



# 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, March 12, 2025 – 6:00 P.M.

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

<https://whhs.zoom.us/j/99981412172?pwd=gaD3BTjbgMbnmcfZg21JHxyhJ3Xmaz.1>

Password: 619182

Board Agenda and Packet can be found at:

[March 2025 | Washington Hospital Healthcare System](#)

### AGENDA

#### PRESENTED BY:

- |      |   |                                    |
|------|---|------------------------------------|
| I.   | <b>CALL TO ORDER &amp; PLEDGE OF ALLEGIANCE</b>   | Michael Wallace<br>Board President |
| II.  | <b>ROLL CALL</b>  | Cheryl Renaud<br>District Clerk    |
| III. | <b>COMMUNICATIONS</b>   |                                    |
|      | A. Oral<br><i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not on the agenda and within the subject matter of jurisdiction of the Board. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.</i> |                                    |
|      | B. Written  |                                    |
| IV.  | <b>CONSENT CALENDAR</b><br><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>   | Michael Wallace<br>Board President |
|      | A. Consideration of the Minutes of the Regular Meetings of the District Board: February 12, 24 & 26, 2025   | <i>Motion Required</i>             |

Board of Directors' Meeting

March 12, 2025

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V. **PRESENTATION**

A. CT Surgery and Structural Heart Program

**PRESENTED BY:**

Ramin Beygui, MD, FACS  
Medical Director, Cardiothoracic  
Surgery Program

Larry LaBossiere  
Vice President & Chief Operating  
Officer

VI. **REPORTS**

A. Medical Staff Report

Mark Saleh, MD  
Chief of Medical Staff

B. Service League Report

Sheela Vijay  
Service League President

C. Quality Report: Quality Dashboard for Quarter  
Ending December 2024

Mary Bowron  
Chief Quality Officer

D. Finance Report

Ajay Sial  
Interim Vice President & Chief  
Financial Officer

E. Hospital Operations Report

Kimberly Hartz  
Chief Executive Officer

F. Hospital Systems Calendar

Kimberly Hartz  
Chief Executive Officer

VII. **ACTION**

*Motions Required*

A. Budget Amendment for the Morris Hyman Critical  
Care Pavilion Infill Project

Kimberly Hartz  
Chief Executive Officer

B. Consideration of Chief Executive Officer  
Employment Agreement

Paul Kozachenko  
Hospital Legal Counsel

1. Consideration of Adjustments to Base Salary

2. Consideration of Award of "At Risk"  
Compensation

3. Consideration of Extension of Term of  
Employment Agreement

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VIII. **ANNOUNCEMENTS**

IX. **ADJOURNMENT**

Michael Wallace  
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, February 12, 2025 in the Medical Oncology Conference Room at 2500 Mowry Avenue, 2<sup>nd</sup> Floor, Suite # 243, Fremont and Zoom access was provided. Director Wallace called the meeting to order at 6:00 p.m. and led those in attendance of the meeting in the Pledge of Allegiance.

*CALL TO ORDER*

*PLEDGE OF ALLEGIANCE*

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

*ROLL CALL*

Absent: Jacob Eapen, MD

Also present: Kimberly Hartz; Tina Nunez; Larry LaBossiere; Ajay Sial; Paul Kozachenko; Kristin Ferguson; Kel Kanady; Dianne Martin, MD; Laura Anning; Jerri Randrup; Donald Pipkin; Gisela Hernandez; Sheela Vijay; John Lee; Angus Cochran; Felipe Villanueva; Dan Nardoni; John Zubierna; Mark Saleh, MD; Melissa Garcia; Mary Bowron; Brian Smith, MD; Marcus Watkins; Tammi Tyson; Maria Fuentes; Sri Boddu; Cheryl Renaud; Shirley Ehrlich

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

*OPENING REMARKS*

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

There were no Oral Communications.

*COMMUNICATIONS:  
ORAL*

There were no Written Communications.

*COMMUNICATIONS:  
WRITTEN*

Director Wallace presented the Consent Calendar for consideration:

*CONSENT CALENDAR*

- A. Consideration of the Minutes of the Regular Meetings of the District Board: January 8, 22 & 27, 2025.

Director Stewart moved that the Board of Directors approve the Consent Calendar, Item A. Director Yee seconded the motion.

Roll call was taken:

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

Motion Approved.

The CT Surgery and Structural Heart Education Session Presentation has been tabled for the March 12, 2025 meeting.

*PRESENTATION: CT  
SURGERY &  
STRUCTURAL HEART*

Dr. Mark Saleh, Chief of Medical Staff, reported that there are 664 Medical Staff members, 363 active members. Dr. Saleh announced that the new Mobile MRI has been approved and is operational and functioning properly. Dr. Saleh mentioned that the census has been high and the physicians are discharging patients as soon as medically appropriate. Medical Staff Services has scheduled the Annual Dinner Dance for June 2025.

*MEDICAL STAFF  
REPORT*

Sheela Vijay, Service League President, reported that for the month of January, 254 Service League volunteers contributed a total of 2,205 hours across various departments within the hospital.

*SERVICE LEAGUE  
REPORT*

Sheela stated there was some fluctuation in the number of active volunteers since the Covid-19 Pandemic. Before the pandemic, we had 588 volunteers, but that number declined to 347 by March of 2022. Since then, however, we have seen a steady recovery. By March of 2024, the roster had grown by over 55%, reaching 549 volunteers. As of January 2025, she is proud to have 652 volunteers. This positive trend gives hope for the future and are excited to continue expanding and strengthening the volunteer program.

Sheela spoke about the Service League reintroducing tours for the Birthing Center for prospective parents. Three weeks ago she had the opportunity to shadow Chip and Laura Koehler as they led a tour for three couples. Chip and Laura's enthusiasm was evident as they shared their knowledge with humor and answered questions thoroughly, helping families feel confident about their upcoming birthing experience. It was inspiring to see their dedication in helping families feel prepared and supported.

In the beginning of March, the Service League will offer volunteers over the age of 60, an eight-week course on fall prevention. The course called a Matter of Balance will be taught by the Injury Prevention team. It will cover ways to reduce fall risks at home, goal setting for increasing activity, and exercising to increase strength and balance.

The WOOF Pet Therapy Program will begin a community education series, established by WOOF Canine Therapy Program Coordinator, Russ Weinberg. The Zoom presentations about how to keep our canine companions happy and healthy, will feature nationally known speakers and are offered at no charge to community members. The first presentation will take place on Friday, March 14 at 12:00 pm and will teach pet owners how to recognize and treat stress and anxiety in their dogs.

Sheela announced the passing of Harry Lorsbach, the President of the Mended Hearts Chapter 110. For over 3 years, Harry was a leader in our Mended Hearts Volunteer Team, which made over 900 visits with patients, families, and caregivers in 2024. Harry's commitment made a lasting impact, and he will be deeply missed by our program and everyone he helped. We honor his memory and are thankful for everything he did for our patients and their families.

The Service League Annual Meeting is on Tuesday, February 18, 2025.

Kimberly Hartz, Chief Executive Officer, introduced Dr. Dianne Martin who presented the Annual Quality Report for the Infection Prevention Program. She reviewed the background, focus and the multidisciplinary approach of the Infection Prevention Committee. The program components include Quality and Patient Safety, Patient and Family Education, Active Surveillance, Root Cause Analyses and Evidence-Based Policies and Procedures. Dr. Martin also noted that Washington Hospital reports data through the National Healthcare Safety Network (NHSN), Centers for Disease Control (CDC), Centers for Medicare and Medicaid Services (CMS), the California Department of Public Health (CDPH) and the Alameda County Public Health Department.

*QUALITY REPORT:  
2025 INFECTION  
PREVENTION  
PROGRAM PLAN*

Dr. Martin reviewed the Infection Prevention Regulatory Updates and the Successful Strategies from 2024 and the New Strategies for 2025. Dr. Martin also stated that Infection Prevention is involved in all construction projects to proactively manage risk and prevent transmission of infectious agents to vulnerable patient populations, health care workers, and hospital visitors. Dr. Martin started the Antimicrobial Stewardship Program in 2010 to monitor and evaluate antibiotic use. Dr. Martin spoke about planning for the 2025 Ongoing Triple Endemic and how to prevent the spread of COVID, Influenza and RSV Infections. Dr. Martin spoke about Tuberculosis, which is caused by bacteria that attack the lungs or other parts of the body such as the kidney, spine or brain and how Washington Health takes steps to screen, educate, care and provide treatment for patients.

Ajay Sial, Interim Vice President & Chief Financial Officer, presented the Finance Report for December 2024. The average daily inpatient census was 173.0 with discharges of 1,056 resulting in 5,363 patient days. Outpatient observation equivalent days were 401. The average length of stay was 5.48 days. The case mix index was 1.641. Deliveries were 146. Surgical cases were 567. The Outpatient visits were 8,356. Cath Lab cases were 182. Emergency visits were 5,614. Joint Replacement cases were 224. Neurosurgical cases were 26. Cardiac Surgical cases were 7. Total FTEs were 1,678.5. FTEs per adjusted occupied bed was 5.77. Overall, the net income for December was \$1,741,000.

*FINANCE REPORT*

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for January 2025. Patient gross revenue of \$241.8 million for January was favorable to budget of \$227.3 million (6.4%), and it was higher than January 2024 by \$25.6 million (11.9%).

*HOSPITAL  
OPERATIONS REPORT*

Trauma Cases of 169 for January was favorable to the budget of 120 by 49 (40.8%). Trauma gross revenue of \$20.7 million for January was favorable to the budget of \$16.1 million by \$4.6 million (28.8%).

The Average Length of Stay was 5.38. The Average Daily Inpatient Census was 183.1 and was favorable to budget of 180.5 by 2.6 (1.4%). There were 1,069 Discharges that was favorable to budget of 1,019 by 50 (4.9%).

There were 5,677 patient days and was favorable to budget of 5,597 by 80 days (1.4%). There were 539 Surgical Cases and 183 Cath Lab cases at the Hospital.

Deliveries were 144. Non-Emergency Outpatient visits were 9,508. Emergency Room visits were 5,838. Total Government Sponsored Preliminary Payor Mix was 75.2%, against the budget of 74.6%. Total FTEs per Adjusted Occupied Bed were 5.44.

There was \$276K in charity care adjustments in January 2025.

February Employee of the Month is Quatreliia McDonald, Registration Clerk.

*EMPLOYEE OF THE  
MONTH*

Past Health Promotions & Community Outreach Events:

*HOSPITAL CALENDAR*

- January 8: New Year, New You: Essential Health Screenings for Every Age – Facebook and YouTube
- January 14: Health System Update – Kiwanis Club of Fremont
- January 15: Washington Radiology Center Open House
- January 22: Understanding Low Back Pain – Facebook and YouTube
- January 23: Health System Update – Lions Club of Union City
- January 28: Diabetes Education – Acacia Creek Senior Living Community
- January 31: Sports Safety Presentation for Newark Little League – Danielson Clinic
- February 4: Donuts with a Doc – Morris Hyman Pavilion
- February 12: The Watchman Procedure: A New Approach to Stroke Prevention – Facebook and YouTube

Upcoming Health Promotions & Community Outreach Events:

- February 19: Breast Cancer Prevention, Early Detection, and Treatment – Virtual ABWA Meeting
- February 20: Advanced Directives and POLSTs – Newark Senior Advisory
- February 22: Union City Lions Club Crab Feed – Southern Alameda County Buddhist Church, Union City
- February 26: New Technology for Robotic Knee Replacement – Facebook and YouTube
- February 28: Heart Smart: Simple Steps to a Healthier You – Acacia Creek Senior Living
- March 2: Union City Superhero Fun Run – City Hall, Union City
- March 6: Signs and Symptoms of Stroke – Union City Health Walk, Mark Green Sports Center
- March 11: James Logan HS Job & Community Expo – James Logan High School, Union City
- March 12: Menopause and Hormone Replacement Therapy – Facebook and YouTube

There is a Year-Long Heart Health Collaboration in Union City. The purpose is to promote physical activity through counting steps for residents of Union City. There will be monthly walking and fitness challenges, including scavenger hunts. There are weekly motivational emails and workout tips and regular marketing on social media, UC Activity Guides, banners and community centers. There are also monthly Washington Health Walks with clinical staff or physicians, with a specific topic (stroke, diabetes, nutrition, injury prevention, etc.)

The Foundation is pleased to announce that over \$11million has been raised towards our goal of \$12 million for the UCSF-Washington Cancer Center Campaign. The Campaign will triple the size of the UCSF-Washington Cancer Center, providing world-class oncology care to patients close to home. The new cancer center is set to open in early 2026.

At the Annual Meeting of the Foundation on Tuesday, January 28, 2025, the trustees disbursed over \$5.3 million to Washington Health and other entities to support programs such as the UCSF-Washington Cancer Center, outpatient palliative care, trauma service, nursing education and maternal & child health.

The Foundation is hosting a free charitable giving and estate planning seminar on Tuesday, March 11 at 5pm on Zoom and in the Anderson Auditorium. More details can be found on the Foundation's website.

The Foundation's 38<sup>th</sup> Annual Golf Tournament is scheduled for Monday, May 12 at the Club at Castlewood. More details will be shared in the months to come.

There were no Action Items.

*ACTION ITEM*

There were no Announcements.

*ANNOUNCEMENTS*

Director Wallace adjourned the meeting to closed session at 7:33 p.m., as the discussion pertained to reports regarding Conference involving Trade Secrets pursuant to Health & Safety Code Section 32106 (Strategic Planning) and Conference involving Threat to Public Services or Facilities pursuant to Government Code Section 54957 (a)(1) (Consultation with District Counsel, Paul Kozachenko). Director Wallace stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this meeting was being conducted in the Medical Oncology Conference Room and via Zoom, there is no way of knowing when the closed session will end. The public was informed they could contact the District Clerk for the Board's report beginning February 13, 2025. The minutes of this meeting will reflect any reportable actions.

*ADJOURNMENT TO  
CLOSED SESSION*

Director Wallace reconvened the meeting to open session at 8:17 p.m. The District Clerk reported that during closed session, there were no reportable actions taken.

*RECONVENE TO  
OPEN SESSION &  
REPORT ON CLOSED  
SESSION*

There being no further business, Director Wallace adjourned the meeting at 8:17 p.m.

*ADJOURNMENT*

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Michael Wallace  
President

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Jacob Eapen, MD  
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, February 24, 2025 in the Medical Oncology Conference Room at 2500 Mowry Avenue, 2<sup>nd</sup> Floor, Suite #243, Fremont and by Teleconference. Director Nicholson called the meeting to order at 7:30 a.m.

*CALL TO ORDER*

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

*ROLL CALL*

Absent: Michael Wallace

Also present: Kimberly Hartz; Shakir Hyder, MD; Mark Saleh, MD; Ranjana Sharma, MD; Aaron Barry, MD; John Romano, MD; Rohit Arora, MD; Brian Smith, MD; Larry LaBossiere; Terri Hunter

There were no Oral communications.

*COMMUNICATIONS:  
ORAL*

There were no Written communications.

*COMMUNICATIONS:  
WRITTEN*

Director Nicholson adjourned the meeting to closed session at 7:30 a.m. as the discussion pertained to Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Section 32155.

*ADJOURN TO CLOSED  
SESSION*

Director Nicholson reconvened the meeting to open session at 8:45 a.m. and reported no reportable action was taken in closed session.

*RECONVENE TO OPEN  
SESSION & REPORT ON  
CLOSED SESSION*

There being no further business, the meeting adjourned at 8:45 a.m.

*ADJOURNMENT*

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William Nicholson, MD  
First Vice President

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Jacob Eapen, MD  
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, February 26, 2025 in the Medical Oncology Conference Room, 2<sup>nd</sup> Floor, Suite # 243 at 2500 Mowry Avenue, Fremont and Zoom access was provided. Director Wallace called the meeting to order at 6:00 p.m. and led those present in the Pledge of Allegiance.

*CALL TO ORDER*

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

*ROLL CALL*

Also present: Kimberly Hartz; Larry LaBossiere; Terri Hunter; Ajay Sial; Paul Kozachenko; Cheryl Renaud; Shirley Ehrlich

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

*OPENING REMARKS*

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

There were no Oral Communications.

*COMMUNICATIONS:  
ORAL*

There were no Written Communications.

*COMMUNICATIONS:  
WRITTEN*

There were no Items on the Consent Calendar for consideration.

*CONSENT CALENDAR*

There were no Action Items.

*ACTION ITEMS*

There were no Announcements.

*ANNOUNCEMENTS*

Director Wallace adjourned the meeting to closed session at 6:03 p.m., as the discussion pertained to reports regarding Medical Audit & Quality Assurance Matters pursuant to Health & Safety Code Section 32155, Conference involving Trade Secrets pursuant to Health & Safety Code Section 32106 (Strategic Planning) and Conference involving Personnel Matters: Chief Executive Officer. Director Wallace stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this meeting was being conducted in the Medical Oncology Conference Room and via Zoom, there is no way of knowing when the closed session will end. The public was informed they could contact the District Clerk for the Board's report beginning February 27, 2025. The minutes of this meeting will reflect any reportable actions.

*ADJOURN TO CLOSED  
SESSION*

Director Wallace reconvened the meeting to open session at 8:10 p.m. The District Clerk reported that during the closed session, the Board approved the Closed Session Meeting Minutes of January 8 and 22, 2025. The Medical Staff Credentials Committee Report was approved by all Board Members present, with the exception of the items pertaining to William Nicholson, MD and Lucia Yumena, MD.

*RECONVENE TO OPEN  
SESSION & REPORT ON  
CLOSED SESSION*

The Board of Directors made a separate motion and approved the Medical Staff Credentialing Action Items pertaining to William Nicholson, MD and Lucia Yumena, MD. It is noted that Director Nicholson recused himself and abstained from the discussion and vote.

There being no further business, Director Wallace adjourned the meeting at 8:11 p.m.

*ADJOURNMENT*

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Michael Wallace  
President

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Jacob Eapen, MD  
Secretary



**WASHINGTON HEALTH**  
**INDEX TO BOARD FINANCIAL STATEMENTS**  
**January 2025**

<b><u>Schedule Reference</u></b>	<b><u>Schedule Name</u></b>
<b>Board - 1</b>	Statement of Revenues and Expenses
<b>Board - 2</b>	Balance Sheet
<b>Board - 3</b>	Operating Indicators

## MEMORANDUM

Date: February 28, 2025  
 To: Board of Directors  
 From: Kimberly Hartz, Chief Executive Officer  
 Subject: Washington Health (Hospital) – January 2025  
 Operating & Financial Activity

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### SUMMARY OF OPERATIONS – (Blue Schedules)

#### 1. Utilization – Schedule Board

	January <u>Actual</u>	January <u>Budget</u>	Current 12 <u>Month Avg.</u>
<u>ACUTE INPATIENT:</u>			
IP Average Daily Census	183.1	180.5	160.8
Combined Average Daily Census	194	193.4	172.2
No. of Discharges	1069	1,019	934
Patient Days	5,677	5,596	4,905
Discharge ALOS	5.38	5.49	5.31
 <u>OUTPATIENT:</u>			
OP Visits	9,508	8,771	8,755
ER Visits	5,838	5,383	5,181
Observation Equivalent Days – OP	337	400	347

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

#### 2. Staffing – Schedule Board 3

Total paid FTEs were below Budget. Total productive FTEs for January came in at 1,398.6, below Budgeted level of 1,567.3. Non-Productive FTEs were above Budget by 21.9. Total FTEs per Adjusted Occupied Bed were 5.44, or 0.69 better than Budgeted level of 6.13.



### 3. **Income - Schedule Board 1**

Total Gross Patient Revenue of \$241,781,000 for January was \$14,461,000 above Budget, or 6.4%.

Deductions from Revenue totaled \$192,394,000 which equates to a 79.6% blended contractual rate. This was unfavorable to Budgeted rate of 77.2%.

Total Net Operating Revenue of \$51,097,000 was (\$2,118,000) or (4.0%) below Budget.

Total Operating Expenses for the month were \$52,738,000, which was lower than Budget by \$1,007,000, or 1.9%.

For the month of January, the Hospital realized a Net Operating Loss of (\$1,641,000) from Operations, a (3.21%) Margin.

The Total Non-Operating Gain of \$6,891,000 for the month includes an unrealized gain on investments of \$232,000 and was favorable to the budget by \$4,172,000.

The Net Income for January was \$5,250,000, which equates to a 10.3% Margin, and was \$3,061,000 above the Budgeted Net Income of \$2,189,000.

The Total Net Gain for January using FASB accounting principles, in which the unrealized gain on investments, net interest expense on GO bonds and property tax revenues are removed from the non-operating income and expense, was \$3,913,000 (a 7.66% Margin) compared to Budgeted Income of \$1,837,000 for a favorable variance of \$2,076,000.

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

There were no noteworthy changes in assets and liabilities when compared to December 2024.

KIMBERLY HARTZ  
Chief Executive Officer



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

January					FISCAL YEAR TO DATE				
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.		ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.	
					<b>OPERATING REVENUE</b>				
\$ 143,856	\$ 137,942	\$ 5,914	4.3%	1	\$ 910,082	\$ 911,505	\$ (1,423)	-0.2%	
97,925	89,378	8,547	9.6%	2	650,908	624,801	26,107	4.2%	
<b>241,781</b>	<b>227,320</b>	<b>14,461</b>	6.4%	3	<b>1,560,990</b>	<b>1,536,306</b>	<b>24,684</b>	1.6%	
(185,412)	(171,320)	(14,092)	-8.2%	4	(1,180,372)	(1,156,449)	(23,923)	-2.1%	
(6,982)	(4,174)	(2,808)	-67.3%	5	(31,450)	(28,200)	(3,250)	-11.5%	
<b>(192,394)</b>	<b>(175,494)</b>	<b>(16,900)</b>	-9.6%	6	<b>(1,211,822)</b>	<b>(1,184,649)</b>	<b>(27,173)</b>	-2.3%	
<b>79.57%</b>	<b>77.20%</b>			7	<b>77.63%</b>	<b>77.11%</b>			
<b>49,387</b>	<b>51,826</b>	<b>(2,439)</b>	-4.7%	8	<b>349,168</b>	<b>351,657</b>	<b>(2,489)</b>	-0.7%	
1,710	1,389	321	23.1%	9	11,350	9,733	1,617	16.6%	
<b>51,097</b>	<b>53,215</b>	<b>(2,118)</b>	-4.0%	10	<b>360,518</b>	<b>361,390</b>	<b>(872)</b>	-0.2%	
					<b>OPERATING EXPENSES</b>				
24,186	25,929	1,743	6.7%	11	169,977	170,615	638	0.4%	
8,329	8,328	(1)	0.0%	12	54,019	53,131	(888)	-1.7%	
6,873	7,094	221	3.1%	13	47,737	49,315	1,578	3.2%	
7,617	6,863	(754)	-11.0%	14	51,982	47,701	(4,281)	-9.0%	
2,124	2,048	(76)	-3.7%	15	13,533	13,846	313	2.3%	
3,609	3,483	(126)	-3.6%	16	24,503	24,338	(165)	-0.7%	
<b>52,738</b>	<b>53,745</b>	<b>1,007</b>	1.9%	17	<b>361,751</b>	<b>358,946</b>	<b>(2,805)</b>	-0.8%	
<b>(1,641)</b>	<b>(530)</b>	<b>(1,111)</b>	-209.6%	18	<b>(1,233)</b>	<b>2,444</b>	<b>(3,677)</b>	-150.5%	
<b>-3.21%</b>	<b>-1.00%</b>			19	<b>-0.34%</b>	<b>0.68%</b>			
					<b>NON-OPERATING INCOME &amp; (EXPENSE)</b>				
672	576	96	16.7%	20	4,405	4,035	370	9.2%	
(38)	(154)	116	75.3%	21	37	(1,082)	1,119	103.4%	
(1,635)	(1,650)	15	0.9%	22	(11,567)	(11,548)	(19)	-0.2%	
50	637	(587)	-92.2%	23	1,044	2,367	(1,323)	-55.9%	
5,242	1,761	3,481	197.7%	24	5,242	1,761	3,481	197.7%	
-	-	-	0.0%	25	(1)	-	(1)	0.0%	
(3)	176	(179)	-101.7%	24	153	1,231	(1,078)	-87.6%	
2,194	1,373	821	59.8%	25	14,537	9,611	4,926	51.3%	
214	-	214		26	1,472	(64)	1,536	2400.0%	
(37)	-	(37)		27	(37)	-	(37)	0.0%	
232	-	232	0.0%	27	1,592	-	1,592	0.0%	
<b>6,891</b>	<b>2,719</b>	<b>4,172</b>	153.4%	28	<b>16,877</b>	<b>6,311</b>	<b>10,566</b>	167.4%	
<b>\$ 5,250</b>	<b>\$ 2,189</b>	<b>\$ 3,061</b>	139.8%	29	<b>\$ 15,644</b>	<b>\$ 8,755</b>	<b>\$ 6,889</b>	78.7%	
<b>10.27%</b>	<b>4.11%</b>			30	<b>4.34%</b>	<b>2.42%</b>			
<b>\$ 3,913</b>	<b>\$ 1,837</b>	<b>\$ 2,076</b>	113.0%	31	<b>\$ 7,187</b>	<b>\$ 6,292</b>	<b>\$ 895</b>	14.2%	
<b>7.66%</b>	<b>3.45%</b>				<b>1.99%</b>	<b>1.74%</b>			

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



**WASHINGTON HEALTH**  
**BALANCE SHEET**  
 January 2025  
*(In thousands)*

ASSETS AND DEFERRED OUTFLOWS			January 2025	Audited June 2024	LIABILITIES, NET POSITION AND DEFERRED INFLOWS			January 2025	Audited June 2024		
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>						
1	CASH & CASH EQUIVALENTS	\$	13,047	\$	23,537	1	CURRENT MATURITIES OF L/T OBLIG	\$	9,880	\$	9,425
2	ACCOUNTS REC NET OF ALLOWANCES		79,673		73,426	2	ACCOUNTS PAYABLE		24,970		27,271
3	OTHER CURRENT ASSETS		49,976		26,784	3	OTHER ACCRUED LIABILITIES		89,643		74,656
4	TOTAL CURRENT ASSETS		142,696		123,747	4	INTEREST		11,637		13,961
						5	TOTAL CURRENT LIABILITIES		136,130		125,313
<b>ASSETS LIMITED AS TO USE</b>					<b>LONG-TERM DEBT OBLIGATIONS</b>						
5	BOARD DESIGNATED FOR CAPITAL AND OTHER		186,783		180,885	6	REVENUE BONDS AND OTHER		215,690		224,753
6	BOARD DESIGNATED FOR PENSION		0		0	7	GENERAL OBLIGATION BONDS		466,423		468,300
6	GENERAL OBLIGATION BOND FUNDS		134,247		131,846						
7	REVENUE BOND FUNDS		50,069		48,613						
8	BOND DEBT SERVICE FUNDS		25,205		35,694						
9	OTHER ASSETS LIMITED AS TO USE		10,630		10,342						
10	TOTAL ASSETS LIMITED AS TO USE		406,934		407,380	<b>OTHER LIABILITIES</b>					
11	OTHER ASSETS		373,367		353,567	8	SUPPLEMENTAL MEDICAL RETIREMENT		42,449		41,143
						9	WORKERS' COMP AND OTHER		10,750		10,389
						10	NET PENSION		56,942		52,379
						11	ROU ASSET LONG-TERM		11,460		8,124
12	OTHER INVESTMENTS		25,019		23,784						
13	NET PROPERTY, PLANT & EQUIPMENT		557,494		567,806	12	NET POSITION		566,504		550,860
14	TOTAL ASSETS		\$ 1,505,510		\$ 1,476,284	13	TOTAL LIABILITIES AND NET POSITION		\$ 1,506,348		\$ 1,481,261
15	DEFERRED OUTFLOWS		22,657		37,668	14	DEFERRED INFLOWS		21,819		32,691
16	TOTAL ASSETS AND DEFERRED OUTFLOWS		\$ 1,528,167		\$ 1,513,952	15	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFL		\$ 1,528,167		\$ 1,513,952

ok



**WASHINGTON HEALTH  
OPERATING INDICATORS  
January 2025**

12 MONTH AVERAGE	January						FISCAL YEAR TO DATE						
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.			
160.8	183.1	180.5	2.6	1%	1								
11.4	10.9	12.9	(2.0)	-16%	2								
172.2	194.0	193.4	0.6	0%	3								
8.0	8.6	8.4	0.2	2%	4								
180.2	202.6	201.8	0.8	0%	5								
3.6	3.1	4.5	(1.4)	-31%	6								
4,905	5,677	5,596	81	1%	7								
347	337	400	63	16%	8								
934	1,069	1,019	50	5%	9								
5.31	5.38	5.49	0.1	2%	10								
1.632	1.626	1.535	0.091	6%	11								
193	204	202	2	1%	12								
26	29	31	(2)	-6%	13								
13	10	12	(2)	-17%	14								
34	34	42	(8)	-19%	15								
125	134	94	40	43%	16								
117	128	133	(5)	-4%	17								
508	539	514	25	5%	18								
191	183	211	(28)	-13%	19								
129	144	115	29	25%	20								
8,755	9,508	8,771	737	8%	21								
5,181	5,838	5,383	455	8%	22								
1,436.5	1,398.6	1,567.3	168.7	11%	23								
206.3	276.8	254.9	(21.9)	-9%	24								
1,642.8	1,675.4	1,822.2	146.8	8%	25								
5.22	4.54	5.27	0.73	14%	26								
5.96	5.44	6.13	0.69	11%	27								

**PATIENTS IN HOSPITAL**

ADULT & PEDS AVERAGE DAILY CENSUS	163.3	174.1	(10.8)	-6%
OUTPT OBSERVATION AVERAGE DAILY CENSUS	12.4	13.1	(0.7)	-5%
COMBINED AVERAGE DAILY CENSUS	175.7	187.2	(11.5)	-6%
NURSERY AVERAGE DAILY CENSUS	8.3	8.1	0.2	2%
TOTAL	184.0	195.3	(11.3)	-6%
SPECIAL CARE NURSERY AVERAGE DAILY CENSUS *	3.5	4.3	(0.8)	-19%
ADULT & PEDS PATIENT DAYS	35,099	37,435	(2,336)	-6%
OBSERVATION EQUIVALENT DAYS - OP	2,664	2,818	154	5%
DISCHARGES-ADULTS & PEDS	6,798	6,974	(176)	-3%
AVERAGE LENGTH OF STAY-ADULTS & PEDS	4.40	5.37	1.0	18%

**OTHER KEY UTILIZATION STATISTICS**

OVERALL CASE MIX INDEX (CMI)	1.617	1.565	0.052	3%
SURGICAL CASES				
ORTHOPEDIC CASES	1,441	1,296	145	11%
NEUROSURGICAL CASES	185	247	(62)	-25%
CARDIAC SURGICAL CASES	84	87	(3)	-3%
VASCULAR CASES	236	276	(40)	-14%
ENDOSCOPY CASES	856	756	100	13%
OTHER SURGICAL CASES	894	999	(105)	-11%
TOTAL CASES	3,696	3,661	35	1%
TOTAL CATH LAB CASES	1,329	1,387	(58)	-4%
DELIVERIES	966	893	73	8%
OUTPATIENT VISITS	61,779	61,472	307	0%
EMERGENCY VISITS	36,662	37,680	(1,018)	-3%

**LABOR INDICATORS**

PRODUCTIVE FTE'S	1,439.8	1,544.9	105.1	7%
NON PRODUCTIVE FTE'S	210.6	213.1	2.5	1%
TOTAL FTE'S	1,650.4	1,758.0	107.6	6%
PRODUCTIVE FTE/ADJ. OCCUPIED BED	5.14	5.26	0.12	2%
TOTAL FTE/ADJ. OCCUPIED BED	5.89	5.99	0.10	2%



**Date:** March 10, 2025  
**To:** Washington Township Health Care District Board of Directors  
**From:** Kimberly Hartz, Chief Executive Officer  
**Subject:** Morris Hyman Critical Care Pavilion Infill Project Budget Amendment

At its meeting on June 26, 2024, the Board approved Resolution No. 1264: The Budget for the Morris Hyman Critical Care Pavilion Infill Project. At its meeting on August 14, 2024, the Board approved Resolution No. 1266: Best Value Contractor Selection for the Morris Hyman Critical Care Pavilion Infill Project. Then, at its meeting on January 8, 2025, the Board approved the bid from Webcor Construction of \$56,714,444 as the most responsible best value bid for the Infill Project.

Management promised to come back to the Board within two months with an Infill Project Budget Amendment.

The bid from Webcor Construction came in \$4,543,215 over the Board approved budget, including all project contingencies. We are requesting an Infill Project Budget Amendment of \$9,006,293. The breakdown of the Infill Project Budget Amendment is as follows:

Management has for the last 60 days been leading value engineering discussions with the design team and the general contractor to reduce the cost of the general contractor's bid. We have successfully identified and approved the reduction of \$1.85 million in general contractor costs. While about 22% of this reduction is still working its way through HCAI approval, we expect it to ultimately be approved.

Management is recommending a construction contingency for the Infill Project of \$5,000,000. We believe this to be necessary for a project of this size and complexity.

Cable pulling for computers and hospital network systems and the addition of security card readers and door hardware have historically been performed at the end of the project and been absorbed by the Engineering Department. The Washington Health Project Management team has properly identified these costs as belonging to the Infill Project. These costs are \$453,510 and \$220,949, respectively. Since the design of the Infill Project has been completed, there has been a code change for fire alarm systems. The cost to upgrade our designed fire alarm system to the current code is \$175,000. And finally, due to the intensity of procuring, shipping, storing and movement on-site for installation of equipment in this project, the Washington Health Materials Management and Project Management teams recommend the utilization of a third-party, Equipment Management Firm at a cost of \$463,619.

#### Recommended Action

I recommend that the Board of Directors approve the Infill Project Budget Amendment totaling \$9,006,293 and that the Board directs the Chief Executive Officer to execute the necessary contracts and related documents, as well as to take any further actions the Chief Executive Officer considers necessary to proceed with the Infill Project.

## MEMORANDUM

Date: March 12, 2025

To: Washington Township Health Care District Board of Directors

From: Kimberly Hartz, Chief Executive Officer

Subject: Annual Report to the Board: Summary: Fiscal Year 2023-2024 (FY24)

### Introduction

This annual report for FY24 was originally scheduled for October 2024 but was delayed due to various factors. While the focus remains on the fiscal year from **July 1, 2023 to June 30, 2024**, I will also reference events from both the prior and current fiscal years to provide context.

The operational and financial challenges of recent years prompted the Health System to reassess our growth plans and embark on a “Road to Recovery.” Since FY22, we have focused on stabilizing operations, strengthening infrastructure, and recapturing patient volumes that had declined during the height of the COVID-19 pandemic. In FY23 and FY24, the Health System made significant progress toward these goals, despite a challenging economic environment.

In FY24, efforts included implementing cost-saving initiatives across the Health System, optimizing staffing, and enhancing revenue cycle management, which led to improved collection rates and better care coordination. Also important was the focus on our service lines and increasing the volume and revenue in key areas, all of which are essential for our future operational and financial success.

### Key Service Line FY24 Achievements

- **Oncology:** Radiation Oncology growth contributed \$7 million in net operating income, and we surpassed our \$10 million fundraising goal set by the Washington Hospital Healthcare Foundation for the new regional cancer center that is currently under construction.
- **Cardiac surgery growth:** We performed 148 cardiac surgical cases, a 25% increase from FY23 and 1% above budget.
- **Joint Commission Advanced Spine Certification:** Achieved this prestigious certification—one of only 20 hospitals nationwide to earn it.
- **Neurointerventional:** Recruited Dr. Dan Raper to enhance Neuro-Interventional Radiology (Neuro IR) and increase thrombectomy volume, advancing our efforts to become a comprehensive stroke center.
- **TAVR program milestone:** Performed our 100th TAVR (Transcatheter Aortic Valve Replacement) case in July 2024. In FY24 alone, we conducted 40 cases, doubling our FY23 total of 20 cases.
- **Launch of the Watchman program:** This left atrial appendage closure procedure for Atrial Fibrillation (A-Fib) went live in July 2024, with 25 procedures completed to date in FY25.
- **Orthopedic program expansion:** Performed 3,421 orthopedic cases, a 6% increase over budget (Hospital/WOSC/PSC) and a 10% increase from FY23.
- **Robotics program development:** Partnered with DaVinci to launch a robotic-assisted surgery program in May. A medical director will be recruited to lead the program.

### **Trauma Center**

I am pleased to say that July 2024 will be remembered as an important milestone for the Health System. Our biggest achievement in FY24 was the successful preparation and survey process to be the county's newest regional trauma center. This could not have been done without the effort of all our Washington Health staff and physicians. We recruited a strong Trauma Medical Director and supporting trauma team. We brought on the UCSF Ortho Trauma team that had been working for many years at Regional Medical Center. Everyone worked tirelessly to complete education and drills, ensured we had the appropriate supplies and equipment and updated needed policies and procedures. On June 5, 2024 we underwent a successful designation review survey to validate our readiness and successfully went live as a Level 2 trauma center on July 1, 2024. As of February 28, 2025, we have had 1231 activations. We were ready to provide the community with this much needed service with the upmost dedication to our patients and community. Our journey didn't end on July 1<sup>st</sup> when we saw our first patient. Trauma care has been a continuous journey, one that requires ongoing commitment, dedication and improvement.

### **Updating our Facility Master Plan and Infrastructure Expansion**

Another important component of FY24 was continuing to build the infrastructure for growth to support the community needs now and into the future. The infrastructure initiatives will take multiple years in some cases to bring to fruition and are a continued focus for FY25 and beyond. Extensive time was spent on updating our Facility Master Plan. The Bridge Project was completed in February 2024. In FY24, we completed the drawings and went out to bid for the new UCSF-Washington Cancer Center in Washington West. Construction started at the beginning of FY25 and should be completed by the end of 2025. We also completed the construction documents for the Infill Project at Morris Hyman Critical Care Pavilion. This project includes the buildout of modern operating rooms, an advanced imaging center and an expanded pharmacy in unused space along with support services. The design was submitted to HCAI in September 2023. To date, we have received approval of the project, awarded the construction contract and will begin actual construction in a few weeks. In FY24, we began extensive work with our architects on the Expansion Building that will be included in Phase 3 of our Facility Master Plan. The Expansion Building will house the birthing center, an intensive care unit for infants, medical/surgical units and other departments that need to be moved from the main hospital tower in order to meet the unfunded seismic requirements. We are extremely thankful to our community for supporting our Facility Master Plan and our ability to meet the California seismic requirements through general obligation bonds.

### **Financial Results**

Like many hospitals, in FY24 we continued to face a very challenging and difficult health care environment. Couple this with inflationary pressures creating significant escalation in our cost of labor, pharmaceuticals, and supplies.

Nevertheless, for FY24 we continued to improve our financial results. The Hospital managed to experience positive financial results since volumes improved and operational changes were made. For FY24, the Hospital showed a net income of \$15,515,000 compared to a budget of \$15,890,000. This is a margin of 2.73%. For FY23, the Hospital had a negative net income.

For FY24, looking at all of the entities that are encompassed in the Health System, in summary, the District showed a consolidated audited net loss of (\$14,769,000) compared to an audited net loss of approximately (\$40,996,000) in FY23. The improvement was driven primarily by higher net patient revenue offset by increasing consolidated operating expenses, particularly in salaries and employee benefits. Despite the operating loss in fiscal year 2024, the Health System continues to experience volume improvements. Inpatient

and outpatient revenue improved by \$37.1 million from FY23 and is expected to continue to increase as a result of key upcoming strategic and operational improvement initiatives. The Health System also continues to explore and cultivate opportunities to improve its financial performance in both the short and the long term that should result in positive results of operations. In addition, the District's EBITDA for FY24 was \$17,147,000 compared to a budget of \$23,518,000.

### **Brand Development and Mission, Vision & Values**

In FY24, a great deal of time and effort was made to engage a wide range of stakeholders, including the Board of Directors, staff, managers, physicians, volunteers, patients and the community to gather input on a proposed new Health System name and brand, along with an updated Mission, Vision and Values statements. A comprehensive recommendation was presented and approved by the Board in December 2024, with a formal rollout that started in January 2025.

### **Community Health and Safety Initiatives**

In FY24, we focused on continuing to be our community's source for reliable health care information. We continued to offer a number of Health & Wellness Seminars virtually through our InHealth YouTube Channel and Facebook Live. We focused on our social media presence to enhance our ability to reach a broader community audience with health information which resulted in positive growth in the number of followers. The following are a few impactful community trainings:

#### **Choking First Aid Training**

- Trained 1,652 community members and staff in abdominal thrust/choking first aid (Heimlich maneuver) across a number of community events in Fremont, Union City, and Newark.
- Partnered with diverse community groups, including restaurant owners, the Union City Chamber of Commerce, the City of Fremont Family Resource Center, and the Newark Rotary Club.
- The Health and Wellness Presentation on abdominal thrusts has reached 790 online viewers.

#### **Naloxone (Narcan) Administration Training**

- Partnered with Haller's Pharmacy and the City of Fremont's Opioid Collaborative to educate the community on naloxone use, with active involvement from the National Coalition Against Prescription Drug Abuse (NCAPDA).
- Hosted a Health and Wellness Seminar in January 2024 and distributed 171 Narcan kits during Hospital Week in May.
- In FY25, we expanded outreach, conducting a naloxone demonstration at Fremont Summer Concerts, distributing 57 Narcan kits, and planning further events with Acacia Creek, the American Association of University Women, and the Hume Center.

### **UCSF Relationship and Other Notable Achievements**

Our affiliation with UCSF continues to grow. As noted, the construction drawings for the new UCSF Washington Cancer Center were completed and construction started at the beginning of FY25. The construction to date is on time and should be completed by the end of 2025. Additionally, volume in the Cancer Center has continued to grow and recruitment for a fourth medical oncologist started in FY24. We have hopefully successfully recruited a female medical oncologist that will be joining the faculty of UCSF and are working on the remaining

recruitment details. The UCSF-Washington partnership also recruited in FY24 another Radiation Oncologist to the UCSF-Washington Radiation Oncology Center who recently started. As mentioned above, we also partnered with UCSF Health to bring on their Trauma Ortho team to provide trauma coverage. They have many years of experience and have been a strong group clinically to work with. This group has served the orthopedic needs of our trauma patients well.

### **Washington Township Medical Foundation**

Physician recruitment continued to be a priority in FY24 for Washington Health Medical Group (WHMG). Recruitment has been very competitive and has taken longer than usual to recruit and bring on new physicians. The following outlines WHMG's recruitment for FY24:

- Primary Care and APP have been the strategic direction this past year:
  - Whitney Williams, FNP, 8/14/23
  - Ira Amayun, FNP, 10/16/23
  - Ekta Patel, PA-C, 6/3/24
  - Rachpal Kaur, FNP 6/3/24
  - Hetalban Vellanki, FNP 6/3/24
  - Hanisha Geedipally, MD, IM, 9/30/24
  - Magin Alexander, MD, IM 12/9/24
  - Meghana Bachu, FNP, 1/1/25
  
- Specialty recruits in FY24 (non-hospitalist)
  - Suselina Acosta, MD, Psych, 7/24/23
  - Zaid Imam, MD, Gastro 8/23/23
  - Falvio Oliveira, MD-PhD, ENT, 8/28/23
  - Saloni Mathur, MD, OB/GYN, 11/1/23
  - Harsh Agrawal, MD, Structural Heart, 12/1/23
  - Rishika Singh, MD, Peds, 1/29/24
  - Jean Huang, MD, Endo, 6/3/24
  
- Trauma recruitment was the third area of focus
  - Chet Morrison, MD
  - Kevin Mitchell, MD
  - Nicole Atherton, MD

The Medical Group continues to work on patient experience and improving access by recruiting more providers and providing patients more functionality online, including the ability to directly schedule appointments through MyChart.

### **Conclusion**

Despite ongoing challenges in FY24, we met our ultimate goal to provide access to high-quality health care to our patients and community. We improved financial health, operational efficiency, and infrastructure, while continuing to invest in new programs and services essential to our community's health and well-being now and for decades to come. I also truly know that the hard work, resilience, and compassion shown by our staff and physicians each and every day ensure that even during uncertain or difficult times, the health care needs of our patients are met and exceeded by their independent, local community health system.

**To: Board of Directors**  
**From: Paul Kozachenko, Legal Counsel**  
**Date: March 10, 2025**

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

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*Background*

The Chief Executive Officer is the only employee of the District who is hired directly by the Board. According to the CEO's Employment Agreement, the Board reviews the CEO's performance annually on or before October of each year. Following the performance review, the Board considers Base Salary adjustments and an award of Incentive Compensation (up to 25% of Base Salary). Due to various reasons and with the concurrence of the CEO, the consideration of a Base Salary adjustment and Incentive Award was delayed until now.

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 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.

As in the past, Arthur J. Gallagher & Company ("Gallagher") was engaged to provide a report (the "Gallagher Report") for the Board's use in deciding compensation adjustments for the CEO. Gallagher is a leading healthcare compensation consultant in the United States. Hundreds of healthcare systems use Gallagher's services 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 is included in the Board's packet.

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 2024 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*

Ms. Hartz has been serving as the CEO of Washington Health since July 1, 2019. 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 65<sup>th</sup> 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 \$712,000 (80% of the 65<sup>th</sup> percentile).

On December 8, 2021, the Board increased the CEO's base salary to \$861,000, which was equal to the 50<sup>th</sup> percentile of the peer group. At the time, the Board noted that it was incrementally adjusting the CEO's compensation toward the 65<sup>th</sup> percentile as she gained experience and as warranted by her performance. The Board also decided to award Ms. Hartz \$100,000 as an incentive award based on her exemplary performance. The Board indicated that Ms. Hartz's performance justified an award of 25% of her Base Salary; however, due to the impact of the COVID-19 pandemic on the District's finances, the Board awarded \$100,000 rather than the full 25% of Base Salary.

On April 23, 2023, the Board approved an increase in the CEO's base salary to \$955,700. According to the Gallagher report presented to the Board, this adjustment aligned with 95% of the 65<sup>th</sup> percentile. At the time of the decision, the Board acknowledged that the CEO had successfully completed her third year in the role and demonstrated outstanding performance. In addition, given the CEO's performance, the Board decided to award the CEO \$120,000. The Board noted that the CEO's performance merited the contractual maximum award of 25% of base salary, which would have equated to \$215,250 but acknowledged the CEO's concerns about receiving the maximum award given the current and expected economic challenges the District would be facing in the upcoming years.

#### *Base Salary Adjustment*

The chart on Page 13 of the Gallagher Report shows Ms. Hartz's current salary of \$955,700 compared to the Peer Group at the 25<sup>th</sup>, 50<sup>th</sup>, and 65<sup>th</sup> percentiles. Her current salary is 10% below the 65<sup>th</sup> percentile of \$1,062,000. As previously noted, at the time Ms. Hartz was hired as CEO, the Board noted that Ms. Hartz had not previously served as a CEO. Therefore, notwithstanding the Board's compensation philosophy to pay the CEO at around the 65<sup>th</sup> percentile, the Board decided to compensate the CEO at less than the 65<sup>th</sup> percentile while she gained experience and proved herself capable of performing the duties of a CEO of Washington Health. Since the CEO was hired on July 1, 2019, the Board has steadily increased the CEO's base salary to eliminate the gap between her base salary and the 65<sup>th</sup> percentile. As of July 1, 2024, Ms. Hartz has served as Washington Health's CEO for five years. In previous evaluations, the Board has consistently rated Ms. Hartz's performance as outstanding.

### *Incentive Compensation for 2023-2024*

Ms. Hartz's current employment agreement states that she is eligible to earn an incentive award of up to 25% of her Base Salary. Page 17 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 2024 would be 11% below the 65th 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 report 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 award incentive compensation from \$0.00 (0% of Base Salary) to \$238,925 (25% of Base Salary).

### *Extension of Contract*

In addition to reviewing cash compensation, the Board typically agrees to extend the CEO's term of the Employment Agreement to maintain a four-year term.

### *Possible Board Actions*

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

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.

# REVIEW OF CEO TOTAL CASH COMPENSATION

## WASHINGTON TOWNSHIP HEALTH CARE DISTRICT BOARD OF DIRECTORS

Fremont, California

Nica Syers, Principal Consultant  
February 2025



**Gallagher**

Insurance | Risk Management | Consulting

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- I. Executive Summary
- II. Introduction
- III. Cash Compensation Analysis
- IV. Recommendations

## Appendices

Appendix A – Peer Group List

Appendix B – Market Data

# Executive Summary

# Analysis Key Findings

## OBSERVATIONS

Note that the Committee intends to position base salary for the CEO at the 65<sup>th</sup> percentile

Base Salary	Cash Compensation
<p>WHHS administers base salaries using ranges built around the <b>65<sup>th</sup> percentile (P65)</b> of the market</p> <p>The CEO's base salary is positioned 10% below peer group P65 and is at the 48th percentile (P48) of the market</p>	<p>WHHS provides the CEO with an opportunity to achieve an annual maximum incentive equal to 25% of salary, depending on performance</p> <p>The maximum incentive opportunity for the CEO is below the median of the peer group</p> <p>The CEO's actual total cash is positioned 7% above the peer group 25<sup>th</sup> percentile (P25) and would be at approximately the 34th percentile (P34)</p> <p>If the CEO were to earn a maximum incentive award, total cash would be positioned at the 50th percentile (P50) and 11% below P65</p>

# Executive Summary

## Recommendations

- Review the compensation philosophy and either reaffirm or modify the current philosophy
- Adopt the salary range provided in this report
  - Administer CEO salary consistent with the best practice guidelines provided

# 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 2023

- Report provided to WHHS in March 2023
- 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

# Data Sources

Gallagher's proprietary healthcare database provides **detailed insight on compensation components** *including program structure, design, and competitive levels*

## PROPRIETARY HEALTHCARE DATABASE STATISTICS

Systems & Hospitals

Medical Groups

Health Plans

Home Health / LTC

Associations



## POSITIONS

Executives | 69,800  
(430 position codes)

Managers | 36,000  
(137 position codes)

Physicians | 125,000

Staff | 2,900,000+  
(430 position codes)

Please see Appendix A for the peer group list and Appendix B for detailed market data

All survey data has been updated to an effective date of July 1, 2024 by an annualized factor of 4.0%

# About Washington Township Health Care District / Washington Hospital Healthcare System

**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**

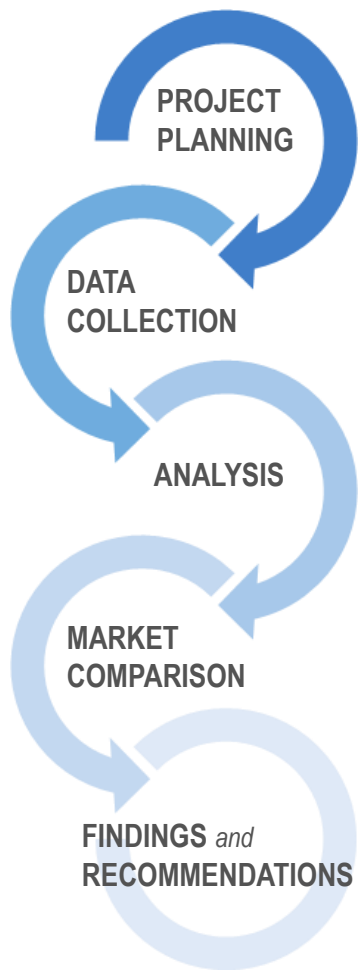
<b>Washington Township Health Care District</b>	Operates Washington Hospital and employs the CEO; Governed by a five-member publicly elected Board of Directors; Self-funded and receives no parcel or other tax revenue to fund operations	
<b>Mission</b>	To meet the health care needs of the District residents through medical services, education and research	
<b>Vision</b>	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	
<b>Comprised of</b>	<p>Morris Hyman Critical Care Pavilion</p> <p>Taylor McAdam Bell Neuroscience Institute</p> <p>Washington Radiation Oncology Center</p> <p>Washington Outpatient Surgery Center</p> <p>Washington Outpatient Rehabilitation Center</p> <p>Washington Institute for Joint Restoration and Research</p> <p>Washington Township Medical Foundation</p>	<p>Washington West:</p> <ul style="list-style-type: none"> <li>• Washington Women’s Center</li> <li>• Outpatient Imaging Center</li> <li>• Sandy Amos RN Infusion Center</li> <li>• UCSF – Washington Cancer Center</li> </ul> <p style="text-align: center;"><b>And additional outpatient hospital services and administrative facilities</b></p>

## WHHS SCOPE AND DEMOGRAPHICS

Budgeted Net Revenue: \$605 Million | Employees: 1,762 FTEs | Staffed Beds: 437

# Methodology

Gallagher completed the following work steps



**Collected and reviewed background information**, including organization financials/scope and current cash compensation data

**Compiled data** from a California peer group of hospitals and health systems using Gallagher’s proprietary database (See Appendix A)

**Analyzed** cash compensation

**Prepared a market chart** summarizing the peer group compensation survey data (see Appendix B) Adjusted all survey data to July 1, 2024, by an annual factor of 4%

**Compared** salaries and incentives to comparability data from the national peer group

**Prepared** this report to facilitate discussion of CEO cash compensation and to document our analysis, findings, and recommendations

# Cash Compensation Analysis

## Market Movement

The following table compares the current peer group P50 salary to the peer group P50 salary from the last cash compensation review in 2023

- The median salary level has increased by 5.5%

Position (Executive)	2023 Median Salary	2024 Median Salary	Annual % Change
President & CEO (Hartz)	\$918,000	\$969,000	5.5%

- Net revenue for WHHS is essentially flat in comparison to net revenue in 2023

# Salary Comparison

This table compares the CEO's salary to P25, P50, and 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)	\$955,700	\$834,000	115%	\$969,000	99%	\$1,062,000	90%

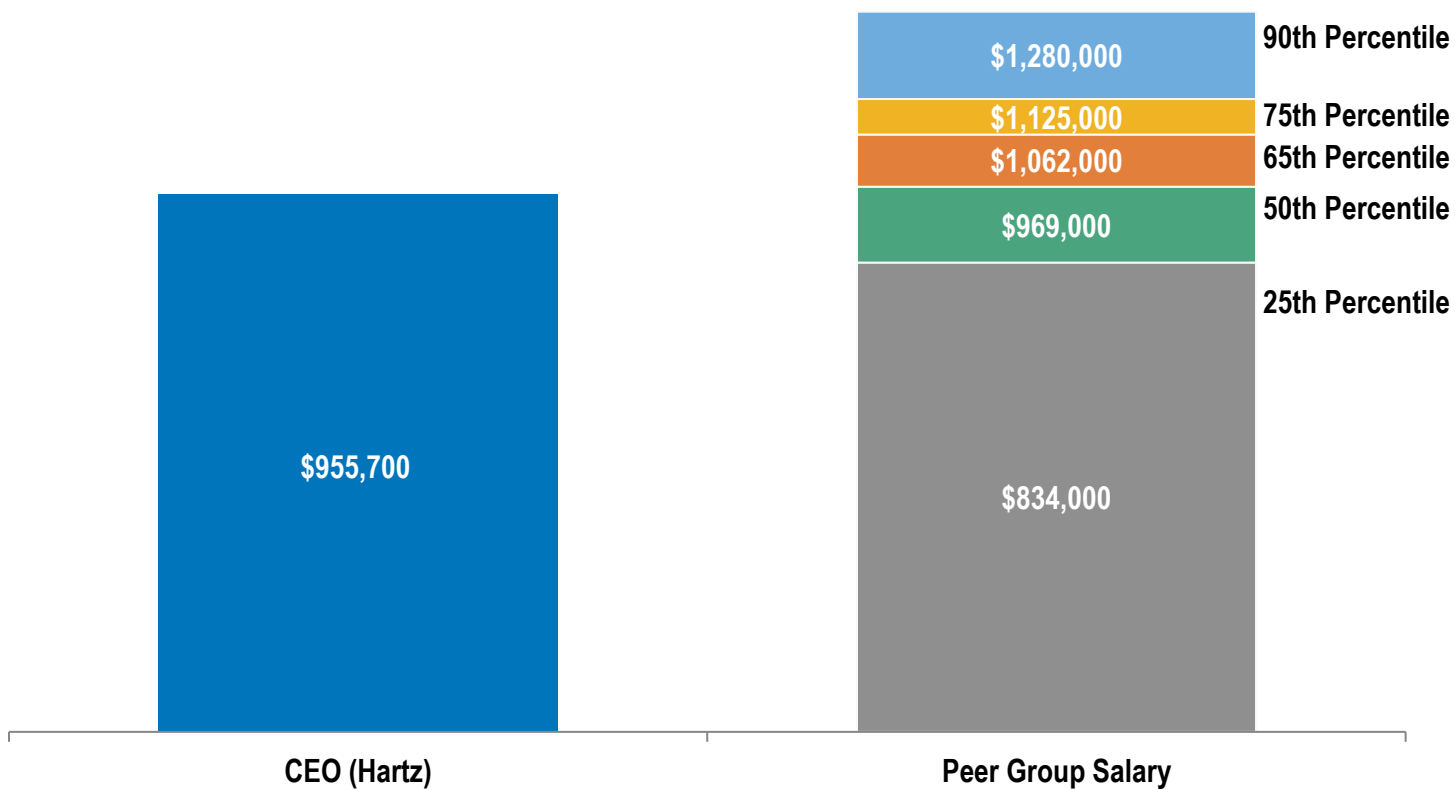
- Base salary for Ms. Hartz is positioned
  - 1% below the P50 salary level
  - 10% below the P65 salary level, WHHS's stated compensation philosophy

## 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



# Incentive Plan Analysis

## Prevalence

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

## 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%	37%	50%

- 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 P25, P50, and 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)	\$1,075,700	\$1,006,000	107%	\$1,197,000	90%	\$1,348,000	80%

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)	\$1,194,625	\$1,006,000	119%	\$1,197,000	100%	\$1,348,000	89%

- **Actual** TCC for the CEO is positioned 10% below the P50 total cash level
- If the CEO earned a **maximum** incentive award of 25%, her TCC would be positioned at P50 and 11% below the P65 total cash level

## Total Cash Compensation Comparison - Structure

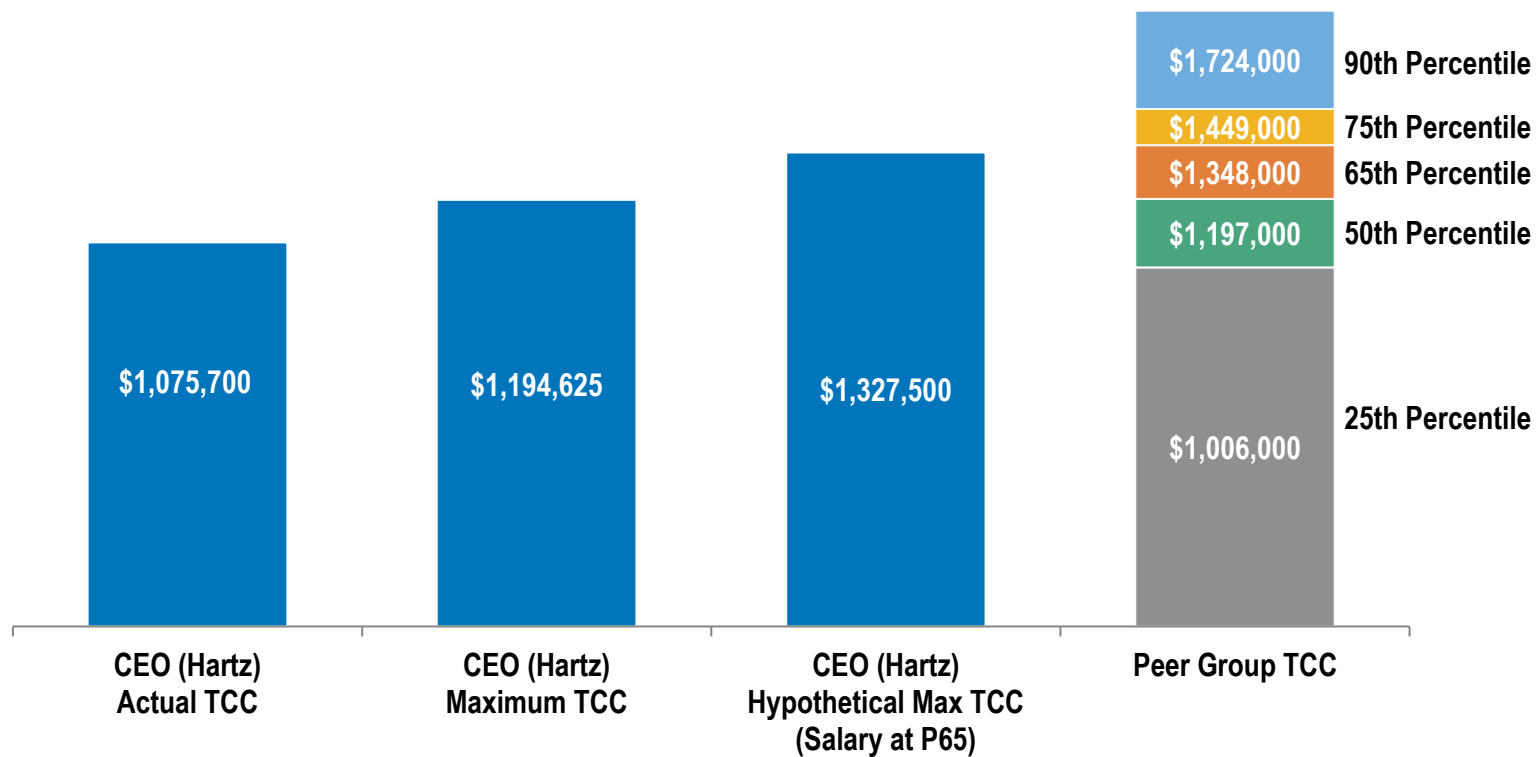
This table hypothetically compares the CEO's total cash compensation (TCC) to P25, P50, and P65 total cash levels from the California peer group

- 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)	<b>\$1,327,500</b>	\$1,006,000	132%	\$1,197,000	111%	\$1,348,000	98%

- If Ms. Hartz had a salary positioned at peer group P65 and earned a maximum incentive award, TCC would be positioned 2% below the P65 total cash level

# Total Cash Compensation Comparison Summary



# Recommendations

# Recommendations

## Base Salary

- The following table provides a recommended salary range for the CEO for 2024
  - Salary range midpoint is set at peer group P65
    - ≈ Range minimum is set at 80% of midpoint
    - ≈ Range maximum is set at 120% of the midpoint

Position (Executive)	WHHS Base Salary	Range Minimum	Range Midpoint (P65)	Range Maximum	Base Salary Percentile	YOS in Current Role	Total YOS
President & CEO (Hartz)	\$955,700	\$850,000	\$1,062,000	\$1,274,000	P48	5	30

- The Committee intends to position compensation for the current CEO at the 65th percentile

**Range is based upon the market value for the position and does not take into consideration an incumbent’s experience, tenure, skills, performance, internal value of the job, WHHS financial performance, etc.**

# Recommendations

## Incentives

- **If the Committee is interested, it could increase the annual incentive opportunity to be more in alignment with the market**
- Currently the maximum opportunity for the CEO is 25% below the median maximum opportunity level in the peer group
  - If there is interest, the Committee could also phase in an opportunity increase over the course of several years

## Compensation Philosophy

- Gallagher suggests the Committee discuss the parameters of the current philosophy and either confirm or revise, as needed

# Appendix A

## Peer Group List

# California Peer Group List Regressed for Size

Organization	City	St	Net Rev (\$M)	Staffed Beds	FTEs
Kaiser Permanente	Oakland	CA	\$95,400.0	9,027	223,735
Sutter Health	Sacramento	CA	\$13,800.0	4,080	45,247
Stanford Healthcare	Stanford	CA	\$7,479.2	614	17,607
Adventist Health	Roseville	CA	\$5,280.0	2,601	19,855
Cedars-Sinai Medical Center	Los Angeles	CA	\$5,225.1	886	15,245
Sharp HealthCare	San Diego	CA	\$4,920.1	1,962	14,610
Scripps Health	San Diego	CA	\$4,670.0	1,182	15,053
MemorialCare	Fountain Valley	CA	\$2,881.6	1,238	8,620
Community Medical Centers – Corporate	Fresno	CA	\$2,610.0	985	8,496
Loma Linda University Health	Loma Linda	CA	\$2,276.0	1,046	12,477
John Muir Health	Walnut Creek	CA	\$1,696.9	823	3,426
PIH Health	Whittier	CA	\$1,612.8	603	6,630
Hoag Memorial Hospital Presbyterian	Newport Beach	CA	\$1,414.5	443	4,454
Alameda Health System	Oakland	CA	\$1,296.0	685	4,567
Eisenhower Medical Center	Rancho Mirage	CA	\$1,196.4	362	3,110
Cottage Health	Santa Barbara	CA	\$1,173.6	431	3,850
Montage Health	Monterey	CA	\$1,147.0	260	3,002
Torrance Memorial Medical Center	Torrance	CA	\$838.4	493	4,151
Kaweah Delta Health Care District	Visalia	CA	\$772.6	573	3,172
Huntington Hospital	Pasadena	CA	\$686.8	359	3,190
NorthBay Healthcare	Fairfield	CA	\$666.1	191	1,847
Washington Hospital Healthcare System	Fremont	CA	\$604.8	437	1,762
Marin General Hospital	Greenbrae	CA	\$590.0	327	1,008
Community Memorial Health System	Ventura	CA	\$584.1	219	2,597
Tahoe Forest Health System	Truckee	CA	\$284.4	29	1,085

Blue highlighting indicates organizations in the peer group based on net revenue (for informational purposes only)

# Appendix B

## Market Data

# Chief Executive Officer (Hartz)

## Washington Hospital Healthcare System

Competitive Pay Analysis

Effective Date: 7/1/2024

Title: Chief Executive Officer  
 Incumbent: Kimberly Hartz  
 Base Salary: \$955,700  
 STI Award: \$120,000  
 Max Opportunity: 25.0%  
 Actual TAC: \$1,075,700  
 Max TAC: \$1,194,625  
 Position Match: Chief Executive Officer  
 Adjustment Description: No Adjustments

### WHHS Demographics:

Net Revenue: \$605M  
 Operating Expenses: \$618M  
 FTEs: 1,762  
 Staffed Beds: 437

Survey & Description	n=	Base Salary					Total Annual Cash (TAC)					Total Direct Cash (TDC)				
		25th %ile	50th %ile	65th %ile	75th %ile	90th %ile	25th %ile	50th %ile	65th %ile	75th %ile	90th %ile	25th %ile	50th %ile	65th %ile	75th %ile	90th %ile
<b>Gallagher Custom Peer Group</b>																
Gallagher - Chief Executive Officer (#050) <i>Hospitals &amp; Systems, Regression @ \$605M Net Revenue</i>	24	833.7	969.4	1062.5	1124.5	1279.6	995.8	1185.5	1327.7	1422.6	1659.7	1005.7	1197.3	1348.2	1448.7	1724.1
<b>Averages:</b>		<b>834</b>	<b>969</b>	<b>1062</b>	<b>1125</b>	<b>1280</b>	<b>996</b>	<b>1185</b>	<b>1328</b>	<b>1423</b>	<b>1660</b>	<b>1006</b>	<b>1197</b>	<b>1348</b>	<b>1449</b>	<b>1724</b>
<b>For Reference - Custom California Peer Group</b>																
Gallagher - Chief Executive Officer (#050) <i>Hospitals &amp; Systems, \$584M - \$1.2B Net Revenue, Median = \$773M</i>	9	882.8	991.1	1049.7	1084.4		1115.0	1261.0	1401.0	1454.6		1147.6	1261.0	1452.2	1710.8	
<b>Averages:</b>		<b>883</b>	<b>991</b>	<b>1050</b>	<b>1084</b>		<b>1115</b>	<b>1261</b>	<b>1401</b>	<b>1455</b>		<b>1148</b>	<b>1261</b>	<b>1452</b>	<b>1711</b>	

Numbers in italics are estimated from the median

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