

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, January 8, 2014 in the Conrad E. Anderson, MD Auditorium, 2500 Mowry Avenue, Fremont, California. Director Stewart 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: Bernard Stewart, DDS, William Nicholson, MD, Patricia Danielson, RHIT, Jacob Eapen, MD, Michael Wallace

ROLL CALL

Also present: Kimberly Hartz, Senior Administrative Associate, Peter Lunny, Chief of Medical Staff, Jeannie Yee, Service League President, Catherine Bartling, District Clerk

Absent: Nancy Farber, Chief Executive Officer

Guests: Ed Fayen, Chris Henry, Dave Starr, Janice Stewart, Stephanie Williams, David Hayne, Larry Bowen, Kathy Hunt, Kent Joraanstad, Ruth Traylor, Albert Brooks, MD, Barbara Eusebio, Kristin Ferguson, Mary Bowron, Angus Cochran, Clayton Warren, Gus Arroyo, Bill Emberely, Joe Tada, Paul Kozachenko, Christine Nguyen-Flores

Director Stewart took action item, Consideration of Commendation for Kristine LaVoy out of agenda order.

*COMMENDATION
Kristine LaVoy*

Director Wallace moved for the presentation of the Commendation for Kristine LaVoy and that the Board President read the Commendation in its entirety. Further, that this Commendation be spread upon the minutes of the Board meeting as a memorial of the dedicated service of Kris LaVoy to the Washington Township Health Care District. On a second by Director Nicholson, the motion unanimously carried.

A copy of the commendation is attached to these minutes.

EDUCATION SESSION:

Ms. Hartz introduced Ruth Traylor, Director of Community Outreach. Ms. Traylor presented the *Washington Hospital Community Health Needs Assessment 2013* and noted the Community Health Needs assessment is:

*Washington Hospital's
Community Health Needs
Assessment*

- Conducted every 3 years and uses quantitative and qualitative data; service areas include: Fremont, Newark, Union City, Hayward (data reported for Hayward at zip code level for 94544 only), and Unincorporated Sunol.
- Initially conducted to inform the hospital community about the health status of county and city residents, to identify gaps in services and to assist in developing programs that target appropriate populations and health conditions.

Ms. Traylor noted the life expectancy at birth by city in 2010 was 83.9 in Fremont, 82.2 in Newark, 83.4 in Union City, 82.8 in Sunol, 79.5 in Hayward, 80.4 in the State of California, and 78.6 Nationally; the health indicators include: demographics, chronic disease, mental health, cancer, safety profile, key informant and focus group results, and asset mapping.

Pharmacy Residency

Ms. Hartz introduced Minh-Thu Dennen, Director of Pharmacy. Ms. Dennen presented the *Pharmacy Practice Residency Program at Washington Hospital*.

Ms. Dennen noted the Value of the Residency Program:

- Support Innovation, External Funding and Indirect Benefits
- Contributions to Quality and Cost Indicators
- Staff Recruitment, development and Satisfaction
- Increased Capacity to Deliver Education and Scholarship

Ms. Dennen went on to discuss the program goals:

- Manage and improve the medication use process
- Provide evidence-based, patient-centered medication therapy management with interdisciplinary teams
- Exercise leadership and practice management skills
- Demonstrate project management skills
- Provide medication and practice-related education/training
- Utilize medical informatics and conduct pharmacy practice research
- Participate in the management of medical emergencies

Director Stewart moved for approval of the minutes of December 11, 16, and 23, 2013. On a second by Director Danielson the motion unanimously carried.

*APPROVAL OF MINUTES
OF DECEMBER 11, 16,
AND 23, 2013*

There were no oral communications.

*COMMUNICATIONS
ORAL*

The following written communication was received from Peter Lunny, M.D., Chief of Staff, dated December 10, 2013, requesting approval of Medical Staff Credentialing Action Items as follows:

*COMMUNICATIONS
WRITTEN*

Reappointments:

Garcia, Ramiro X., M.D., Grewal-Bahl, Ranu, M.D., Horstman, Kimberly P., M.D., Jain, Aditya, M.D., Kawada, Carol L., M.D., Kudaravalli, Padmavathi, M.D., Lunny, Peter L., M.D., Malak-Hanna, Maha Elias, M.D., Paranay, Gregory L., M.D., Sehgal, Rohit, M.D., Sinha, Shally, M.D., Thomas, Jeffrey E., M.D., Tsai, Shirley S., M.D., Wang, Albert Y., M.D., Wey, Jaclyn C., M.D.

Non-Reappointments – Deemed to have Resigned

Parikh, Sachin S., M.D., and Thiele, Monette A., C.C.P.

Transfer in Staff Category:

Garcia, Ramiro X., M.D.

Completion of Proctoring & Provisional Category

Fareed Asfour, M.D., Li Kuo Kong, M.D., Dost Sarpel, M.D.

Director Wallace moved for approval of the credentialing action items. On a second by Director Danielson, the motion unanimously carried.

Jeannie Yee, Service League President reported the Service League welcomed thirty new adult members in 2013.

*SERVICE LEAGUE
REPORT*

Ms. Yee also noted the Washington Hospital Service League's Annual Business meeting will be held on Monday, February 10th with service awards, installation of new board members and presentation of the annual gift to the hospital.

Dr. Lunny reported there are 506 Medical Staff members. Dr. Lunny noted there are no new applicants.

*MEDICAL STAFF
REPORT*

The Hospital Calendar video highlighted the following events:

*HOSPITAL CALENDAR:
Community Outreach*

December 12th, the Washington Hospital Management Staff donated presents including bicycles, clothing and toys to Tri-City area families in need. The families were identified through OneChild; a non-profit organization dedicated to providing disadvantaged children with new clothing and school supplies.

December 12th, The final Trees of Angels Tree Lighting Ceremony for hospice care, was held at Washington West. This event featured a high School choral competition, where participating high schools including Irvington High School, James Logan High School and Newark Memorial High School, competed for a \$1,000 donation to their school's music program. The James Logan Jazz Singers won the competition. Irvington High School and Newark Memorial High School each received \$500 for their participation. Following the choral competition, the tree was lit in the lobby of Washington West.

January 2nd, as part of the Diabetes Matters program, Diana Jaycox, Registered Nurse, will present "New Year, New You: Setting Goals for Diabetes Success."

On January 7th, as part of the Stroke Education Series, Dr. Ash Jain, cardiologist and Doug Van Houten, R.N., presented "Stroke Prevention and Other Disease processes" and "Chronic Care and Stroke Rehabilitation" "Healthy Lifestyle – Be Smart and Avoid Stroke".

Upcoming Health Promotions & Community Outreach Events

January 24th at 1 p.m., as part of the Washington Hospital Speaker's Bureau, Anna Mazzei, Registered Dietitian, will present on healthy eating for diabetics. This presentation will be provided at the Fremont Senior Center.

January 25th, Washington Hospital will provide the Abdominal Aortic Aneurysm Screening. These aneurysms develop over time and may have no symptoms. Participants undergo a Doppler study of the abdomen that is then interpreted by a physician. Fremont Bank is a sponsor for this screening.

January 28th, Dr. Jason Chu, pulmonologist, will present "How Healthy Are Your Lungs? Latest Updates in Lung Health and Lung Cancer."

January 29th, Nachal Bhangal, Registered Dietitian will present Healthy Eating for 2014. The presentation will take place at the Fremont Hills Assisted Living Facility.

January 30th, the Washington Center for Wound Healing and Hyperbaric Medicine will be hosting a Community Open House. This will provide an opportunity for the community to tour the facility, meet the staff and learn more about the advanced wound care services provided by the center.

February 4th, as part of the Stroke Education Series, Dr. Ash Jain, cardiologist and Doug Van Houten, R.N., will present "Living with Stroke" and "Future Diagnosis and Management".

February 5th, as part of the Speaker's Bureau, Lorie Roffelson, Registered Dietitian will present on heart healthy eating to employees of Boehringer Ingelheim. Located in Fremont, Boehringer Ingelheim is a manufacturer of bio pharmaceutical products.

February 10th, as part of the Washington Women's Center Evening Lecture Series, Kimberlee Alvani, Director of Food and Nutrition/Clinical Services and Anna Mazzei, Registered Dietitian will present "Meatless Monday – Get More Veggies on Your Plate."

February 11th, Dr. Rohit Sehgal, cardiologist and Lorie Roffelson, Registered Dietitian will present "Hypertension: The Silent Killer and Heart Healthy Meals."

Washington Hospital Healthcare Foundation Report

During the month of December, the Mission San Jose High School iKnit Club donated knit baby booties, baby caps and scarfs. The booties and caps will be donated to some of the babies born at Washington Hospital, and the scarves will be donated to patients at the Sandy Amos R.N. Infusion Center.

*HOSPITAL CALENDAR:
Washington Hospital
Foundation Report*

Aeropostale, a national clothing retailer, donated stuffed teddy bears for patients in the pediatric department.

The Washington Hospital Foundation thanks all who supported the Trees of Angels Tree Lighting events which raised funds for hospice care in the Washington Township Healthcare District. The Foundation extends a special thank you to all of the sponsors for Trees of Angels, including Fremont Bank, Gonsalves and Kozachenko and Freed & Associates.

Washington Township Health Care District Board of Directors Report

In the past month, district board members represented Washington Township Health Care District at the Trees of Angels Tree Lighting events and the Newark Chamber of Commerce Holiday Mixer.

*HOSPITAL CALENDAR:
Board of Directors' Report*

Washington Hospital Employee Association, W.H.E.A.

WHEA hosted the Children's Holiday Party. The children and families enjoyed a photo with Santa and Mrs. Claus; over 120 people attended. WHEA donated gift cards from local stores to homeless families living in the shelters at SAVE and Abode Services. The gift cards will allow the families to purchase food and clothing. A total of \$1,475 in gift cards were divided between the two organizations.

*HOSPITAL CALENDAR
W.H.E.A.*

Washington On Wheels Mobile Health Clinic, W.O.W.

During the month of December the Washington On Wheels Mobile Health Clinic (W.O.W.) provided primary health care services to community members at the Fremont Family Resource Center, the Silliman Activity Center in Newark, and the Ruggeri Senior Center in Union City. W.O.W. also provided services to students at

*HOSPITAL CALENDAR:
Washington On Wheels
Mobile Health Van*

Brier Elementary School in Fremont.

W.O.W. provided occupational health services including TB testing to 33 employees of the Newark Unified School District and 20 flu vaccinations to employees of Kerry Sweet Ingredients.

*HOSPITAL CALENDAR:
Internet Report*

Internet Marketing

There were over 38,813 visits to the hospital website in December. The hospital's physician finder section was the most viewed webpage with 13,091 page views, followed by the Employment section with 8,671 and the Volunteers section with 7,390 page views.

*HOSPITAL CALENDAR:
InHealth*

InHealth - Channel 78

During the month of December, Washington Hospital's cable channel 78, InHealth, aired new programming including a Washington Women's Center program "Healthy Holiday Cookies" and the December Board of Directors Meeting. InHealth also taped a Diabetes Matters Program "Strategies for Support: Coping with Chronic Illness During the Holidays"

Protect Yourself from the Flu

Many states across the country are reporting widespread flu activity. Additional increases are expected in the coming weeks. A flu vaccine is the first and best way to protect yourself and the people around you from influenza and its potentially serious complications. Washington Hospital is hosting two flu clinics in January that will take place on January 16-17 from noon to 2 p.m. and 3:30 to 5:30 p.m. in the lobby of the Washington West Building. The flu shots will be offered at a reduced rate of \$10 per person. The vaccine is available to those who are 4 years old or older. Flu vaccinations are available at Washington Urgent Care.

Employee of the Month

Kristi Schupbach has been employed with Washington Hospital since 1999 as a per diem night shift nurse. She has her Critical Care Nurse Certification. She stays up to date with the latest evidence base practices which she shares with the staff; she has a strong work ethic and is highly respected by the physicians and her peers.

*HOSPITAL CALENDAR:
Kristi Schupbach*

Ed Fayen, Senior Administrative Associate presented the *Construction Update*.

*CONSTRUCTION
REPORT
Construction Update*

Mr. Fayen noted:

- We are going into a new phase of construction; next week will be the start of the asbestos abatement in the Whitaker Pavilion; this will take about one month to complete.
- Following that, the bidding process for the demolition of the Whitaker Pavilion will begin and work is scheduled to start the first week of March.
- Bidding begins for sub-contractors that are responsible for 70% of the construction of Phase II.

Mr. Fayen presented the footprint for the Garage and Morris Hyman project, part of Phase II. When compared to the CJR and Central Plant, it is physically three times the size and about three times the size in terms of dollars.

The Whitaker Building, the Pavillion and the FastTrak building will be demolished either at the beginning or in the process of the construction project; the new Hyman Pavillion will go on that footprint.

Barbara Eusebio, Chief of Quality and Resource Management presented the *National Patient Safety Goals 2014*

*QUALITY REPORT
National Patient Safety
Goals 2014.*

Ms. Eusebio noted the goals of the Patient Safety Committee include:

- Improving the accuracy of patient identification
- Improving the effectiveness of communication among caregivers
- Improving Safety of using medication
- Preventing the spread of health care-associated infections
- Identifying safety risks inherent in patient population to protect at-risk individuals
- Conducting the correct procedure at the correct site and with the correct person
- Improving the safety of clinical alarm systems

Ms. Eusebio also noted all hospital receiving accreditation from the Joint Commission must implement the National Patient Safety Goal requirements in an effort to maintain safe environments and provide quality care to all patients.

Chris Henry, Chief Financial Officer, presented the Finance Report for November 2013. The average daily census was 153.6 with admissions of 919 resulting in 4,609 patient days. Outpatient observation equivalent days were 223. The average length of stay was 5.04 days. The case mix index was 1.494. Deliveries were 142. Surgical cases were 329. Joint Replacement cases were 106. Neurosurgical cases were 9. Cardiac Surgical cases were 5, PTCA procedures were 29, and the Outpatient visits were 7,110 and Emergency visits were 3,949. Total productive FTEs were 1,251.1. FTEs per adjusted occupied bed were 6.94.

FINANCE REPORT

Ms. Hartz presented the Hospital Operations Report for December. There were 1,010 admissions with an average daily census of 177. This was lower than the budget of 1,054 admissions and 5.5% below the budgeted average daily census of 177. Preliminary information indicated inpatient revenue for the month of December at approximately \$143,200,000; 58.9% was Medicare and 17% was Medi-Cal, for a total of 75.9% in government program revenue. There were 136 deliveries in the Hospital. There were 348 surgical cases at the Hospital and 618 cases at the Outpatient Surgery Center. There were 317 heart procedures including PTCAs. The Emergency Room saw 4,243 patients. The clinics saw approximately 3,509 patients. FTEs per Adjusted Occupied Bed were 6.50.

*HOSPITAL OPERATIONS
REPORT*

In accordance with District Law, Policies and Procedures, Director Wallace moved for reappointment of Benn Sah, M.D., Shirley Buschke, James Stone, Russ Blowers, and Miro Garcia to the Washington Hospital Development Corporation Board of Directors for 2014. On a second by Director Nicholson, the motion unanimously carried.

*APPROVAL OF
REAPPOINTMENT OF
DEVELOPMENT
CORPORATION BOARD
MEMBERS*

In accordance with District Law, Policies and Procedures, Director Wallace moved the Chief Executive Officer be authorized to enter into the necessary contracts to proceed with the build and implementation services for the ICD-10 project, for a total amount not to exceed \$7,396,400. On a second by Director Nicholson, the motion unanimously carried.

*APPROVAL OF ICD-10
BUDGET*

In accordance with District Law, Policies and Procedures, Director Wallace moved for the approval of Resolution No. 1143 authorizing Employer Pickup of Employee Contributions. On a second by Director Nicholson, the motion unanimously carried.

*APPROVAL OF
RESOLUTION 1143,
CALIFORNIA PUBLIC
EMPLOYEES' PENSION
REFORM ACT OF 2013,
PRETAX
CONTRIBUTIONS*

Reference attached document.

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

In accordance with District Law, Policies and Procedures, Director Wallace moved for the approval of the proposed amendments of Washington Hospital medical Staff Rules and Regulations Manual. On a second by Director Nicholson, the motion unanimously carried.

*APPROVAL OF
PROPOSED
AMENDMENTS OF
WASHINGTON HOSPITAL
MEDICAL STAFF RULES
AND REGULATIONS
MANUAL*

In accordance with Health & Safety Code Sections 1461, 1462, and 32106 and Government Code Section 54954.6(h). Director Stewart adjourned the meeting to closed session at 8:43 p.m. as the discussion pertained to Hospital trade secrets, human resources matters and risk management.


*ADJOURN TO
CLOSED SESSION*


Director Stewart reconvened the meeting to open session at 9:02p.m. and reported no action was taken in closed session.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Stewart adjourned the meeting at 9:02 p.m.

ADJOURNMENT


BERNARD STEWART, DDS
President


WILLIAM NICHOLSON, MD
Secretary

MINUTES OF THE BOARD OF DIRECTORS OF WASHINGTON HOSPITAL

January 8, 2014

Agenda Item VII.E

Consideration of Chief Executive Officer Employment Agreement and At-Risk Compensation

During the regular meeting of the Board of Directors (Board) on January 8, 2014 the Board considered Agenda Item VII.E, *Consideration of Chief Executive Officer Employment Agreement and At-Risk Compensation*. All Board members were present:

Dr. Bernard Stewart, President

Michael J. Wallace

Patricia Danielson, RHIT

Dr. Jacob Eapen

Dr. William F. Nicholson

As President of the Board, Dr. Stewart introduced the agenda item and made preliminary comments.

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

Director Stewart explained that the past year has been challenging for the District. There has been continued downward pressure on revenues and the Affordable Care Act has introduced a considerable amount of uncertainty to the entire health care system. While the District is not alone—other local institutions and even other institutions like the world-renowned Cleveland Clinic, are suffering the same downward pressure on revenues in the uncertain environment of the Affordable Care Act—the District cannot be passive as it tries to survive in the increasingly stormy climate that is health care in the United States. This is underscored by the financial report received by the Board earlier in the evening.

The Affordable Care Act has presented many challenges to the District. Its implementation has not been smooth. While this has been a boon to the talking heads on news shows, the hard truth is that the rocky implementation is adversely affecting individuals, including many residents of the District.

The second major challenge of the Affordable Care Act is that the definition "affordable" hinges on one thing—cutting reimbursements to hospitals and physicians. The old system needed improvement. However, the notion that millions of dollars can suddenly be cut from

reimbursements that the District has normally relied upon presents huge challenges which cannot be solved overnight—they certainly can't be solved when the rules keep changing almost daily. Not surprisingly, the District's financial performance has suffered. But, so has the financial performance of many other healthcare providers such as the previously mentioned Cleveland Clinic.

Nevertheless, the mission of the District remains the same: to provide high quality healthcare to its residents and patients. The Board has consistently said it is dedicated to that mission. As the District transitions to a new but uncertain reality, it needs experienced leadership at all levels, especially at the CEO level.

Director Stewart then highlighted what he believed were the District's significant accomplishments, given this difficult environment.

The District's most significant achievement of the past year was the establishment of the relationship with UCSF. This is a singularly historic achievement. UCSF is a world-renowned Academic Medical Center. By virtue of this affiliation, the District is providing access to UCSF, both for patients and physicians. While this was a team effort, Director Stewart indicated that there was no doubt that the idea to pursue the affiliation and the actual realization of the affiliation was largely due to the efforts of Nancy Farber.

Another significant achievement was the implementation of EPIC, the Electronic Health Record system. This was and continues to be a monumental undertaking. Regardless of how one may feel about the need to move from paper to electronic records, federal law provided an incentive to move to electronic health records and provided a strong disincentive in the form of further reduced reimbursements. The District has moved forward with this aggressively. More importantly, UCSF and many other hospitals in the Bay Area are already on the EPIC system.

The third major accomplishment in the last year has been the continued success of the Institute for Joint Restoration and Research. That area of the Hospital has been extremely successful, having been recognized as the number one joint replacement center in the Bay Area and the fourth best in California. U.S. News and World Report further listed Washington Hospital as the fourth best hospital in the Bay Area. This report cited many of the Hospital's specialties, including diabetes, neurology, gynecology and safety. These are tremendous achievements in difficult times.

Finally, the District continued to proceed with its massive facility master plan. This will provide a vastly expanded and modern emergency room and critical care unit. This will bring key facilities into the 21st century.

The District has been taking positive steps despite the tremendous challenges discussed earlier, and Director Stewart credits Ms. Farber's leadership with the District's progress over the past year.

Director Stewart paused to point out that while the District is a public entity, it is unlike cities, counties and other districts. Unlike these other entities, the District does not receive taxpayer funds to cover its operations. In addition, the District must compete with other profit and nonprofit healthcare providers for patients to fund its operational costs. Operational costs include salaries, and again, those salaries are not funded by the taxpayers. Any analysis of the CEO's compensation award, whether in the form of a base salary adjustment or "at risk" award, must be done in the context of the market for similar CEOs of similar organizations.

Director Stewart indicated that the issue of compensation for the CEO is a challenging one for the Board. He acknowledged the perception that public employees' compensation should be arbitrarily limited to some number that does not reflect the real market. He stressed that it is not rational or reasonable to do so in the case of the District. The District operates on a different basis than other public agencies. The District must meet market costs or the quality of the District's employees and its leadership will suffer greatly.

Director Stewart believes that the CEO deserves a raise, and probably more than the District can give her at this time. He suggested that the raise be in the 4% range. With regard to the "at risk" compensation, he suggested an award of 25% of the maximum possible 40% because that number is a little higher than the midpoint but not the highest possible and the Board needs to balance the award against the District's overall finances.

Director Stewart indicated that Ms. Farber as CEO is doing an excellent job in light of the unprecedented challenges facing the healthcare industry. She was crucial in establishing the critical relationship with UCSF, which was a major accomplishment for the District. Ms. Farber is talented and has many, many years of experience.

Director Stewart also suggested that, in light of her performance, Ms. Farber's contract be extended by one year, consistent with the Board's prior practice.

Director Stewart opened the public hearing.

There were no speakers and Director Stewart closed the public hearing.

Director Stewart asked for a motion.

Director Wallace made the following motion:

1. That the Employment Agreement between the District and Nancy Farber, CEO, be amended to increase base salary by 4% effective November 1, 2013;
2. That, based on her performance, the Board award Ms. Farber "at-risk" performance compensation of 25% of base salary, equal to \$162,783.25 to be paid forthwith;

3. That the Employment Agreement be extended for one year, for a new term beginning November 1, 2013 and ending October 31, 2017; and
4. That the President of the Board be authorized to execute an Amendment to the Employment Agreement consistent with the terms of this motion.

Director Nicholson seconded the motion.

Director Stewart invited the Board to comment on the proposed motion.

Director Wallace wanted the public to keep in mind that the District's operations cost nearly \$500 million per year. This is not a small sum of money and Ms. Farber and her team are responsible for managing these funds. Director Wallace also wanted to remind the public that while the Affordable Care Act was passed, in part, to address the issue of uncompensated care, the reality is that the health care industry still operates on a cost-shifting model. The system robs Peter to pay Paul. While the intent of the Affordable Care Act has been to more evenly spread out the cost of providing care, the reality is that during this transition period, the government is reducing the amount of compensation available to health care providers for treating Peter while expecting them to provide the same level of service to Paul. Director Wallace pointed out that the District, as reported earlier by Ms. Hartz, continues to provide Charity Care and uncompensated care even though revenue is dwindling. The District still has to manage a \$500 million per year outlay in an environment of diminishing revenues. Director Wallace is in favor of the motion because it takes a lot of talent to manage this outlay.

Director Nicholson indicated that he concurred with many of Director Stewart's opening remarks. 2013 was a challenging year and he expects 2014 to be even more challenging. The health care industry is subject to a lot of uncertainty, decreasing reimbursements, and increasing unfunded mandates such as the transition to ICD-10. This is a very challenging environment for the District, and this environment will continue. The District needs experienced, talented and competent leadership that is familiar with the District's current circumstances. Director Nicholson pointed out the District's many accomplishments. These include the affiliation with UCSF, which will bring many benefits to the District, the implementation of EPIC, which will yield great benefits and allow the District to provide better quality of care more efficiently, and the many awards and recognition received by the District. Director Nicholson credited these accomplishments to the District's top-quality leadership. For these reasons, Director Nicholson concurs with the motion.

Director Danielson expressed her total agreement with Directors Stewart, Wallace and Nicholson. The healthcare industry has grown very complex and created a very difficult environment. She cited the mandate that the District adopt ICD-10, at a cost of \$7 million, which is very expensive and that the District has no choice but to spend this money. In light of these challenges, the progress the District has made over the last year is impressive, and not

something it could do without proper leadership. She cited the District's new pharmacy residency program, the affiliation with UCSF, and the many awards and recognition the District has received. Further, the District provides a wide array of services, not only inpatient services, but outpatient services in Fremont, Newark and Union City. This is a big job. The quality of these services attracts people from outside the District, and this happens because of good leadership. Director Danielson believes this leadership is coming from Ms. Farber, and concurs that Ms. Farber deserves more than the District can afford right now. She supports the motion because the District needs someone at the helm to keep the District moving forward and providing quality services to patients.

Director Eapen agrees with everything that has been said. He added that he has practiced healthcare across three continents and does not believe he has ever seen so many changes to the healthcare industry and likened it to a storm. To weather the storm, the District needs an experienced leader, and believes that this is what Ms. Farber brings to the table. The Board has always tried to keep up with the market rate. Director Eapen concurs that compensation is below the market rate. He supports the motion.

Director Stewart made a plea to the community to recognize what a jewel the Hospital is for the District. The services the Hospital offers are unprecedented for a district hospital and the District has a history of tremendous service to the community. He hopes that the community can understand the unprecedented challenges facing the District. At every turn, it feels like someone is finding a way to take money from the District, and it is extremely difficult to maintain a bottom line under these circumstances. Director Stewart pled for understanding in moving forward with leadership that is proven and has shown tremendous ability to find answers in difficult situations.

There being no further comments, Director Stewart called for a vote on the motion previously made by Director Wallace.

The motion was approved unanimously.

In recognition of her years of dedication, caring and commitment to the residents of the Washington Township Health Care District,

Washington Hospital Healthcare System and the Washington Township Health Care District acknowledge and praise the accomplishments of Kristine LaVoy, RN, MS, CIP during her 38 years of service to the community. Kris demonstrated the highest of ethical standards exemplifying the Patient First Ethic in her roles as Nursing Night Supervisor, Clinical Coordinator, Nursing Services Supervisor, Director of Quality Assurance, Director of Professional Resources, Chief of Professional Resources, Chief of Compliance and Associate Administrator. Kris provided leadership roles on the Quality Steering Council, the 100K Lives Saved Campaign, the Joint Commission Survey Readiness Taskforce, Corporate Compliance Committee, the Institutional Review Board, the Bioethics Committee, the Green Team Initiative, and on Safety and Security Preparedness Initiatives. Kris provided leadership for the Medical Explorer Program since its inception in 2003.

Kris authored the Pearls of Wisdom handbook for staff, physicians and volunteers.

By virtue of Kris's assignments in nursing supervision, quality assurance, utilization management, risk management and compliance Kris has in the course of her tenure impacted almost every department. Kris is known for being a compassionate, creative and fiscally responsible leader.

With highest regards and accolades, we proudly present this certificate in honor of

Kristine LaVoy, RN, MS, CIP

Certificate of Commendation

Duly bestowed upon Kristine LaVoy, on this 8th day of January, 2014
by Washington Hospital Healthcare System and
Washington Township Health Care District