



**Minutes of the Open Session of the
Finance Committee of the
El Camino Hospital Board of Directors
Monday, April 25, 2022**

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040

Members Present

John Zoglin, Chair
Joseph Chow**
Peter Fung, MD
Bill Hooper
Cynthia Stewart
Don Watters

Members Absent

Wayne Doiguchi

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:30 pm by Chair John Zoglin. A verbal roll call was taken. All members were present at roll call, excluding committee member Peter Fung, MD. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST	Chair Zoglin asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of the Finance Committee meeting (03/28/2022) and for information: (b) Progress Against FY 2022 Committee Goals (c) FY2022 Pacing Plan (d) Article of Interest.</p> <p>Movant: Watters Second: Fung Ayes: Chow, Fung, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Doiguchi Recused: None</p>	<p><i>Consent Calendar was approved.</i></p>
5. REPORT ON BOARD ACTIONS	Chair Zoglin asked the Committee for any questions or feedback on the Report on Board Actions, as further detailed in the packet.	
6. FY2023 COMMITTEE PLANNING (a) FY 2023 Committee Goals (b) FY 2023 Pacing Plan (c) FY 23 Meeting Dates	<p>Carlos Bohorquez, Chief Financial Officer opened the discussion by stating the Governance Committee has recommended eliminating one Hospital Board Meeting along with one Finance Committee Meeting as discussed and presented to the full Board in previous meetings. Mr. Bohorquez stated, that the proposed FY2023 Meeting dates do not reflect this recommendation of reducing the Finance Committee meetings down to six meetings.</p> <p>Mr. Zoglin recommended changing the Aug 29th Finance Committee meeting to Aug 15th and pushing the board meeting to Aug 17th. Mr. Woods stated he is aware of this change and has confirmed it with Director Chen. Mr. Bohorquez agreed to the recommendation.</p>	

	<p>Mr. Zoglin has recommended adding the following service lines to the FY 23 Goals: Oncology and Urology to present: strategy, goals, and performance.</p> <p>Mr. Zoglin also recommended to pace the Revenue Cycle report to an earlier date as currently paced for May 2023.</p> <p>Mr. Zoglin stated should a motion be taken? in response, Mr. Bohorquez stated all updates will be added and will be presented to the Finance Committee in May.</p>	
<p>7. PERIOD 9 FINANCIAL REPORT</p>	<p>Mr. Bohorquez, presented the Period 9 Financial Report and opened the discussion by discussing volume and overall patient activity across the health system and highlighted the following:</p> <ul style="list-style-type: none"> • Overall very strong volumes across the organization, but outpatient volume has been particularly strong. • Mr. Bohorquez stated the following services had significant variance to budget and last year: <ul style="list-style-type: none"> ○ ER: Significant rebound stronger than pre-Covid levels. Mr. Bohorquez stated for March we were favorable to budget by 24.9% and 42.6% better than the same period last year. ○ Outpatient Surgery: 40.6% favorable to budget and 11.2% better than the same period last year. • Mr. Bohorquez stated inpatient volume was solid as well and highlighted the following: <ul style="list-style-type: none"> ○ Average Daily Census of 293 was favorable to budget by 12.5% and 22.9% better than last year. ○ Total inpatient discharges were favorable to budget by 8.3% and 19.4% better than the same period last year. <p>Mr. Bohorquez stated we expect volumes to level off in Q4 of FY2022 which attributes to spring break and anticipated vacation activities by patients and physicians.</p> <p><u>Operational Metrics:</u></p> <ul style="list-style-type: none"> • From an overall operational standpoint given the significant volume increase, the ongoing impact of Covid, and workforce challenges, Mr. Bohorquez stated we are favorable to budget and better than last year. This is attributed to operational leaders who have been proactive in ensuring adequate staffing levels. • One item that we are unfavorable to budget from an operational standpoint is Days in A/R. We are at 54.1. Its higher than the target by 5 days and Mr. Bohorquez stated about 3 days is directly attributed to the very strong volumes in March and we are expecting to level up closer to the target by end of this fiscal year. <p>Mr. Bohorquez continued the discussion by presenting the Financial Performance Overview and highlighted the following:</p>	

	<ul style="list-style-type: none"> • March total operating revenue of \$127M is attributed to strong volumes as we just discussed the fact March had 23 business days. Overall favorable to budget by 23.6% and 25.6% over the same period last fiscal year. • Operating EBIDA \$27.8M favorable to budget by \$13.8M and \$13.2M better than the same period last fiscal year, Mr. Bohorquez stated last March we were coming off the impact of a Covid wave. • Net income was favorable to budget by 8.9% and it was mainly driven by strong operating performance. <p><u>YTD Financial Results through March 31st</u></p> <ul style="list-style-type: none"> • Total operating revenue of \$1.0B which is 13.1% favorable to budget and 20.1% better than the same period last fiscal year. • Operating EBIDA of \$198M favorable to budget by \$74.8M and \$87.5M better than the same period last year. <p>Mr. Bohorquez stated one area that has been a significant challenge and not favorable to budget is non-operating income which is primarily compromised of investment income. The capital markets have been challenged over the last 9 months:</p> <ul style="list-style-type: none"> ○ YTD for non-operating income Mr. Bohorquez stated we are unfavorable to budget by \$116.4M and compared to the same period last fiscal year we are unfavorable to by \$227.8M. <p>Motion: To approve the Period 9 Financials</p> <p>Movant: Fung</p> <p>Second: Watters</p> <p>Ayes: Chow, Fung, Hooper, Stewart, Watters, Zoglin</p> <p>Noes: None</p> <p>Abstentions: None</p> <p>Absent: Doiguchi</p> <p>Recused: None</p>	
<p>8. ECHMN QUARTERLY FINANCIAL REPORT</p>	<p>Vince Manoogian, Interim President of El Camino Health Medical Network, and David Neapolitan, VP of ECHMN Finance presented a Quarterly Financial Report update and highlighted the following:</p> <ul style="list-style-type: none"> • Multi-year improvement in overall ECHMN financial performance continues as demonstrated by a \$2.9 million improvement in Operating EBIDA over YTD FY2021. • YTD FY2022 Operating EBIDA \$312K favorable to budget and Net Income is \$204K unfavorable to budget. • Total wRVU production is 9.3% favorable to budget. • Increased number of providers above the P50 threshold in FY2022 over FY2021. • Capitation revenue is unfavorable to budget by \$1.4M but favorable to the prior year by \$292K. This is attributed to longer than expected negotiations with a key payor and a decrease in membership in sub-capitated agreements. 	

	<ul style="list-style-type: none"> Operating expenses are unfavorable to budget, \$50K but favorable to the prior year by \$5.0M. 	
9. MV WIRELESS & DAS SYSTEM UPGRADE	Deb Muro, Chief Information Officer presented an update on the MV Wireless & DAS System Upgrade. Ms. Muro stated go-live for the upgrade will be happening this week and the DAS is in the works as well. Cost for the project, Ms. Muro stated we are under budget.	
10. CARDIAC REHAB MOVE	Ken King, Chief Administrative Services Officer presented an update regarding the Cardio-Pulmonary Wellness Center Relocation and stated the project is completed. Beginning March 6th patients were scheduled for appointments.	
11. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:39 pm.</p> <p>Movant: Fung Second: Stewart Ayes: Chow, Fung, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Doiguchi Recused: None</p>	<i>Adjourned to closed session at 6:39 pm</i>
12. AGENDA ITEM 17: RECONVENE OPEN SESSION/REPORT OUT	During the Closed Session, the Finance Committee approved the following items: The Closed Session Minutes of March 28 th Finance Committee Meeting by a unanimous vote of all Committee Members present: Mr. Chow, Mr. Hooper, Ms. Stewart, Director Watters, Director Zoglin, Director Fung and Mr. Doiguchi was absent.	
13. AGENDA ITEM 18: PHYSICIAN CONTRACTS & AGREEMENTS	<p>Motion: To approve MV & LG Gastroenterology Call Panels</p> <p>Movant: Watters Second: Fung Ayes: Chow, Fung, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Doiguchi Recused: None</p>	
14. AGENDA ITEM 19: CLOSING COMMENTS	None	
15. AGENDA ITEM 18: ADJOURNMENT	<p>Motion: To adjourn at 7:44 pm.</p> <p>Movant: Fung Second: Watters Ayes: Chow, Fung, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Doiguchi Recused: None</p>	<i>Meeting adjourned at 7:44 pm</i>

Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:

John Zoglin

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John Zoglin

Chair, Finance Committee