

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, December 8, 2021 via Zoom. Director Nicholson called the meeting to order at 6:03 pm 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: William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Michael Wallace
Absent: Jacob Eapen, MD

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Dee Antonio, District Clerk

Guests: Ed Fayen, Chris Henry, Larry LaBossiere, Paul Kozachenko, Dr. Carmen Agcaoili, Mary Bowron, Debbie Feary, Kristin Ferguson, Sarah Gemski, Gisela Hernandez, Dr. Shakir Hyder, Evangeline Imana-Iyemura, Dr. Elizabeth Kurkjian, John Lee, Nick Legge, Dr. Jeff Stuart, Marcus Watkins, and Sri Boddu.

Director Nicholson welcomed any members of the general public to the meeting. He noted that in order to continue to protect the health and safety of the members of the Board, District staff, and members of the public from the dangers posed by the SARS-CoV-2 virus, the Brown Act allows a local agency to continue to hold its meetings remotely as opposed to being required to meet in-person. Section 54953(e)(3) of the Government Code requires that the Board make certain findings every 30 days to continue meeting remotely. One such finding is that “state or local officials continue to impose or recommend measures to promote social distancing.” The Alameda County Health Officer continues to recommend social distancing and the wearing of masks indoors, as referenced by the Alameda County Health Care Services Public Health Department COVID-19 website at www.covid-19.acgov.org.

OPENING REMARKS

In accordance with District law, policies, and procedures, Director Stewart moved that the Board of Directors make the finding required by Section 54953(e)(3)(B)(ii) of the Government Code that “state or local officials continue to impose or recommend measures to promote social distancing.” Director Wallace seconded the motion.

Roll call was taken:

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

The motion carried and the finding is affirmed.

Director Nicholson noted that Public Notice for this meeting, including connection information, was posted appropriately on our website. This meeting, conducted via Zoom, will be recorded for broadcast at a later date.

There were no Oral communications.

*COMMUNICATIONS:
ORAL*

There were no Written communications.

*COMMUNICATIONS:
WRITTEN*

Board of Directors' Meeting

December 8, 2021

Page 2

Director Stewart moved for the following slate of Board officers for the calendar year 2022:

ELECTION OF OFFICERS

President: Jeannie Yee
First Vice President: Bernard Stewart
Second Vice President: Michael Wallace
Treasurer: Jacob Eapen
Secretary: William Nicholson

Director Wallace seconded the motion.

Roll call was taken:

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

The motion carried. Director Yee assumed the Chair as President of the Board for 2022 and expressed appreciation to Director Nicholson for his collaborative leadership during the past year.

Director Yee presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Minutes of the Regular Meetings of the District Board: November 10, November 15, and November 22, 2021
- B. Medical Staff Guidelines for Moderate Sedation/Deep Sedation
- C. Medical Staff Guidelines for Anesthesia Care
- D. GE OEC Mobile C-Arm
- E. Epic Radiant Module
- F. Reappointment to the Washington Township Hospital Development Corporation Board of Directors

In accordance with District law, policies, and procedures, Director Stewart moved that the Board of Directors approve the Consent Calendar, items A through F. Director Wallace seconded the motion.

Roll call was taken:

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

The motion carried.

Kimberly Hartz introduced Dr. Carmen Agcaoili, Medical Director of the Intensivist Program and the Critical Care Units who presented the Annual Intensivist Program Report. The Mission of the program, which was established in 2008, is to provide

*QUALITY REPORT:
2021 CRITICAL CARE
PROGRAM UPDATE*

Board of Directors' Meeting

December 8, 2021

Page 3

the highest quality evidence-based care. Dr. Agcaoili talked about the program goals and structure as well as the purpose of the Clinical Operations Committee which has met monthly since 2014.

Dr. Agcaoili reviewed the Admissions noting that the top diagnoses for 2021 were COVID-19, sepsis, and cardiac diagnoses, noting the increase in COVID discharges and a drop in respiratory failure cases. She discussed various strategies developed from evidence-based practice including a continued decrease in delirium prevalence in the ICU since the opening of the Morris Hyman Critical Care Pavilion.

Dr. Agcaoili reported on outcomes including a shorter Length of Stay, lower mechanical ventilator durations, a higher infection prevention rate than expected (possibly due to COVID patients). CAUTI, CLABSI and CDIFF rates have dropped. It was noted that the critical care mortality rate was below our internal benchmark. COVID 19 has taken over as the most prevalent diagnosis in critical care.

Patient Experience data was shared and Dr. Agcaoili shared CCU's action plan to increase patient satisfaction going forward. She talked about the various education programs held throughout the year.

Dr. Jeffrey Stuart, Chief Medical Officer, and Mary Bowron, Chief of Quality and Resource Management gave a brief presentation regarding the COVID-19 Omicron Variant beginning with an explanation of the continuously evolving changes in the genetic code of a virus which results in mutations and variants. The Omicron timeline of the last couple weeks was reviewed and Dr. Stuart noted that thus far, there are zero known deaths and the symptoms appear to be mild.

*PRESENTATION:
COVID-19OMICRON
VARIANT UPDATE*

Mary Bowron reviewed the testing and isolation guidelines as recommended by the CDC and reviewed the Washington Hospital infection control measures and recommendations.

Dr. Shakir Hyder, Chief of Staff, reported there are 571 Medical Staff members including 347 active members and 90 ambulatory members. He presented the newest Honorary Status members of the Medical Staff: Albert Brooks, MD; Moses Taghioff, MD; John Thomas Mehigan, MD; and Robert Pipkin, MD.

*MEDICAL STAFF
REPORT*

Ms. Debbie Feary, Service League President, reported 122 members of the Service League volunteered 1,508 hours over the past month. The Masquerade Jewelry sale returned at the end of November and the Service League earned a commission of over \$9,000 from the sale.

*SERVICE LEAGUE
REPORT*

Sarah Gemski, Interim Executive Director of the Washington Hospital Healthcare Foundation presented: Implementing Best Practices for Philanthropy in Support of Washington Hospital. She began with a review of the Mission and structure of the Foundation. Key Program Areas include the Planned Giving Program, the Grateful

LEAN REPORT

Board of Directors' Meeting

December 8, 2021

Page 4

Patient Program, Events (Top Hat Gala, Golf Tournament, Giving Tuesday), major Giving programs, and campaign planning such as the UCSF-Washington Cancer & Infusion Center Expansion. She reviewed the strategic alignment of the Foundation objective with the Washington Hospital priorities of financial improvement and patient experience. Ms. Gemski explained how the Lean principles have been implemented at the Foundation to formalize the use of Best Practices with the key principles being Respect for People, Transparency and Accountability, and Data Driven Feedback. She reviewed some of the challenges that presented themselves when adapting Lean to suit their needs. She ended her presentation with a review of the Foundation's Performance Improvement goals and the progress to date.

Chris Henry, Vice President & Chief Financial Officer, presented the Finance Report for October 2021. The average daily inpatient census was 142.0 with admissions of 782 resulting in 4,403 patient days. Outpatient observation equivalent days were 329. The average length of stay was 5.24 days. The case mix index was 1.600. Deliveries were 135. Surgical cases were 362. The Outpatient visits were 8,014. Emergency visits were 4,209. Cath Lab cases were 219. Joint Replacement cases were 172. Neurosurgical cases were 22. Cardiac Surgical cases were 16. Total productive FTEs were 1,331.0. FTEs per adjusted occupied bed were 6.09.

FINANCE REPORT

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for November 2021. Preliminary information for the month indicated total gross revenue at approximately \$181,606,000 against a budget of \$164,732,000. We had 13 COVID-19 discharges which represented 2% of total discharges. This is lower than last month and one of the lower number of COVID-19 discharges since the onset of the pandemic.

*HOSPITAL
OPERATIONS REPORT*

The Average Length of Stay was 5.43. The Average Daily Inpatient Census was 136.9. There were 7 discharges with lengths of stay greater than 30 days, ranging from 32 to 71. Still in house at the end of November were seven patients with length of stays of over 30 days and counting.

There were 4,107 patient days. There were 380 Surgical Cases and 183 Cath Lab cases at the Hospital. Only 4% (6 cases) of the total joint replacement cases were inpatient compared to 41% (51 cases) budgeted. Outpatient joint cases were budgeted to begin migrating to Peninsula Surgery Center in October 2021; these are now expected to begin during the first quarter of CY2022.

Deliveries were 115. Non-Emergency Outpatient visits were 7,553. Emergency Room visits were 4,241 and we are at 93.7% of pre-COVID level. Total Government Sponsored Preliminary Payor Mix was 70.7%, against the budget of 72.2%. Total FTEs per Adjusted Occupied Bed were 6.18. The Washington Outpatient Surgery Center had 529 cases and the clinics had approximately 16,155 visits.

Board of Directors' Meeting

December 8, 2021

Page 5

There were \$1,015,710 in charity care applications pending or approved in November and included three high dollar accounts totaling \$916,000.

Director Nicholson, as the outgoing President, chaired the meeting related to the items concerning the Chief Executive Officer's performance during his tenure as President. Reference the attached document.

APPROVAL OF CHIEF EXECUTIVE OFFICER'S EMPLOYMENT AGREEMENT AND AT-RISK COMPENSATION

In accordance with District Law, Policies and Procedures, Director Stewart moved that the Board of Directors increase the Chief Executive Officer's base salary to \$861,000m which is around the 50th percentile of the California Peer Group, and that this adjustment shall be effective as of July 1, 2021.

CONSIDERATION OF Adjustments to Base Salary

Director Wallace seconded the motion.

Roll call was taken:

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

The motion carried.

In accordance with District Law, Policies and Procedures, Director Stewart moved that the Board of Directors award incentive compensation to the CEO based on the CEO's outstanding performance in the amount of \$100,000.

CONSIDERATION OF Award of "At Risk" Compensation

Director Wallace seconded the motion.

Roll call was taken:

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

The motion carried.

In accordance with District Law, Policies and Procedures, Director Stewart moved that the Employment Agreement be extended for two years, for a new term beginning July 1, 2021 and ending June 30, 2025; and the President of the Board be authorized to execute an amendment to the Employment Agreement consistent with the actions taken here tonight.

CONSIDERATION OF Extension of Term of Employment Agreement and Authority to President

Director Wallace seconded the motion.

Roll call was taken:

Board of Directors' Meeting

December 8, 2021

Page 6

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


The motion carried.

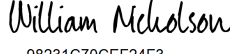
Director Yee resumed the role as Chair.

- The Community vaccination clinic is scheduling people 5 years of age and older. *ANNOUNCEMENTS*
As of Monday, December 6th, a total of 76,961 COVID vaccine doses have been administered to community members at our vaccination clinic, including 1,397 vaccinations of children ages 5-11 years old.
- Thursday, November 11th: Why Does My Ankle Hurt? Causes and Treatment of Ankle Pain
- Wednesday, November 17th: Keeping Your Lungs Health
- Thursday, November 18th: Always Tired? Ways to Fight Fatigue
- Tuesday, December 7th: Healing Foods – Our Food Choices and Our Health
- Scheduled for Tuesday, December 14th: Get Fit at Home the Right Way: Strengthen Muscles While Protecting Your Joints
- District Board members attended two community events: The Niles Festival of Lights Parade on November 26th and the City of Newark Tree Lighting on December 6th where over 160 vaccinations took place.
- December Employee of the Month: Sharon Hoffman, LVN III, Washington Center for Wound Healing & Hyperbaric Medicine (Wound Care Clinic).

There being no further business, Director Yee adjourned the meeting at 8:47 pm.

ADJOURNMENT

DocuSigned by:

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Jeannie Yee
President

DocuSigned by:

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William Nicholson, M.D.
Secretary

MINUTES OF THE BOARD OF DIRECTORS OF
WASHINGTON TOWNSHIP HEALTH CARE DISTRICT

December 8, 2021

Agenda Item IX

Consideration of Chief Executive Officer Adjustments to Base Salary
Consideration of Chief Executive Officer Award of “At Risk” Compensation
Consideration of Chief Executive Officer Extension of Term of Employment Agreement

During the regular meeting of the Board of Directors (Board) on December 8, 2021, the Board considered Agenda Item IX, consisting of the following items: (i) Consideration of Chief Executive Officer Adjustments to Base Salary; (ii) Consideration of Chief Executive Officer Award of “At Risk” Compensation; and (iii) Consideration of Chief Executive Officer Extension of Term of Employment Agreement. The following Board members were present:

Jeannie Yee
Dr. Bernard Stewart
Michael J. Wallace
Dr. William F. Nicholson

Dr. Jacob Eapen was not present at the meeting.

Director Nicholson introduced the agenda item. He then invited District Counsel, Paul Kozachenko, to outline the Board’s process regarding compensation for the Chief Executive Officer.

Mr. Kozachenko read into the record his Memorandum to the Board of Directors dated December 1, 2021, a copy of which was included in the Board Packet for this meeting. The memo reviewed the Board’s compensation philosophy, the Board’s previous action regarding CEO’s compensation and the procedure for making adjustments to the CEO’s compensation.

Director Nicholson began the Board’s discussion concerning the CEO’s base salary. He believes that the Board should increase the CEO’s base salary to the 50th percentile. He explained that the Board had set Ms. Hartz’s base salary in 2019 lower than the Board’s target since she had not previously served as a chief executive officer. He explained that the intent of the Board at the time was that it would incrementally increase her salary to the 65th percentile as she gained experience and as justified by her performance. He noted that Ms. Hartz’s performance during the COVID pandemic has been exemplary and believes this justifies a significant increase in her base salary to get her closer to the Board’s goal of the 65th percentile. He noted that the Board deferred any action last year due to the pandemic, but this meant that Ms. Hartz did not receive any adjustment even though her employment agreement entitled her to that consideration. He noted that her salary would be \$861,000 if set at the 50th percentile.

Director Nicholson provided four reasons that justified, in his view, the proposed increase in Ms. Hartz's base salary. The first was her outstanding performance during the COVID crisis. The second was her success with getting the COVID vaccination program up and running. The third was successfully advancing the affiliation between the District and UCSF and the progress towards establishing the Warm Springs clinic. The fourth was Ms. Hartz's attention to building a culture of safety and collaboration at the District, which will promote the highest quality of care to the District's patients.

Director Wallace stated that he was not surprised by what Ms. Hartz was able to achieve in the last two years, even in the face of the challenges with COVID. He said that Ms. Hartz is out in the facilities and is appreciated by the doctors, nurses, and employees, and this is a form of leadership that is missing in so many different businesses. He agreed with the Board's decision to set her salary at 80% of the 65th percentile in 2019 but believes that she has proven herself and deserves the salary increase to the 50th percentile as Director Nicholson proposed.

Director Yee stated that Ms. Hartz creates a spirit of cooperation that she has built with her team. She is a strong leader. She indicated her agreement with the proposed increase.

Director Stewart seconded everything that had already been said. He indicated that it is not an exaggeration to say that this last year has been the greatest challenge for the District. The pandemic could have destroyed the District. Instead, the District seems to be coming out of this stronger and with a good future. He cited the success of the vaccination clinic. He said that he had many friends who were not able to get vaccinations from their providers but were able to get them from the District. He also noted the success of the partnership with UCSF and that the District obtained Magnet designation despite the pandemic, which is a tremendous accomplishment. He supports the proposal from Director Nicholson.

Director Nicholson opened the public hearing on the issue of the adjustment of the CEO's base salary.

Director Nicholson closed the public hearing on the issue of the adjustment of the CEO's base salary. There were no comments.

Director Stewart made a motion to increase the CEO's base salary to the 50th percentile of the peer group, which would make her base salary \$861,000, such increase to be effective July 1, 2021. Director Wallace seconded the motion.

Director Nicholson called for a vote:

President Yee	AYE	Director Nicholson	AYE
Director Stewart	AYE	Director Wallace	AYE
Director Eapen	Absent		

The motion passed.

Director Nicholson directed the Board to consideration of the second action item regarding an award of incentive compensation. He noted that the Board has the discretion to award up to 25% of her base salary, or \$178,000.

Director Nicholson indicated his belief that an incentive award of \$100,000 would be appropriate. Mr. Hartz's performance over the past two years has been stellar and outstanding. She has led the District through perhaps the most significant health crisis we have seen in this country during our lifetimes. He credits her with getting the District through this crisis and that the District is on the path to handle anything yet to come. He indicated that Ms. Hartz has met or exceeded the Board's performance goals, despite the pandemic. He cited the following accomplishments from the CEO's Memorandum to the Board: (i) exceeding the EBIDTA performance goal; and (ii) the passage of Measure XX. He stated that he believed her performance would justify a full award. However, the Board needs to consider how the pandemic has affected the District's finances, and the Board should consider less than a full award to acknowledge this fact. He suggested that an award of \$100,000 would be justified under these circumstances.

Director Wallace stated his agreement with Director Nicholson's proposal. He cited the success of Measure XX. He stated that he also believed a larger award would be justified but would support an award of \$100,000.

Director Yee noted that Ms. Hartz exceeded many of the District's expectations. She particularly appreciated that when Ms. Hartz had to restrict the volunteers from the hospital due to the pandemic, she took the time to have Zoom meetings to keep the volunteers engaged, informed, and vaccinated.

Director Stewart indicated his support for the proposal from Director Nicholson and agreed with Director Wallace that he wished the Board could award more. He noted that when COVID became a problem very quickly, the hospital was able to convert 70 rooms into negative pressure rooms to isolate the disease, which is a significant accomplishment.

Director Nicholson opened the public hearing on the issue of an incentive award.

Director Nicholson closed the public hearing on the issue of an incentive award. There were no comments.

Director Stewart made a motion that the Board award the CEO incentive compensation in the amount of \$100,000. Director Wallace seconded the motion.

Director Nicholson called for a vote:

President Yee	AYE	Director Nicholson	AYE
Director Stewart	AYE	Director Wallace	AYE
Director Eapen	Absent		

The motion passed.

Director Nicholson turned to the third action item, whether to extend the term of the employment agreement. There were no comments from the Board members.

Director Nicholson opened the public hearing on the issue of extending the term of the contract.

Director Nicholson closed the public hearing on the issue of extending the term of the contract. There were no comments.

Director Stewart made a motion that the Board extend the term of the employment agreement for two years, for a new term starting July 1, 2021, and ending June 30, 2025, and authorize the President of the Board to execute an amendment to the employment agreement consistent with the actions approved by the Board at this meeting. Director Wallace seconded the motion.

Director Nicholson called for a vote:

President Yee	AYE	Director Nicholson	AYE
Director Stewart	AYE	Director Wallace	AYE
Director Eapen	Absent		

The motion passed.

Ms. Hartz thanked the Board for their kind words and their support. She thanked her team and noted that the District's success is a team effort.