



Washington Township Health Care District

2000 Mowry Avenue, Fremont, California 94538-1716 | 510.797.1111

Kimberly Hartz, Chief Executive Officer

Board of Directors

Jacob Eapen, MD

William F. Nicholson, MD

Bernard Stewart, DDS

Michael J. Wallace

Jeannie Yee

BOARD OF DIRECTORS' MEETING

Wednesday, June 11, 2025 – 6:00 P.M.

Medical Oncology Conference Room, at Washington West, 2500 Mowry Avenue,
Second Floor, Suite # 243, Fremont and via Zoom

<https://whhs.zoom.us/j/99981412172?pwd=gaD3BTJbgMbnmcfZg21JHxyhJ3Xmaz.1>

Password: 619182

Board Agenda and Packet can be found at:

[June 2025 | Washington Health](#)

AGENDA

PRESENTED BY:

- | | | |
|------|---|---|
| I. | CALL TO ORDER &
PLEDGE OF ALLEGIANCE | William Nicholson, MD
First Vice President |
| II. | ROLL CALL | Cheryl Renaud
District Clerk |
| III. | COMMUNICATIONS | |
| | A. Oral
<i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not on the agenda and within the subject matter of jurisdiction of the Board. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i> | |
| | B. Written | |
| IV. | CONSENT CALENDAR
<i>Items listed under the Consent Calendar include reviewed reports and recommendations and are acted upon by one motion of the Board. Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> | William Nicholson, MD
First Vice President |
| | A. Consideration of the Minutes of the Regular Meetings of the District Board: May 14, 19, 27 & 28, 2025 | <i>Motion Required</i> |
| | B. Consideration of Medical Staff: Medical Staff Bylaws – Provisional Medical Staff | |
| | C. Consideration of Medical Staff: Credentialing Policy - Proctoring | |
| | D. Consideration of Medical Staff: Rules & Regulations Manual – Creation of a Resident Category | |

V. **PRESENTATION**

- A. Budget Estimate FY 2025-2026
- B. Community Health Needs Assessment

PRESENTED BY:

Ajay Sial
Interim Senior Vice President
& Chief Financial Officer

Angus Cochran
Chief, Community Support Services

Kayla Gupta
Community Outreach Manager

VI. **REPORTS**

- A. Medical Staff Report
- B. Service League Report
- C. Finance Report
- D. Hospital Operations Report
- E. Hospital Systems Calendar

Mark Saleh, MD
Chief of Medical Staff

Sheela Vijay
Service League President

Ajay Sial
Interim Senior Vice President
& Chief Financial Officer

Kimberly Hartz
Chief Executive Officer

Kimberly Hartz
Chief Executive Officer

VII. **ACTION**

- A. Consideration of Resolution No. #1273: FY 2026 Consolidated Budget Estimate
- B. Consideration of Community Health Needs Assessment
- C. Resolution No. #1272: Local 856

Motions Required

VIII. **ANNOUNCEMENTS**

IX. **ADJOURNMENT**

William Nicholson, MD
First Vice President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, May 14, 2025 in the Medical Oncology Conference Room at 2500 Mowry Avenue, Second Floor, Suite # 243, Fremont and Zoom access was provided. Director Wallace called the meeting to order at 6:00 p.m. and led those in attendance of the meeting in the Pledge of Allegiance.

CALL TO ORDER

*PLEDGE OF
ALLEGIANCE*

Roll call was taken: Directors present: Michael Wallace; William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS

ROLL CALL

Absent: Jacob Eapen, MD

Also present: Kimberly Hartz, Chief Executive Officer; Ajay Sial, Interim Senior Vice President & Chief Financial Officer; Terri Hunter, Vice President & Chief Nursing Officer; Kristin Ferguson; Sheela Vijay; Gisela Hernandez; Maria Nunes; Jerri Randrup; Kel Kanady; Mark Saleh, MD; Laura Anning; Paul Kozachenko; Walter Choto; John Zubiena; Semone Clark; Mary Bowron; Dan Nardoni; Maria Fuentes; Minh-Thu Dennen; Brian Smith, MD; Melissa Garcia; Marcus Watkins; Kim Burdick; Tammi Tyson; Angus Cochran; Sri Boddu; Cheryl Renaud; Shirley Ehrlich

Director Wallace welcomed any members of the general public to the meeting.

OPENING REMARKS

Director Wallace noted that Public Notice for this meeting, including Zoom information, was posted appropriately on our website. This meeting was recorded for broadcast at a later date.

There were no Oral Communications.

*COMMUNICATIONS:
ORAL*

There were no Written Communications.

*COMMUNICATIONS:
WRITTEN*

Director Wallace presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Consideration of the Minutes of the Regular Meetings of the District Board:
April 9, 21, 23 & 28, 2025
- B. Consideration of Medical Staff: Dissolution of Podiatry Section

Director Yee moved that the Board of Directors approve the Consent Calendar, Items A & B. Director Nicholson seconded the motion.

Roll call was taken:

Michael Wallace – aye
William Nicholson, MD – aye
Jeannie Yee - aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD - absent

Motion Approved.

Kimberly Hartz, Chief Executive Officer, introduced Terri Hunter, Vice President & Chief Nursing Officer, who spoke about celebrating Health System Week. This week, time is set aside to celebrate our staff, physicians and volunteers; the people who make our health system the preferred choice for our district residents and beyond. Embracing care and celebrating the people who bring our mission to life describes all of the people who deliver essential health care services to our community. Buildings and equipment mean little without the unwavering dedication of the compassionate caregivers who bring Washington Health to life.

*PRESENTATION;
HEALTH SYSTEM
WEEK*

A video was shown featuring Washington Health's very own staff highlighting "a day in the life" and the following employees spoke about the values they bring to working at Washington Health: Rehan Noori, Clinical Pharmacist; Jonathan Burdick, Respiratory Therapist; Sonia Gibson, Charge Nurse; Kim Lien Julie Van, Sterile Processing Tech II; Derek Tom, Lead Radiologic Technologist and Katherine Ng, Physical Therapist.

Dr. Mark Saleh, Chief of Medical Staff, reported that there are 667 Medical Staff members, 367 active members. Dr. Saleh stated that Medical Staff Services is in the process of updating the Medical Staff Bylaws and will inform the Board of Directors when it is completed. The Annual Dinner Dance to honor Dr. Desmond Erasmus is scheduled for June 28, 2025.

*MEDICAL STAFF
REPORT*

Sheela Vijay, Service League President, reported that for the month of April, 248 Service League volunteers contributed a total of 2,914 hours across various departments within the hospital. Sheela noted that to sustain this level of service, Washington Health continues to welcome new volunteers through information and orientation sessions. On April 12, the Service League hosted a Volunteer Orientation with 32 attendees made up of 12 adults, 15 college students and 5 high school students. There was also a High School Information Session on April 14, attended by 53 students to highlight the many ways they can get involved as volunteers.

*SERVICE LEAGUE
REPORT*

Sheela noted that volunteers continue to play an active role throughout the hospital offering support to patients, families and staff. The Birthing Center Tour Program has continued to thrive since its launch. From December 2024 through April 2025, 26 tours have been led by volunteers for more than 150 expectant mothers. These

tours help families become familiar with our facilities and feel more confident as they prepare for their new arrivals. Feedback from participants have been positive, with many expressing appreciation for the clarity, reassurance and personal touch provided by the volunteers.

Sheela reported that the \$5 Masquerade Sale took place on April 28 – 30, 2025 and it raised \$6,100 for the Service League. Many thanks to the numerous volunteers whose hard work ensured the success of the event, with a special thanks to Cherie Gamardo, whose tireless efforts in promoting and managing the sale.

The WOOF Canine Therapy Program will host its second community education session on June 27. This presentation featuring Dr. Elizabeth Lynch, DVM and will focus on “Safe Travels with Your Pet”. As summer approaches, this session will offer helpful tips for a safe and stress-free journey – whether it is a quick trip or a longer vacation.

Sheela announced that the upcoming launch of Bingocize, a 20-session health promotion program that blends bingo with light exercise. Starting June 2, sessions will take place twice weekly on Mondays and Wednesdays. This will be led by Garrett Cordes, Trauma Program Injury Prevention Coordinator.

Kimberly Hartz, Chief Executive Officer, introduced Mary Bowron, Chief Quality Officer, who presented the Quality Dashboard for the quarter ending March 31, 2025, comparing Washington Health statistics to State and National Benchmarks. There were zero Hospital Acquired MSRA in the past quarter, which was lower than the 0.874 predicted number of infections. We had zero Catheter Associated Urinary Tract Infection (CAUTI), which was lower than the 1.412 predicted number of infections; zero Central Line Bloodstream Infections (CLABSI), which was lower than the 1.823 predicted number of infections. There was one Surgical Site Infections (SSI) following Colon Surgery, which was higher than the 0.32 predicted number of infections. We had two SSI following Abdominal Surgery, which was lower than the 0.127 predicted number of infections, and one hospital-wide Clostridium Difficile (C.diff) infections, which was lower than the 10.717 predicted number of infections. Hand Hygiene was at 98.6%.

*QUALITY REPORT:
QUALITY DASHBOARD
Q/E MARCH 2025*

Moderate fall with injury rate for the quarter at 0.05. The national benchmark rate was not available. Hospital acquired Pressure Ulcer rate of 0.91 The national benchmark rate was not available for Quarter Ending March 2025.

The 30-day readmission rate for AMI discharges was higher than the CMS national benchmark (21.1% versus 14.6%). The 30-day Medicare pneumonia readmissions rate was higher compared to the CMS national benchmark (26.7% versus 15.3%). 30-day Medicare Heart Failure readmissions was higher (20.8% versus 18.8%) than the CMS benchmark. 30-day Medicare Chronic Obstructive Pulmonary Disease

(COPD) readmission rate was higher than the CMS benchmark (29% versus 18.3%). The 30-day Medicare CABG readmission rate was lower (0% versus 10.1%) than the CMS benchmark. 30-day Medicare Total Hip Arthroplasty (THA) and/or Total Knee Arthroplasty (TKA) was lower than the CMS benchmark (5% versus 5.1%).

Ajay Sial, Interim Vice President & Chief Financial Officer, presented the Finance Report for March 2025. The average daily inpatient census was 187.2 with discharges of 1,118 resulting in 5,803 patient days. Outpatient observation equivalent days were 159. The average length of stay was 5.05 days. The case mix index was 1.739. Deliveries were 147. Surgical cases were 519. The Outpatient visits were 9,202. Cath Lab cases were 212. Emergency visits were 5,190. Joint Replacement cases were 188. Neurosurgical cases were 28. Cardiac Surgical cases were 17. Total FTEs were 1,714.1. FTEs per adjusted occupied bed was 5.76. Overall, the net income for March was \$1,012,000.

FINANCE REPORT

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for April 2025. Patient gross revenue of \$223.3 million for April was favorable to budget of \$214.3 million (4.2%), and it was higher than April 2024 by \$28.8 million (14.8%).

*HOSPITAL
OPERATIONS REPORT*

Trauma Cases of 153 for April was favorable to the budget of 105 by 48 (45.7%). Trauma gross revenue of \$17.3 million for April was favorable to the budget of \$13.2 million by \$4.1 million (31.4%).

The Average Length of Stay was 5.16. The Average Daily Inpatient Census was 182.4 and was favorable to budget of 165.7 by 16.7 (10.1%). There were 1,072 Discharges that was favorable to budget of 936 by 136 (14.5%).

There were 5,471 patient days and was favorable to budget of 4,970 by 501 days (10.1%). There were 534 Surgical Cases and 196 Cath Lab cases at the Hospital.

Deliveries were 127. Non-Emergency Outpatient visits were 9,562. Emergency Room visits were 5,220. Total Government Sponsored Preliminary Payor Mix was 75.0%, against the budget of 74.2%. Total FTEs per Adjusted Occupied Bed were 5.78.

There was \$133K in charity care adjustments in April 2025.

May Employee of the Month is Sonia Painda, Digital Marketing Specialist, Marketing & Communications.

*EMPLOYEE OF THE
MONTH*

Past Health Promotions & Community Outreach Events:

HOSPITAL CALENDAR

- April 10: Business Forum with Senator Aisha Wahab – Anderson Auditorium, Washington West
- April 11: Assemblymember Alex Lee's Unsung Hero Award Ceremony – Fremont Downtown Event Center
- April 12: Union City Spring Egg Hunt – Old Alvarado Park
- April 12: Family Day at the Park – Newark Community Park
- April 19: Fremont Earth Day Event – Fremont Downtown Event Center
- April 21: Advanced Directives and POLSTs – Acacia Creek Retirement Community
- April 23: Advances in Joint Replacement for Younger, More Active Patients – Facebook and YouTube
- April 25: Healthcare Career Panel, Stop the Bleed Training and Lunch Social – Anderson Auditorium
- April 26: New Haven Days – James Logan High School
- April 29: Signs and Symptoms of Stroke – COGIR Retirement Community
- April 29: Choking Education at Washington Health Foundation Board Meeting – Washington West
- April 30: Diabetes Management – Pauline Weaver Senior Apartments
- April 30: Community Art Open House – Morris Hyman Courtyard - Two new murals created by students from Irvington High School and Newark Memorial High School were showcased at this event and are on display in the courtyard between the Main Hospital and Morris Hyman Critical Care Pavilion.
- May 1: Choking Education at Niles Rotary Club Meeting – Washington West
- May 3: SPOTMe Free Skin Cancer Screening – Fremont Center for Dermatology
- May 3: Car Seat Safety Event, with seat inspections by Alameda County EMS – Washington West Parking Lot
- May 6-12: National Nurses Week – Washington Health
- May 6: Weight Management: Washington Health Walk – Mark Green Sports Center, Union City
- May 6: New Haven Schools Foundation Scholarship Awards Luncheon – James Logan High School – Washington Health presented two scholarships. Katherine Timbang, who will attend UCLA in the fall and aspires to be a Labor & Delivery Nurse, she is the daughter of Allan Timbang, Respiratory Therapist. Valeria Zavala Cruz, who is going to Cal State East Bay to study nursing. She earned her Certified Nursing Assistant Certificate while at James Logan High School and aspires to be a Special Care Nursery Nurse.
- May 7: Walters Middle School Health Fair – Fremont
- May 12-16: Washington Health Week – Washington Health
- May 14: Healthy Lifestyles for Kids – Facebook and YouTube

Upcoming Health Promotions & Community Outreach Events:

- May 15: Celebration of Life for Survivors, Loved Ones, and Care Givers – Anderson Auditorium
- May 23: Newark State of the City Address – Newark Civic Center
- May 28: Understanding TIAs: Recognizing Warning Signs and Preventing Strokes – Facebook and YouTube
- June 3: Stop the Bleed: Washington Health Walk – Ruggieri Senior Center
- June 6: Behavior Health Symposium for Professionals: Supporting Resilience, Connection, and Professional Growth – Anderson Auditorium, Washington West
- June 7: Healthy Minds, Strong Communities: Behavioral Health Fair for Community Members – Anderson Auditorium, Washington West
- June 11: Mastering Weight Management: Boosting Metabolism for Lasting Results – Facebook and YouTube

Washington Health Foundation has reached the fundraising goal of \$12M for the Cancer Center Campaign. Funds contributed by generous donors will assist with construction and equipment in the new UCSF-Washington Cancer Center.

The Foundation hosted the 38th Annual Golf & Bocce Tournament on Monday, May 12 at the Club at Castlewood. 122 golfers and 28 bocce players attended, and over 170 patrons were at the cocktail reception. Donations will help support the purchase of surgical equipment for the Hospital's operating rooms and trauma center. Total funds raised are still being calculated.

The Foundation is hosting the 39th Annual Top Hat Gala on Saturday, October 11, 2025. More details to follow.

There were no Action Items.

ACTION ITEM

There being no further business, Director Wallace adjourned the meeting at 7:27 p.m.

ADJOURNMENT

Michael Wallace
President

Jacob Eapen, MD
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, May 19, 2025 in the Medical Oncology Conference Room, Second Floor, Suite # 243 at 2500 Mowry Avenue, Fremont and Zoom access was provided. Director Wallace 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: Michael Wallace; William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Jacob Eapen, MD

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Tina Nunez, Senior Vice President & Chief Administrative Officer; Ajay Sial, Interim Senior Vice President & Chief Financial Officer; Terri Hunter, Vice President & Chief Nursing Officer; Paul Kozachenko, Legal Counsel; Cheryl Renaud, Executive Assistant to the CEO & District Clerk.

Director Wallace welcomed any members of the general public to the meeting.

OPENING REMARKS

Director Wallace noted that Public Notice for this meeting, including Zoom information, was posted appropriately on our website. This meeting is being conducted in the Medical Oncology Conference Room and by Zoom.

There were no Oral Communications.

*COMMUNICATIONS:
ORAL*

There were no Written Communications.

*COMMUNICATIONS:
WRITTEN*

There were no Items on the Consent Calendar for consideration.

CONSENT CALENDAR

There were no Action Items.

ACTION ITEMS

There were no Announcements.

ANNOUNCEMENTS

Prior to going into closed session, Kimberly Hartz reported that there was a clerical error on the closed session portion of the agenda. There is no motion to be made under closed session.

Director Wallace adjourned the meeting to closed session at 6:05 p.m., as the discussion pertained to reports regarding Conference Involving Trade Secrets pursuant to Health & Safety Code Section 32106 - Strategic Planning and Conference involving Labor Negotiators pursuant to Government Code Section 54957.6.

*ADJOURN TO CLOSED
SESSION*

Director Wallace stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this meeting was being conducted in

the Medical Oncology Conference Room and via Zoom, there is no way of knowing when the closed session will end. The public was informed they could contact the District Clerk for the Board's report beginning May 20, 2025. The minutes of this meeting will reflect any reportable actions.

Director Wallace reconvened the meeting to open session at 7:20 p.m. During closed session, the District Clerk reported that there were no reportable actions taken.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Wallace adjourned the meeting at 7:20 p.m.

ADJOURNMENT

Michael Wallace
President

Jacob Eapen, MD
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Tuesday, May 27, 2025 in the Medical Oncology Conference Room at 2500 Mowry Avenue, Second Floor, Suite #243, Fremont and by Teleconference. 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; Jacob Eapen, MD; Jeannie Yee

ROLL CALL

Absent: Michael Wallace

Also present: Kimberly Hartz, Chief Executive Officer; Aaron Barry, MD; John Romano, MD; Brian Smith, MD; Larry LaBossiere, Senior Vice President & Chief Operating Officer ; Terri Hunter, Vice President & Chief Nursing Officer

There were no Oral communications.

*COMMUNICATIONS:
ORAL*

There were no Written communications.

*COMMUNICATIONS:
WRITTEN*

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 Section 32155.

*ADJOURN TO CLOSED
SESSION*

Director Nicholson reconvened the meeting to open session at 8:50 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 adjourned at 8:50 a.m.

ADJOURNMENT

William Nicholson, MD
First Vice President

Jacob Eapen, MD
Secretary

Board of Directors' Meeting

May 28, 2025

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A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, May 28, 2025 in the Medical Oncology Conference Room, Second Floor, Suite # 243 at 2500 Mowry Avenue, Fremont and Zoom access was provided. Director Wallace 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: Michael Wallace; William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Jacob Eapen, MD

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Larry LaBossiere, Senior Vice President & Chief Operating Officer; Tina Nunez, Senior Vice President & Chief Administrative Officer; Ajay Sial, Interim Senior Vice President & Chief Financial Officer; Terri Hunter, Vice President & Chief Nursing Officer; Paul Kozachenko; Cheryl Renaud; Shirley Ehrlich

Director Wallace welcomed any members of the general public to the meeting.

OPENING REMARKS

Director Wallace noted that Public Notice for this meeting, including Zoom information, was posted appropriately on our website. This meeting is being conducted in the Medical Oncology Conference Room and by Zoom.

There were no Oral Communications.

*COMMUNICATIONS:
ORAL*

There were no Written Communications.

*COMMUNICATIONS:
WRITTEN*

There were no Items on the Consent Calendar for consideration.

CONSENT CALENDAR

There were no Action Items.

ACTION

There were no Announcements.

ANNOUNCEMENTS

Director Wallace adjourned the meeting to closed session at 6:02 p.m., as the discussion pertained to reports regarding Medical Audit & Quality Assurance Matters pursuant to Health & Safety Code Section 32155 and Conference involving Trade Secrets pursuant to Health & Safety Code Section 32106 (Strategic Planning). Director Wallace stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this meeting was being conducted in the Medical Oncology Conference Room and via Zoom, that there is no way of knowing when the closed session will end. The public was informed they could contact the District Clerk for the Board's report beginning May 29, 2025. The minutes of this meeting will reflect any reportable actions.

*ADJOURN TO CLOSED
SESSION*

Director Wallace reconvened the meeting to open session at 8:34 p.m. The District Clerk reported that during the closed session, the Board approved the Closed Session Meeting Minutes of April 21 & 23, 2025 and the Medical Staff Credentials Committee Report by unanimous vote of all directors present.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Wallace adjourned the meeting at 8:34 p.m.

ADJOURNMENT

Michael Wallace
President

Jacob Eapen, MD
Secretary

DRAFT

MEMORANDUM

Date: May 19, 2025

To: Kimberly Hartz, Chief Executive Officer

From: Mark Saleh, MD, Chief of Staff

Subject: MEC for Board Approval:
Medical Staff Bylaws – Provisional Medical Staff

The Medical Executive Committee, at its meeting on May 19, 2025, approved the Medical Staff Bylaws, Provisional Medical Staff category.

Please accept this memorandum as a formal request for presentation to the Board of Directors for final approval of these changes. The document is attached.

WASHINGTON HEALTH

MEDICAL STAFF

BYLAWS

*Approved by the Board of Directors on July 15, 2024, Rev. July 13, 2022, Rev. 10/14/2020,
Rev. 11/14/ 2018*
*Approved by the Medical Staff (GMS) on August 14, 2024, Rev. June 14, 2022, Rev. 9/8/2020,
Rev. 9/11/2018*

- (b) may not hold office or serve as department chair, section chair, or committee chair (unless waived by the Medical Executive Committee and ratified by the Board);
- (c) may attend Medical Staff meetings; and
- (d) may be invited to serve on committees (with vote).

2.F. HONORARY STAFF

2.F.1. Qualifications:

- (a) The Honorary Staff shall consist of practitioners who have retired from the practice of medicine at Washington Hospital after serving for more than 10 years, who are in good standing, and who have been recommended by the Medical Executive Committee.
- (b) Once an individual is appointed to the Honorary Staff, that status is ongoing. As such, there is no need for the individual to submit a reappointment application/reappointment processing.

2.F.2. Prerogatives and Responsibilities:

Honorary Staff members:

- (a) may not consult, admit, or attend to patients;
- (b) may attend Medical Staff, department, and section meetings when invited to do so (without vote);
- (c) may be appointed to committees (with vote);
- (d) are entitled to attend educational programs of the Medical Staff and the Hospital;
- (e) may not hold office or serve as department chairs, section chairs, or committee chairs (unless waived by the Medical Executive Committee and ratified by the Board); and
- (f) are not required to pay application fees, dues, or assessments.

2.G. PROVISIONAL MEDICAL STAFF

2.G.1 QUALIFICATIONS

The Provisional Medical Staff shall consist of members who:

- A. meet the general Medical Staff membership qualifications set forth in Credentialing Policy, 2.A.1, 2.A.1, 2.B.1, 2.C.1, 2.G.1 Or 2.D.1
- B. were not members of this Medical Staff immediately prior to their application and appointment.

2.G.2 PROVISIONAL PREROGATIVES, OBLIGATIONS, AND LIMITATIONS

- A. Provisional Medical Staff members shall be designated as Provisional/Active or Provisional/Courtesy, Provisional/Consulting and Provisional/Ambulatory depending on the staff category to which the member intends to advance;
- B. Must attend the next regularly scheduled Physician Orientation offering upon appointment to the Provisional staff. Upon approval of the Department Chair, with cause, may attend the next quarter offering. This bylaw does not apply to physicians offering telemedicine services only.
- C. Upon written application to the MEC, a Provisional Medical Staff member may change the selected staff category. The member must meet the requirements of the requested category contained in this section.
- D. All Provisional Medical Staff members shall exercise such clinical privileges as are granted pursuant to Article 8.B. Clinical Privileges;
- E. Provisional/Active Medical Staff members shall attend 50% of the general meetings and 50% of the department and section meetings during the provisional term.
- F. Provisional Medical Staff members shall not be eligible to hold office in the Medical Staff Organization, unless approved by the MEC. They may serve on Committees. Provisional/Active, Provisional/Consulting and Provisional/Ambulatory Medical Staff members shall have voting rights on Committees to which they are appointed. Provisional/Courtesy Medical Staff members shall have no right to vote, unless that right is specified at the time of committee appointment.

2.G.3 OBSERVATION OF PROVISIONAL MEDICAL STAFF MEMBER

Each Provisional Medical Staff member shall undergo a period of observation by designated proctors (as described in Article 8.C. Clinical Privileges).

2.G.4 TERM OF PROVISIONAL MEDICAL STAFF STATUS

Appointment to the Provisional Medical Staff may be for a period not to exceed two (2) years. At the end of one (1) year, the Provisional Medical Staff member shall be evaluated and action may be taken pursuant to Section 3.5-5.A.1-4.

2.G.5. ACTION AT CONCLUSION OF PROVISIONAL MEDICAL STAFF STATUS

A. At the end of the provisional term, not less than one (1) year, the MEC shall make one of the following recommendations

1. if the Provisional Medical Staff member has satisfactorily demonstrated his/her ability to exercise the clinical privileges initially granted by the department and is in compliance with other Medical Staff and Hospital requirements (ability to work cooperatively with other members of the Medical and Hospital Staffs, timely completion and adequacy of medical records, meeting attendance, attendance of the New Physician Orientation, etc.), advance to member of the Active, Ambulatory, Consulting or Courtesy Medical Staff;
2. to advance to Active, Ambulatory, Consulting or Courtesy or Courtesy Medical Staff with the qualification that specific privileges be denied.
3. to terminate membership and all clinical privileges;
4. to extend the provisional term for an additional one (1) year period, not to exceed a total of two (2) provisional years.

B. A recommendation made under Section 3.5-5.A.3 or Section 3.5-5.A.4 shall grant the member the right to review under Article 8.

2.H. ADVANCED PRACTICE PROVIDERS

2.H.1. Qualifications:

The Advanced Practice Provider is a collective term for the Advanced Practice Providers practicing at the Hospital. The Advanced Practice Provider is not a category of the Medical Staff, but is included in this Article for convenient reference.

2.H.2. Prerogatives and Responsibilities:

Advanced Practice Provider members:

- (a) may participate in Medical Staff and department meetings (without vote);
- (b) may not hold office or serve as department director or committee chair;
- (c) may be invited to serve on committees (with vote);
- (d) must cooperate in the professional practice evaluation and performance improvement processes;
- (e) may exercise such clinical privileges as are granted (in accordance with the Credentialing Policy); and
- (f) must pay any applicable application fees, dues, and assessments.

MEMORANDUM

Date: May 19, 2025

To: Kimberly Hartz, Chief Executive Officer

From: Mark Saleh, MD, Chief of Staff

Subject: MEC for Board Approval:
Medical Staff Credentialing Policy – Proctoring

The Medical Executive Committee, at its meeting on May 19, 2025, approved the Medical Staff Credentialing Policy – Proctoring.

Please accept this memorandum as a formal request for presentation to the Board of Directors for final approval of these changes. The document is attached.

WASHINGTON HEALTH

MEDICAL STAFF

CREDENTIALING POLICY

Approved by the Board on July 12, 2023
Approved by the Medical Executive Committee on June 19, 2023

services from patients, other practitioners or staff, will be shared with the hospital or entity providing telemedicine services.

- (f) Telemedicine privileges granted in conjunction with a contractual agreement will be incident to and coterminous with the agreement.

4.A.9.Focused Professional Practice Evaluation for Initial Privileges:

All initially-granted clinical privileges, whether at the time of initial appointment, reappointment, or during the term of appointment, will be subject to focused professional practice evaluation (“FPPE”) in order to confirm competence. The FPPE process for these situations is outlined in the Policy Regarding FPPE to Confirm Practitioner Competence and Professionalism.

4.B. PROCTORING

4.B.1 GENERAL PROVISIONS

Except as otherwise determined by the MEC or the department, all initial appointees to the Medical Staff and all members granted new clinical privileges shall be subject to a period of proctoring. Each appointee or recipient of new clinical privileges shall be assigned to a department where performance on an appropriate number of cases shall be observed by the chairperson of the department, or the chairperson’s designee, to determine suitability to continue to exercise the clinical privileges granted in that department. The exercise of clinical privileges in any other department shall also be subject to direct observation by that department’s chairperson or their designee. The member shall remain subject to such proctoring until the MEC has been furnished with:

- A. a report signed by the chairperson of the department to which the member is assigned describing the types and numbers of cases observed and the evaluation of the applicant’s performance, a statement that the applicant appears to meet all of the qualifications for unsupervised practice in that department, has discharged all of the responsibilities of staff membership, and has not exceeded or abused the prerogatives of the category to which the appointment was made; and
- B. a report signed by the chairpersons of the other departments in which the appointee may exercise clinical privileges, describing the types and number of cases observed and the evaluation of the applicant’s performance and a statement that the member has satisfactorily demonstrated the ability to exercise the clinical privileges initially granted in those departments.

4.B.2 PROCTORSHIP

- A. Privileges are granted conditionally until proctorship has been successfully completed.

- B. All departments shall proctor a minimum of 6 cases.
- C. If possible, departments will assign 2 or more proctors.
- D. The proctors will be designated by the chairperson from the department to which the proctoree has been assigned. The proctors shall be members of the Washington Hospital Medical Staff in good standing and with unrestricted privileges.
- E. The proctors shall perform direct observation and review of the related medical records for a minimum of 6 cases, covering a broad range of the major privileges requested by the applicant.
- F. The proctor(s) may elect to observe more than the prescribed number of cases.
- G. Proctorship shall be completed as soon as possible within the first 12 months of granting conditional privileges unless the member's performance is questionable and additional review is needed. Exceptions may also be made on a case by case review by the MEC for Consultants, Dermatologists, Allergists (adult & pediatric) and clinical immunologists. Proctorship may be terminated when the prescribed number of cases have been completed successfully.
- H. If proctorship is instituted for members requesting additional privileges, the number of proctors and the length of the proctorship period and/or the number of cases to be proctored, is at the discretion of the department committee. Direct observation and chart review shall be performed.
- I. When any problem relating to the professional performance of the proctoree is detected, the physician being proctored and the department chair should be notified immediately and steps should be taken to rectify the problem.
- J. When the proctoree is planning to perform a procedure or admit a patient, he/she should notify the proctor directly at the earliest opportunity. The proctor should make every effort to accommodate the proctoree.
- K. Proctoring must be carried out in an unbiased, confidential and objective manner.
- L. At the end of the proctorship period, one of several actions should be taken, the practitioner should be notified and the information should be placed in the credentials file. The recommendation would be:
 - 1. discontinue proctorship;
 - 2. extend proctorship (up to a maximum of 12 months) due to questionable performance; or

3. terminate privileges and/or membership.

M. Upon request, the practitioner is entitled to any procedural rights granted in the Bylaws.

N. If proctorship was for a new privilege the recommendation would be:

1. discontinue proctorship;

2. extend proctorship (up to a maximum of 12 months) due to questionable performance; or

3. terminate privilege.

O. Within the proctorship period, the practitioner should also be monitored for compliance with other staff and hospital requirements (e.g. ability to work cooperatively with members of the Medical Staff and Hospital staff, timely completion of medical records, adequacy of medical records, meeting attendance, etc.)

P. Proctorship may be reinstituted at any time, at the discretion of the MEC, should serious questions arise regarding a Medical Staff member's clinical competence. Upon request, the practitioner may be entitled to any procedural rights granted in the Medical Staff Bylaws.

4.B.3 FAILURE TO SUCCESSFULLY COMPLETE PROCTORSHIP

If an initial appointee or member granted new clinical privileges fails to successfully complete proctorship within the time allowed, those specific clinical privileges shall automatically terminate and the member shall be entitled to a hearing upon request, pursuant to the Medical Staff Bylaws.

4.C.TEMPORARY CLINICAL PRIVILEGES

4.C.1 Temporary Clinical Privileges:

(a) Temporary privileges may be granted by the Chief Executive Officer, upon recommendation of the Chief of Staff, to:

(1) applicants for initial appointment whose complete application is pending review by the Board, following a favorable recommendation of the Medical Executive Committee. In order to be eligible for temporary clinical privileges, an applicant must have demonstrated ability to perform the clinical privileges requested and have had no (i) current or previously successful challenges to licensure or registration or (ii) involuntary restriction, reduction, denial or termination of membership or clinical privileges at another health care facility.

MEMORANDUM

Date: May 19, 2025

To: Kimberly Hartz, Chief Executive Officer

From: Mark Saleh, MD, Chief of Staff

Subject: MEC for Board Approval:
Medical Staff Rules and Regulations Manual – Creation of a Resident Category

The Medical Executive Committee, at its meeting on May 19, 2025, approved the Medical Staff Rules and Regulations, Creation of a Resident Category.

Please accept this memorandum as a formal request for presentation to the Board of Directors for final approval of these changes. The document is attached.

WASHINGTON HEALTH

MEDICAL STAFF

RULES AND REGULATIONS

MANUAL

APPROVED BY THE MEDICAL STAFF: May 20, 2024
APPROVED BY THE BOARD OF DIRECTORS: June 11, 2024

Last Revision Date: July 12, 2024

October 17, 2011 (MEC); November 9, 2011
September 13, 2010 (MEC); October 13, 2010 (BOD)
May 19, 2009 (MEC); June 10, 2009 (BOD)
March 17, 2014 (MEC); March 19, 2014 (BOD)
September 21, 2015 (MEC), October 14, 2015 (BOD)
April 14, 2017 (MEC), April 24, 2017 (BOD)
September 16, 2019 (MEC), November 1, 2019 (BOD)
November 16, 2020 (MEC), December 9, 2020 (BOD)
March 21, 2022 (MEC), April 13, 2022 (BOD)
May 20, 2024 (MEC), June 11, 2024 (BOD)

January, March and June. The Annual Dinner/Dance will be held in May with installation of Medical Staff Officers.

N. MEC/Medical Staff Dispute Resolution Process

Disputes between the Medical Executive Committee (MEC) and voting members of the Active Staff shall be resolved as follows. If at least one-third of the members of the Active Staff sign a petition proposing a change to the Bylaws, Rules and Regulations and policies or procedures or objecting to an action of the MEC relating to the Bylaws, Rules and Regulations, policies or other official MEC actions, the petition shall be presented to the full MEC. The MEC shall then arrange to meet with representatives of those who have signed the petition to discuss and attempt to resolve the matter. If the MEC and representatives mutually agree, consultants or a mediator may be engaged to assist. If a matter relating to bylaws, rules and regulations or policies is not resolved within 180 days, both the MEC and the representatives shall prepare written statements of position which shall be considered by the Board of Directors.

O. Requesting and Providing Confidential Peer Review Information

During the processing of an application, reapplication or corrective action investigation, the Medical Staff requests information from another peer review body regarding its peer review of the practitioner for medical disciplinary cause or reason, in accordance with California Business and Professions Code § 809.08, the practitioner will pay reasonable costs associated with obtaining such information. Failure to pay reasonable costs will result in an automatic withdrawal of the practitioner's application or reapplication or the practitioner will be deemed to have resigned. Such action shall not entitle the practitioner to the procedural rights set forth in Article VII of the Bylaws and will not be reported to the Medical Board of California or the National Practitioner Data Bank

P. Medical Students

Academic Medical Center Affiliated (AMCA) Medical Students may function in patient care roles at the Hospital as follows:

1. Pursuant to the provisions of written affiliation agreements approved by the Hospital and the Medical Staff;
2. In compliance with protocols established in conjunction with the (AMCA) Program Director regarding the scope of the Medical Student's authority, direction and supervision, and any other conditions imposed by the Hospital or Medical Staff; and
3. Subject to the following:
 - a. Medical Students shall at all times wear a Washington Health photo identification badge that indicates the student's level of education and role at the Hospital;
 - b. Medical Students may examine patients, participate in patient care and assist at procedures only with the consent of the attending physician and under the direct supervision of a Supervising Physician, who shall be a

qualified Medical Staff member with a (AMCA) Clinical Faculty appointment or who is a member of the medical staff in good standing who has been approved as a Supervising Physician by the Medical Staff in conjunction with the AMCA Program Director;

c. Medical Students may record initial histories and progress notes in the medical record provided, however, that all entries in the medical record shall include identification of student status and be countersigned by the Supervising Physician within 24 hours; and

d. Medical Students may write orders provided, however, that each such order must be countersigned by the Supervising Physician prior to being carried out.

Q. Residents (PGY-2 and above)

Resident Physicians are not independent practitioners, and are not board certified or board eligible. As such, they are not eligible for Medical Staff membership nor are they entitled to the rights and privileges of a Medical Staff Member. However, they may practice at Washington Health in roles as follows:

a. In accordance with rules and provisions of the American College of Graduate Medical Education (ACGME), the Council on Education of the American Medical Association, the American Osteopathic Association Board of Trustees through the Committee on postdoctoral training and the Bureau of Professional Education, and/or the residency training programs of the respective specialty boards;

b. In compliance with written training protocols established by the Medical Staff in conjunction with their Program Director regarding the scope of their authority, direction and supervision, and any other conditions imposed by the Hospital or Medical Staff;

c. Pursuant to a written affiliation agreement between the hospital and a sponsoring institution and in accordance with rules and provisions at their sponsoring institution.

d. The sponsoring institution shall provide professional liability insurance for each trainee and maintain compliance with all applicable ACGME rules and accreditation standards. The sponsoring institution shall immediately inform WH of any changes to their program accreditation status; and

e. Subject to the following:

1. Resident Physicians must possess a current Post-Graduate Training License (PTL) in accordance with CA State Law;
2. They must be in good standing at their sponsoring institution;
3. They will wear a Washington Health name badge identifying their level of training and role at the Hospital;
4. They may examine patients, participate in patient care and assist at procedures and/or deliveries only with the consent of the attending physician and under the supervision of a Supervising Physician who shall be a qualified Medical Staff Member with a

clinical faculty appointment at their sponsoring institution or shall be a qualified Medical Staff member in good standing and approved by the Medical Staff as a Supervising Physician in conjunction with their Program Director;

5. They may record initial histories and progress notes in the medical record provided, however, that all entries in the medical record shall include identification of their trainee status and be countersigned by the Supervising Physician within 24 hours; and
6. They may write orders provided, however, that each order must be co-signed by the Supervising Physician within 24 hours.

R. Fellows

Fellows that meet criteria for Medical Staff membership may apply for privileges in the generalist field in which they were trained. If they don't qualify for membership, they must follow the rules for residents.

IV. Finances

A. Application Fee

1. There shall be an application processing fee payable at the time the application is submitted.
2. Application fees shall be assessed in the following amounts (change approved 11/01/19):

Application for Medical Staff Membership	\$600.00
Application for Locum Tenens Temporary Privileges	\$600.00
Reapplication for Locum Tenens Temporary Privileges	\$450.00
Application for Temporary Privileges (approved by Board 6/12/02)	\$250.00
Telerad for Medical Staff Membership	\$150.00

B. 1-Year Reappointment Fee

A reappointment processing fee of \$500 will be required for any practitioner who has 10 or more delinquent medical records as of the date his or her reappointment application is due. This fee reflects the increased cost of reappointment processing for practitioners placed on a one-year re-credentialing cycle. (Change approved by MEC 3/21/2022 and Board 4/13/2022)

C. Annual Dues

1. The MEC with the approval of the Active Staff will establish the amount and manner of disposition of annual dues, if any. Dues are payable at the beginning of each new Medical Staff year (July 1). Failure, unless excused by the MEC for good cause, to render payment within two months of the start of the new staff year (September 1) shall, after special notice of the delinquency, result in summary suspension of staff membership (including all



WASHINGTON HEALTH
INDEX TO BOARD FINANCIAL STATEMENTS
April 2025

<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: May 31, 2025

To: Board of Directors

From: Kimberly Hartz, Chief Executive Officer

Subject: Washington Health (Hospital) – April 2025
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board

	<u>April Actual</u>	<u>April Budget</u>	<u>Current 12 Month Avg.</u>
<u>ACUTE INPATIENT:</u>			
IP Average Daily Census	182.4	165.7	166.7
Combined Average Daily Census	189.4	179.6	177.6
No. of Discharges	1072	936	976
Patient Days	5,472	4,970	5,066
Discharge ALOS	5.16	5.31	5.20
<u>OUTPATIENT:</u>			
OP Visits	9,562	9,289	8,850
ER Visits	5,220	5,523	5,266
Observation Equivalent Days – OP	209	417	331

Comparison of April's actual Acute Inpatient statistics versus the budget showed a higher level of Average Daily Census which translates into higher Patient Days. Discharges were higher than budget, and the Average Length of Stay (ALOS), based on discharged days, outperformed the Budget. Outpatient visits were favorable to budget, while Emergency Room visits were unfavorable to budget for the month. Outpatient Observation Equivalent days were favorable to budget.

2. Staffing – Schedule Board 3

Total paid FTEs were below budget. Total productive FTEs for April came in at 1,510.1, below the budgeted level of 1,526.9. Non-Productive FTEs were below budget by 9.5. Total FTEs per Adjusted Occupied Bed were 5.77, or 0.15 better than the budgeted level of 5.92.

3. **Income - Schedule Board 1**

Total Gross Patient Revenue of \$223,302,000 for April was \$9,013,000 above the budget, or 4.2%.

Deductions from Revenue totaled \$171,070,000 which equates to a 76.6% blended contractual rate. This was favorable to the budgeted rate of 77.0%.

Total Net Operating Revenue of \$54,077,000 was \$3,384,000 or 6.7% above the Budget.

Total Operating Expenses for the month were \$54,987,000, which was higher than the budget by (\$3,641,000), or (7.1%).

For the month of April, the Hospital realized a Net Operating Loss of (\$910,000) from Operations, a (1.68%) Margin.

The Total Non-Operating Income of \$2,672,000 for the month includes an unrealized gain on investments of \$1,113,000 and was unfavorable to the budget by (\$11,000).

The Net Income for April was \$1,762,000, which equates to a 3.3% Margin, and was (\$268,000) below the Budgeted Net Income of \$2,030,000.

The Total Net Gain for April using FASB accounting principles, in which the unrealized gain on investments, net interest expense on GO bonds and property tax revenues are removed from the non-operating income and expense, was (\$376,000) (a (0.70%) Margin) compared to Budgeted Income of \$1,678,000 for an unfavorable variance of (\$2,054,000).

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

There were no noteworthy changes in assets and liabilities when compared to March 2025.

KIMBERLY HARTZ
Chief Executive Officer



SCHEDULE BOARD 1

WASHINGTON HEALTH
STATEMENT OF REVENUES AND EXPENSES
April 2025
GASB FORMAT
(In thousands)

April			
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
\$ 137,728	\$ 121,227	\$ 16,501	13.6%
85,574	93,062	(7,488)	-8.0%
223,302	214,289	9,013	4.2%
(170,269)	(161,054)	(9,215)	-5.7%
(801)	(3,934)	3,133	79.6%
(171,070)	(164,988)	(6,082)	-3.7%
76.61%	76.99%		
52,232	49,301	2,931	5.9%
1,845	1,392	453	32.5%
54,077	50,693	3,384	6.7%
24,391	23,969	(422)	-1.8%
10,181	8,015	(2,166)	-27.0%
7,018	7,037	19	0.3%
7,992	6,778	(1,214)	-17.9%
1,878	2,071	193	9.3%
3,527	3,476	(51)	-1.5%
54,987	51,346	(3,641)	-7.1%
(910)	(653)	(257)	-39.4%
-1.68%	-1.29%		
721	576	145	25.2%
(17)	(155)	138	89.0%
(1,702)	(1,650)	(52)	-3.2%
113	603	(490)	-81.3%
-	1,760	(1,760)	-100.0%
-	-	-	0.0%
-	176	(176)	-100.0%
2,194	1,373	821	59.8%
250	-	250	
-	-	-	
1,113		1,113	0.0%
2,672	2,683	(11)	-0.4%
\$ 1,762	\$ 2,030	\$ (268)	-13.2%
3.26%	4.00%		
\$ (376)	\$ 1,678	\$ (2,054)	-122.4%
-0.70%	3.31%		

1	OPERATING REVENUE
2	INPATIENT REVENUE
3	OUTPATIENT REVENUE
4	TOTAL PATIENT REVENUE
5	CONTRACTUAL ALLOWANCES
6	PROVISION FOR DOUBTFUL ACCOUNTS
7	DEDUCTIONS FROM REVENUE
8	DEDUCTIONS AS % OF REVENUE
9	NET PATIENT REVENUE
10	OTHER OPERATING INCOME
11	TOTAL OPERATING REVENUE
12	OPERATING EXPENSES
13	SALARIES & WAGES
14	EMPLOYEE BENEFITS
15	SUPPLIES
16	PURCHASED SERVICES & PROF SVCS
17	INSURANCE, UTILITIES & OTHER
18	DEPRECIATION
19	TOTAL OPERATING EXPENSE
20	OPERATING INCOME (LOSS)
21	OPERATING INCOME MARGIN %
22	NON-OPERATING INCOME & (EXPENSE)
23	INVESTMENT INCOME
24	REALIZED GAIN/(LOSS) ON INVESTMENTS
25	INTEREST EXPENSE
26	RENTAL INCOME, NET
27	FOUNDATION DONATION
28	BOND ISSUANCE COSTS
29	FEDERAL GRANT REVENUE
30	PROPERTY TAX REVENUE
31	EQUITY INVESTMENT EARNINGS
	GAIN (LOSS) ON DISPOSALS
	UNREALIZED GAIN/(LOSS) ON INVESTMENTS
	TOTAL NON-OPERATING INCOME & EXPENSE
	NET INCOME (LOSS)
	NET INCOME MARGIN %
	NET INCOME (LOSS) USING FASB PRINCIPLES**
	NET INCOME MARGIN %

FISCAL YEAR TO DATE			
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
\$ 1,330,369	\$ 1,296,682	\$ 33,687	2.6%
911,482	901,489	9,993	1.1%
2,241,851	2,198,171	43,680	2.0%
(1,692,390)	(1,654,402)	(37,988)	-2.3%
(42,413)	(40,352)	(2,061)	-5.1%
(1,734,803)	(1,694,754)	(40,049)	-2.4%
77.38%	77.10%		
507,048	503,417	3,631	0.7%
15,293	13,897	1,396	10.0%
522,341	517,314	5,027	1.0%
244,931	243,256	(1,675)	-0.7%
82,800	77,224	(5,576)	-7.2%
68,303	70,505	2,202	3.1%
74,333	67,754	(6,579)	-9.7%
19,090	20,035	945	4.7%
35,477	34,778	(699)	-2.0%
524,934	513,552	(11,382)	-2.2%
(2,593)	3,762	(6,355)	-168.9%
-0.50%	0.73%		
6,470	5,764	706	12.2%
(169)	(1,546)	1,377	89.1%
(16,836)	(16,497)	(339)	-2.1%
1,254	4,318	(3,064)	-71.0%
5,242	3,521	1,721	48.9%
(1)	-	(1)	0.0%
153	1,758	(1,605)	-91.3%
21,119	13,730	7,389	53.8%
2,221	(64)	2,285	3570.3%
(37)		(37)	0.0%
4,077		4,077	0.0%
23,493	10,984	12,509	113.9%
\$ 20,900	\$ 14,746	\$ 6,154	41.7%
4.00%	2.85%		
\$ 6,898	\$ 11,228	\$ (4,330)	-38.6%
1.32%	2.17%		

**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME, NET INTEREST EXPENSE ON GO BONDS AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS



WASHINGTON HEALTH
BALANCE SHEET
April 2025
(In thousands)

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOWS			April 2025	Audited June 2024	LIABILITIES, NET POSITION AND DEFERRED INFLOWS			April 2025	Audited June 2024
CURRENT ASSETS					CURRENT LIABILITIES				
1	CASH & CASH EQUIVALENTS		\$ 19,678	\$ 23,537	1	CURRENT MATURITIES OF L/T OBLIG		\$ 9,880	\$ 9,425
2	ACCOUNTS REC NET OF ALLOWANCES		82,817	73,426	2	ACCOUNTS PAYABLE		29,494	27,271
3	OTHER CURRENT ASSETS		41,704	26,784	3	OTHER ACCRUED LIABILITIES		94,239	74,656
4	TOTAL CURRENT ASSETS		144,199	123,747	4	INTEREST		8,882	13,961
					5	TOTAL CURRENT LIABILITIES		142,495	125,313
ASSETS LIMITED AS TO USE					LONG-TERM DEBT OBLIGATIONS				
5	BOARD DESIGNATED FOR CAPITAL AND OTHER		190,827	180,885	6	REVENUE BONDS AND OTHER		215,385	224,753
6	GENERAL OBLIGATION BOND FUNDS		135,654	131,846	7	GENERAL OBLIGATION BONDS		466,275	468,300
7	REVENUE BOND FUNDS		50,597	48,613					
8	BOND DEBT SERVICE FUNDS		26,032	35,694					
9	OTHER ASSETS LIMITED AS TO USE		10,886	10,342					
10	TOTAL ASSETS LIMITED AS TO USE		413,996	407,380	OTHER LIABILITIES				
					8	SUPPLEMENTAL MEDICAL RETIREMENT		44,764	41,143
11	OTHER ASSETS		380,157	353,567	9	WORKERS' COMP AND OTHER		10,763	10,389
					10	NET PENSION		59,736	52,379
					11	ROU ASSET LONG-TERM		10,009	8,124
12	OTHER INVESTMENTS		25,767	23,784					
13	NET PROPERTY, PLANT & EQUIPMENT		556,517	567,806	12	NET POSITION		571,762	550,860
14	TOTAL ASSETS		<u>\$ 1,520,636</u>	<u>\$ 1,476,284</u>	13	TOTAL LIABILITIES AND NET POSITION		<u>\$ 1,521,189</u>	<u>\$ 1,481,261</u>
15	DEFERRED OUTFLOWS		29,706	37,668	14	DEFERRED INFLOWS		29,153	32,691
16	TOTAL ASSETS AND DEFERRED OUTFLOWS		<u>\$ 1,550,342</u>	<u>\$ 1,513,952</u>	15	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS		<u>\$ 1,550,342</u>	<u>\$ 1,513,952</u>



WASHINGTON HEALTH
OPERATING INDICATORS
April 2025

						FISCAL YEAR TO DATE				
	April						ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
12 MONTH AVERAGE	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.						
PATIENTS IN HOSPITAL										
166.7	182.4	165.7	16.7	10%	1	ADULT & PEDS AVERAGE DAILY CENSUS	169.9	174.9	(5.0)	-3%
10.9	7.0	13.9	(6.9)	-50%	2	OUTPT OBSERVATION AVERAGE DAILY CENSUS	11.0	13.3	(2.3)	-17%
177.6	189.4	179.6	9.8	5%	3	COMBINED AVERAGE DAILY CENSUS	180.9	188.2	(7.3)	-4%
8.1	8.5	7.7	0.8	10%	4	NURSERY AVERAGE DAILY CENSUS	8.4	8.1	0.3	4%
185.7	197.9	187.3	10.6	6%	5	TOTAL	189.3	196.3	(7.0)	-4%
3.3	3.1	4.1	(1.0)	-24%	6	SPECIAL CARE NURSERY AVERAGE DAILY CENSUS	3.5	4.3	(0.8)	-19%
5,066	5,472	4,970	502	10%	7	ADULT & PEDS PATIENT DAYS	51,654	53,184	(1,530)	-3%
331	209	417	208	50%	8	OBSERVATION EQUIVALENT DAYS - OP	3,331	4,056	725	18%
976	1,072	936	136	15%	9	DISCHARGES-ADULTS & PEDS	9,968	9,912	56	1%
5.20	5.16	5.31	0.1	3%	10	AVERAGE LENGTH OF STAY-ADULTS & PEDS	5.22	5.37	0.2	3%
OTHER KEY UTILIZATION STATISTICS										
1.658	1.667	1.623	0.044	3%	11	OVERALL CASE MIX INDEX (CMI)	1.633	1.583	0.050	3%
SURGICAL CASES										
196	178	193	(15)	-8%	12	ORTHOPEDIC CASES	2,005	1,867	138	7%
28	37	31	6	19%	13	NEUROSURGICAL CASES	276	342	(66)	-19%
14	17	10	7	70%	14	CARDIAC SURGICAL CASES	133	124	9	7%
34	34	41	(7)	-17%	15	VASCULAR CASES	335	399	(64)	-16%
124	139	127	12	9%	16	ENDOSCOPY CASES	1,239	1,118	121	11%
124	129	140	(11)	-8%	17	OTHER SURGICAL CASES	1,276	1,437	(161)	-11%
520	534	542	(8)	-1%	18	TOTAL CASES	5,264	5,287	(23)	0%
192	196	204	(8)	-4%	19	CATH LAB CASES	1,925	1,989	(64)	-3%
132	133	119	14	12%	20	DELIVERIES	1,377	1,268	109	9%
8,850	9,562	9,289	273	3%	21	OUTPATIENT VISITS	89,105	88,643	462	1%
5,266	5,220	5,523	(303)	-5%	22	EMERGENCY VISITS	52,782	54,197	(1,415)	-3%
LABOR INDICATORS										
1,455.1	1,510.1	1,526.9	16.8	1%	23	PRODUCTIVE FTE'S	1,463.7	1,558.7	95.0	6%
205.3	197.5	207.0	9.5	5%	24	NON PRODUCTIVE FTE'S	204.9	205.0	0.1	0%
1,660.4	1,707.6	1,733.9	26.3	2%	25	TOTAL FTE'S	1,668.6	1,763.7	95.1	5%
5.17	5.11	5.21	0.10	2%	26	PRODUCTIVE FTE/ADJ. OCCUPIED BED	5.11	5.26	0.15	3%
5.89	5.77	5.92	0.15	3%	27	TOTAL FTE/ADJ. OCCUPIED BED	5.83	5.95	0.12	2%



Washington Health Budget Estimate



FY 2026

DIRECTORS AND OFFICERS

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
2000 Mowry Avenue
Fremont, California 94538
(510) 797-1111

BOARD OF DIRECTORS

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President

WILLIAM NICHOLSON, M.D.
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Secretary

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KIMBERLY HARTZ
Chief Executive Officer

MEDICAL EXECUTIVE COMMITTEE

Effective July 1, 2025

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Chief of Staff

JEANNIE AHN, M.D.
Chief of Staff – Elect

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JOHN ROMANO, M.D.
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Department of Medicine

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Chairperson
Quality & Resource Management
Committee

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ROHIT ARORA, M.D.
Chairperson
Utilization Management

Mission, Vision & Values

Washington Health is the Community's Health System

We were founded as an independent health care district in 1948 to provide residents with health care close to home. In 1958, we opened a 150-bed hospital so residents no longer had to travel significant distances to receive care. As the community has grown, our commitment to local accountability has led us to evolve into a comprehensive health system. Our commitment to patient care and the community drives our vision, mission, and values.

Our Mission

Deliver exceptional, accessible, and personalized care to enhance the health and well-being of our diverse community.

Our Vision

Be the trusted first choice for care, where everyone does their best work.

Our Values

- **Excellence:** Providing the highest standard of quality, safe, and accessible health care.
- **Patient-Centered Care:** Putting the patient at the center of everything we do.
- **Compassion:** Responding with care, empathy, and equity in every interaction.
- **Respect:** Relating to each person with dignity – appreciating the uniqueness of each person and contribution of each team member.
- **Integrity:** Acting with honesty and accountability to do the right thing.

*Resolved by the Board of Directors
Washington Township Health Care District
December 11, 2024*



INCOME STATEMENT

<i>(In thousands)</i>	Projected FY 2025	Budget FY 2026	Change	Percent Change
Patient Revenue				
Inpatient	\$ 1,595,521	\$ 1,766,610	\$ 171,089	10.7%
Outpatient	1,101,099	1,080,890	(20,209)	-1.8%
Total Patient Revenue	\$ 2,696,620	\$ 2,847,500	\$ 150,880	5.6%
Contractual Allowances	(2,042,371)	(2,120,992)	(78,621)	-3.8%
Provisions for Charity and Doubtful Accounts	(41,861)	(59,468)	(17,607)	-42.1%
Total Contractual Allowances and Provisions for Charity and Doubtful Accounts	(2,084,232)	(2,180,460)	(96,228)	-4.6%
Contractual Allowances as a % of Revenue	75.7%	74.5%		
Provision for Charity and Doubtful Accounts as a % of Revenue	1.6%	2.1%		
Net Patient Revenue	\$ 612,388	\$ 667,040	\$ 54,652	8.9%
Other Operating Revenue	16,832	18,170	1,338	7.9%
Net Operating Revenue	\$ 629,220	\$ 685,210	\$ 55,989	8.9%
Operating Expenses				
Salaries	294,776	325,130	(30,355)	-10.3%
Benefits	101,602	110,680	(9,078)	-8.9%
Professional Fees	55,079	58,533	(3,454)	-6.3%
Supplies	82,913	88,318	(5,405)	-6.5%
Purchased Services	34,841	36,528	(1,686)	-4.8%
Utilities	7,322	7,949	(627)	-8.6%
Insurance	4,332	4,768	(436)	-10.1%
Marketing & Advertising	864	1,527	(664)	-76.8%
Software Licenses & Maintenance	7,637	8,845	(1,208)	-15.8%
Other Expenses	3,488	3,646	(158)	-4.5%
Depreciation	42,516	44,013	(1,497)	-3.5%
Total Operating Expenses	\$ 635,370	\$ 689,938	\$ (54,568)	-8.6%
Income from Operations	\$ (6,149)	\$ (4,727)	\$ 1,422	23.1%
Operating Margin	-1.0%	-0.7%		
Net Non-Operating Income & Expense				
Unrestricted Investment Income	2,000	1,608	(392)	-19.6%
Board Design Investment Income	5,934	4,056	(1,878)	-31.6%
Property Tax Revenue	26,332	24,546	(1,786)	-6.8%
Rental Income, Net	1,483	1,165	(318)	-21.4%
Bond Issuance Cost	(1)	-	1	100.0%
Interest Expense	(20,298)	(19,741)	557	2.7%
Gain/(Loss) on Investments	3,837	-	(3,837)	-100.0%
Foundation Donation	5,242	6,561	1,319	25.2%
Equity Investment Earnings	2,730	2,511	(219)	-8.0%
Federal Subsidies	160	-	(160)	-100.0%
Other Non-Op Exp/Rev	(7)	-	7	100.0%
Total Net Non-Operating Income & Expense	\$ 27,413	\$ 20,706	\$ (6,707)	-24.5%
Net Income	\$ 21,264	\$ 15,979	\$ (5,285)	-24.9%
Net Margin	3.4%	2.3%		
*Net Loss of Affiliate Operations	\$ (29,742)	\$ (32,398)	\$ (2,655)	-8.9%
Consolidated Net Income / (Loss)	\$ (8,479)	\$ (16,420)	\$ (7,941)	-93.7%

**The Net Loss of Affiliate Operations includes eliminations*



DATE: June 11, 2025

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Proposed Fiscal Year 2026 Budget Estimate for: Washington Township Health Care District

The proposed Fiscal Year 2026 Budget Estimate for the Washington Township Health Care District will be presented to the Board of Directors for consideration at the June 11, 2025 meeting. Upon approval, this Budget will authorize the Chief Executive Officer to manage the District's financial obligations within available resources, and in full alignment with our Mission, Vision, and Values, as well as all governing laws, regulations, and policies.

The FY 2026 Budget outlines net operating revenue of \$685.2 million, against total operating expenses of \$689.9 million, including \$44.0 million in depreciation. This positions us to deliver a projected net operating loss of \$4.7 million and a net income of \$16.0 million. Capital investments are budgeted at \$100 million, funded through \$60.1 million in bond proceeds and philanthropy, with \$39.9 million supported by internal cash flow. Additionally, there is a projected net loss of \$32.4 million to support the operations of the Washington Township Hospital Development Corporation and the Washington Health Medical Group - key affiliates in advancing our mission of improving community health.

A Transformative Year: FY 2025 Reflections

FY25 marked a pivotal chapter in our history. On July 1, 2024, Washington Health officially launched its Level II Trauma Center, closing a critical gap in emergency services for South County. This achievement was the result of years of preparation, cross-system collaboration, and commitment from our entire team of staff and physicians across the health system. By year-end, we will have treated over 1,865 trauma patients and delivered numerous hours of impactful trauma prevention education to our community.

We also launched our new Mission, Vision, and Values, and rebranded as Washington Health with a new logo to reflect our evolution into an integrated health system. While we honor our legacy, we recognize the need to grow alongside our community and continue to evolve into a comprehensive health system capable of meeting the community's needs for generations to come. In today's dynamic health care environment, being seen and acting as one cohesive system is essential to our long-term success and sustainability.

Significant infrastructure progress was made to support the community needs now and into the future. The infrastructure initiatives will take multiple years in some cases to bring to fruition and are a continued focus for FY26 and beyond. Some significant initiatives include:

- Construction of the UCSF-Washington Cancer Center began and should be completed by the end of calendar year 2025.

- The construction phase began on the Morris Hyman Pavilion Infill Project (new operating rooms, imaging center, pharmacy and other support areas) and will continue through FY26.
- Extensive work occurred with the architects on the design for the Expansion Building which will house the birthing center, an intensive care unit for infants, medical/surgical units and other departments that need to be moved from the main hospital tower in order to meet the state mandated seismic requirements.

In FY25, efforts also included implementing operational performance improvement, better care coordination and growth across service lines. This work will continue in FY26. Some accomplishments include:

- Achieved a 2.1% increase in Gross Revenue compared to budget FY25
- Expanded our Cardiac Service Line with advanced procedures including TAVR, Watchman, and MitraClip
- Improved our Average Length of Stay from 5.4 in FY24 to a projected 5.2 in FY25
- Engaged revenue cycle consultants and enhanced our 340B program
- Reduced Observation Days
- Renegotiated payer contracts

Internal Pressures and External Risks on the Horizon

Despite our progress, rising pension/OPEB costs and benefit plan expenses drove to a large extent a projected FY25 net operating loss of \$6.1 million. Workforce-related costs, staffing, premium pay, and productivity improvements will continue to be a focus in FY26.

The external environment for FY26 presents a great deal of uncertainty and could be one of the most volatile and unpredictable fiscal years since the pandemic. There are a number of external factors that may have a significant impact on the FY26 budget and could result in the need to bring forward a budget amendment in the future. Significant volatility includes:

- **Federal Medicaid Cuts:** Proposed reductions of more than \$800 billion over the next decade could lead to coverage restrictions, eligibility limits, and lower reimbursements.
- **California Medi-Cal Shortfall:** A \$12 billion state budget gap could force reductions in coverage and program funding, along with Federal Medicaid (MediCal) cuts that are passed through to the State level.
- **Tariff Uncertainty:** Federal tariffs could increase costs across supplies, pharmaceuticals, IT infrastructure, and delay capital projects. No specific tariff impact is built into the FY26 budget, but we consider it a key risk.
- **Office of Health Care Affordability:** A new State board is requiring all hospitals in California to be subject to a spending growth target of 3.5% that does not take into account labor costs, inflation or other factors. The Board has also identified specific hospitals, including Washington Health, to be subject to an even tighter growth target. Washington has filed a formal appeal due to reporting errors with the data.



While many of these pressures lie outside our control, our ability to respond with discipline and agility will be critical.

Capital Investments and Cash Position

The FY26 Budget includes nearly \$100 million in capital and infrastructure investments, with \$39.1 million funded by internal cash flow. Given the projected operating loss and elevated expenses, we will monitor liquidity closely and prioritize projects based on strategic value, urgency, and ROI (return on investment). We will consider delaying or phasing non-critical capital projects. Flexibility will be key to ensuring we maintain financial health throughout the year.

Staying the Course with Discipline and Heart

Our FY26 Budget reflects a disciplined and conservative approach—anchored in stable volume trends, a growing surgical service line, and strengthened payer contracts. While we are projecting a Net Operating Loss of \$4.7 million, this reflects an improvement of \$1.4 million over FY25 despite continued external and internal pressures.

Expense growth is forecasted at \$54.6 million (8.6%), with a significant portion, \$39.4 million (9.9%), attributed to Salaries, Wages, and Benefits. This area will require continued monitoring and proactive management, particularly as volume shifts occur throughout the year.

We remain committed to advancing key financial strategies, including:

- Advancing Strategic Map initiatives
- Focusing on revenue cycle modernization and improvement
- Driving operational efficiency

Closing

In FY26, we will continue to focus on delivering exceptional care to every patient, supporting our staff and physicians so that they can do their best work, and building the long-term sustainability of Washington Health. While FY26 presents financial and operational challenges, we are well-positioned to navigate them, anchored by our mission, vision and values and your continued support as an independent, local community health system.

A handwritten signature in blue ink, appearing to read "Kimberly Hartz", written over a light blue circular background.

KIMBERLY HARTZ

Chief Executive Officer

Volume and Expense Details

SERVICE VOLUMES

- Discharges for FY26 are budgeted to increase by 8.9%, with 2.3% of the increase driven by volume growth and 6.6% attributed to the conversion of Outpatient Observation days to Inpatient, assuming trauma volume remains flat.
- Average Length of Stay (ALOS) is projected to remain flat in FY26. While efforts to reduce ALOS are ongoing, these initiatives have not been incorporated into the budget.
- Patient Days are expected to increase by 9.8%, with 3.2% driven by volume growth and 6.6% due to the conversion of Outpatient Observation days to Inpatient.
- Surgical cases are budgeted to increase by 2.9%, primarily driven by growth in orthopedic cases from UCSF surgeons and Gastroenterology cases following the introduction of SpyGlass (a high-definition fiberoptic camera).
- Total Cath Lab cases are projected to increase by 3.9%, fueled by growth in cardiac procedures — including a full year of MitraClip cases — and an increase in vascular case volume.
- Outpatient visits continue to exceed budget expectations with notable growth anticipated in Cardiac Rehab visits.
- These operational changes are reflected in the revenue, reimbursement, and expense projections included in this budget.

PATIENT REVENUES

- Gross patient revenue is expected to increase by 5.6%, driven by volume growth as outlined above, while trauma volume is assumed to remain flat.
- The contractual write-off and provision for doubtful accounts percentage is projected to decrease to a 76.6% contractual adjustment rate, primarily due to contract rate increases, supplemental revenue, and improvements in outpatient observation days.

- As a result, Net Patient Revenue is expected to increase by 8.9%.

OTHER OPERATING REVENUES

- Other operating revenue is expected to increase by 7.9% primary driven by 340B initiatives.

OPERATING EXPENDITURES

Significant factors influencing the overall 8.6% increase in operating expenditures for the budget year are as follows:

- Salaries and Wages are expected to increase by 10.3%, driven by wage inflation and increases in FTEs due to higher volume, partially offset by reduced overtime/double-time (OT/DT) in specific areas.
- Employee Benefits are projected to rise by 8.9%, primarily due to higher pension/OPEB costs, increased employee medical claims, and an uptick in FICA expenses due to increase in salaries.
- Professional Fees are anticipated to grow by 6.3%, mainly due to the new cancer center, the addition of a new Maternal Child Health Chief and the 340B retail program.
- Supplies are expected to increase by 6.5%, driven by higher infusion volume related to the new cancer center, inflation, and volume-driven increases in variable supplies.
- Purchased Services are projected to rise by 4.8%, primarily due to collection agency fees, which are offset by corresponding revenue.
- Utilities are expected to increase by 8.6%, driven by PG&E rate hikes.
- Insurance is projected to rise by 10.1%, due to rate increase in Beta and D&O

insurance coverage.

- Marketing & Advertising is expected to increase significantly, by 76.8%, due to the brand rollout.
- Software Licenses & Maintenance costs are increasing by 15.8%, due to the renewal of over 70 applications with annual contract increases, the rising cost of the Orthogrid imaging system, and the software for automating Net Patient Revenue.
- Depreciation is expected to rise by 3.5%, reflecting new capital requests.

NON-OPERATING INCOME

- Board Designated, Unrestricted Investment income and Equity investment earnings are projected conservatively to be lower by \$2.5M due to market uncertainty.
- Rental income is expected to decrease by \$318K.
- As part of the District's continuing budget policy, realized and unrealized gains or losses on the investment portfolio are not budgeted due to the unpredictability of market performance.
- FY26 budgeted property tax revenue of \$24.5M is lower than FY25 actuals because FY25 included a \$3.7 million catch-up for FY24 revenue.
- Foundation Donation is expected to increase by 25.2% to include \$4 million for new cancer center.
- Interest expense is expected to decrease by 2.7% compared to projected FY25 due to a partial principal payment on the bond, resulting in lower interest expense.
- We are not going to issue any bonds this FY26, so Bond Issuance Cost is \$0.

AFFILIATE OPERATIONS

- FY 2026 Budget Estimate includes support for WHMG and other affiliate operations, representing a consolidated net loss of \$16.4M — a \$7.9M unfavorable variance compared to the projected FY 2025.

VOLUMES

	Projected FY 2025	Budget FY 2026	Change	Percent Change
Discharges	12,122	13,206	1,084	8.9%
Patient Days	62,782	68,938	6,156	9.8%
Average Daily Census (ADC)	172.0	188.9	16.9	9.8%
Outpatient Observation Days	3,756	3,579	(177)	-4.7%
Average Length of Stay	5.2	5.2	-	0.0%
Deliveries	1,647	1,659	12	0.7%
Surgical Cases	6,385	6,573	188	2.9%
Orthopedics Cases	2,415	2,510	95	3.9%
Cardiac OR Cases	122	125	3	2.5%
Cardiac Endo Cases	213	216	3	1.4%
Neuro-Surgical Cases	317	330	13	4.1%
Gastroenterology Cases	1,465	1,498	33	2.3%
General Surgery Cases	660	670	10	1.5%
Vascular Cases	399	408	9	2.3%
Other Cases	794	816	22	2.8%
Cath Lab Cases	2,309	2,400	91	3.9%
Cardiac Cases	1,263	1,320	57	4.5%
Interventional Radiology Cases	706	715	9	1.3%
Neuro IR Cases	114	115	1	0.9%
Vascular Cases	226	250	24	10.6%
Trauma Cases	1,865	1,867	2	0.1%
Emergency Room Visits	62,519	63,086	568	0.9%
Outpatient Visits	108,550	108,957	407	0.4%

PERFORMANCE INDICATORS

	<u>Projected FY 2025</u>	<u>Budget FY 2026</u>	<u>Percent Change</u>
<u>Productivity</u>			
Fixed FTEs	463.5	459.0	1.0%
Variable FTEs	1,244.2	1,362.6	-9.5%
Total Paid FTEs	1,707.7	1,821.6	-6.7%
Paid FTEs/Adjusted Occupied Bed	6.0	6.0	0.1%
Productive FTEs/Adjusted Occupied Bed	5.3	5.2	1.2%

Financial Indicators

Contractual Allowances as a % of Revenue	75.7%	74.5%
Provision for Charity & Doubtful Accounts as a % of Revenue	1.6%	2.1%
Supplies/Net Patient Revenue %	13.5%	13.2%
Operating Margin	-1.0%	-0.7%
Net Margin	3.4%	2.3%

HOSPITAL REVENUE

<i>(In thousands)</i>	Projected FY 2025	Budget FY 2026	Percent Change
Patient Revenue:			
Inpatient	\$ 1,595,521	\$ 1,766,610	10.7%
Outpatient	1,101,099	1,080,890	-1.8%
Total Goss Revenue	\$ 2,696,620	\$ 2,847,500	5.6%
Contractual Allowances and Provisions:			
Contractual Allowances by Payors	(2,042,371)	(2,120,992)	3.8%
Provision for Charity and Doubtful Accounts	(41,861)	(59,468)	42.1%
Total Contractuals and Provisions for Charity and Doubtful Accounts	\$ (2,084,232)	\$ (2,180,460)	4.6%
Net Patient Revenue	\$ 612,388	\$ 667,040	8.9%
Other Operating Revenue	\$ 16,832	\$ 18,170	7.9%
Total Operating Revenue	\$ 629,220	\$ 685,210	8.9%
Total Net Patient Revenue as a Percent of Gross Revenue	22.7%	23.4%	

OPERATING EXPENSES

<i>(In thousands)</i>	Projected FY 2025	Budget FY 2026	Percent Change
Salaries	\$ 294,776	\$ 325,130	-10.3%
Benefits	101,602	110,680	-8.9%
Professional Fees	55,079	58,533	-6.3%
Supplies	82,913	88,318	-6.5%
Purchased Services	34,841	36,528	-4.8%
Utilities	7,322	7,949	-8.6%
Insurance	4,332	4,768	-10.1%
Marketing & Advertising	864	1,527	-76.8%
Software Licenses & Maintenance	7,637	8,845	-15.8%
Other Expenses	3,488	3,646	-4.5%
Depreciation	42,516	44,013	-3.5%
Total Operating Expenses	\$ 635,370	\$ 689,938	-8.6%

NON-OPERATING INCOME & EXPENSE

<i>(In thousands)</i>	Projected FY 2025	Budget FY 2026	Percent Change
Unrestricted Investment Income	\$ 2,000	\$ 1,608	-19.6%
Board Desig Investment Income	5,934	4,056	-31.6%
General Obligation Bond Property Tax Revenue	26,332	24,546	-6.8%
Rental Income, Net	1,483	1,165	-21.4%
Bond Issuance Cost	(1)	-	-100.0%
Interest Expense	(20,298)	(19,741)	2.7%
Gain/(Loss) on Investments *	3,837	-	100.0%
Foundation Donation	5,242	6,561	25.2%
Equity Investment Earnings	2,730	2,511	-8.0%
Federal Subsidies	160	-	-100.0%
Other Non-Operating Exp/Rev	(7)	-	-100.0%
Total Net Non-Operating Income & Expense	\$ 27,412	\$ 20,706	-24.5%

* Washington Hospital does not budget for gains or losses on investments.

CAPITAL BUDGET*(In thousands)***Budget
FY 2026****Strategic**

Infill Project	\$ 40,000
Cancer Center	13,756
Fremont Office Center Phase 1	11,471
Warm Springs	8,880
Expansion Phase 3 Enterprise	8,000
ERP System	4,500
Urgent Care Clinic	2,135
Exterior Signage (New Brand)	500
Projects in Close Out	297
2500 Lobby Refresh	250
Total Strategic	\$ 89,788

Rental TI Improvement	\$ 1,000
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Routine Capital Equipment and Projects

FY25 Roll Over	\$ 2,044
FY26 Contingency	1,500
Outpatient CT	1,369
Stryker Laparoscopic Tower Replacement	1,098
Neuro Microscope Replacement	888
IS Infrastructure Refresh	750
XN9100 (cell counter for lab)	641
Epic Anesthesia Module Implementation	600
Stryker Neuro Drills and Power Equipment Replacement	324
Total Routine Capital Equipment and Projects	\$ 9,213

Total Capital Spend	\$ 100,001
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Capital Funded by Hospital	\$ 39,924
Capital Funded by GO Bond	\$ 47,726
Capital Funded by Philanthropy/Partnerships	\$ 12,351

**RESOLUTION NO. 1273
BUDGET ESTIMATE
FY 2025-2026**

BE IT RESOLVED, that the following be, and the same is hereby adopted as the Washington Township Health Care District consolidated budget estimate for FY 2026:

STATEMENT OF REVENUES AND EXPENSES

PATIENT REVENUE	2,847,500
OTHER REVENUE	18,170
TOTAL CONTRACTUAL ALLOWANCE	(2,180,460)
NET REVENUE	\$ 685,210
SALARIES, WAGES & BENEFITS	435,810
SUPPLIES & SERVICES	197,397
INSURANCE & UTILITIES	12,717
RESERVES – DEPRECIATION	44,013
TOTAL OPERATING EXPENSES	\$ 689,938
LOSS FROM OPERATIONS	(4,727)
NON-OPERATING INCOME/(EXPENSES)	\$ 20,706
NET INCOME	15,979
NET LOSS FROM AFFILIATES	(32,398)
CONSOLIDATED NET INCOME/(LOSS)	(16,420)

NON OPERATING EXPENDITURES

FIXED ASSETS	100,001
REVENUE BOND PRINCIPAL & INTEREST	17,904
GENERAL OBLIGATION BOND PRINCIPAL & INTEREST	22,594
FUNDING TO AFFILIATED OPERATIONS	28,003

**RESOLUTION NO. 1273
BUDGET ESTIMATE
FY 2025-2026**

AND, BE IT FURTHER RESOLVED that WASHINGTON TOWNSHIP HEALTH CARE DISTRICT shall, for the benefit of the communities served by the District, continue to financially support WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION in its operations to promote the charitable and community service mission of the District.

PASSED AND ADOPTED by the Board of Directors of WASHINGTON TOWNSHIP HEALTH CARE DISTRICT this 11th day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

Michael Wallace
President of the Washington Township
Health Care District Board of Directors

Jacob Eapen, MD
Secretary of the Washington Township
Health Care District Board of Directors

MEMORANDUM

Date: June 6, 2025

To: Washington Township Health Care District Board of Directors

From: Kimberly Hartz, Chief Executive Officer

Subject: 2025 Community Health Needs Assessment

As required by federal regulations, Washington Health has completed its 2025 Community Health Needs Assessment (CHNA). This comprehensive analysis of the health status of the residents of Washington Township Health Care District is conducted every three years, in order to determine the greatest health needs in the Tri-Cities area.

The CHNA incorporates analysis of health indicators collected by the State of California, Alameda County, and other public health agencies. The voices of District residents and public-health experts are also included through key-informant interviews and focus groups.

Staff will present the results of the CHNA to city councils, school districts, advocacy groups, and community-based organizations in the District to solicit additional feedback. This will then lead to the development of a Health Improvement Plan (HIP), laying out a three-year blueprint addressing the health needs prioritized in the CHNA. The HIP will be brought to the District Board for approval in the fall of 2025.

It is requested that the Board of Directors vote to accept the findings contained in the 2025 Community Health Needs Assessment.

MEMORANDUM

Date: June 4, 2025

To: Kimberly Hartz
Chief Executive Officer

From: John Zubiena
Chief Human Resources Officer

Subject: Freight Checkers, Clerical Employees and Helpers Union
Local 856, International Brotherhood of Teamsters

We have been in negotiations with the Freight Checkers, Clerical Employees and Helpers Union, Local 856, International Brotherhood of Teamsters to negotiate a successor contract. Local 856 represents over 130 employees consisting of Accounts Payable Associates, Health Information staff including Coders, Registration Clerks, Patient Accounts Representatives, Cashiers, Scheduling and Lab Secretaries, Diet Aide Clerks, Supply Chain Associates, Laboratory Messenger, Payroll Associates, and Switchboard Operators at Washington Hospital.

Washington Hospital and the Freight Checkers, Clerical Employees and Helpers Union, Local 856, International Brotherhood of Teamsters have reached a Tentative Agreement on a new, 3-year contract, which was ratified by the Local 856 membership on June 4, 2025. The recommendation is for the Washington Township Health Care District Board of Directors to approve the Amendments with the key terms as outlined below:

- Term – 3 years, from September 1, 2024 through August 31, 2027
- Wage Increases
 - **Year 1** – 4.75% across the board increase to base rate of pay for all positions, retroactive to the first pay period beginning on or after September 1, 2024.
 - **Year 2** – 4.75% across the board increase for all positions effective the first pay period beginning on or after September 1, 2025.
 - **Year 3** – 4.75% across the board increase for all positions effective the first pay period beginning on or after September 1, 2026.

- Differentials
 - Shift Differentials
 - PM Differential – Increase from \$1.65 to \$1.75.
 - Night Differential – Increase from \$2.00 to \$2.65.
 - Per Diem Differential
 - Increase per diem differential from \$2.50 to \$3.50, but only for per diem employees who are not otherwise entitled to and enroll in health benefits with Washington Health pursuant to ACA requirements.
 - Any per diem employees who enroll in Washington Health's health plan will receive a reduced differential of \$2.50 per hour in lieu of all other benefits.
- Per Diem Availability – Add requirement that in providing shift availability, per diem employees must make themselves available for shifts that the department is actively looking to fill.
- Meal and Rest Breaks – Add new section to MOU to provide for meal and rest breaks and to add waiver options and penalty pay in accordance with California Senate Bill 1334.
- Benefits
 - Health – Parties agree to implement the Washington Hospital Core Choice PPO Plan effective January 1, 2026, with per pay period employee contributions to be as follows:
 - Regular Full-Time Employees
 - \$0 Employee only
 - \$15.00 Employee + Spouse
 - \$13.00 Employee + Child
 - \$29.00 Employee + Family
 - Regular Part-Time Employees
 - \$0 Employee only
 - \$18.00 Employee + Spouse
 - \$16.00 Employee + Child
 - \$35.00 Employee + Family

- Full-time employees making \$75,000 or less of base annual compensation will pay no contributions.
- Alternatively, regular employees may elect to enroll in a buy-up health plan – the Washington Hospital Choice Plus Plan.
- For purposes of benefits only, define “regular full-time employee” as an employee who regularly works an average of 30 hours or more per week – i.e., 0.75 FTE status, and define “regular part-time employee” as an employee who regularly works 20 or more hours per week – i.e., 0.5 FTE status.
- Group Life Insurance – Increase from \$10,000 to \$50,000
- Spousal Waiver Credit – Increase from \$70.00 to \$75.00
- Bereavement Leave
 - Update to bring into compliance with AB 1949 by eliminating the restriction on the two additional unpaid days of Bereavement Leave being only for employees who need to attend a funeral outside of CA or outside of 300 miles radius of hospital, allowing per diem nurses to take up to 5 days of unpaid bereavement leave in the case of death in the nurse’s immediate family, and adding that such leave be taken within three (3) months of the date of the death.
 - Revise the list of individuals who qualify as “immediate family” for the purpose of taking bereavement leave to add “registered domestic partner.”
 - Add language providing for unpaid reproductive loss leave consistent with new California law (SB 848).
- Leave of Absence
 - Add language providing for Kin Care Leave consistent with Hospital policy.
- Hiring and Probationary Period and Posting of Job Vacancies
 - Revise the seniority order for filling vacant positions to apply as follows:
 - Full-time, part-time, and per diem employees by job classification;
 - Full-time, part-time, and per diem employees from the department; and then
 - Full-time, part-time, and per diem employees from the bargaining unit.

- Deletion of language that requires the Hospital to repost a position with revised qualifications if the Hospital is unable to fill a position with a qualified internal or external candidate who meets the minimum posted qualifications for the position.
- Work Clothing
 - Modify language as follows: "For the central registration, admitting, and cashier department, the Hospital ~~provides~~ **will upload** a \$400.00 uniform allowance **to a Hospital portal** for all full-time employees and \$300.00 for per diem employees upon completion of the probationary period **to be used for purchasing uniforms in their first calendar year of employment.** ~~A monthly allowance of \$40.00 is provided thereafter.~~ **On January 1st of every calendar year thereafter, the Hospital will upload \$480.00 to a Hospital portal for both full-time and per diem employees to use for purchasing uniforms in that calendar year."**
 - Parties entered into a side letter pursuant to which any employee in the central registration, admitting, and cashier department who has an accumulated balance of unused uniform allowance will have that unused balance uploaded to the Hospital's portal to be used by the employee in calendar year 2025. After December 31, 2025, any remaining balance will be forfeited.
- Job Title Changes
 - Change title of Release of Information Clerk to Release of Information Specialist
 - Change title of Medical Transcription Editor to Health Information Analyst
 - Change title of Vital Statistics Clerk to Vital Statistics Technician
 - Change title of Registration Clerk to Patient Access Representative
 - Add job classification of Insurance Verifier for the subset of Patient Account Representatives (PAR) performing those duties, with same wage scale as PARs.
 - Consolidate the Health Information Clerk, Health Information File Clerk, Sr. Health Information File Clerk, and Quality Control Index Clerk positions into a single job classification of Health Information Technician. The wage scale for the Health Information Technician shall be the same as the one previously in place for the Health Information Clerk and Quality Control Index Clerk.

RESOLUTION NO. 1272
FREIGHT CHECKERS, CLERICAL EMPLOYEES AND HELPERS UNION
LOCAL 856 INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Washington Township Health Care District, a local health care district, does hereby resolve as follows:

Attached hereto is a List of Amendments to the current Agreement that will be incorporated into a new Memorandum of Understanding by and between the designated representative of Washington Health, that being the Chief Executive Officer, and the Freight Checkers, Clerical Employees and Helpers Union, Local 856, International Brotherhood of Teamsters, a recognized majority representative under the terms of Board Resolution 331A.

The terms and conditions of the attached List of Amendments will be implemented in their entirety, effective on the various dates specified within the Memorandum.

Passed and adopted by the Board of Directors of Washington Township Health Care District this 11th day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

Michael Wallace
President of the Washington Township
Health Care District Board of Directors

Jacob Eapen, M.D.
Secretary of the Washington Township
Health Care District Board of Directors