

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, April 12, 2023 in the Board Room at 2000 Mowry Avenue, Fremont and Zoom access was provided. Director Stewart called the meeting to order at 6:00 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: Bernard Stewart, DDS; William Nicholson, MD; Jeannie Yee; Jacob Eapen, MD

*ROLL CALL*

Absent: Michael Wallace

Also present: Kimberly Hartz; Cheryl Renaud; Paul Kozachenko; Tina Nunez; Chris Henry; Tom McDonagh; Shirley Ehrlich

Guests: Gisela Hernandez; Srikar Boddar; Lina Huang, Angus Cochran; Shakir Hyder, MD; Felipe Villanueva; Sheela Vijay; Tigist Awel; John Lee; Analynn Cisneros; Larry LaBossiere; Laura Anning; Dianne Martin, MD and Brian Smith, MD

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

*OPENING REMARKS*

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

There were no Oral communications.

*COMMUNICATIONS:  
ORAL*

There were no Written communications.

*COMMUNICATIONS:  
WRITTEN*

Director Stewart presented the Consent Calendar for consideration:

*CONSENT CALENDAR*

- A. Consideration of Minutes of the Regular Meetings of the District Board: March 8, 13, 20, 22 and 27, 2023
- B. Consideration of Donor Recognition Plaques for Legacy Society

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

Roll call was taken:

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

Motion Approved.

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Kimberly Hartz, Chief Executive Officer, introduced the Chief of Patient Experience; Laura Anning, who gave a presentation regarding The Patient Experience. Laura defined Patient Experience to include the sum of all interactions, shaped by an organization's culture that influence patient perceptions across the continuum of care. The framework includes developing a strategy, building the behaviors, managing the work and communicating the message. We gain trust and loyalty by exemplifying our Patient First Ethic values. Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey is the first national, standardized, publicly reported survey of patient's perspectives of hospital care. For meaningful scoring, we aim to have patients respond "definitely yes" in the likelihood to recommend WHHS to their friends and family. Throughout each unit, the metrics for patient experience and improvement plans are displayed on the Operations and Huddle Boards. This assists with communication and expectations are prioritized on the Strategic Map. This supports our Mission Statement to our patients to be cared for and treated well.

*PRESENTATION:  
PATIENT EXPERIENCE*

Dr. Shakir Hyder, Chief of Staff, reported there are 608 Medical Staff members, including 339 active members.

*MEDICAL STAFF  
REPORT*

Kimberly Hartz introduced Analynn Cisneros, the Quality Assurance Manager, who gave a presentation on the Reduction of Congestive Heart Failure Readmissions by Improving Coordination of Care & Communication. As part of the Affordable Care Act (ACA), CMS launched the Hospital Readmissions Reduction Program (HRRP). HRRP encourages hospitals to improve communication and care coordination to better engage patients and caregivers in an effort to reduce avoidable readmissions within 30 days of discharge. This impacts the bottom line of the hospital by reducing the Medicare payments up to 3% for excess readmissions.

*LEAN REPORT*

Washington Hospital's CHF readmission rate from July 2021 to June 2022 was 26.4% higher than the CMS national readmission rate of 21.3%. The A3 problem solving method was used to get to the root cause of the increased readmission rate. A3 is a lean methodology for problem solving that includes identifying the goals in the SMART format. (**S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**imely) The key drivers include disease management during hospital stay, transitional care management from inpatient to outpatient, social determinants of health and having one educational resource for staff to use. The interventions for improvement include providing CHF education to patients prior to discharge, revising CHF order sets for providers, scheduling primary and specialty follow-up appointments and having an electronic discharge checklist. By following the WHHS operational priority, the goal is to improve care coordination and reduce the readmission rate from 26.4% to 21.3% by June 30, 2023.

Kimberly Hartz introduced the Service League President, Sheela Vijay. Sheela reported, in the past month, 179 members of the Service League contributed 1,967 hours. There was an orientation in March that was attended by 3 high school students, 12 college students and 5 adults.

*SERVICE LEAGUE  
REPORT*

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Sheela reported that the Service League has partnered with Fremont Unified School District that brings students from the special education program into the Service League. These adult students take continuing education courses through the school district and are placed in workplaces and volunteers positions. In March, they assembled about 250 urine test kits and 100 patient welcome bags for medical oncology.

Sheela also reported on the volunteer program for Mended Hearts. Mended Hearts is a national and community-based nonprofit organization founded in 1951 by Dr. Dwight Harken, a cardiac surgeon. Mended Hearts has an accredited visitor program that consist of patients themselves who listen and share information about living with heart disease from the perspective of someone who has been there. Currently we have 2 volunteers making their patient rounds in our telemetry department as "accredited visitors". In March, Mended Hearts volunteers talked to 40 heart patients in the hospital. They also interacted with 20 family members.

Dr. Dianne Martin presented on the Antimicrobial Stewardship Program. Antimicrobial Stewardship Goals include promoting the appropriate use of antimicrobial agents, decreasing risks for the development of microbial resistance and decreasing the spread of infections caused by resistant organisms, in collaboration with the infection prevention team. The mission of the Antimicrobial Stewardship Program is to foster appropriate use of antimicrobial agents through education, implementation of accepted protocols, and interactive discussion with medical staff and health care staff to ensure best outcomes for the patient, while minimizing the development of resistance.

*QUALITY REPORT:  
ANNUAL  
ANTIMICROBIAL  
STEWARDSHIP  
PROGRAM*

Antibiotic resistance occurs when organisms develop mechanisms to defeat the antibiotics designed to eradicate them. COVID-19 is a recent example of this as a global challenge. Resistant organisms render antibiotics ineffective and negate the benefits of modern medicine. The Joint Commission promotes quality care standards for hospitals. The Antimicrobial Stewardship Program is one of the required standards. The leader(s) are responsible for implementing a hospital-wide stewardship program with a team, including an interdisciplinary committee and coordination of efforts with pertinent departments. The committee monitors antibiotics using Days of Therapy (DOT) and reporting data to the National Health Safety Network (NHSN).

Resistance continues to be a global health threat. The Antimicrobial Stewardship Program can help preserve the power of our currently available antimicrobials. Lastly, the data analysis of antibiotics usage provides information on how to prioritize the stewardship interventions and action plans.

Tom McDonagh, Vice President & Chief Financial Officer, presented the Finance Report for February 2023. The average daily inpatient census was 167 with admissions of 866 resulting in 4,675 patient days. Outpatient observation equivalent days were 265. The average length of stay was 5.56 days. The case mix index was 1.589. Deliveries were 107. Surgical cases were 344. The Outpatient visits were

*FINANCE REPORT*

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8,681. Emergency visits were 4,424. Cath Lab cases were 172. Joint Replacement cases were 157. Neurosurgical cases were 24. Cardiac Surgical cases were 11. Total FTEs were 1,645.9. FTEs per adjusted occupied bed were 5.66.

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for March 2023. Preliminary information for the month indicated total gross revenue at approximately \$216.3 million against a budget of \$191,960,000. We had 35 COVID-19 discharges which was 6 fewer cases from the prior month, and 15 fewer than March 2022 at 50 discharges.

*HOSPITAL  
OPERATIONS REPORT*

The Average Length of Stay was 5.48. The Average Daily Inpatient Census was 165.7. There were 11 discharges with lengths of stay greater than 30 days, ranging from 31-116. Still in house at the end of March were 7 patients with length of stays of over 30 days and counting.

There were 4,675 patient days. There were 395 Surgical Cases and 158 Cath Lab cases at the Hospital. It was noted that there were 66 cases at the Peninsula Surgery Center in March.

Deliveries were 143. Non-Emergency Outpatient visits were 10,059. Emergency Room visits were 5,069. Total Government Sponsored Preliminary Payor Mix was 75.7%, against the budget of 71.8%. Total FTEs per Adjusted Occupied Bed were 5.82. The Washington Outpatient Surgery Center had 568 cases and the clinics had approximately 18,267 visits.

There were \$158K in charity care adjustments in March.

April Employee of the Month: Cindy Wojdon, Staff Nurse IV, ICU.

*EMPLOYEE OF THE  
MONTH*

Past Health Promotions & Community Outreach Events:

*HOSPITAL CALENDAR*

- March 8: Life After Stroke
- March 15: Common Urology Concerns
- March 16: Robotic-Assisted Knee Replacement
- March 22: Mood and Anxiety Disorders: Breaking the Stigma
- March 28: Fall Prevention and Recovery
- March 30: Stroke Prevention
- March 30: Doctor's Day 2023
- April 1: Tattoo Removal Clinic
- April 4: The Aging Spine

Upcoming Health Promotions & Community Outreach Events:

- April 22: Emergency Preparedness Fair
- April 22: New Haven Day
- April 22: Go Green with us in 2023! Earth Day Celebration

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- May 2: Carotid Artery Disease (CAD) What is it? How can we treat it?
- Vaccination Clinic – as of April 6:
- A total of 98,896 COVID vaccine doses have been administered to community members at our vaccination clinic.

Washington Hospital Healthcare System received California Department of Health Care Services (DHCS) Quality Synergy Award for “Outstanding Performance towards Clinical Goals of DHCS’s Comprehensive Quality Strategy”. The award was given to two of the District Hospitals that were top performers in 2021 on what DHCS calls its “Bold Goals” which focus on children’s preventive care, maternity care and birth equity, and behavioral health integration.

The HERS Breast Cancer Foundation awarded Washington Hospital Healthcare System the Hope Award at its 14<sup>th</sup> Annual People with Purpose Pink Tie Gala. The Hope Award is intended to recognize a community partner working with HERS that brings hope to survivors of breast cancer.

The Foundation’s 36th Annual Golf Tournament will be held on Thursday, May 4, 2023, at the Club at Castlewood in Pleasanton. Funds raised from the event will support surgical services at Washington Hospital.

The Foundation will continue to host free charitable giving and estate planning seminars in partnership with estate planner Richard Schachtli at Hopkins Carley. The next free seminar will be held on June 21 at 5pm in the Anderson Auditoriums at Washington West.

The 37<sup>th</sup> Annual Top Hat Gala is scheduled for Saturday, October 14, 2023.

During the regular meeting of the Board of Directors (Board) on April 12, 2023, the Board considered Agenda Item VII.A, consisting of the following items pertaining to the Chief Executive Officer Employment Agreement: (i) Consideration of Adjustments to Base Salary; (ii) Consideration of Award of “At Risk” Compensation; and (iii) Consideration of Extension of Term of Employment Agreement. The following Board members were present:

*CONSIDERATION OF  
CHIEF EXECUTIVE  
OFFICER  
EMPLOYMENT  
AGREEMENT*

President Bernard Stewart  
Director Jeannie Yee  
Director Jacob Eapen  
Director William F. Nicholson

Director Michael Wallace was not present at the meeting.

President Stewart introduced the agenda item. The Board will be considering adjustments and awards under the employment agreement for the fiscal year ending June 2022.

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Mr. Kozachenko read his Memorandum to the Board of Directors, dated April 7, 2023, into the record, a copy of which was included in the packet available to the public. The Memorandum reviewed the Board's compensation philosophy, the Board's previous actions regarding CEO's compensation, and the procedure for making adjustments to the CEO's compensation.

President Stewart began the Board's discussion concerning the CEO's compensation. He noted that the Board's philosophy has been to compensate the CEO at the 65th percentile of the California peer group. The District hired Ms. Hartz in 2019 as a new CEO, and it was appropriate to start her at a lower rate than the 65th percentile and gradually increase her salary to the goal of the 65th percentile. As of June 30, 2022, Ms. Hartz had completed her third year as the CEO. There is no doubt that Ms. Hartz's performance for the fiscal year ending June 2022 was excellent. She delivered EBIDTA performance well above the budget during a period in which the COVID pandemic was still an issue. He proposed adjusting her base salary close to 95% of the 65th percentile, or \$955,700.

*CONSIDERATION OF  
ADJUSTMENTS TO  
BASE SALARY*

Director Nicholson indicated his agreement with President Stewart's proposal. He noted Ms. Hartz's stellar performance during her tenure as the CEO and her personal growth over the past three years.

President Stewart referred back to the Gallagher Report. He noted that the report describes the salaries of CEOs at similar hospitals. The Board has always felt that it needs to be competitive with these peer facilities.

Director Eapen noted that the Board has always followed the Gallagher Report and the 65th percentile goal. He noted that Ms. Hartz is currently compensated well below the 65th percentile. He indicated he has no hesitancy in approving the proposed increase in base salary.

President Stewart opened the public hearing on the issue of the adjustment of the CEO's base salary.

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

Director Nicholson moved that the Board increase the CEO's base salary to \$955,700, which is near 95% of the 65th percentile of the California peer group and that the adjustment be effective July 1, 2022. Director Eapen seconded the motion.

President Stewart called for a vote:

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

The motion passed.

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Ms. Hartz complimented her team and noted that her success would not be possible without them.

President Stewart 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 \$215,250.

*CONSIDERATION OF  
AWARD OF "AT RISK"  
COMPENSATION*

President Stewart stated his belief that Ms. Hartz deserves the entire award. He noted, however, that she has expressed some concern about that amount in light of the challenges the District is expected to face in the coming years. He believes that the Board should be mindful of her concerns. He proposed that the Board consider an award of \$120,000.00. He noted the following accomplishments for the fiscal year ending June 2022. She delivered a positive EBITDA variance from the budget was \$28,000,000, and these funds will fund needed capital improvements, including state-of-the-art medical technology. She led the successful effort to have Washington Hospital designated as the third adult trauma center in Alameda County. Currently, trauma patients must be transported to Castro Valley. She advanced the District's affiliation with UCSF Health, a world-renowned medical center. She was instrumental in the creation of the WHHS & UCSF Health Cancer Center, which will bring better cancer care into this community.

Director Nicholson stated that he shared President Stewart's sentiments that Ms. Hartz was deserving of the full incentive compensation award. The Board was delighted to see the \$28,000,000 positive variance on EBITDA. He echoed Dr. Stewart's statements regarding the trauma center designation and the affiliation with UCSF and noted that each one standing alone would have been enough to justify the full incentive compensation award. He also understands Ms. Hartz's concerns about receiving the entire award. He agrees that an award of \$120,000 would be appropriate.

Director Eapen stated that Ms. Hartz has earned her award through her performance. He has no hesitation regarding the incentive award.

President Stewart opened the public hearing on the issue of an incentive award.

President Stewart closed the public hearing on the issue of an incentive award. There were no comments.

Director Nicholson made a motion that the Board award the CEO incentive compensation in the amount of \$120,000 based on the CEO's outstanding performance. Director Yee seconded the motion.

President Stewart called for a vote:

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

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The motion passed.

President Stewart turned to the third action item, whether to extend the term of the employment agreement. He asked for a motion to extend the term of the contract to June 30, 2026. There were no comments from the Board members.

*CONSIDERATION OF  
EXTENSION OF TERM  
OF EMPLOYMENT  
AGREEMENT*

President Stewart opened the public hearing on the issue of extending the term of the contract.

President Stewart closed the public hearing on the issue of extending the term of the contract. There were no comments.

Director Nicholson made a motion that the Board extend the term of the employment agreement for two years, for a new term starting July 1, 2022, and ending June 30, 2026, 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 Eapen seconded the motion.

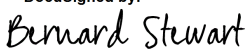
President Stewart called for a vote:

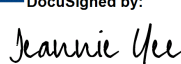
President Stewart	AYE	Director Nicholson	AYE
Director Yee	AYE	Director Wallace	Absent
Director Eapen	AYE		

The motion passed.

This concluded the discussion on this agenda item.

There being no further business, Director Stewart adjourned the meeting at 8:35 p.m. *ADJOURNMENT*

DocuSigned by:  
  
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 Bernard Stewart, DDS  
 President

DocuSigned by:  
  
 02007A853B4B4BA...  
 Jeannie Yee  
 Secretary