



**Minutes of the Open Session of the  
Special Meeting of the Governance Committee**

**Tuesday, March 5, 2019**

**El Camino Hospital | Conference Room A (ground floor)  
2500 Grant Road, Mountain View, CA 94040**

**Members Present**

**Peter C. Fung, MD, Chair**

**Gary Kalbach, Vice Chair**

**Christina Lai**

**Peter Moran**

**Bob Rebitzer (via teleconference)**

**Members Absent**

None

| <b>Agenda Item</b>   | <b>Comments/Discussion</b>   | <b>Approvals/<br/>Action</b>  |
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| <b>1. CALL TO ORDER/<br/>ROLL CALL</b>                           | The open session of the Special meeting of the Governance Committee of El Camino Hospital (the “Committee”) was called to order at 5:32pm by Chair Fung. A verbal roll call was taken. Bob Rebitzer joined the meeting via teleconference at 5:40pm during Agenda Item 6: Annual Board Assessment Tool. All other Committee members were present at roll call.   |   |
| <b>2. POTENTIAL<br/>CONFLICT OF<br/>INTEREST<br/>DISCLOSURES</b> | Chair Fung asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.   |   |
| <b>3. PUBLIC<br/>COMMUNICATION</b>                               | None.  |   |
| <b>4. CONSENT<br/>CALENDAR</b>                                   | <p>Chair Fung asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed.</p> <p>The Committee discussed the Article of Interest and the use of a Strategic Planning Committee.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (November 6, 2018); and for information: Article of Interest; Progress Against Committee Goals.</p> <p><b>Movant:</b> Kalbach<br/> <b>Second:</b> Moran<br/> <b>Ayes:</b> Fung, Kalbach, Lai, Moran,<br/> <b>Noes:</b> None<br/> <b>Abstain:</b> None<br/> <b>Absent:</b> Rebitzer<br/> <b>Recused:</b> None</p>  | <i><b>Consent<br/>Calendar<br/>approved</b></i>   |
| <b>5. REPORT ON<br/>BOARD ACTIONS</b>                            | Chair Fung referred to the written report in the packet. There were no questions from the Committee.   |   |
| <b>6. ANNUAL BOARD<br/>ASSESSMENT<br/>TOOL</b>                   | <p>Erica Osborne from Via Healthcare Consulting provided an overview of the proposed 2019 Board assessment process and timeline. She explained that Via will use key themes from the online survey data to develop a phone interview guide of 6-8 questions for 30 minute phone calls with Board members and 5-7 executives and/or physician leaders. She commented that the phone interviews allow for more in-depth exploration of outlier survey ratings.</p> <p>Ms. Osborne noted that the most important part of process is discussion with Board members themselves (she suggested 2-4 hours for this conversation), culminating in a Board Action Plan that specifies tasks with responsible parties and completion dates. Chair Fung commented that in years prior, no</p> | <i><b>Proposed<br/>Tool to be<br/>reviewed at<br/>the<br/>Committee’s<br/>April meeting</b></i> |

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|   | <p>action has come out of the Board assessment and the results have been confusing.</p> <p>The Committee discussed the structure of the assessment, which is evaluating the performance of the Board as a whole rather than individual Board behavior.</p> <p>Mr. Moran suggested that the interviews be conducted as close as possible to the meeting date where the Board will review the results. The Committee members commented that the Board should take the time to have a meaningful discussion about the results and next steps.</p> <p>Ms. Lai asked if there would be an opportunity to provide feedback to individual Board members. Ms. Osborne noted that this type of feedback could be incorporated, but the current process looks at overall practices rather than individual behavior. The Committee discussed the competency assessment conducted by the District Board, utilization of the Board Chair to provide constructive comments, and the desire for participants to give honest, free, and complete information.</p> <p>Ms. Osborne recommended that the phone interview participants should be those who have direct, regular interactions with the Board. The Committee discussed the inclusion of senior staff who make regular presentations to the Board, Chiefs of the Medical Staff, and non-Board member Committee Chairs.</p> <p>Mr. Kalbach commented that a successful process would produce an action plan generated by the Board itself rather than an outside source.</p> <p>The Committee discussed supplemental potential areas of inquiry including: obligations to patients and the community, relationships between the District Board/Hospital Board/Executive Team, organizational risk oversight, trust in fellow Board members, leadership/effectiveness of the Board, interactions and communication between the Board and its Committees, and oversight of organizational culture (ethical culture, employee engagement, culture of safety, harassment policies, etc.). Committee members commented that this process and the Board's actions in general should maintain the distinction between governance and management.</p> <p>Ms. Osborne explained that she will provide an assessment tool for the Committee to review at its April meeting.</p> |   |
| <p><b>7. CONSIDER DESIGNATING BOARD SEAT TO THE CEO</b></p> | <p>Ms. Osborne outlined CEO participation on boards at other organizations:</p> <ul style="list-style-type: none"> <li>- Health systems and subsidiaries have the highest percentage of voting CEO members</li> <li>- Most of Via's large health system clients all have CEOs on the Board with a vote</li> <li>- 51% of non-profits have CEO as a sitting board member</li> </ul> <p>Ms. Osborne and Cindy Murphy, Director of Governance Services, explained that in California, per the California Non-Profit Corporations Code, a person who does not have authority to vote as a member of the governing body is not a director.</p> <p>The Committee discussed the pros and cons of the CEO serving on the Board including, 1) a sign of trust and confidence in the CEO from the Board; 2) the CEO brings technical knowledge and expertise that would contribute to Board decision-making, 3) reservations about the Board's ability to oversee one of its own/potential conflict of interest. Committee members commented that there cons are not of particular concern for this</p>   | <p><i><b>CEO seat recommended</b></i></p> |



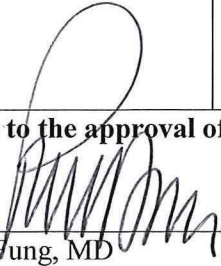
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|   | <p>organization and the advantages of the CEO serving are significant.</p> <p><b>Motion:</b> To recommend that Hospital and District Boards approve revising ECH Bylaws to increase the total number of Board seats to 11 and to provide an ex officio seat on the Board for the El Camino Hospital Chief Executive Officer.</p> <p><b>Movant:</b> Kalbach<br/><b>Second:</b> Moran</p> <p>Ms. Osborne commented that the organization has structures in place to manage a CEO seat on the Board well.</p> <p><b>Ayes:</b> Fung, Kalbach, Lai, Moran, Rebitzer<br/><b>Noes:</b> None<br/><b>Abstain:</b> None<br/><b>Absent:</b> None<br/><b>Recused:</b> None</p>   |   |
| <p><b>8. APRIL EDUCATION SESSION PLANNING</b></p> | <p>Ms. Osborne provided an overview of the proposed ideas for the April 24<sup>th</sup> Board and Committee Educational Gathering, “Governance at the Committee Level.” She explained that the session could explore:</p> <ul style="list-style-type: none"> <li>- Importance of Committees being the work horses for the Board to free up the Board for generative, big-picture discussions</li> <li>- Structure, composition, and effectiveness of Committees; clearly defined responsibilities and delegated authorities</li> <li>- Evaluation of Committee effectiveness: annual goals, focused agendas</li> <li>- Flow of information from the Board/from the Committees; finding the balance so that there is enough information (no surprises), but the audience is not drowning in information/data</li> <li>- Creating a generative Committee: breaking out of the routine of reporting and getting into the operational weeds, instead asking challenging questions</li> </ul> <p>Chair Fung suggested reviewing if the 6 existing Committees are appropriate (Should there be a strategic or physician relationship committee?). The Committee members expressed concerns about opening up a fundamental structure questions with such a large group at the education session. Mr. Kalbach suggested that this could be a good topic for a joint meeting between the Committee and the Hospital Board.</p> <p>Mr. Rebitzer suggested that the session could 1) have attendees discuss process questions (<i>i.e.</i>, What is working well and what is not? What would you like to see?) and 2) provide education from Ms. Osborne on best practices for running committees and how committees relate to their boards.</p> <p>Mr. Moran suggested that the session communicate the progress the Committees have made over the last few years, including the fundamental change with the recent delegations of authority. He noted that education/discussion on this topic could stimulate Committee members to think about other areas that could be good to delegate. He suggested that discussion plus one or two other areas would be sufficient.</p> <p>Mr. Moran suggested that Ms. Osborne provide more education on “generative governance” and give live examples of generative questions and conversation.</p> |   |
| <p><b>9. PROGRESS ON FY19 BOARD GOALS</b></p>     | <p>Cindy Murphy, Director of Governance Services, asked the Committee for guidance on next steps to further the Board’s progress on its FY19 goals.</p>  | <p><i>Post-Meeting Review recommended</i></p> |

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|   | <p>The Committee discussed communication between the Committees and the Board: 1) bringing work up in the form of approvals and 2) balancing education, allowing Committees to be work horses for the Board, and providing appropriate feedback for areas with delegated authority.</p> <p>The Committee, Ms. Osborne, and Ms. Murphy also discussed meeting agendas: 1) relying on consent agendas for items related to fiduciary governance and 2) using the bulk of the meeting time for substantive, strategic conversations. Ms. Murphy suggested that real time feedback from the Board would be helpful to identify additional topics that could be taken off the main agenda and added to the consent calendar. Mr. Rebitzer commented that there has been a positive trend with time for issue-oriented, strategic discussions and noted that an ideal meeting would have 2-3 meaty topics.</p> <p>The Committee suggested that the Board implement a post-meeting review similar to what the Committee uses (a roundtable format – what worked, what didn’t – at the end of the closed session).</p> <p><b>Motion:</b> To recommend that 1) the Board implement a post-meeting review (plus/delta, what could you take off the agenda) at the end of the closed session and 2) direct the Chair, Director of Governance Services, and CEO to use the feedback to develop next meeting’s agenda and further narrow the topics, if possible.</p> <p><b>Movant:</b> Moran<br/> <b>Second:</b> Kalbach<br/> <b>Ayes:</b> Fung, Kalbach, Lai, Moran, Rebitzer<br/> <b>Noes:</b> None<br/> <b>Abstain:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p> | <i>for implementation</i>  |
| <b>10. DRAFT REVISED BOARD DIRECTOR COMPENSATION POLICY AND PROCEDURE</b> | <p>Ms. Murphy explained that this version of the policy incorporates the feedback from the Committee’s last meeting and asked if there were any further edits from the Committee.</p> <p>Chair Fung suggested that the Committee consider revising the policy to allow directors to receive a higher stipend for their participation. The Committee discussed Board compensation in the for-profit and non-profit sectors. The Committee noted that participation on the Hospital Board is in service to the community and that they are comfortable with the current compensation structure.</p> <p>Ms. Osborne commented that the majority of non-profit boards consist of non-paid volunteer positions.</p> <p><b>Motion:</b> To approve the Draft Revised Board Director Compensation Policy and Procedure.</p> <p><b>Movant:</b> Kalbach<br/> <b>Second:</b> Lai<br/> <b>Ayes:</b> Fung, Kalbach, Lai, Moran, Rebitzer<br/> <b>Noes:</b> None<br/> <b>Abstain:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p>  | <i>Board Director Compensation Policy and Procedure approved</i> |
| <b>11. QUALITY COMMITTEE CHARTER</b>                                      | <p>Staff explained that currently for the Quality Committee and, more broadly, for all Committees, with the exception of the Governance Committee, the Chair does not have to be a Board member. The Committee noted that the</p>  |  |



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| <b>REVIEW</b>  | Quality Committee Chair and, more broadly, any Committee Chair (except the Governance Committee Chair) should be the most qualified person for the job, regardless of whether or not they are a Board member.   |   |
| <b>12. DRAFT REVISED HOSPITAL BOARD OFFICERS NOMINATION AND SELECTION PROCEDURES</b> | <p>Ms. Murphy commented that the revisions to the policy are to update the dates for 2019. There were no comments from the Committee.</p> <p><b>Motion:</b> To approve the Draft Revised Hospital Board Officers Nomination and Selection Procedures.</p> <p><b>Movant:</b> Kalbach<br/> <b>Second:</b> Moran<br/> <b>Ayes:</b> Fung, Kalbach, Lai, Moran, Rebitzer<br/> <b>Noes:</b> None<br/> <b>Abstain:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p> |   |
| <b>13. ADJOURN TO CLOSED SESSION</b>   | <p><b>Motion:</b> To adjourn to closed session at 7:30pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Governance Committee Meeting (November 6, 2018).</p> <p><b>Movant:</b> Moran<br/> <b>Second:</b> Lai<br/> <b>Ayes:</b> Fung, Kalbach, Lai, Moran, Rebitzer<br/> <b>Noes:</b> None<br/> <b>Abstain:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p>  | <i>Adjourned to closed session at 7:30pm.</i> |
| <b>14. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT</b>                        | Open session was reconvened at 7:30pm. Agenda items 14-16 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (November 6, 2018) by a unanimous vote in favor of all members present (Fung, Kalbach, Lai, Moran, Rebitzer).   |   |
| <b>15. AGENDA ITEM 18: FY19 COMMITTEE PACING PLAN</b>                                | <p>The April 2<sup>nd</sup> meeting's agenda will feature reviews of the Board assessment tool and a review of the ECH Board structure (following the District Board's expansion of the Hospital Board in May 2017).</p> <p>Chair Fung requested that the Nomination &amp; Selection Procedure be removed from the April agenda as it was covered at this meeting.</p>  |   |
| <b>16. AGENDA ITEM 19: ROUND TABLE DISCUSSION</b>                                    | The Committee discussed the effectiveness of the meeting.   |   |
| <b>17. AGENDA ITEM 20: ADJOURNMENT</b>   | <p><b>Motion:</b> To adjourn at 7:36pm.</p> <p><b>Movant:</b> Moran<br/> <b>Second:</b> Kalbach<br/> <b>Ayes:</b> Fung, Kalbach, Lai, Moran, Rebitzer<br/> <b>Noes:</b> None<br/> <b>Abstain:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p>   | <i>Meeting adjourned at 7:36pm</i>            |

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

  
Peter C. Fung, MD  
Chair, Governance Committee