



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 27, 2015 - 6:00 P.M.
Conrad E. Anderson, MD Auditorium C

AGENDA

- | | | |
|-------------|---|--|
| I. | CALL TO ORDER &
PLEDGE OF ALLEGIANCE | Patricia Danielson, RHIT
Board Member |
| II. | ROLL CALL | Christine Flores
Senior Executive Assistant |
| III. | COMMUNICATIONS
A. Oral
B. Written | |
| IV. | CLOSED SESSION
A. Report and discussion regarding
California Government Code section
54957: Personnel matters
B. Report involving a trade secret
pursuant to Health & Safety Code
section 32106
New Program
Estimated date of public disclosure:
May 2016 | Nancy Farber
Chief Executive Officer |
| V. | OPEN SESSION
Report on Closed Session | Patricia Danielson, RHIT
Board Member |
| VI. | ACTION
A. Consideration of Claim: Roy | <i>Motion Required</i> |
| VII. | ADJOURNMENT | Patricia Danielson, RHIT
Board Member |

STRATEGIC PLANNING
PRIORITIES & PROGRESS REPORT
May 22, 2015

I. LEGISLATION

Federal and Local Economic Update

The national economic outlook remains cautiously optimistic. The national employment figures rebounded in April after a disappointing March, and have returned to meaningful growth figures. Concern over global economic stability has lessened recently, as reduced oil prices are translating into signs of positive global economic impact. However, the United States had a disappointing first quarter in terms of Gross Domestic Product (GDP), which expanded at the sluggish pace of 0.2%. Annual US GDP predictions have been lowered from 2.7% to 2.2% for 2015. Economists continue to predict that the Federal Reserve will wait until September to begin raising interest rates.

The Bureau of Labor Statistics job report showed the US economy added 223,000 jobs in April as the unemployment rate ticked down to 5.4%. Wage growth, however, remains sluggish, rising only 0.1% in April. Claims for U.S. jobless benefits decreased recently by 1,000 to a seasonally adjusted 264,000. This is the lowest level of unemployment claims in fifteen years. The four-week moving average, a less volatile measure, fell by 7,750 to 271,750. The national housing market continues to show signs of healing, as new construction of homes surged 20%. Last month, the number of properties that received a foreclosure filing in the U.S. was 20% higher than the previous month and 4% higher than the same time last year. Home sales were down 30% compared with the previous month, and down 42% compared to a year ago. Sales activity is expected to increase, however, as the typically busy summer months begin.

The California economy showed solid unemployment gains in March (state unemployment data lags national data by a month), as the state added 39,800 new payroll jobs and the unemployment rate dropped to 6.5%, down from 6.7% a month earlier. This is the state's lowest unemployment rate in seven years. As the state's economy continues to recover, a new Legislative Analyst's Office report predicts that the state will have \$1.1 billion more for discretionary spending than previously estimated, which now puts the state's revenue estimates at about \$4 billion more than projected in Governor Brown's FY 2015-2016 budget proposal. Last month, the number of properties that received a foreclosure filing in California was 8% higher than the previous month and 14% lower than the same time last year. Home sales were down 21% compared with the previous month, and down 28% compared to a year ago.

Locally, the District's unemployment rate decreased in March, (local unemployment data lags national data by a month), declining to 4.1% from 4.2% in February. Just over 7,400 District residents in the labor force are unemployed. Foreclosure activity in the District

increased last month to 47 foreclosures, and home sales figures in the District mirrored the pace seen at the national and state levels.

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

State and Federal Legislative Update

Federal Legislature

King v. Burwell

The Supreme Court is expected to deliver a decision next month in the case of *King v. Burwell*, which challenges the Internal Revenue Service's authority to issue tax subsidies to individuals who purchased health insurance through the Federal health insurance exchanges.

CA Legislature

Governor Brown released his May revision of his proposed 2015-2016 budget. There were no significant changes to health-related items, and there remains no increase in provider reimbursement rates for Medi-Cal enrollees.

The California Legislature is currently in the middle of the Appropriations Committee window. Many bills are going to the Suspense File, which is reserved for bills having a fiscal impact of more than \$50,000. The Suspense File bills will be dealt with next week since the fiscal committee deadline is May 29th.

Some of the bills worth highlighting include:

SB 346 (Wieckowski): Health Facilities: Community Benefits

This bill failed to pass out of the Senate. This bill would have declared the necessity of establishing uniform standards for reporting the amount of charity care and community benefits a facility provides to ensure that private nonprofit hospitals and nonprofit multispecialty clinics actually meet the social obligations for which they receive favorable tax treatment. District hospitals would have been excluded from this measure.

SB 323 (Hernandez): Nurse Practitioners: Scope of Practice

This bill passed out of the Senate and currently sits in the Assembly. This bill would authorize a nurse practitioner who holds a national certification from a national certifying body recognized by the Board of Registered Nursing to practice without the supervision of a physician and surgeon, if the nurse practitioner meets existing requirements for nurse

practitioners and practices in one of certain specified settings. The bill would authorize a nurse practitioner, in addition to any other practice authorized in statute or regulation, to perform specified acts without reference to standardized procedures or the specific need for the supervision of a physician and surgeon.

II. FOUNDATION

Capital Campaign

To date, \$4.88 million has been raised for the Critical Care Campaign, which represents 81 percent of the \$6 million goal.

Golf Tournament

The 30th annual Foundation golf tournament took place on Monday, April 27, at Castlewood Country Club. 196 golfers participated and 250 attended the dinner. The event netted just over \$81,000 to support surgical services at Washington Hospital.



Washington Hospital Healthcare System

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www.whhs.com

DEVCO FINANCIAL STATEMENTS

Reporting Period 9

Month of March 2015

Nancy Farber, Chief Executive Officer

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

**Washington Township Hospital
Development Corporation
Summary Income Statement
March 2015**

Current Month					Year - To - Date				
Actual	Budget	Favorable/(Unfavorable)			Actual	Budget	Favorable/(Unfavorable)		
		Variance	%				Variance	%	
3,987	3,869	118	3.0%	(1) Visits	32,902	30,747	2,155	7.0%	
293	286	7	2.4%	(2) Treatments & Procedures	3,794	3,791	3	0.1%	
4,280	4,155	125	3.0%	(3) Total	36,696	34,538	2,158	6.2%	
Gross Revenue									
4,625,229	4,171,968	453,261	10.9%	(4) Patient Revenue	39,643,290	35,116,215	4,527,075	12.9%	
844,852	747,182	97,670	13.1%	(5) Other Revenue	7,160,520	6,906,679	253,841	3.7%	
5,470,081	4,919,150	550,931	11.2%	(6) Total Gross Revenue	46,803,810	\$42,022,894	4,780,916	11.4%	
Deductions									
2,345,186	2,104,260	(240,926)	(11.4%)	(7) Total Deductions	20,455,410	17,836,187	(2,619,223)	(14.7%)	
50.7%	50.4%	(0.3%)		Contractual Percentage	51.6%	50.8%	(0.8%)		
3,124,895	2,814,890	310,005	11.0%	(8) Net Revenue	26,348,400	24,186,707	2,161,693	8.9%	
Expenses									
898,964	849,936	(49,028)	(5.8%)	(9) Purchased Labor	8,051,232	7,539,329	(511,903)	(6.8%)	
292,517	285,924	(6,593)	(2.3%)	(10) Purchased Benefits	2,603,930	2,555,557	(48,373)	(1.9%)	
363,894	328,895	(34,999)	(10.6%)	(11) Supplies	2,905,639	2,847,990	(57,649)	(2.0%)	
46,344	42,325	(4,019)	(9.5%)	(12) Contract Mgmt Services	379,475	380,925	1,450	0.4%	
100,200	191,196	90,996	47.6%	(13) Professional Fees	1,600,009	1,711,735	111,726	6.5%	
249,068	225,661	(23,407)	(10.4%)	(14) Purchased Services	2,239,998	2,043,547	(196,451)	(9.6%)	
24,592	15,667	(8,925)	(57.0%)	(15) Legal and Audit	168,511	143,503	(25,008)	(17.4%)	
75,164	74,419	(745)	(1.0%)	(16) Depreciation and Amort	693,989	689,773	(4,216)	(0.6%)	
16,474	13,312	(3,162)	(23.8%)	(17) Utilities	188,992	150,574	(38,418)	(25.5%)	
409,889	410,562	673	0.2%	(18) Building Lease	3,784,134	3,697,932	(86,202)	(2.3%)	
77,201	80,996	3,795	4.7%	(19) Other Expenses	665,622	733,344	67,722	9.2%	
2,554,307	2,518,893	(35,414)	(1.4%)	(20) Total Expenses	23,281,531	22,494,209	(787,322)	(3.5%)	
570,588	295,997	274,591	92.8%	(21) Net Operating Income/Loss	3,066,869	1,692,498	1,374,371	81.2%	
297,200	179,524	(117,676)	(65.5%)	(22) Minority Interest	1,925,192	1,342,472	(582,720)	(43.4%)	
273,388	116,473	156,915	134.7%	(23) Net Income	1,141,677	350,026	791,651	226.2%	