

Washington Township Hospital Development Corporation

May 15, 2025

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The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on May 15, 2025, in-person and by Teleconference via Zoom. Director Blowers called the meeting to order at 11:06 a.m.

CALL TO ORDER

Directors present: Russ Blowers; Pauline Weaver; Sue Querner; Carol Dutra-Vernaci

ROLL CALL

Directors Absent: Steven Chan, D.D.S (Director Chan provided notification of his absence for this meeting)

Also present: Kimberly Hartz, Chief Executive Officer; Tina Nunez, Senior Vice President & Chief Administrative Officer; Ajay Sial, Interim Senior Vice President & CFO; Walter Choto, Vice President of Operations; Nicholas Kozachenko, Attorney; and Diana Venegas, Recording Secretary

Guests present: Kristin Ferguson, Vice President & Chief Compliance and Risk Officer

A motion was made by Director Weaver, seconded by Director Dutra-Vernaci, to approve the minutes of the meeting of February 14, 2025.

***CONSIDERATION
OF MINUTES OF
FEBRUARY 14, 2025***

Roll call was taken:

- Russ Blowers – aye
- Pauline Weaver – aye
- Carol Dutra-Vernaci – aye
- Sue Querner – aye
- Steven Chan, D.D.S. – absent

The motion passed.

Ms. Venegas noted that there were no written or oral public communications.

COMMUNICATIONS

Ethics Training

***EDUCATION
SESSION***

Ms. Ferguson provided the required presentation on Ethics Training.

CEO Report

***CHIEF EXECUTIVE
OFFICER REPORT***

Cuts to the Medicaid (Medi-Cal) and Medicare Programs

Ms. Hartz opened up with a quote, “the one thing certain in health care is uncertainty”. She stated the U.S. House and Senate passed a budget resolution identifying \$880 billion in savings over 10 years that would make cuts to the Medicaid (Medi-Cal) and Medicare programs. Reduction to these programs could

affect eligibility and cause cuts to providers. The House and Senate need to propose how they will accomplish the savings.

Locally, 80,000 individuals are on the Medi-Cal program. Washington Hospital's payor mix is over 50% Medicare and over 20% Medi-Cal. If reductions to these programs are made, individuals under this program may become uninsured, reducing payments to hospitals.

Office of Health Care Affordability

The Office of Health Care Affordability (OHCA) board was established to analyze California's health care market for cost trends, focus on making health care more affordable and enforce health care spending growth targets, looking at different ways commercial rates compare to Medicare rates. OHCA has identified several hospitals as "high cost," including Washington Hospital. "High cost" hospitals are subject to 1.8% spending growth target. Notably, most other public hospitals (which tend to have similar Medicare and Medi-Cal patient mixes to Washington Hospital) and all University of California hospitals were excluded from consideration. The majority of hospitals on the list are small, independent facilities, except for Stanford. Despite the use of the term, "high cost" does not mean that patients pay more for care at Washington Health than at other providers and is therefore misleading. Administration is working to remove Washington Hospital from the list.

Ms. Hartz noted she will be closely following developments at the Federal and State levels and will provide updates. She stated Washington Health will continue to focus on:

- Scenario planning
- Driving operational efficiency
- Bringing in new revenue - new programs/services
- Working with consultants on revenue cycle
- Reducing costs – labor/non-labor/budget, etc.

Parcel Tax

The citizen's committee collected over 32,000 signatories. The District needs 19,100 valid signatures to place the initiative on the November ballot. The signatures are currently being validated by the county through an audit process. Revenue from a parcel tax would help Washington Health fund disaster preparedness and help to purchase equipment and technology for the trauma center, operating rooms and other clinical areas of the health system.

Facility Master Plan and Construction Updates

Cancer Center Build Out

Construction is underway and on schedule. The estimated substantial completion is September 2025. The Open House is scheduled for December and the center is scheduled to be open to patients the beginning of 2026.

Morris Hyman Pavilion Infill Project

Construction is under way for the Morris Hyman Pavilion Infill Project. This will include building out a new imaging center, OR, pharmacy and other support services. Construction began in February 2025 with substantial completion estimated in August 2026.

Mobile MRI

The Mobile MRI unit is in place next to the emergency department. Inpatient and ER patients no longer need to be transported to Washington West for their MRI.

Fremont Office Center

Twenty-one clinics will move into the renovated Fremont Office Center in Phase 1, including Primary Care, Pediatrics and Women's Health. This is scheduled to be open to patients by the end of 2026.

Urgent Care

The District Board approved the construction of a new Urgent Care that will be located in Washington Properties Shopping Center. Design drawings are currently being reviewed by the city. Estimated opening is Fall 2025.

Financial Report

***FINANCIAL
REPORT***

Ajay Sial presented the DEVCO Financial Report for March 2025.

Director Weaver proposed the approval of Resolution 65. This resolution pertains to approval of the sale of Class A Membership Units in Peninsula Surgery Center, LLC to Erik McDonald, M.D. Director Querner seconded the motion.

ACTION ITEM

Roll call was taken:

- Russ Blowers – aye
- Pauline Weaver – aye
- Carol Dutra-Vernaci - aye
- Sue Querner - aye
- Steven Chan, D.D.S. – absent

The motion carried.

Director Blowers adjourned the meeting to a closed session at 11:58 a.m.

***ADJOURN TO
CLOSED SESSION***

Director Blowers reconvened the meeting to open session at 12:00 p.m.

***RECONVENE TO
OPEN SESSION***

Diana Venegas, Recording Secretary, reported that during the closed session the Board approved the closed session minutes of February 14, 2025 by unanimous vote of all directors present.

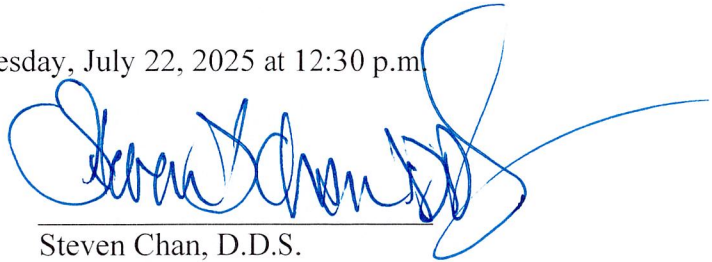
There being no further business, Director Blowers adjourned the meeting at 12:03 p.m.

ADJOURNMENT

The next regularly scheduled meeting is Tuesday, July 22, 2025 at 12:30 p.m.



Russell Blowers
President, Board of Directors
Washington Township Hospital
Development Corporation



Steven Chan, D.D.S.
Secretary, Board of Directors
Washington Township Hospital
Development Corporation