



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, December 8, 2021 – 6:00 P.M.

Meeting Conducted by Zoom

<https://us06web.zoom.us/j/89042999666?pwd=U0FVRkZrbkJRcTc0SGLiZDk1WHRoUT09>

Password: 337436

AGENDA

PRESENTED BY:

- | | |
|--|--|
| I. CALL TO ORDER & PLEDGE OF ALLEGIANCE | William Nicholson, M.D.
Board President |
| II. ROLL CALL | Dee Antonio
District Clerk |
| III. BROWN ACT FINDING GOVERNMENT Code § 54953(e)(3)(B)(ii) | <i>Motion Required</i> |
| IV. 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 | |
| V. ELECTION OF OFFICERS | <i>Motion Required</i> |
| VI. 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> | Board President |
| A. Consideration of Minutes of the Regular Meetings of the District Board: November 10, 15, and 22, 2021 | <i>Motion Required</i> |

- B. Consideration of Medical Staff Guidelines for Moderate Sedation/Deep Sedation
- C. Consideration of Medical Staff Guidelines for Anesthesia Care
- D. Consideration of GE OEC Mobile C-Arm
- E. Consideration of Epic Radiant Module
- F. Consideration of Reappointment to the Washington Township Hospital Development Corporation Board of Directors

VII. PRESENTATION

- A. COVID-19 Omicron Variant Update

Jeffrey Stuart, M.D.
Chief, Medical Staff

Mary Bowron, DNP, RN, CIC,
CNL, CPHQ
Chief of Quality & Resource
Management

VIII. REPORTS

- A. Medical Staff Report
- B. Service League Report
- C. Lean Report:
Implementing Best Practices for Philanthropy in
Support of Washington Hospital
- D. Quality Report:
2021 Critical Care Program Update
- E. Finance Report
- F. Hospital Operations Report

PRESENTED BY:

Shakir Hyder, M.D.
Chief of Medical Staff

Debbie Feary
Service League President

Sarah Gemski
Interim Executive Director
Washington Hospital Healthcare
Foundation

Carmen Agcaoili, M.D.
Medical Director, Critical Care

Chris Henry
Vice President & Chief Financial
Officer

Kimberly Hartz
Chief Executive Officer

IX. ACTION

- A. Consideration of Chief Executive Officer Adjustments to Base Salary
- B. Consideration of Chief Executive Officer Award of "At Risk" Compensation
- C. Consideration of Chief Executive Officer Extension of Term of Employment Agreement

Motions Required

X. ANNOUNCEMENTS

XI. ADJOURN TO CLOSED SESSION

- A. Conference with Legal Counsel – Anticipated Litigation pursuant to Government Code section 54956.9(d)(2)

XII. RECONVENE TO OPEN SESSION & REPORT ON PERMISSIBLE ACTIONS TAKEN DURING CLOSED SESSION

Board President

XIII. ADJOURNMENT

Board 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, November 10, 2021 via Zoom. Director Nicholson called the meeting to order at 6:04 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; Jacob Eapen, MD; Michael Wallace
Absent:

ROLL CALL

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

Guests: Ed Fayen, Chris Henry, Larry LaBossiere, Paul Kozachenko, Mary Bowron, Walter Choto, Angus Cochran, Kristin Ferguson, Gisela Hernandez, Dr. Shakir Hyder, Kel Kanady, John Lee, Nick Legge, Will Cobb (PwC), Filip Nowak (PwC), and Noah Bell.

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 Eapen 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 – aye
Michael Wallace – aye

The motion unanimously 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*

Director Nicholson presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Minutes of the Regular Meetings of the District Board: October 13, October 18, October 25, and October 27, 2021
- B. FY22 IS Data Storage Project

In accordance with District law, policies, and procedures, Director Eapen moved that the Board of Directors approve the Consent Calendar, items A and B. Director Yee seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

Chris Henry, Chief Financial Officer, introduced Will Cobb and Filip Nowak from Price Waterhouse Coopers who presented the FY 2021 audit results report to the Board of Directors. They noted there were no uncorrected misstatements identified for fiscal year 2021; there were no material weaknesses identified; and, there were no audit adjustments related to fiscal year 2021.

*PRESENTATION:
RESULT OF ANNUAL
AUDIT FY 2021*

The audit noted no instances of fraud at the District. The valuation assumptions considered by management are reasonable and the accounts receivable balances as of June 30, 2021 have been reasonably stated. It was noted that given the funding that the District has received from Federal coronavirus relief funding (most notably the CARES Act), the District now qualifies for an audit required by Title 2 of U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). The Uniform Guidance reporting package can be submitted to the federal government up to nine months after fiscal year end (before September 30, 2022). The most significant portion of the District’s federal funding subject to Uniform Guidance are the “Provider Relief Funds.”

Other required communications to the Board included:

- There were no conditions and events that were identified that indicate there is substantial doubt about the District’s ability to continue as a going concern.
- There are no difficult or contentious matters identified.
- No identification of any potential or known fraud. No indications of management override identified through the audit procedures performed in response to the presumed significant risk related to management override of controls.
- There are no illegal acts identified.

Following the presentation of the Audit Report, Director Eapen moved that the Board approve the FY 2021 Audit Results Report to the Board of Directors in accordance with District law, policies, and procedures. Director Wallace seconded the motion.

*ACTION: APPROVAL
OF FY 2021 AUDIT
RESULTS REPORT*

Roll call was taken:

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

The motion unanimously carried.

Dr. Shakir Hyder, Chief of Staff, reported there are 569 Medical Staff members including 346 active members and 91 ambulatory members.

*MEDICAL STAFF
REPORT*

On behalf of Ms. Debbie Feary, Service League President, Angus Cochran reported 114 members of the Service League volunteered 1,585 hours over the past month. High School volunteers have been added back in to the schedule to help in the Gift Shop. The WOOF Canine Therapy Program has expanded from a couple patient areas to visiting patients throughout the hospital. The Masquerade Jewelry sale will return on-side in Anderson Auditorium November 29-December 2.

*SERVICE LEAGUE
REPORT*

Mary Bowron, Chief of Quality and Resource Management presented the Quality Dashboard for the quarter ending September 30, 2021 comparing WHHS statistics to State and National benchmarks. We had zero MRSA Bloodstream Infections this past quarter. We had zero MRSA bloodstream infections. We had zero Central Line Associated Bloodstream Infections (CLABSI), which was lower than predicted. We had three Catheter Associated Urinary Tract Infection, which was above the predicted number of infections (2.158). C-Difficile: We had zero hospital-wide C. diff infections. We had zero infections following colon surgery and zero infections following abdominal hysterectomy. Hand Hygiene was at 89%.

*QUALITY REPORT:
QUALITY DASHBOARD
QUARTER ENDING
SEPTEMBER 2021*

Our moderate fall with injury rate was lower than the national rate for the quarter at 0.33. Hospital Acquired Pressure Ulcer rate of 0% was lower than the national rate this past quarter.

We had a lower percent of 30-day Medicare pneumonia readmissions compared to the CMS national benchmark (9.4% versus 16.7%). Our 30-day readmission rate for AMI discharges was below the CMS benchmark (14.3% versus 15.8%). 30-day Medicare Heart Failure readmissions were lower (12.5% versus 21.9%) than the CMS benchmark. Our 30-day Medicare Chronic Obstructive Pulmonary Disease (COPD) readmission rate was below the CMS benchmark (9.1% versus 19.6%). Our 30-day Medicare CABG readmission rate was lower (0.0% versus 12.6%) than the CMS benchmark. Our 30-day Medicare Total Hip Arthroplasty (THA) and/or

Total Knee Arthroplasty (TKA) was lower than the CMS benchmark (0% versus 4.0%).

Chris Henry, Vice President & Chief Financial Officer, presented the Finance Report for September 2021. The average daily inpatient census was 154.9 with admissions of 804 resulting in 4,648 patient days. Outpatient observation equivalent days were 342. The average length of stay was 5.78 days. The case mix index was 1.608. Deliveries were 141. Surgical cases were 384. The Outpatient visits were 8,102. Emergency visits were 4,401. Cath Lab cases were 219. Joint Replacement cases were 170. Neurosurgical cases were 16. Cardiac Surgical cases were 13. Total productive FTEs were 1,333.4. FTEs per adjusted occupied bed were 6.01.

FINANCE REPORT

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for October 2021. Preliminary information for the month indicated total gross revenue at approximately \$188,287,000 against a budget of \$170,053,000. We had 18 COVID-19 discharges which represented 2% of total discharges. This is one of the lower number of COVID-19 discharges since the onset of the pandemic.

*HOSPITAL
OPERATIONS REPORT*

The Average Length of Stay was 5.24. The Average Daily Inpatient Census was 142.0. Of the 18 COVID-19 discharges in the month, the average length of stay was 10.4 days; twelve of the discharged patients had lengths of stay greater than 30 days. Still in house at the end of October were seven patients with length of stays of over 30 days and counting.

There were 4,403 patient days. There were 362 Surgical Cases and 219 Cath Lab cases at the Hospital. The shift in Joints from inpatient to outpatient continues at a higher rate than expected; only 5% of the total joint replacement cases were inpatient compared to 35% budgeted.

Deliveries were 135. Non-Emergency Outpatient visits were 8,014. Emergency Room visits were 4,209 and we are at 93.7% of pre-COVID level. Total Government Sponsored Preliminary Payor Mix was 70.4%, against the budget of 72.4%. Total FTEs per Adjusted Occupied Bed were 5.45. The Washington Outpatient Surgery Center had 545 cases and the clinics had approximately 17,528 visits.

There were \$762,722 in charity care applications pending or approved in October. For the fiscal year to date September, there were 556 patient encounters representing 361 homeless patients of which 78 had more than one encounter during the period. The estimated total unreimbursed cost for fiscal year to date was approximately \$2.5M.

- The Community vaccination clinic is scheduling people 5 years of age and older. As of Monday, November 8th, a total of 73,412 COVID vaccine doses have been administered to community members at our vaccination clinic, including 108 vaccinations of children ages 5-11 years old.

ANNOUNCEMENTS

- From October 12-15, staff from WTMF administered boosters to the residents of the Masonic Home in Union City. 407 residents were vaccinated.
- Thursday, October 14th: Think Pink Breast Health Awareness event on Facebook Live and YouTube.
- Thursday, November 4th: Stroke: Warning Signs and Prevention
- Scheduled for Thursday, November 11th: Why Does My Ankle Hurt? Causes and Treatment of Ankle Pain
- Scheduled for Thursday, November 18th: Always Tired? Ways to Fight Fatigue
- Scheduled for Wednesday, November 24th and December 1st: Kristi Caracappa Health Insurance Information Service Coordinator will present Medicare Options for 2022.
- Scheduled for Tuesday, December 7th: Healing Foods – Our Food Choices and Our Health
- Top Hat Gala raised over \$470,000 in support of WHHS' new Inpatient Acute Rehabilitation Center.
- Through its Grateful Patient and Planned Giving programs, the Foundation has documented approximately \$2,125,000 in estate gifts from community members.
- Holiday Tree Lighting on Wednesday, December 1st from 5:30-6:30 pm – Washington West
- November Employee of the Month: Rebecca Stange, Staff Nurse II, Birthing Center

In accordance with Health & Safety Code Sections 32155, Director Nicholson adjourned the meeting to closed session at 7:24 p.m., as the discussion pertained to a Conference with Legal Counsel. Director Nicholson stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this is a Zoom session and we have 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 November 11, 2021. He indicated that the minutes of this meeting will reflect any reportable actions.

ADJOURN TO CLOSED SESSION

Director Nicholson reconvened the meeting to open session at 8:07 pm and reported that there was no reportable action taken in closed session.

RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION

There being no further business, Director Nicholson adjourned the meeting at 8:07 pm.

ADJOURNMENT

William F. Nicholson, M.D.
President

Michael J. Wallace
Secretary

A regular meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, November 15, 2021 via Teleconference. Director Nicholson called the meeting to order at 6:01 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

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

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Chris Henry, Chief Financial Officer; Ed Fayen, Executive Vice President & Chief Operating Officer; Tina Nunez, Vice President; Larry LaBossiere, Chief Nursing Officer; Paul Kozachenko, Legal Counsel; Dee Antonio, District Clerk

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. The Board made such a finding at its meeting earlier in the month.

OPENING REMARKS

Director Nicholson presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Resolution No. 1233: Amendments to Retirement Plan
- B. Boilers for Steamer and Kettle

In accordance with District law, policies, and procedures, Director Eapen moved that the Board of Directors approve the Consent Calendar, items A and B. Director Yee seconded the motion.

Roll call was taken:

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

The motion unanimously carried.

There were no oral or written communications.

COMMUNICATIONS

In accordance with Health & Safety Code Sections 32106, 32155 and California Government Code 54956.9(d)(2), Director Nicholson adjourned the meeting to closed session at 6:06 p.m., as the discussion pertained to a Conference involving trade secrets pursuant to Medical Staff and Quality Assurance Committee, Health & Safety Code section 32155, Conference with Legal Counsel-Anticipated litigation

ADJOURN TO CLOSED SESSION

pursuant to government code section 54956.9(d)(2), Conference involving Personnel Matters, and consideration of closed session Minutes: October 13, 18, and 27, 2021. Director Nicholson stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this is a Teleconference call and we have 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 November 16, 2021. He indicated that the minutes of this meeting will reflect any reportable actions.

Director Nicholson reconvened the meeting to open session at 8:40 pm. The District Clerk reported that the Board approved the Closed Session Minutes of October 13, 18, and 27, 2021 and the Medical Staff Credentials Report in closed session by unanimous vote of all Directors present:

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

William Nicholson, MD
Jeannie Yee
Bernard Stewart, DDS
Jacob Eapen, MD

There being no further business, Director Nicholson adjourned the meeting at 8:40 pm.

ADJOURNMENT

William Nicholson, M.D.
President

Michael J. Wallace
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, November 22, 2021 via Zoom. 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; Jeannie Yee *ROLL CALL*

Excused: Jacob Eapen; Michael Wallace

Also present: Shakir Hyder, MD; Tim Tsoi, MD; Jeff Stuart, MD; Mark Saleh, MD; Jan Henstorf, MD; Kimberly Hartz, Chief Executive Officer, Larry LaBossiere, Chief Nursing Officer; Dee Antonio, District Clerk

Guests: Kristin Ferguson

There were no oral or written communications. *COMMUNICATIONS*

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 Sections 1461 and 32155. *ADJOURN TO CLOSED SESSION*

Director Nicholson reconvened the meeting to open session at 8:30 a.m. and reported no reportable action taken in closed session. *RECONVENE TO OPEN SESSION & REPORT ON CLOSED SESSION*

There being no further business, the meeting adjourned at 8:30 a.m. *ADJOURNMENT*

William Nicholson, M.D.
President

Michael Wallace
Secretary



Memorandum

DATE: November 15, 2021
TO: Kimberly Hartz, Chief Executive Officer
FROM: Shakir Hyder, MD, Chief of Staff
SUBJECT: MEC for Board Approval:

The Medical Executive Committee, at its meeting of November 15, 2021, approved:

- Guidelines for Moderate Sedation/Deep Sedation
- Guidelines for Anesthesia Care

Please accept this memorandum as a formal request for presentation to the Board of Directors for final approval of the attached:

- Guidelines for Moderate Sedation/Deep Sedation
- Guidelines for Anesthesia Care

GUIDELINES FOR MODERATE SEDATION/DEEP SEDATION

(Rev. by Board 4-10-96, 6-11-99, 4-10-02)

Introduction

The standards for sedation and anesthesia care apply when patients receive, in any setting, for any purpose, by any route, moderate or deep sedation as well as general, spinal or other major regional anesthesia. This policy addresses only moderate to deep sedation. Refer to additional policies related to general anesthesia.

Definitions of the four levels of sedation and anesthesia include the following (Adapted from the ASA's Continuum of Depth of Sedation (2014))

1. Minimal sedation (anxiolysis)
A drug-induced state during which patients respond normally to verbal commands. Although cognitive function and coordination may be impaired, ventilatory and cardiovascular functions are unaffected.
2. Moderate sedation/analgesia (formerly "conscious sedation")
A drug-induced depression of consciousness during which patients respond purposefully to verbal commands, either alone or accompanied by light tactile stimulation. No interventions are required to maintain a patient airway, and spontaneous ventilation is adequate. Cardiovascular function is usually maintained.
3. Deep sedation/analgesia
A drug-induced depression of consciousness during which patients cannot be easily aroused but respond purposefully following repeated or painful stimulation. The ability to independently maintain ventilatory function may be impaired. Patients may require assistance in maintaining a patent airway and spontaneous ventilation may be inadequate. Cardiovascular function is usually maintained.
4. General Anesthesia
Consists of Monitored Anesthesia Care (MAC), general anesthesia and spinal or major regional anesthesia. It does not include local anesthesia. General anesthesia is a drug-induced loss of consciousness during which patients are not arousable, even by painful stimulation. The ability to independently maintain ventilatory function is often impaired. Patients often require assistance in maintaining a patent airway, and positive pressure ventilation may be required because of depressed spontaneous ventilation or drug-induced depression of neuromuscular function. Cardiovascular function may be impaired.

I. Locations for Sedation

These guidelines apply to all locations in the Hospital where sedation is administered. These include, but are not limited to:

Hospital Location	Minimum Sedation	Moderate Sedation	Deep Sedation	General Anesthesia
A. Endoscopy Suites	X	X	✗	X
B. Critical Care Units	X	X	✗	X
C. Emergency Department	X	X	X	✗
D. CT Scanner	X	X	✗	X
E. Operating Room	X	X	✗	X
F. Acute Care Nursing Units	X	✗		
G. Post Anesthesia Care Unit	X	X	✗	✗
H. Short Stay Unit	X	✗		
I. Labor and Delivery	X	✗	✗	X
J. Pediatric Unit Procedure Room	X	✗		
K. Cath Lab	X	X	✗	X
L. Medical Imaging	X	X		✗
M. Intermediate Care Unit	✗	✗		✗

II. Standards for Moderate and Deep Sedation

A. Personnel

Moderate or deep sedation/analgesia is provided by qualified individuals.

Because sedation-to-anesthesia is a continuum, it is not always possible to predict how an individual patient receiving medication with the intent to achieve moderate or deep sedation will respond. Therefore, qualified individuals are trained in professional standards and techniques:

1. to administer pharmacologic agents to predictably achieve desired levels of sedation and
2. to monitor patients carefully in order to maintain them at the desired level of sedation.

Individuals administering moderate or deep sedation are qualified and have the appropriate credentials to manage patients at whatever level of sedation or anesthesia is achieved, either intentionally or unintentionally.

Included in the qualifications of individuals providing moderate or deep sedation are competency-based education, training and experience as follows:

1. evaluating patients prior to performing moderate or deep sedation and
2. performing the moderate or deep sedation to include methods and techniques required to rescue those patients who unavoidably unintentionally slip into a deeper-than-desired level of sedation or analgesia. Specifically,
3. practitioners who have appropriate credentials and are permitted to administer moderate sedation are qualified to rescue patients from deep sedation, and
4. those practitioners who have appropriate credentials and are permitted to administer deep sedation are qualified to manage this level of sedation.
5. practitioners intending to induce moderate sedation are competent to manage a compromised airway and to provide adequate oxygenation and ventilation.
6. practitioners intending to induce deep sedation are competent to manage an unstable cardiovascular system as well as a compromised airway and inadequate oxygenation and ventilation.

Sufficient numbers of qualified personnel as defined in Nursing Policy (in addition to the Licensed Independent Practitioner performing the procedure) are present during procedures using moderate or deep sedation to:

1. Appropriately evaluate the patient prior to beginning moderate or deep sedation,
2. Provide the moderate or deep sedation,
3. ~~Perform~~ assist in the performance of the procedure,
4. Monitor the patient, and
5. Recover and discharge the patient either from the post-sedation or post-anesthesia recovery area or from the organization.

B. Equipment

Appropriate equipment for care and resuscitation is available for monitoring vital signs including heart and respiratory rates and oxygenation using pulse oximetry equipment.

1. Heart rate and oxygenation are continuously monitored by pulse oximetry.
2. Respiratory frequency and adequacy of pulmonary ventilation are continually monitored by observation and continuous capnography.
3. Blood pressure is measured at regular intervals. (At least every 5 minutes)
4. EKG is monitored in all patients.

C. Other Requirements

1. Supplemental oxygen should be administered to patients as indicated.
2. Intravenous access should be secured in all patients. For pediatric patients, the skilled personnel and equipment to start an IV should be immediately available.
3. Agents to reverse effects of drugs immediately available (Naloxone and Flumazenil in addition to other emergency medications).
4. Emergency resuscitation equipment including defibrillator and airway management equipment, Ambu bag.
5. Suction.
6. Emergency call system.
7. The patient's response to care provided throughout the sedation-supported procedure is documented in the patient's record.
8. Privileges for moderate sedation will be overseen by the Department of Anesthesiology and renewed every 2 years.
9. Outcomes of patients undergoing moderate and deep sedation are collected and analyzed in the aggregate in order to identify opportunities to improve care. Cases with complications or unexpected outcomes will also be discussed for peer review.

III. Medications for Minimal and Moderate Sedation

The following sedatives and narcotics may be administered for the purpose of minimal and moderate sedation by a physician with appropriate privileges or by a registered nurse with appropriate training under the direct supervision of a physician, in the manner prescribed. The agents listed below shall be titrated to effect in accordance with the monitoring standards previously described. The following schedule is recommended but can be modified according to the judgment and practice of the prescribing physician. All routes of administration are intravenous unless otherwise specified.

A. Medications

Agent	Dose	Frequency
Adults		
Diazepam	1-2mg	q3-10 min.
Midazolam	0.25-1mg.	q1-5 min.
Fentanyl	Loading dose up to 1mcg/kg then 12.5-50 mcg	q5-10 min.
Morphine	1-4 mg.	Q5-15 min.
Meperidine	12.5-25 mg.	Q5-10 min.
Pediatrics		
Midazolam	P.O. 0.25mg-0.5mg/kg up to 20mg	One time P.O. or S.L.
	Intranasal-0.2 mg/kg to max of 0.4 mg/kg	Intranasal one time
	IV-0.05-0.1 mg/kg	q3-5 min.
Fentanyl	0.5-1 mcg/kg	q5-10 min.
Morphine	0.05 mg/kg IV or 0.1mg/kg IM	q5-15 min.
Meperidine	0.1 mg/kg IV	q5 min. (max dose 1mg/kg)

B. Sedation Antagonists (Reversal Agents)

Agent	Dose	Frequency
Adults		
Naloxone	40-400 mcg.	q5-10 min.
Flumazenil	0.2 mg.	q1 min. up to 1 mg.
Pediatrics		
Naloxone	.01 mg. per kg. or 0.25 ccs per kg. of 0.1 mg./1 milliliter concentration	q5-10 min.
Flumazenil	.01 mg/kg IV over 15 seconds May be repeated at 60 second intervals up to 4 doses (Max dose .05 mg/kg up to 1 mg)	q5-10 min.

Any patient receiving reversal agents should be monitored for at least two hours to detect potential resedation. (Patients receiving long-acting narcotics may warrant further observation.) Flumazenil is not approved for patients less than 1-year old.

IV. Restriction on Agents to be Administered

The following medications when administered intravenously are for the provision of deep sedation and ~~general anesthesia~~ and are not appropriate for ~~sedation unless delivered by an anesthesiologist~~ moderate sedation:-

A. Neuromuscular blocking agents (e.g., Succinylcholine, Vecuronium)

B. Intravenous anesthetics

- ~~1. Sodium thiopental~~
- ~~2. Methohexital~~
- ~~3. Propofol~~
- ~~4. Ketamine~~
- ~~5. Alfentanil~~
- ~~6. Sufentanil~~
- ~~7. Etomidate~~
- ~~8. Dexmedetomidine~~

C. Propofol, Etomidate and Ketamine may also be used in the Emergency Department ~~and Intensive Care Unit~~ for deep sedation by Emergency Department physicians ~~and intensivists in addition to anesthesiologists.~~ ~~Intensivists may also use Dexmedetomidine.~~

V. NPO Status

The same NPO guidelines apply for moderate sedation as general anesthetic.

VI. Pre-procedure Patient Evaluation and Documentation

A. A pre-sedation assessment is performed for each patient before beginning moderate or deep sedation, and the patient pre-sedation assessments are to include:

1. An appropriate medical history and physical examination must be on the chart prior to the procedure.
2. An assessment of the patient's pre-procedure responsiveness to verbal and physical stimuli and vital signs should be performed.
3. For the patient who is scheduled for an outpatient elective procedure, the availability and appropriateness of transportation and monitoring following the procedure, and a plan for transmitting discharge instructions, including the names and phone numbers of medical center staff to contact in the case of an emergency, should be verified prior to the administration of sedation.
4. ~~Prior to the procedure, patients must be given written discharge instructions, including the names and phone numbers of medical center staff to contact in the event of an emergency.~~

B. Each patient's moderate or deep sedation is planned, and the patient is determined to be an appropriate candidate for the planned sedation.

The physician will be responsible for assessing and documenting the appropriateness of the patient for sedation by determining physical status based on the ASA (American Society of Anesthesiology) physical status classification.

ASA Class 1	A normal healthy patient
ASA Class 2 1	A patient with mild systemic disease (current smoker, pregnancy, obesity (BMI < 40), DM, HTN)
ASA Class 3 1 1	A patient with severe systemic disease (poorly controlled DM/HTN, morbid obesity, substance abuse, alcohol dependence, pacemaker, ESRD with regular dialysis, MI, CAD, TIA)
ASA Class 4 1	A patient with severe systemic disease that is a constant threat to life (Recent MI, unstable angina, ischemia, sepsis, severe valve dysfunction, cardiomyopathy)
ASA Class 5 1	A moribund patient that is not expected to survive without the operation (Ruptured AAA, intracranial hemorrhage with mass effect)
ASA Class 6 1	A declared brain-dead patient whose organs are being removed for donor purposes
ASA 3 E	Denotes emergency surgery

C. Sedation options and risks are discussed with the patient and family prior to administration.

Informed consent must be obtained and documented in the medical record as required by Hospital policy prior to the beginning of the procedure and the administration of any sedative agents.

The patient's code status must be confirmed prior to receiving sedation and a plan for reversal, renewal, or continuation of the patient's code status during the procedure must be discussed with the patient or their surrogate and documented in the pre-operative assessment.

D. If the nurse is not comfortable with providing sedation due to the patient status, an anesthesiologist will be consulted before proceeding with the procedure.

VII. Monitoring During the Procedure

The patient is re-evaluated immediately before sedation.

A time-out must be performed prior to the procedure.

Each patient's physiological status is monitored during sedation.

The objective of monitoring the patient during sedation is to ensure the adequacy of ventilation, oxygenation and circulatory function. The following guidelines for monitoring are considered a minimum standard which is required for any patient receiving moderate or deeper level of sedation:

1. Continuous electrocardiographic monitoring
2. Blood pressure at least every 5 minutes
3. Continuous pulse oximetry (SpO₂)
4. Assessment of adequacy of ventilation with continuous capnography. ~~(observation of chest excursion, measuring respiratory rate). End tidal CO₂ monitoring is encouraged~~
5. Responsiveness to verbal and physical stimuli should be assessed 5 minutes after administration of any agent and at least every 10 minutes thereafter
6. Supplemental oxygen should be administered (except in cases where it will cause a fire hazard)

VIII. Documentation During Procedure

The procedure will be documented in the medical record and will include:

- A. The Date, Start and End times
- B. Procedure performed.
- C. Personnel involved.
- D. The assessment performed immediately prior to sedation
- E. Record of vital signs every 5 minutes and responsiveness to verbal and physical stimuli at least every 10 minutes (heart rate, ECG rhythm, BP, SpO₂).
- F. Route, time and dosage of medications administered, including local anesthetics.
- G. Response to medications and treatment.
- H. Documentation of airway maneuvers or rescue performed
- I. Documentation of any adverse or unusual events.

IX. Post-sedation Monitoring and Recovery Criteria

Patients are discharged from the post-sedation recovery phase by a qualified licensed independent practitioner or according to criteria approved by the Medical Staff.

Following completion of the procedure, the patient must be monitored and vital signs assessed at least every 15 minutes until discharge from the recovery room.

Evidence that the patient has met these criteria is documented in the medical record. Patients should be recovered sufficiently to safely return home, or if inpatients, to return to their pre-procedure level of care and monitoring. Patients undergoing elective procedures and who are discharged home must be accompanied by a responsible adult.

X. Reporting of Adverse Events

All cases in which the following events occur should be reported in MIDAS. Adverse Drug Reactions must also be reported to the PN&T Committee.

- J. All cases in which Naloxone or Flumazenil is administered.
- K. All cases in which assistance with ventilation or with maintenance of airway is required.
- ~~L. All unanticipated hospital admissions or increased level of care or untoward outcome.~~

Formatted: Body Text, Indent: Left: 0.48", Hanging: 0.21", Numbered + Level: 2 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: -0.41" + Indent at: 0", Tab stops: 0.69", Left

General Guidelines for Anesthesia Care

1. Anesthesia Locations

A. Anesthesia locations are:

1. Operating Room
2. Endoscopy Suite
3. X-ray
4. Post Anesthesia Care Unit (PACU)
5. Labor & Delivery
6. CT Scanner
7. Cath Lab
8. Emergency Room
9. Critical Care Units
- 9-10. Intermediate Care Unit (IMC)

2. Policies for Anesthesia Care

A. Requirements

1. Except in extreme emergency where delay would imperil the life of the patient, no patient shall be anesthetized for an operative procedure until the following requirements are fulfilled:
 - History and physical examination are recorded on the patient's chart.
 - Pre-operative diagnosis is written and signed by the surgeon.
 - Informed consent is signed. In the case of minors, the consent must be signed by the legal guardian. Patients who are conservator or deemed unable to understand the risks, benefits, and alternatives of treatment will have the consent signed by the person or organization with durable power of attorney.

B. A pre-anesthesia assessment is performed for each patient before anesthesia induction.

1. Each patient's anesthesia care is planned. Every patient to whom an anesthetic is to be given will have a pre-anesthesia evaluation by an anesthesiologist. The pre-anesthesia evaluation should include:
 - Documentation of information relative to choice of anesthesia and the verification of the anticipated procedure including the notation of site and side of surgery.
 - - Anesthesia options and risks are discussed with the patient prior to administration.
 - The patient's previous drug history and other anesthetic experiences.
 - Any potential anesthetic problems.
 - Review the patient's NPO status.
 - A physical exam pertinent to the proposed anesthetic.

- Review of pertinent labwork, imaging, and studies (Refer to “Policies and Procedures for Pre-Operative Testing”)
 - American Society of Anesthesiology (ASA) status will be determined and documented by the anesthesiologist.
 - Informed consent, including discussion of the risks, benefits, and alternatives to anesthesia will be documented in the medical record.
2. An evaluation ~~shall~~ be performed immediately prior to the induction of anesthesia. This will include a review of the chart for completeness, pertinent laboratory data, time of administration and dosages of pre-anesthesia and other medications, pre-induction vital signs, repeat airway exam, and appraisal of any changes in the patient’s condition as compared with that noted on previous visits.
- C. Each patient’s vital signs are monitored during anesthesia administration. (Refer to “Standards for Basic Intra-Operative Monitoring”). During the peri-anesthetic period, the anesthesiologist will:
1. Check the anesthesia equipment and assure readiness, cleanliness, availability and operating condition of all required equipment, machinery, safety mechanisms and drugs.
 2. Maintain life support for the patient.
 3. Record all relevant events taking place during the induction ~~of~~, maintenance ~~of~~, and emergence from anesthesia.
 4. Remain with the patient as long as necessary to ensure their well-being.
- D. Post-Anesthetic Care
1. The anesthesiologist will:
 - ~~Advise~~ nursing personnel of any specific problem presented by the patient’s condition. Transition care using a check-list that covers the pertinent information relative to the patient and their anesthetic care.
 - Record post-anesthetic visits, including at least one note describing the presence or absence of anesthesia related complications.
 2. Both the anesthesiologist and surgeon/proceduralist are to be contacted when the patient develops undue complications in the recovery room, and they shall be jointly responsible for the care of the patient at this point.

Formatted: Indent: Left: 1.25", No bullets or numbering

3. The anesthesiologist is directly responsible for the management of the patient for the anesthetic condition until they are considered to be beyond the post-operative effects of the anesthetic.
4. Patients are discharged from the post-anesthetic care unit by an anesthesiologist or recovery room nurse according to approved criteria.

Outpatient Anesthesia

The candidate for outpatient surgery under major conduction or inhalation anesthesia will be selected and processed in the same manner as an inpatient for the same procedure. The following exceptions apply:

- The patient must be in a state of health which, when combined with the planned surgery, would not be reasonably expected to require hospital admission.
- The patient is to report to Washington Hospital at least 24 hours prior to scheduled surgery time for completion of pre-admission procedures including laboratory studies and paperwork. Patient's whose appointments were more than 30 days prior to surgery must have an updated H&P and consideration for new labwork, studies or imaging.
- Outpatients with all pre-admission steps completed will report to [the](#) Admitting Office at a time consistent with beginning their surgery at its scheduled time.
- The surgeon and/or anesthesiologist should be notified of any change in the patient's condition prior to surgery.

Obstetrical Anesthesia

The Anesthesiology Department will provide obstetrical anesthesia for:

Cesarean section

Epidural analgesia for labor and delivery

Emergencies

Assistance with complex aspects of obstetrics (twin delivery, post-partum hemorrhage, D&C)

Pre-operative consultation for complex obstetric patients.

Basic Safety Requirements

All anesthesia machines shall be equipped with [a](#) pin index safety systems.

All anesthesia machines shall be equipped with fail-safe oxygen regulators.

All anesthesia machines shall be equipped with pressure loss alarm systems.

All anesthesia machines shall be equipped with oxygen [concentration](#) monitors.

All anesthesia machines shall be equipped with gas evacuation systems for the [protection](#) [ofhealth](#) and [safetyhealth](#) of operating room personnel.

Formatted: Font: Bold

No flammable anesthetics ~~shall~~ be used.

All anesthesiologists ~~must have to~~ adhere to the safety rules and regulations as specified in [the Hospital Safety Policy](#) and the Hospital Fire Safety Policy.

Evaluation of New Agents for Sedation

When a new sedative agent is added to the hospital formulary, the guidelines for its use shall be established by the Department of Anesthesiology ~~and~~.

NPO Guidelines

Minimum Fasting Requirements:

Clear Liquids: 2 hours

Breast milk: 4 hours

Infant Formula: 6 hours

Nonhuman milk: 6 hours

Light meals: 6 hours (non-fatty foods typically toast and clear liquids. The amount of food must be taken into account. Larger meals warrant more time.)

Fatty foods, meat, solid foods: 8 hours

Exception to these regulations may be made by the anesthesiologist in charge of the case.

Oral Intake Status of Pre-Operative Patients for Elective Procedures Involving General, Regional or MAC Anesthesia. (Based on Practice Guidelines for Preoperative Fasting and the Use of Pharmacologic Agents to Reduce the Risk of Pulmonary Aspiration: Application to Healthy Patients Undergoing Elective Procedures, Published 2016)

Formatted: Font: 12 pt, Bold

Formatted: Left, Space Before: 0 pt, Line spacing: Multiple 1.15 li

Formatted: Left, Indent: Left: 0", Space Before: 0 pt, Line spacing: Multiple 1.15 li

Formatted: Indent: Left: 0", Space Before: 0 pt, Line spacing: Multiple 1.15 li

Formatted: Space Before: 0 pt, Line spacing: Multiple 1.15 li

Formatted: Normal, Right: 0", Tab stops: Not at 1.65"



Memorandum

DATE: November 15, 2021

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: Request for Purchase of the GE OEC Mobile C-Arm

We are recommending moving forward with the purchase of the GE OEC Mobile C-Arm. This C-Arm has the latest technology, including the latest vascular software package. Since we currently do not have a hybrid room to perform the TAVR procedures, we are utilizing a C-Arm in the OR. This C-Arm will serve as a back-up C-Arm in the event the current C-Arm goes down. We conducted a trial of this particular model to obtain feedback from the surgeons. It was also utilized during a TAVR procedure and received excellent feedback from the surgeons. This machine can also be utilized in orthopedic cases due to the wide field of view, especially during hip replacement procedures. The cost of the new camera will be \$287,869.50, plus tax, which is in line with MD Buyline.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to proceed with the purchase of the GE OEC Mobile C-Arm not to exceed \$323,000, which includes the tax. The total amount was included in the Fiscal Year 22 Fixed Asset Capital Budget.



Memorandum

DATE: December 1, 2021

TO: Kimberly Hartz, CEO

FROM: Ed Fayen, Executive VP and COO
John Lee, CIO

SUBJECT: Epic Radiant Module

While the majority of hospital application systems have migrated from standalone solutions to our integrated electronic medical record solution from Epic Systems originally implemented in 2013, Radiology has been the main exception. While the Radiology department works in conjunction with other key departments who utilize Epic for patient care documentation and workflows, they have been utilizing a separate system from General Electric where documentation is not synchronized with the hospital single patient medical record and orders need to be re-entered to be acted upon. Moving to Epic's Radiant Module will enable a true single information record for patients who receive radiology procedures at the hospital and avoid double documentation.

Epic Radiant includes centralized ordering and resulting, inpatient and outpatient scheduling, access to radiology studies by patients via MyChart, reporting dashboards and the ability to automatically file charges. An integrated system will eliminate the maintenance of current application interfaces and provide a common platform for patients and clinicians to use. The project implementation will take approximately twelve months to complete.

In accordance with District Law, Policies and Procedures, it is requested that the Board of Directors authorize the Chief Executive Officer to enter into the necessary contracts and proceed with the purchase of hardware, software and implementation services necessary for a total amount not to exceed **\$2,165,740**. This project was included in the fiscal year 2022 capital budget for \$900,000 with the plan to spend that amount during the first 6 months of the project during this fiscal year and then include the remaining anticipated spend of \$1,265,740 in the fiscal year 2023 capital budget. This approval request is for the full \$2,165,740 amount with the expectation that the actual spend will be split as indicated above.



Memorandum

DATE: December 1, 2021

TO: Board of Directors, Washington Township Health Care District

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: **Reappointment to the Washington Township Hospital Development Corporation Board of Directors**

The Washington Township Hospital Development Corporation is a public benefit (nonprofit) California Corporation, which is affiliated with the Health Care District. A five member Board of Directors governs the Washington Township Hospital Development Corporation (DEVCO). Its current Board of Directors consists of Benn Sah, MD, Russ Blowers, Miro Garcia, Steven Chan, DDS and Sue Querner.

For the 2022 calendar year, I am recommending for consideration by the Washington Township Health Care District Board of Directors to reappoint the five individuals that served previously on the Washington Township Hospital Development Corporation Board.



WASHINGTON HOSPITAL
MONTHLY OPERATING REPORT

October 2021



**WASHINGTON HOSPITAL
INDEX TO BOARD FINANCIAL STATEMENTS
October 2021**

<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: December 2, 2021
TO: Board of Directors
FROM: Kimberly Hartz, Chief Executive Officer
SUBJECT: Washington Hospital – October 2021
Operating & Financial Activity

SUMMARY OF OPERATIONS – (Blue Schedules)

1. Utilization – Schedule Board 3

	<u>October Actual</u>	<u>October Budget</u>	<u>Current 12 Month Avg.</u>
<u>ACUTE INPATIENT:</u>			
Average Daily Census	142.0	132.1	149.2
# of Admissions	782	794	784
Patient Days	4,403	4,094	4,538
Discharge ALOS	5.24	5.16	5.73
<u>OUTPATIENT:</u>			
OP Visits	8,014	7,893	7,428
ER Visits	4,209	3,767	3,903
Observation Equivalent Days – OP	329	191	269

Comparison of October acute inpatient statistics to those of the budget showed a lower level of admissions and a higher level of patient days. The average length of stay (ALOS) based on discharged days was above budget. Outpatient visits were higher than budget. Emergency Room visits were above budget for the month. Observation equivalent days were higher than budget.

2. Staffing – Schedule Board 3

Total paid FTEs were 99.5 above budget. Total productive FTEs for October were 1,331.0, 98.3 above the budgeted level of 1,232.7. Nonproductive FTEs were 1.2 above budget. Productive FTEs per adjusted occupied bed were 5.45, 0.62 below the budgeted level of 6.07. Total FTEs per adjusted occupied bed were 6.09, 0.75 below the budgeted level of 6.84.

3. Income - Schedule Board 1

For the month of October the Hospital realized income of \$2,779,000 from operations.

Total Gross Patient Service Revenue of \$188,287,000 for October was 10.7% above budget.

Deductions from Revenue of \$144,387,000 represented 76.68% of Total Gross Patient Service Revenue. This percentage is below the budgeted amount of 77.34%, primarily due to payor mix.

Total Operating Revenue of \$44,327,000 was \$5,412,000 (13.9%) above the budget.

Total Operating Expense of \$41,548,000 was \$2,083,000 (5.3%) above the budgeted amount.

The Total Non-Operating Loss of \$846,000 for the month includes an unrealized loss on investments of \$790,000 and property tax revenue of \$1,441,000.

The Total Net Income for October was \$1,933,000, which was \$2,381,000 more than the budgeted loss of \$448,000.

The Total Net Income for October using FASB accounting principles, in which the unrealized loss or income on investments, net interest expense on GO bonds and property tax revenues are removed from the non-operating income and expense, was \$2,441,000 compared to a budgeted loss of \$732,000.

4. Balance Sheet – Schedule Board 2

There were no noteworthy changes in assets and liabilities when compared to September 2021.

KIMBERLY HARTZ
Chief Executive Officer

KH/CH



**WASHINGTON HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
October 2021
GASB FORMAT
(In thousands)**

<u>October</u>				<u>YEAR TO DATE</u>				
<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAV (UNFAV) VAR</u>	<u>% VAR.</u>		<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAV (UNFAV) VAR</u>	<u>% VAR.</u>
\$ 109,420	\$ 110,693	\$ (1,273)	-1.2%	1	\$ 465,758	\$ 455,915	\$ 9,843	2.2%
78,867	59,360	19,507	32.9%	2	310,083	243,113	66,970	27.5%
188,287	170,053	18,234	10.7%	3	775,841	699,028	76,813	11.0%
(141,374)	(128,316)	(13,058)	-10.2%	4	(589,987)	(527,329)	(62,658)	-11.9%
(3,013)	(3,200)	187	5.8%	5	(13,870)	(13,155)	(715)	-5.4%
(144,387)	(131,516)	(12,871)	-9.8%	6	(603,857)	(540,484)	(63,373)	-11.7%
76.68%	77.34%			7	77.83%	77.32%		
43,900	38,537	5,363	13.9%	8	171,984	158,544	13,440	8.5%
427	378	49	13.0%	9	1,574	1,513	61	4.0%
44,327	38,915	5,412	13.9%	10	173,558	160,057	13,501	8.4%
19,648	18,013	(1,635)	-9.1%	11	77,194	73,015	(4,179)	-5.7%
5,669	5,825	156	2.7%	12	22,928	23,215	287	1.2%
5,785	4,944	(841)	-17.0%	13	23,178	20,608	(2,570)	-12.5%
4,786	4,787	1	0.0%	14	19,287	19,006	(281)	-1.5%
1,727	1,961	234	11.9%	15	7,207	7,724	517	6.7%
3,933	3,935	2	0.1%	16	15,813	15,824	11	0.1%
41,548	39,465	(2,083)	-5.3%	17	165,607	159,392	(6,215)	-3.9%
2,779	(550)	3,329	605.3%	18	7,951	665	7,286	1095.6%
6.27%	-1.41%			19	4.58%	0.42%		
212	272	(60)	-22.1%	20	843	1,070	(227)	-21.2%
(39)	-	(39)	0.0%	21	(29)	-	(29)	0.0%
(1,731)	(1,724)	(7)	-0.4%	22	(6,921)	(6,911)	(10)	-0.1%
61	113	(52)	-46.0%	23	184	453	(269)	-59.4%
-	-	-	0.0%	24	-	86	(86)	-100.0%
1,441	1,441	-	0.0%	25	5,770	5,770	-	0.0%
(790)	-	(790)	0.0%	26	(1,342)	-	(1,342)	0.0%
(846)	102	(948)	-929.4%	27	(1,495)	468	(1,963)	-419.4%
\$ 1,933	\$ (448)	\$ 2,381	531.5%	28	\$ 6,456	\$ 1,133	\$ 5,323	469.8%
4.36%	-1.15%			29	3.72%	0.71%		
\$ 2,441	\$ (732)	\$ 3,173	433.5%	30	\$ 6,658	\$ (11)	\$ 6,669	60627.3%
5.51%	-1.88%				3.84%	-0.01%		

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



**WASHINGTON HOSPITAL
BALANCE SHEET**

October 2021
(In thousands)

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOWS			LIABILITIES, NET POSITION AND DEFERRED INFLOWS				
	October 2021	Unaudited June 2021		October 2021	Unaudited June 2021		
CURRENT ASSETS			CURRENT LIABILITIES				
1	CASH & CASH EQUIVALENTS	\$ 22,724	\$ 31,619	1	CURRENT MATURITIES OF L/T OBLIG	\$ 10,065	\$ 10,930
2	ACCOUNTS REC NET OF ALLOWANCES	84,648	73,792	2	ACCOUNTS PAYABLE	16,666	18,246
3	OTHER CURRENT ASSETS	14,030	12,052	3	OTHER ACCRUED LIABILITIES	97,825	112,710
4	TOTAL CURRENT ASSETS	121,402	117,463	4	INTEREST	6,493	10,597
				5	TOTAL CURRENT LIABILITIES	131,049	152,483
ASSETS LIMITED AS TO USE			LONG-TERM DEBT OBLIGATIONS				
6	BOARD DESIGNATED FOR CAPITAL AND OTHER	215,539	215,928	6	REVENUE BONDS AND OTHER	203,694	211,490
7	REVENUE BOND FUNDS	6,601	6,643	7	GENERAL OBLIGATION BONDS	325,520	328,564
8	BOND DEBT SERVICE FUNDS	11,091	32,763				
9	OTHER ASSETS LIMITED AS TO USE	9,976	10,098	OTHER LIABILITIES			
10	TOTAL ASSETS LIMITED AS TO USE	243,207	265,432	11	SUPPLEMENTAL MEDICAL RETIREMENT	38,017	40,419
12	OTHER ASSETS	252,693	246,106	12	WORKERS' COMP AND OTHER	8,417	8,033
13	PREPAID PENSION	7,315	5,161				
14	OTHER INVESTMENTS	12,274	12,163	15	NET POSITION	530,630	524,174
15	NET PROPERTY, PLANT & EQUIPMENT	624,138	640,049	16	TOTAL LIABILITIES AND NET POSITION	\$ 1,237,327	\$ 1,265,163
16	TOTAL ASSETS	\$ 1,261,029	\$ 1,286,374	17	DEFERRED INFLOWS	57,253	65,274
17	DEFERRED OUTFLOWS	33,551	44,063	18	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	\$ 1,294,580	\$ 1,330,437
18	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,294,580	\$ 1,330,437				



**WASHINGTON HOSPITAL
OPERATING INDICATORS**

October 2021

12 MONTH AVERAGE	October						YEAR TO DATE			
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
149.2	142.0	132.1	9.9	7%	1					
8.8	10.6	6.2	4.4	71%	2					
158.0	152.6	138.3	14.3	10%	3					
7.7	8.9	6.7	2.2	33%	4					
165.7	161.5	145.0	16.5	11%	5					
2.3	3.9	2.4	1.5	63%	6					
4,538	4,403	4,094	309	8%	7					
269	329	191	138	72%	8					
784	782	794	(12)	-2%	9					
5.73	5.24	5.16	0.08	2%	10					
1.623	1.600	1.578	0.022	1%	11					
155	172	130	42	32%	12					
21	22	27	(5)	-19%	13					
13	16	10	6	60%	14					
176	152	157	(5)	-3%	15					
365	362	324	38	12%	16					
204	219	203	16	8%	17					
118	135	116	19	16%	18					
7,428	8,014	7,893	121	2%	19					
3,903	4,209	3,767	442	12%	20					
1,306.3	1,331.0	1,232.7	(98.3)	-8%	21					
185.8	157.3	156.1	(1.2)	-1%	22					
1,492.1	1,488.3	1,388.8	(99.5)	-7%	23					
5.49	5.45	6.07	0.62	10%	24					
6.26	6.09	6.84	0.75	11%	25					

PATIENTS IN HOSPITAL

ADULT & PEDS AVERAGE DAILY CENSUS
 OUTPT OBSERVATION AVERAGE DAILY CENSUS
 COMBINED AVERAGE DAILY CENSUS
 NURSERY AVERAGE DAILY CENSUS
 TOTAL
 SPECIAL CARE NURSERY AVERAGE DAILY CENSUS *
 ADULT & PEDS PATIENT DAYS
 OBSERVATION EQUIVALENT DAYS - OP
 ADMISSIONS-ADULTS & PEDS
 AVERAGE LENGTH OF STAY-ADULTS & PEDS

OTHER KEY UTILIZATION STATISTICS

OVERALL CASE MIX INDEX (CMI)

SURGICAL CASES

JOINT REPLACEMENT CASES
 NEUROSURGICAL CASES
 CARDIAC SURGICAL CASES
 OTHER SURGICAL CASES

TOTAL CASES

TOTAL CATH LAB CASES

DELIVERIES

OUTPATIENT VISITS

EMERGENCY VISITS

LABOR INDICATORS

PRODUCTIVE FTE'S
 NON PRODUCTIVE FTE'S
 TOTAL FTE'S

PRODUCTIVE FTE/ADJ. OCCUPIED BED

TOTAL FTE/ADJ. OCCUPIED BED

* included in Adult and Peds Average Daily Census

To: Board of Directors
From: Paul Kozachenko, Legal Counsel
Date: December 1, 2021

**Subject: Consideration of Chief Executive Officer's Employment Agreement:
Base Salary, Incentive Award and Extension of Term**

Background

The Chief Executive Officer is the only employee of the District who is hired directly by the Board. Annually, the Board reviews the CEO's performance as required by the employment agreement. As a part of that process, the Board considers data provided by an independent healthcare compensation consultant and all other factors the Board considers important. The Board then decides whether or not base salary should be adjusted and whether to make an award of incentive compensation. The Board also considers whether to make any other revisions to the Chief Executive Officer's Employment Agreement.

The District has a long-standing philosophy of wage parity for all employees, which includes the CEO. Wage parity means the CEO is not paid at the top, nor is she compensated towards the bottom of the scale. The District's compensation philosophy of marketplace parity establishes a base salary for the CEO at around the 65th percentile of her peer group and total cash compensation for the CEO in the range of the 75th percentile of her peer group with a maximum possible incentive award of 25% of base salary. Benchmarking executive compensation based on peer group data is standard practice for establishing reasonable compensation for executives working for non-profits. The District's compensation philosophy reflects the District's long-standing philosophy of wage parity for all employees.

Annually, the Board engages Arthur J. Gallagher & Company ("Gallagher") to provide a report (the "Gallagher Report") for the Board's use in deciding compensation for the CEO. Gallagher is a leading healthcare compensation consultant in the United States. Hundreds of healthcare systems use Gallagher's services as an independent consultant to satisfy Internal Revenue regulations for determining the range of reasonable compensation.

The Gallagher Report assesses the competitiveness of the cash compensation for the Chief Executive Officer. Appendix A of the Gallagher Report includes a list of similarly situated California organizations in Gallagher's proprietary database. The Gallagher Report for the current fiscal year is attached to this memorandum and is dated September 2021.

The Gallagher Report provides the Board with appropriate comparability data in accordance with IRS regulations. In its report, Gallagher reviewed background data on the District for the 2020-2021 and 2021-2022 fiscal year. Gallagher then compiled data on compensation levels for

California healthcare systems regressed for size using data from Gallagher's proprietary database and salary surveys. Based on the foregoing, Gallagher prepared market charts summarizing compensation survey data at the 25th, 50th percentile, and 65th percentile for the California peer group. The charts are prepared for both base salary and total cash compensation (which includes the potential incentive award.)

Prior Board Action

The Board approved the Employment Agreement for Ms. Hartz at a Board meeting on June 12, 2019. At that time, the Board set Ms. Hartz's base salary at 80% of the 65th percentile in recognition that while Ms. Hartz had substantial experience and knowledge given her years of service as a Senior Associate Administrator, she had not yet served as a CEO. The Board set her base salary at 80% of the 65th percentile, or \$712,000. Ms. Hartz was eligible to earn an incentive award of 25% of her base salary based on achieving performance goals.

According to the Employment Agreement, the Board was due to consider an annual base salary adjustment and incentive award by October 31, 2020, for the fiscal year ended June 30, 2020. Due to the impact of the COVID-19 pandemic, Ms. Hartz requested that the Board defer any consideration of a base salary adjustment and incentive award until after the end of the fiscal year ended June 30, 2021. Ms. Hartz's base salary has remained the same since July 1, 2019, and she received no portion of the incentive award for the prior fiscal year.

Base Salary Adjustment

The chart on Page 9 shows Ms. Hartz's current salary of \$712,000 compared against the Peer Group at the 25th, 50th, and 65th percentiles. Her current salary is 4% below the 25th percentile (\$741,000) and 17% below the 50th percentile (\$861,000), and 25% below the 65th percentile (\$944,000), which is the Board's target for base salary. As the Gallagher Report notes, as Ms. Hartz acquires experience as the CEO and based on her performance, it would be expected that her base salary should move closer to the 65th percentile.

Incentive Compensation for 2020-2021

Ms. Hartz's current employment agreement states that she is eligible to earn an incentive of up to 25% of her base salary. Page 14 of the Gallagher Report shows that if the Board chooses to award the full 25% of base salary, the CEO's total cash compensation for the fiscal year ending 2021 would be 3% below the 25th percentile and 18% below the 50th percentile.

Historically, the Board has considered a number of factors in determining the amount of the incentive award portion of the CEO's compensation. These factors include consideration of various accomplishments during the past fiscal year. The Board has received a separate memorandum from the CEO, which includes a list of accomplishments for the Board's consideration in determining an incentive award.

Based on Ms. Hartz's current base salary, the Board can decide to make an award of incentive compensation from \$0.00 (0% of base salary) to \$178,000 (25% of base salary).

Extension of Contract

In addition to reviewing cash compensation, the Board typically agrees to extend the CEO's Employment Agreement to maintain a four-year term. Since the contract was not extended last year, the Board would need to extend the contract by two years to maintain a four-year term.

Possible Board Actions

In summary, the Board should consider the following for action:

1. A base salary adjustment based on performance and the existing compensation philosophy.
2. An incentive award of up to 25% of base salary.
3. Extension of the term of the agreement by two years.



Memorandum

DATE: December 3, 2021

TO: Board of Directors, Washington Township Health Care District

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: **Annual Report to the Board: Summary: Fiscal Year 2020-2021**

Introduction

I welcome this opportunity to present my first annual summary report to the Board. This annual report was scheduled to be provided by October 1st, 2020. However, because of the unprecedented intensity of the impact of the COVID-19 Pandemic, this report was necessarily delayed. I appreciate the Board's understanding and support during this challenging time in the District's history. Although the focus of this report is the fiscal year July 1, 2020, through June 30, 2021, I will also refer to events from the prior fiscal year.

COVID-19

We now all realize that in mid-March 2020, the world changed for California hospitals, including Washington Hospital Healthcare System. As COVID-19 infections began spreading across California, Governor Gavin Newsom declared a State of Emergency due to the pandemic. On March 17, 2020 Alameda County issued a "shelter in place" order. Washington Hospital cancelled all elective and non-urgent services. These actions had significant and immediate impacts on hospital patient volumes and revenue. Additionally, operating expenses increased substantially due to COVID-19 surge preparations including implementation of new care protocols, procurement of suddenly expensive and hard-to-find personal protective equipment (PPE), acquisition of testing equipment, additional staffing, and facility improvements including turning an additional 74 rooms to negative air pressure to accommodate new infectious disease protocols. We also converted 5-West to serve as a COVID unit staffed by nurses who volunteered to care for these patients. We provided iPads to our patients to enable them to talk with their family members who were not allowed in-person visits because of the quarantine mandates and visitation rules. We maintained close contact with the nursing homes in our area to monitor and support their vulnerable population. These actions were necessary to address the unprecedented public health emergency, and the impacts on Washington Hospital have been extensive and costly.

In March 2020, I activated a COVID-19 Working Group that met daily to discuss all aspects of our status and response to the Pandemic. This was a collaborative multi-disciplinary group approach, which consisted of staff and leadership working in concert with the Medical Staff to meet the demands facing the Healthcare System and to ensure the safety of our patients, staff and physicians. We discussed issues related to overall census, ventilator status, maintaining adequate levels of PPE supplies, and testing processes both for patients and staff. The input of the Medical Staff leaders was critical as they worked side-by-side with Hospital administration and staff to uphold the Patient First Ethic and provide clear communication to the members of the Medical Staff. As a result, we have established a more collaborative culture that will improve patient care and ensure quality of outcomes even as the Pandemic ends.

During this past fiscal year (FY21), Washington experienced significant surges of COVID-19 patients followed by a drop in cases in early Spring, which gave us a much-needed breather. We welcomed the FDA approval of vaccines for emergency use in December and immediately began vaccinating our employees and Medical Staff. The Washington Township Medical Foundation (WTMF) opened a Vaccine Clinic giving out 66,827 vaccine doses from February 1st through June 30th. As previously stated to you, our staff and community reported consistent and overwhelming gratitude from those receiving the vaccine. Our vaccination program was open to all qualified recipients, regardless of health plan affiliation. Thus, we truly met our responsibility as a health care leader and health care resource to our community. Despite all of the unprecedented challenges, Washington Hospital Healthcare System was able to successfully continue to provide high quality care and meet the community's health care needs.

As we approach the flu season, we will remain vigilant and ready should our community experience another surge.

Financial Results

Washington Hospital has experienced the most unprecedented medical and economic challenges in its history during the COVID-19 Pandemic. The Pandemic has had a significant adverse financial impact on California hospitals, including Washington Hospital.

The Health Care District gratefully received funds through the CARES Act at the beginning of the Pandemic. However, since the last distribution of provider relief funding, there has been no further assistance provided to hospitals, despite many California hospitals, including Washington Hospital, experiencing the greatest surge in COVID-19 patients from July 2020 to February 2021.

To provide some perspective, during the four-month period between March 2020 and June 30, 2020, the Hospital admitted approximately **92** COVID-19 inpatients. During the eight-month period from July 1, 2020 through February 28, 2021, Washington admitted over **700** COVID-19 inpatients. During this same time period, Washington Hospital continued to struggle with lower patient volumes since many of our profitable elective and non-urgent services had to be canceled so that we could address the surge in COVID-19 patients.

Additionally, as mentioned, Washington Hospital experienced an increase in pandemic-related costs. Washington had to compete with other hospitals to procure expensive and hard-to-find PPE, acquire COVID testing equipment, and acquire ventilators. The Hospital incurred increased labor costs due to the need to add staffing and pay overtime. The Hospital also had to acquire deep freezers and other infrastructure needed to become one of Southern Alameda County's first vaccination sites.

Nevertheless, during the last few months of the June 30, 2021 fiscal year, the District managed to experience positive financial results. The refinancing of the Series 2010 Revenue Bonds resulted in average annual debt service savings of \$1.2 million and total present value savings of \$11.3 million over the remaining life of the bonds.

During the fiscal year the pension plan became fully funded. This resulted in a reduction in fiscal year 2021 pension expense of approximately \$9.0 Million and a reduction to calendar year 2022 funding requirements of \$14.7 million.

In summary, although the Hospital showed a loss of \$7.66M for the year, we managed to substantially improve on the budgeted loss of \$13.46M. In addition, the District exceeded the EBITDA expectations, generating more cash than we estimated at the start of the year. In a year of many financial challenges, this is indeed good news.

	Actual	Budget	Variance
Consolidated EBITDA Format	\$18,033,547	\$15,518,636	\$ 2,514,911

Other Notable Achievements

One of the highlights of this past fiscal year was the successful passing of our Bond Measure XX. The money from Measure XX will provide funding that will allow the District to build a new seismically safe building next to the Morris Hyman Critical Care Pavilion housing critical services such as an intensive care unit for infants and a birthing center. It will also provide funding for the buildout of modern operating rooms and advanced diagnostic and treatment options for heart disease, stroke, cancer, and other diseases. The passage of the Bond Measure helps to secure the future of the Hospital and the ability of the District to meet the state-mandated seismic requirements scheduled for implementation in 2030. The passage of the Bond Measure is also a testament to the public's faith and confidence in the District.

Our affiliation with UCSF continues to grow. In December 2020, we began the UCSF Cardiothoracic and Pediatric Fellow Rotations. In January 2021, we began our Transcatheter Aortic Valve Replacement (TAVR) Program that is an important addition to our Cardiac Program and offers a minimally invasive approach to valve replacement. From its inception, our affiliation with UCSF was designed to bring academic level health care services to our local community. The TAVR program is an important and continued step in realizing our goal.

In May 2021, the Board approved the Joint Venture with UCSF for the Warm Springs Project. Washington Hospital and UCSF Health have partnered together to develop and open a new outpatient health care center that will offer a wide range of primary, specialty and ancillary services to people and businesses in the heart of Fremont's Warm Springs area in 2023.

Despite our intense focus on the Pandemic, our Healthcare System successfully underwent both unannounced and announced surveys this past fiscal year. In April 2021, Washington had a successful unannounced survey by The Joint Commission and once again obtained a three-year accreditation. Washington also underwent our Magnet redesignation survey by the American Nurses Credentialing Center which occurs every four years and recognizes excellence in nursing. As of May 2021, fewer than 9% of American hospitals have achieved the recognition, placing Washington Hospital among the nation's elite. This is no small achievement in a "normal" year let alone during the Covid-19 Pandemic. Achieving Magnet® Designation for another four years is a tribute to our hard-working nurses and staff.

During the last fiscal year, Washington Hospital was also the recipient of a number of awards including:

- American Heart Association Get With the Guidelines – Stroke Gold Plus Achievement Award
- U.S. News & World Report – High Performing Hospital for Knee and Hip Replacement
- Quest for Zero Award in the Emergency Department (Tier 1 and Tier 2)
- Healthgrades America's 50 Best Hospitals for Surgical Care
- Healthgrades Surgical Care Excellence Award
- Healthgrades America's 100 Best Hospitals for Orthopedic Surgery

Washington Township Medical Foundation

Despite the Pandemic, Washington Township Medical Foundation (WTMF) experienced success on a number of fronts.

In terms of primary care, joining the Medical Foundation this past year were: Dr. Thomas Collins-Pallet (Family Practice), Dr. Kevin Porciuncola (Family Practice), and Dr. Rajvir Shahi (Internal Medicine - Oct 2021). Additionally, staff worked with a couple of community physicians to successfully transition their practices to the Medical Foundation when they retired.

As mentioned, the Medical Foundation played a key role in meeting the needs of the community by offering a vaccination clinic open to anyone working or living in the Health Care District. Additionally, during the pandemic, the Medical Foundation was able to quickly set up the infrastructure for telehealth visits for patients in order to continue to meet their health care needs. As a result, WTMF increased their patient visits by 8.3% over budget. Active charts increased by 1.3%.

The Medical Foundation has also focused on improving access by providing patients the ability to directly schedule appointments through MyChart for certain clinics, and becoming more integrated as a Medical Foundation by being able to schedule specialty visits for patients and screening appointments such as mammograms before the patient leaves their primary care physician's office.

Conclusion

There is no doubt that the Pandemic has impacted our Health Care District in unprecedented ways and we experienced some of the greatest challenges in our history. The financial impact on the Hospital and the personal and professional impact on our physicians, nurses, and staff has been extensive.

As I reflect on this past year, notwithstanding all of the challenges, we met our ultimate goal to provide access to high-quality health care to our community. Through the hard work, resilience and compassion shown by staff and physicians from all areas of the Healthcare System, we succeeded at fulfilling the health care needs of our patients when they needed us the most. As I look to the future, I am confident that the lessons and challenges of this past year will serve us well as we continue in our mission to remain an independent community owned healthcare system. Our evolving culture of collaboration, which was forged in the fire of the Pandemic, will provide a foundation on which we can continue to build a healthcare system which will serve our community for generations to come.

CEO TOTAL CASH COMPENSATION REVIEW

WASHINGTON TOWNSHIP HEALTH CARE DISTRICT BOARD OF DIRECTORS

Nica Syers, Senior Consultant

Marilyn Kern, Senior Consultant

September 2021



Gallagher

Insurance | Risk Management | Consulting



Gallagher

Insurance | Risk Management | Consulting

Table of Contents

Introduction

Base Salary Analysis

Total Cash Compensation Analysis

Recommendations & Issues for Consideration

Appendices



Gallagher

Insurance | Risk Management | Consulting

Introduction



Background

Gallagher was asked to

- Assess the competitiveness of cash compensation for Washington Hospital Healthcare System's (WHHS's) Chief Executive Officer
- Provide suggestions, if needed, for modifying the compensation program to support WHHS's compensation philosophy

Gallagher last reviewed the cash compensation of the WHHS CEO in 2020

- WHHS's compensation philosophy targets positioning the CEO's base salary around the 65th percentile of a peer group of California healthcare organizations with the opportunity to additionally earn an incentive award up to 25% of salary



Best Practices

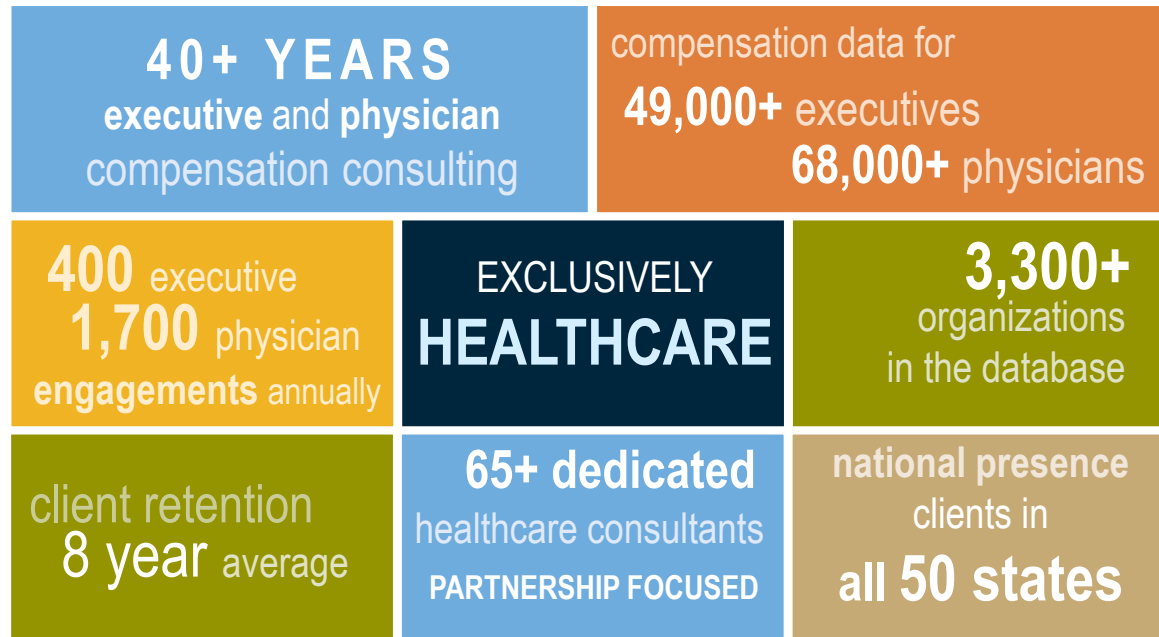
The IRS recommends the following best practices

- Executive compensation should be approved by a board or committee made up entirely of independent directors
- Board or committee should use appropriate comparability data to make its decisions
 - Data should be collected by a reputable third-party consulting firm
 - Data should represent like jobs and like organizations
- Decisions, rationale, and process must be documented in contemporaneous minutes

Gallagher Compensation & Rewards Service Line



Insurance | Risk Management | Consulting



SUPPORTING WHHS

Attracting, Rewarding, and Retaining **World-Class Talent**

About Washington Township Health Care District / Washington Hospital Healthcare System



Insurance | Risk Management | Consulting

Washington Hospital Healthcare System (WHHS) is a complex integrated healthcare delivery system that has a primary service area encompassing 124 square miles of Southern Alameda County with a population of more than 320,000 residents

Washington Township Health Care District	Operates Washington Hospital and employs the CEO; Governed by a five-member publicly elected Board of Directors; Self-funded and receives no parcel or other tax revenue to fund operations	
Mission	To meet the health care needs of the District residents through medical services, education and research.	
Vision	To be the regional medical center of choice in Southern Alameda County offering quality services that span the full range of care within the available financial resources.	
Comprised of	Morris Hyman Critical Care Pavilion Taylor McAdam Bell Neuroscience Institute Washington Radiation Oncology Center Washington Outpatient Surgery Center Washington Outpatient Rehabilitation Center Washington Institute for Joint Restoration and Research Washington Township Medical Foundation	Washington Women’s Center Outpatient Imaging Center Sandy Amos RN Infusion Center UCSF – Washington Cancer Center And, additional outpatient hospital services and administrative facilities

WHHS SCOPE AND DEMOGRAPHICS

Budgeted Net Revenue: \$558 Million | Employees: 1,731 FTEs | Staffed Beds: 150 Staffed Beds



Methodology

Gallagher completed the following steps for this study

Collected and reviewed background information, including

- Financial and demographic data
- Current compensation information

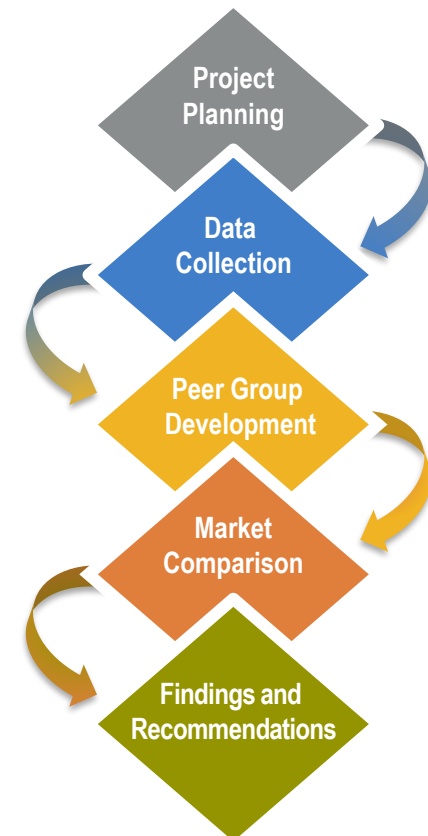
Matched the CEO position to the standard benchmark CEO position at other health systems

Developed a peer group of California healthcare organizations similar to WHHS using data from Gallagher's proprietary database (see Appendix A)

Prepared a market chart summarizing the compensation data for the CEO position (see Appendix B)

Compared each element of cash compensation at WHHS to peer group levels

Prepared this report to document our analysis, findings, and recommendations





Gallagher

Insurance | Risk Management | Consulting

Base Salary Analysis



Salary Comparison

This table compares the CEO's salary to 25th percentile (P25), 50th percentile (P50), and 65th percentile (P65) salary levels from the California peer group

Position (Executive)	WHHS Salary	Peer Group P25	WHHS as a % of P25	Peer Group P50	WHHS as a % of P50	Peer Group P65	WHHS as a % of P65
CEO (Hartz)	\$712,000	\$741,000	96%	\$861,000	83%	\$944,000	75%

- Base salary for Ms. Hartz is positioned
 - 4% below the P25 salary level
 - 17% below the P50 salary level
 - 25% below the P65 salary level, WHHS's stated compensation philosophy



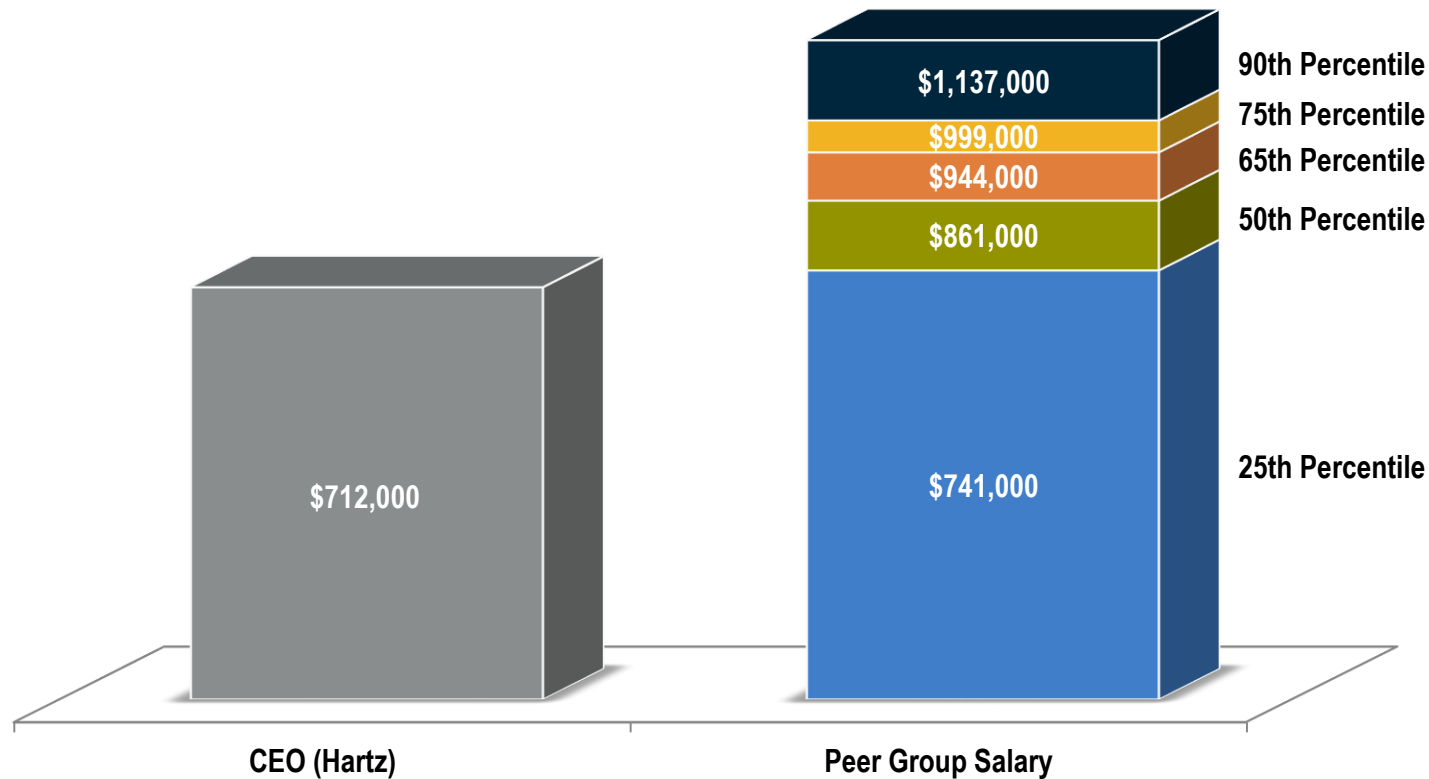
Salary Comparison

This analysis is based upon the market value of the position and does not include the following factors, which can affect positioning of salaries for individual incumbents – either above or below the indicated market value

- Internal value of the job
- Performance
- Experience, skills, future potential, or expertise beyond those normally associated with the position
- WHHS's financial performance



Salary Comparison Summary





Gallagher

Insurance | Risk Management | Consulting

Total Cash Compensation Analysis



Incentive Plan Analysis

Prevalence

- Nearly all of the organizations in WHHS's peer group have an annual incentive plan for the CEO

Incentive Opportunity

- The following table compares WHHS's maximum incentive opportunity with median target and maximum incentive opportunity for CEOs in the peer group

Position (Executive)	WHHS Opportunity	Peer Group Opportunity	
	Maximum	Median Target	Median Maximum
CEO (Hartz)	25%	30%	45%

- Maximum incentive opportunity for Ms. Hartz is positioned below median target opportunity and well below median maximum opportunity for CEOs in WHHS's peer group



Total Cash Compensation Comparison

These tables compare the CEO's **actual** and **maximum** total cash compensation (TCC) to 25th percentile (P25), 50th percentile (P50), and 65th percentile (P65) total cash levels from the California peer group

Position (Executive)	WHHS Actual TCC*	Peer Group P25	WHHS as a % of P25	Peer Group P50	WHHS as a % of P50	Peer Group P65	WHHS as a % of P65
CEO (Hartz)	\$712,000	\$916,000	78%	\$1,091,000	65%	\$1,222,000	58%

* Actual TCC is equal to base salary only as Ms. Hartz was not eligible for an incentive award due to tenure in role

Position (Executive)	WHHS Maximum TCC	Peer Group P25	WHHS as a % of P25	Peer Group P50	WHHS as a % of P50	Peer Group P65	WHHS as a % of P65
CEO (Hartz)	\$890,000	\$916,000	97%	\$1,091,000	82%	\$1,222,000	73%

- Actual TCC for the CEO is positioned 22% below the P25 total cash level
- If the CEO earned a maximum incentive award of 25%, her TCC would be positioned 3% below the P25 total cash level and 18% below the P50 total cash level



Total Cash Compensation Comparison - Structure

This table hypothetically compares the CEO's total cash compensation (TCC) to 25th percentile (P25), 50th percentile (P50), and 65th percentile (P65) total cash levels from the California peer group

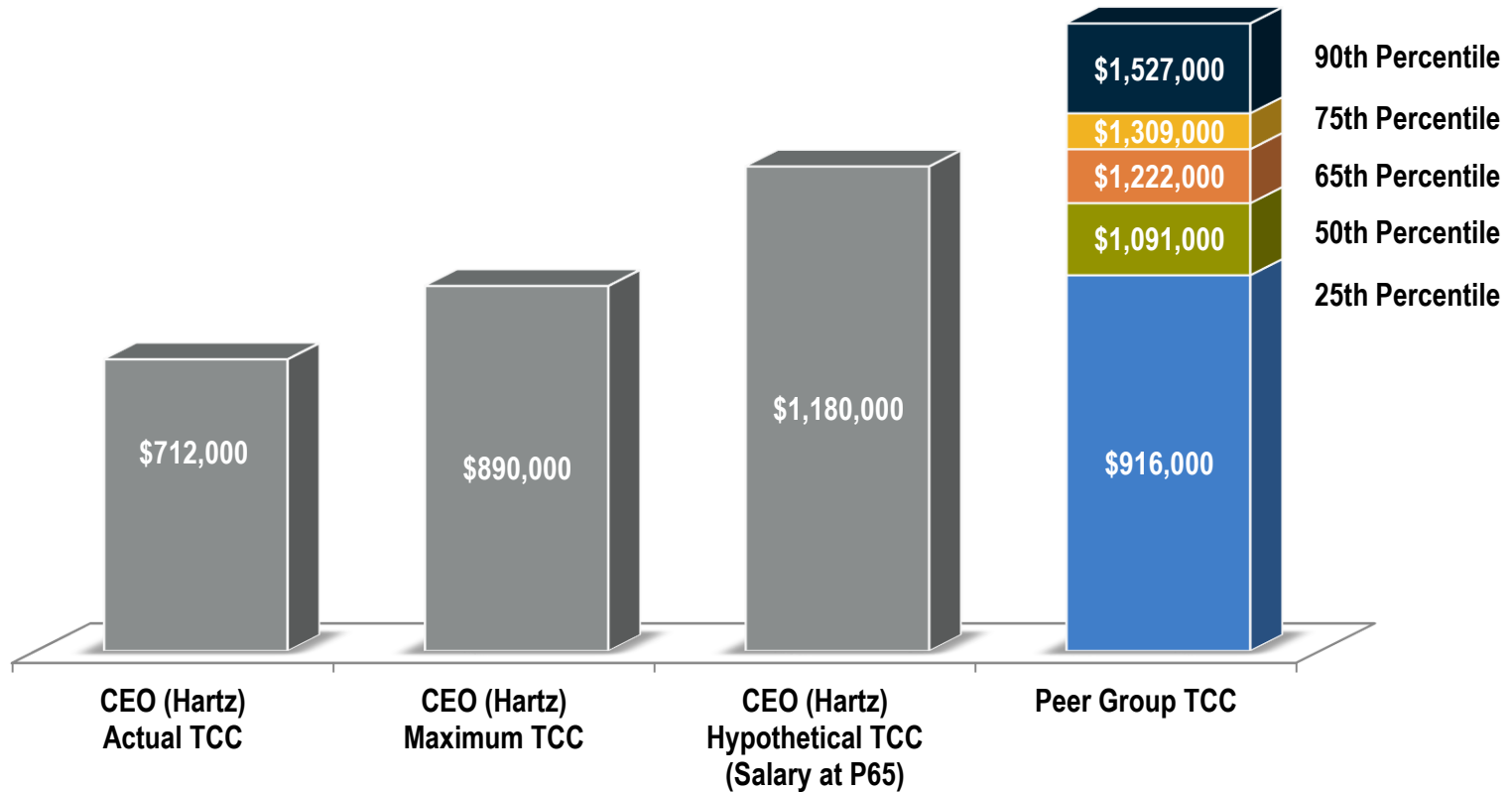
- Hypothetical TCC assumes base salary is set at the **65th percentile** of the California peer group and a maximum incentive award of 25% is earned

Position (Executive)	WHHS Hypothetical TCC	Peer Group P25	WHHS as a % of P25	Peer Group P50	WHHS as a % of P50	Peer Group P65	WHHS as a % of P65
CEO (Hartz)	\$1,180,000	\$916,000	129%	\$1,091,000	108%	\$1,222,000	97%

- If Ms. Hartz had a salary positioned at peer group P65 and earned a maximum incentive award, TCC would be positioned 8% above the P50 total cash level and 3% below the P65 total cash level



Total Cash Compensation Comparison Summary





Gallagher

Insurance | Risk Management | Consulting

Recommendations & Issues for Consideration



Executive Salary Range

Market Movement

- The market data for the CEO position at WHHS increased 3.2% from 2020 to 2021
 - The data gathered in Gallagher’s Leadership survey would indicate that organizations are predicting a an average salary increase of 3.0% for 2022 but the majority of that data was collected pre-pandemic

To assist WHHS in administering the CEO’s salary, Gallagher recommends the salary range in the table below

- The salary range is constructed around a midpoint positioned at the 65th percentile
 - The range is sufficiently broad to allow WHHS the flexibility to position salary based on experience, length of service, individual performance and other factors linked to recruitment and retention

Title	Current Salary	Minimum	Midpoint (P65)	Maximum
Chief Executive Officer (Hartz)	\$712,000	\$755,000	\$944,000	\$1,133,000



Next Step

The Board should receive and consider this market data as it makes its decision on CEO compensation

- Typically, an executive would at least be at the minimum of the range (or \$755,000)
- Over the next few years, if performance is satisfactory, an executive would get closer to the midpoint of the range
 - An executive should be close to the midpoint of the range with four to six years of experience in the role, if performance is good



Gallagher

Insurance | Risk Management | Consulting

Appendix A

Peer Group List

California Peer Group List Regressed for Size



Insurance | Risk Management | Consulting

Organization	City	St	Net Rev (\$M)
Sutter Health	Sacramento	CA	\$13,304.0
Stanford Healthcare	Stanford	CA	\$5,140.9
Adventist Health	Roseville	CA	\$4,500.0
Cedars-Sinai Medical Center	Los Angeles	CA	\$4,277.9
Sharp HealthCare	San Diego	CA	\$3,964.8
Scripps Health	San Diego	CA	\$3,437.2
MemorialCare	Long Beach	CA	\$2,262.9
John Muir Health	Walnut Creek	CA	\$1,859.0
Community Medical Centers - Corporate	Fresno	CA	\$1,810.0
Hoag Memorial Hospital Presbyterian	Newport Beach	CA	\$1,498.1
PIH Health	Whittier	CA	\$1,101.2
Cottage Health	Santa Barbara	CA	\$983.4
Kaweah Delta Health Care District	Visalia	CA	\$772.6
Huntington Hospital	Pasadena	CA	\$632.2
Montage Health	Monterey	CA	\$576.2
MarinHealth Medical Center	San Rafael	CA	\$467.1
Community Memorial Health System	Ventura	CA	\$423.8



Gallagher

Insurance | Risk Management | Consulting

Appendix B

Market Data



Chief Executive Officer (Hartz)

Washington Hospital Healthcare System - Fremont, CA

Competitive Pay Analysis

Effective Date: 7/1/2021

Position: Chief Executive Officer
 Incumbent: Kimberly Hartz
 Base Salary: \$712,000
 Annual Incentive: \$0
 Maximum Opportunity: 25.0%
 Total Direct Cash: \$712,000
 Position Match: Chief Executive Officer

WHHS Demographics:

Net Revenue:	\$558M
Operating Expenses:	\$579M
FTEs:	1,731
Staffed Beds:	150

Survey & Description	n=	Base Salary					Total Cash				
		25th %ile	50th %ile	65th %ile	75th %ile	90th %ile	25th %ile	50th %ile	65th %ile	75th %ile	90th %ile
Gallagher - Chief Executive Officer (#050) <i>Hospitals and Systems, Regression @ \$558M Net Revenue</i>	17	740.6	861.1	943.8	998.9	1136.7	916.2	1090.7	1221.6	1308.9	1527.0
Averages:		741	861	944	999	1137	916	1091	1222	1309	1527
For Reference: Custom California Peer Group											
Gallagher - Chief Executive Officer (#050) <i>Hospitals and Systems, \$424M - \$1.1B Net Revenue, Median = \$716M</i>	10	739.1	825.8	856.1	980.8	1219.2	920.9	979.5	1128.8	1339.6	1640.3
Averages:		739	826	856	981	1219	921	979	1129	1340	1640

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.



Gallagher

Insurance | Risk Management | Consulting