1.0%
77,141	82,123	4,982	6.1%	(16) Depreciation and Amort	705,776	719,888	14,112	2.0%
18,977	17,262	(1,715)	(9.9%)	(17) Utilities	188,538	178,205	(10,333)	(5.8%)
542,201	441,844	(100,357)	(22.7%)	(18) Building Lease	4,101,957	3,974,534	(127,423)	(3.2%)
123,147	133,334	10,187	7.6%	(19) Other Expenses	1,131,542	1,209,029	77,487	6.4%
<b>2,682,098</b>	<b>2,573,219</b>	<b>(108,879)</b>	<b>(4.2%)</b>	<b>(20) Total Expenses</b>	<b>22,047,099</b>	<b>22,340,013</b>	<b>292,914</b>	<b>1.3%</b>
<b>(62,768)</b>	<b>92,321</b>	<b>(155,089)</b>	<b>(168.0%)</b>	<b>(21) Net Operating Income/Loss</b>	<b>1,298,225</b>	<b>596,312</b>	<b>701,913</b>	<b>117.7%</b>
<b>27,131</b>	<b>102,905</b>	<b>75,774</b>	<b>73.6%</b>	<b>(22) Minority Interest</b>	<b>1,133,294</b>	<b>808,906</b>	<b>(324,388)</b>	<b>(40.1%)</b>
<b>(89,899)</b>	<b>(10,584)</b>	<b>(79,315)</b>	<b>(749.4%)</b>	<b>(23) Net Income/Loss</b>	<b>164,931</b>	<b>( 212,594 )</b>	<b>377,525</b>	<b>177.6%</b>