

AGENDA

REGULAR MEETING OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, May 8, 2019 – 5:30pm

El Camino Hospital | Conference Rooms A&B, F&G (ground floor)
2500 Grant Road Mountain View, CA 94040

MISSION: To heal, relieve suffering, and advance wellness as your publicly accountable health partner.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Lanhee Chen, Board Chair		5:30 – 5:31pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Board Chair		information 5:31 – 5:32
3. BOARD RECOGNITION <i>Resolution 2019-06</i> <u>ATTACHMENT 3</u>	Jim Griffith, COO		discussion 5:32 – 5:37
4. QUALITY COMMITTEE REPORT <u>ATTACHMENT 4</u>	Julie Kliger, Quality Committee Chair; Mark Adams, MD, CMO		discussion 5:37 – 6:07
5. BOARD OFFICER ELECTIONS <u>ATTACHMENT 5</u>	Lanhee Chen, Board Chair	<i>public comment</i>	possible motion(s) 6:07 – 6:22
6. PUBLIC COMMUNICATION a. Oral Comments <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 covered by the agenda.</i> b. Written Correspondence	Lanhee Chen, Board Chair		information 6:22 – 6:25
7. ADJOURN TO CLOSED SESSION	Lanhee Chen, Board Chair		motion required 6:25 – 6:31
8. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Board Chair		information 6:31 – 6:32
9. CONSENT CALENDAR <i>Any Board Member may remove an item for discussion before a motion is made.</i> Approval <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the Hospital Board Meeting (April 10, 2019) Information <i>Health & Safety Code 32106(b) and Gov't Code Section 54956.9(d)(2):</i> b. Committee Approvals	Lanhee Chen, Board Chair		motion required 6:32 – 6:34
10. Health & Safety Code Section 32155 for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: - Medical Staff Report	Imtiaz Qureshi, MD, Enterprise Chief of Staff; Linda Teagle, MD, Los Gatos Chief of Staff		motion required 6:34 – 6:54

A copy of the agenda for the Regular Board Meeting will be posted and distributed at least seventy two (72) hours prior to the meeting.

In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
11. <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: - Strategic Plan Metrics Update	Dan Woods, CEO		discussion 6:54 – 8:09
12. <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: - South Bay Strategy	Dan Woods, CEO		discussion 8:09 – 8:54
13. <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets; <i>Gov't Code Section 54957.6</i> for conference with labor negotiator Dan Woods: - CEO Report on New Services and Programs and Labor Negotiations	Dan Woods, CEO		discussion 8:54 – 9:04
14. Report involving <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: - Executive Session	Lanhee Chen, Board Chair		discussion 9:04 – 9:09
15. ADJOURN TO OPEN SESSION	Lanhee Chen, Board Chair		motion required 9:09 – 9:10
16. RECONVENE OPEN SESSION/ REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Lanhee Chen, Board Chair		9:10 – 9:11
17. CONSENT CALENDAR ITEMS: <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Hospital Board Meeting (April 10, 2019) b. Minutes of the Open Session of the Special Meeting to Conduct a Study Session of the Hospital Board (April 24, 2019) <i>Reviewed and Recommended for Approval by the Executive Compensation Committee</i> c. Revised Executive Incentive Plan Policy <i>Reviewed and Recommended for Approval by the Medical Executive Committee</i> d. Medical Staff Report Information e. FY19 Period 9 Financials f. Report on Educational Activity	Lanhee Chen, Board Chair	<i>public comment</i>	motion required 9:11 – 9:13
18. CEO REPORT ATTACHMENT 18	Dan Woods, CEO		information 9:13 – 9:16
19. BOARD COMMENTS	Lanhee Chen, Board Chair		information 9:16 – 9:19
20. ADJOURNMENT	Lanhee Chen, Board Chair	<i>public comment</i>	motion required 9:19 – 9:20pm

EL CAMINO HOSPITAL BOARD

RESOLUTION 2019 - 06

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY

WHEREAS, the Board of Directors of El Camino Hospital values and wishes to recognize on an ongoing basis the contribution of individuals who enhance the experience of the hospital's patients, their families, the community and the staff, as well as individuals who in their efforts exemplify El Camino Hospital's mission and values.

WHEREAS, the Board wishes to honor and acknowledge the Peter C. Fung, MD Stroke Center team for receiving designation from The Joint Commission as a Thrombectomy-Capable Stroke Center and their continued efforts to build a comprehensive stroke program.

Medical Director Jenelle Jindal, MD, Neurovascular Nurse Practitioner Sherril Hopper, and Stroke Coordinator Spring Xu led the year and a half long effort to prepare for The Joint Commission survey and ensure processes were in place to treat the most complex stroke patients. The interdisciplinary stroke care team, comprised of nurses and clinicians from departments across the hospital, passed the two-day review and met the rigorous standards for performing endovascular thrombectomy (EVT). The stroke team was able to demonstrate compliance with the standards for certification, meet the minimum mechanical thrombectomy volume requirement, demonstrate the ability to perform mechanical thrombectomy 24/7, maintain dedicated intensive care beds for acute ischemic stroke patients, and meet the expectations for the availability of staff and practitioners closely aligned with Comprehensive Stroke Center Expectations.

The reviewer complimented the hospital on the wonderful work and process improvement done with the neurologists and Emergency Department, Imaging Services and Laboratory teams for driving down the time it takes to administer tPA lower than the national goals. The work being done in the Neuro Cath Lab was also recognized for documentation and processes in place which are considered best practice across the country.

WHEREAS, the Board would like to publically acknowledge the stroke care team for working together on a daily basis to meet the critical and specialized needs of patients suffering a stroke.

NOW THEREFORE BE IT RESOLVED that the Board does formally and unanimously pay tribute to:

Stroke Care Team

IN WITNESS THEREOF, I have here unto set my hand this **8TH DAY OF MAY, 2019**.

EL CAMINO HOSPITAL BOARD OF DIRECTORS:

Lanhee Chen, JD, PhD
Jeffrey Davis, MD
Peter C. Fung, MD

Gary Kalbach
Julie Kliger, RN
Julia E. Miller

Bob Rebitzer
George O. Ting, MD
John Zoglin

JULIA E. MILLER
SECRETARY/TREASURER,
EL CAMINO HOSPITAL BOARD OF DIRECTORS



**EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Julie Kliger, RN, Quality Committee Chair
Mark Adams, MD, CMO
Date: May 8, 2019
Subject: Quality, Patient Care and Patient Experience Committee Report

Purpose:

To inform the Board of the work of the Quality Committee.

Summary:

The FY19 Quality dashboard was reviewed in detail. The Mortality Index declined for the month and for FYTD is at 1.0. Readmission Index for the month was below target and FYTD is at 1.02 which is below target. The throughput organizational goal measurement period began April 1. The current time is still above goal despite a great deal of work being done to streamline this process. Early results from May, however, show a significant decrease below target. There was extensive discussion on this goal regarding the complexity and difficulties encountered. On the positive side, this has shed light on several organizational processes that need to be modified or enhanced to facilitate these patient transitions. HCAHPS scores were discussed. Two of the domains—nursing communication and cleanliness—are showing upward trends at or above target while one—responsiveness of staff—remains flat below target. Sepsis mortality rate and index are declining favorably.

The Clinical Documentation Improvement (CDI) dashboard was reviewed. Medicare patient reviews are at goal of 85%. Physician query response rate is at 100% which is outstanding. The query agreement rate has improved as well currently at 72% FYTD. Major Co-morbid Conditions (MCC) and Co-morbid Conditions (CC) capture rates are close to or exceeding national 80 percentile except for surgical CC's.

The Committee reviewed the Core Measures Dashboard. These measures are defined by CMS and used to track clinical care performance. Many of these measures are used to support the publicly reported CMS Hospital Compare program. Of particular note, FYTD Caesarian section rate is below target at 23.71% (target = 23.90%) but Elective Delivery prior to 39 weeks is above target at 1.42% (target = 0). ED throughput door to floor core measure has been dropped by CMS and replaced with admit decision time to ED departure time for admitted patients. We are below benchmark for this core measure.

The medical director goal identification, measurement, and verification process was reviewed with the Committee.

The draft FY2020 organizational quality and service incentive goals were reviewed by the committee. There was a robust discussion and not all members of the Committee agreed with the goals proposed. Some members of the committee expressed the desire to consider more inspirational, stretch goals that reflect the transformational goals ECH has established. The Committee voted to recommend approval of the goals, but it was not unanimous with two members abstaining. The Committee and Management have committed to ensuring ongoing review and oversight of several quality-related strategic goals in addition to the FY2020 organizational quality and service incentive goals.

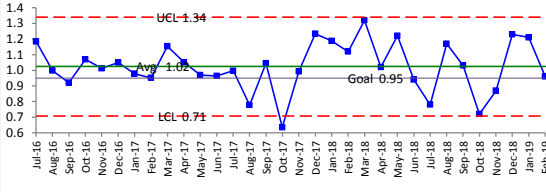
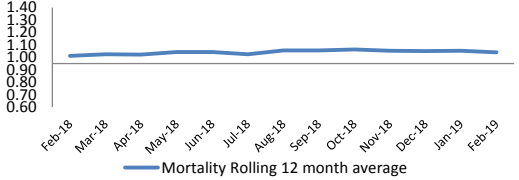
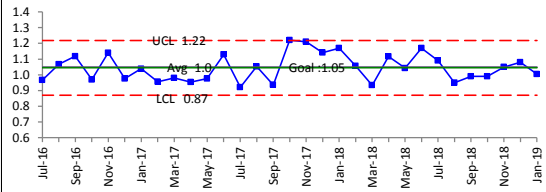
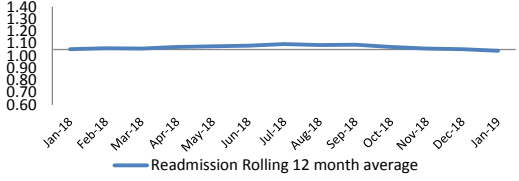
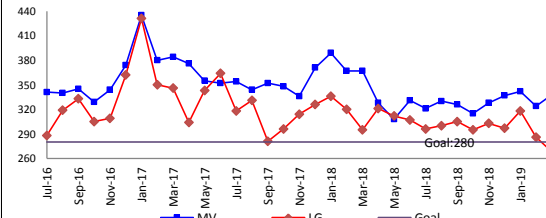
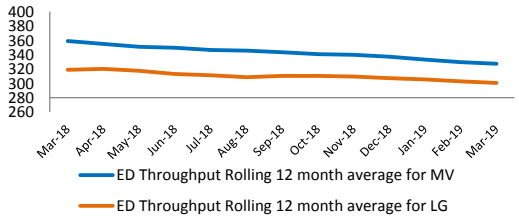
The Ad Hoc Committee for recruiting new committee members reported that they have defined a set of criteria for candidates and sourcing of candidates has begun.

List of Attachments: Quality and Experience Organizational Goals Dashboard.

FY19 Organizational Goal Update

March 2019 (Unless otherwise specified)

Month to Board Quality Committee:
May, 2019

		FY19 Performance		Baseline FY18 Actual	FY19 Target	Trend	Rolling 12 Months Average
Quality		Month	FYTD				
1	* Organizational Goal Mortality Index Observed/Expected Premier Standard Risk Calculation Mode <i>Date Period: February 2019</i>	0.96 (1.53%/1.60%)	1.00 (1.53%/1.52%)	1.05	0.95		
2	* Organizational Goal Readmission Index (All Patient, All Cause Readmit) Observed/Expected Premier Standard Risk Calculation Mode <i>Index month: January 2018</i>	1.00 (7.47%/7.44%)	1.02 (7.21%/7.07%)	1.08	1.05		
3	* Organizational Goal Patient Throughput-Median minutes from ED Door to Patient Admitted <i>(excludes Behavioral Health Inpatients)</i> <i>Date Period: March 2019</i>	MV: 338 mins LG: 268 mins	MV: 328 mins LG: 296 mins	MV: 350 mins LG: 314 mins	280 mins		

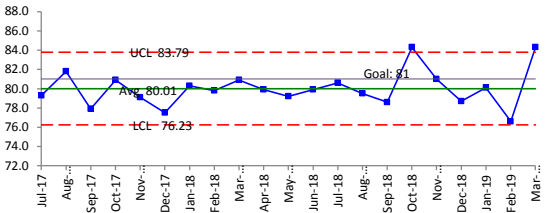
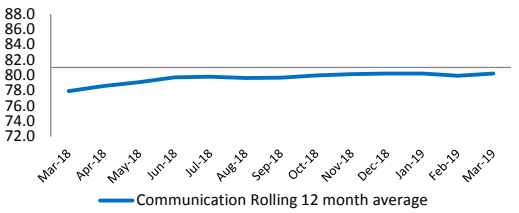
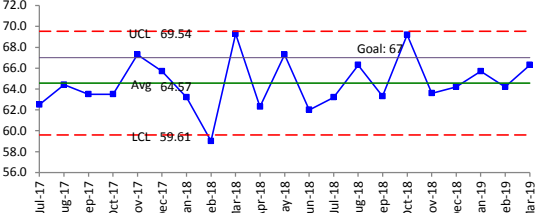
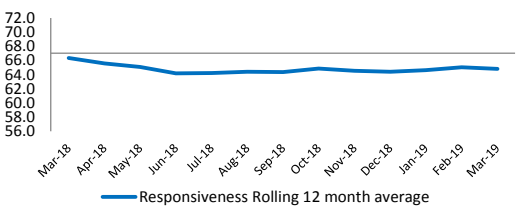
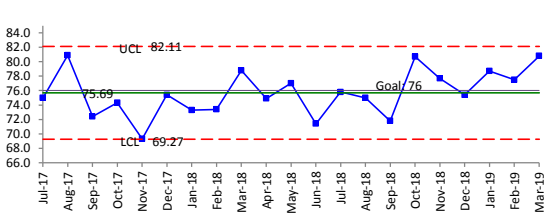
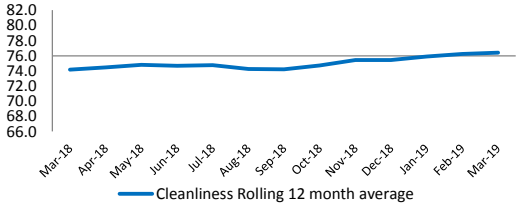
Definitions and Additional Information

Measure Name	Comments	Definition Owner	Work Group	FY 2018 Definition	FY 2019 Definition	Source
Mortality Index (Observed/Expected)	Fewer in-hospital deaths than in January: 16 of 20 patients who died had DNR and Comfort Care orders at admission or with a week of admission. Expected ROM value higher than observed with better physician documentation of patient's co-morbidities and treatment.	Catherine Carson			For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average. LCL is not visible if value is less than or equal to zero.	Premier Quality Advisor
Readmission Index (All Patient, All Cause Readmit) Observed/Expected	In Jan. fewer COPD readmits @ 8.33%, down from 16% in November. No readmits fro Pneumonia and low readmits for CHF (O/E 0.89%) and low for Total Joints @ 0.46 O/E. Weekly Readmit team reviewed 62 readmissions in January looking for preventable readmissions, issues with complications, or post-op infections, medication compliance, or social issues, with referrals as appropriate to medical staff peer review.	Catherine Carson			For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average. LCL is not visible if value is less than or equal to zero.	Premier Quality Advisor
Patient Throughput-Average Minutes from ED Door to Patient Admitted (excludes Behavioral Health Inpatients)	In LG, the team has started to review daily delays for the various intervals to understand what barriers are slowing down flow. The nurses will step in and transport patients as needed. They are piloting a robot to help transport of lab specimens and are seeing an improvement in the frequency of times that the target for lab turn-arounds are met. They are also managing to the standard of nurse hand off to reduce phone tag. In MV, March volumes were higher, and there were many days were we didn't have enough of the right types of beds (i.e. PCU or tele). That led to a decision to create a flex unit on 3CW, which we could use for med/surg/tele or mother/baby as demand requires. The team was able to open up the unit the week of April 15 based on demand. A Capacity Management Center, pilot centralized bed mgmt, which started April 8th, to support managing flow across the hospital.	Cheryl Reinking, Michelle Gabriel; Heather Freeman				iCare Report: ECH ED Arrival to Floor

FY19 Organizational Goal Update

March 2019 (Unless otherwise specified)

Month to Board Quality Committee:
May, 2019

	FY19 Performance		HCAHPS Baseline Q4 2017 - Q3 2018	FY19 Target	Trend	Rolling 12 Months Average
Service	Month	FYTD				
4 * Organizational Goal HCAHPS Nursing Communication Domain Top Box Rating of Always <i>Date Period: March 2019</i>	84.3 (212/252)	80.4 (1888/2349)	80.0	81.0		 <p>Communication Rolling 12 month average</p>
5 * Organizational Goal HCAHPS Responsiveness of Staff Domain Top Box Rating of Always <i>Date Period: March 2019</i>	66.3 (160/242)	65.2 (1451/2227)	65.1	67.0		 <p>Responsiveness Rolling 12 month average</p>
6 * Organizational Goal HCAHPS Cleanliness of Hospital Environment Question Top Box Rating of Always <i>Date Period: March 2019</i>	80.8 (202/250)	77.1 (1790/2323)	74.5	76.0		 <p>Cleanliness Rolling 12 month average</p>

Definitions and Additional Information

Measure Name	Comments	Definition Owner	Work Group	FY 2018 Definition	FY 2019 Definition	Source
HCAHPS Nursing Communication Domain Top Box Rating of Always, based on Received Date, Adjusted Samples	The following Nurse Communication Team projects continue: Leader Rounding, Enhanced interactions; which include Bedside Handoff/Ppepp/Golden hour, and Care Team Coaching Appointment Process and Cards.	Ashley Fontenot Cheryl Reinking	Patient Experience Committee	HCAHPS Rate Communication with Nurse Top Box Rating 9 and 10	For the Trends graph: UCL and LCL are ± 1 the Standard Deviation of 1 from the Average. LCL is not visible if value is less than or equal to zero.	Press Ganey Tool
HCAHPS Responsiveness of Staff Domain Top Box Rating of Always, based on Received Date, Adjusted Samples	The ongoing projects to address this HCAHPS domain include: Leader Rounding, Standardized Call Light Answer Process and Escalation Process, and Enhanced Interactions.	Ashley Fontenot Cheryl Reinking	Patient Experience Committee	HCAHPS Rate Response of Hospital Staff Top Box Rating 9 and 10	For the Trends graph: UCL and LCL are ± 1 the Standard Deviation of 1 from the Average. LCL is not visible if value is less than or equal to zero.	Press Ganey Tool
HCAHPS Cleanliness of Hospital Environment Question Top Box Rating of Always, based on Received Date, Adjusted Samples	The ongoing projects to address this HCAHPS domain include: Leader Rounding, Smile/Scan/Listen/Act which is Patient rounding for non-clinical staff, and Monthly Cleanliness Challenges.	Ashley Fontenot Cheryl Reinking	Patient Experience Committee	HCAHPS Rate Cleanliness of Hospital Environment Top Box Rating 9 and 10	For the Trends graph: UCL and LCL are ± 1 the Standard Deviation of 1 from the Average. LCL is not visible if value is less than or equal to zero.	Press Ganey Tool



El Camino Hospital[®]

THE HOSPITAL OF SILICON VALLEY

Quality and Safety Comparisons to Other Regional Hospitals

ECH Board of Directors

Mark Adams, MD, CMO

May 8, 2019

Purpose:

At the April 10th Board Meeting, we were asked to:

1. Provide information about how El Camino's quality and safety performance compares to other hospitals in the region.
2. Allow time for Board discussion of the data.

CMS Hospital Compare

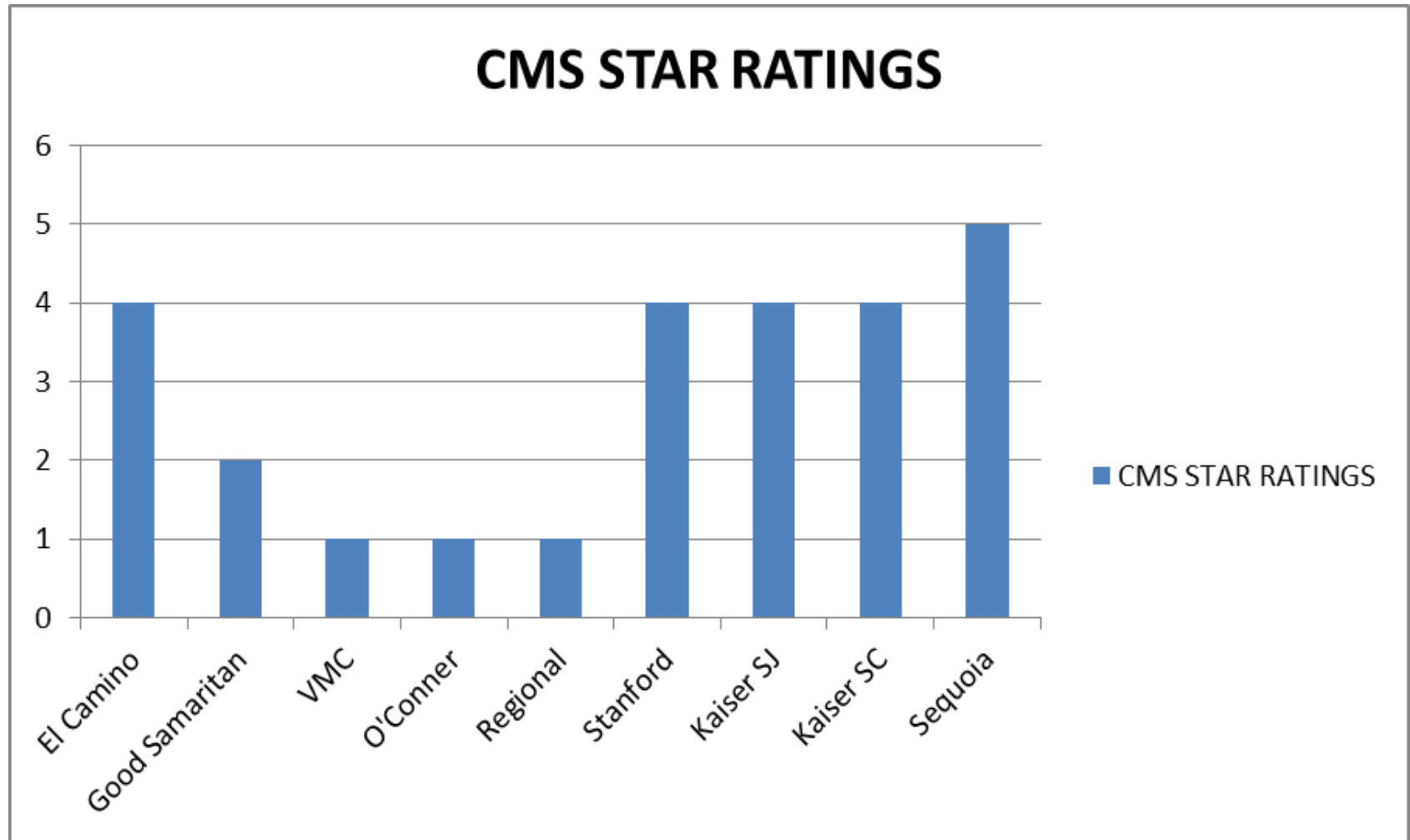
- CMS (Medicare) collects extensive quality of care data on over 4000 US hospitals. These data serve as the primary source of information for all other rating agencies
- Data are reported by collection periods that can be up to 18 months in arrears
- Measures represent wide agreement from CMS, the hospital industry and stakeholders (e.g., Joint Commission, National Quality Forum and Agency for Healthcare Research and Quality)
- The **CMS Stars Rating** represents a summary of 7 groups of measures

We Compared El Camino Hospital to 8 Other Regional Hospitals*

- Kaiser Redwood City
- Kaiser San Jose
- Kaiser Santa Clara
- Sequoia
- Stanford
- Good Samaritan
- O'Connor
- Santa Clara Valley Medical Center

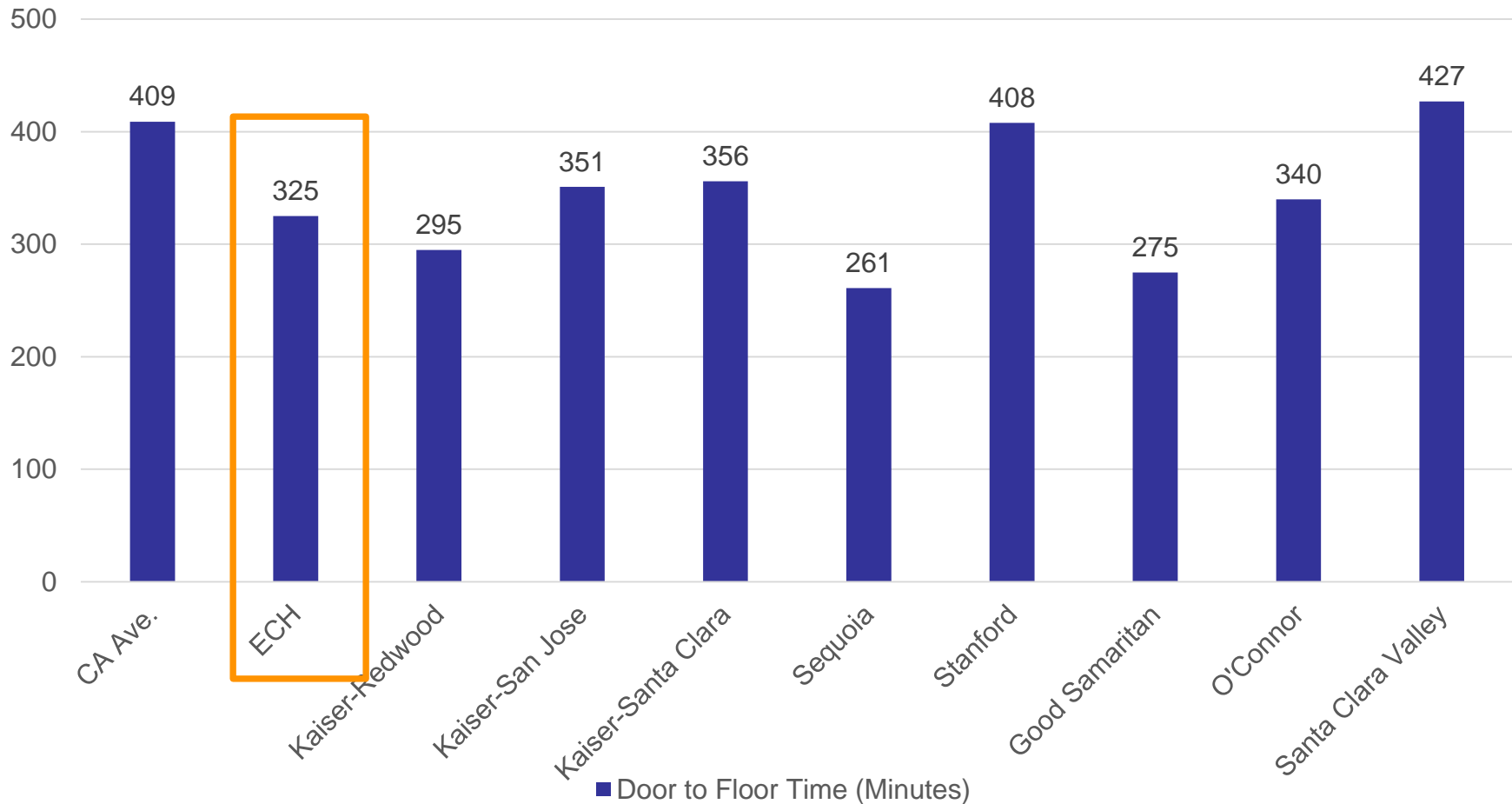
*Leapfrog data includes four additional Hospitals

Market Comparison



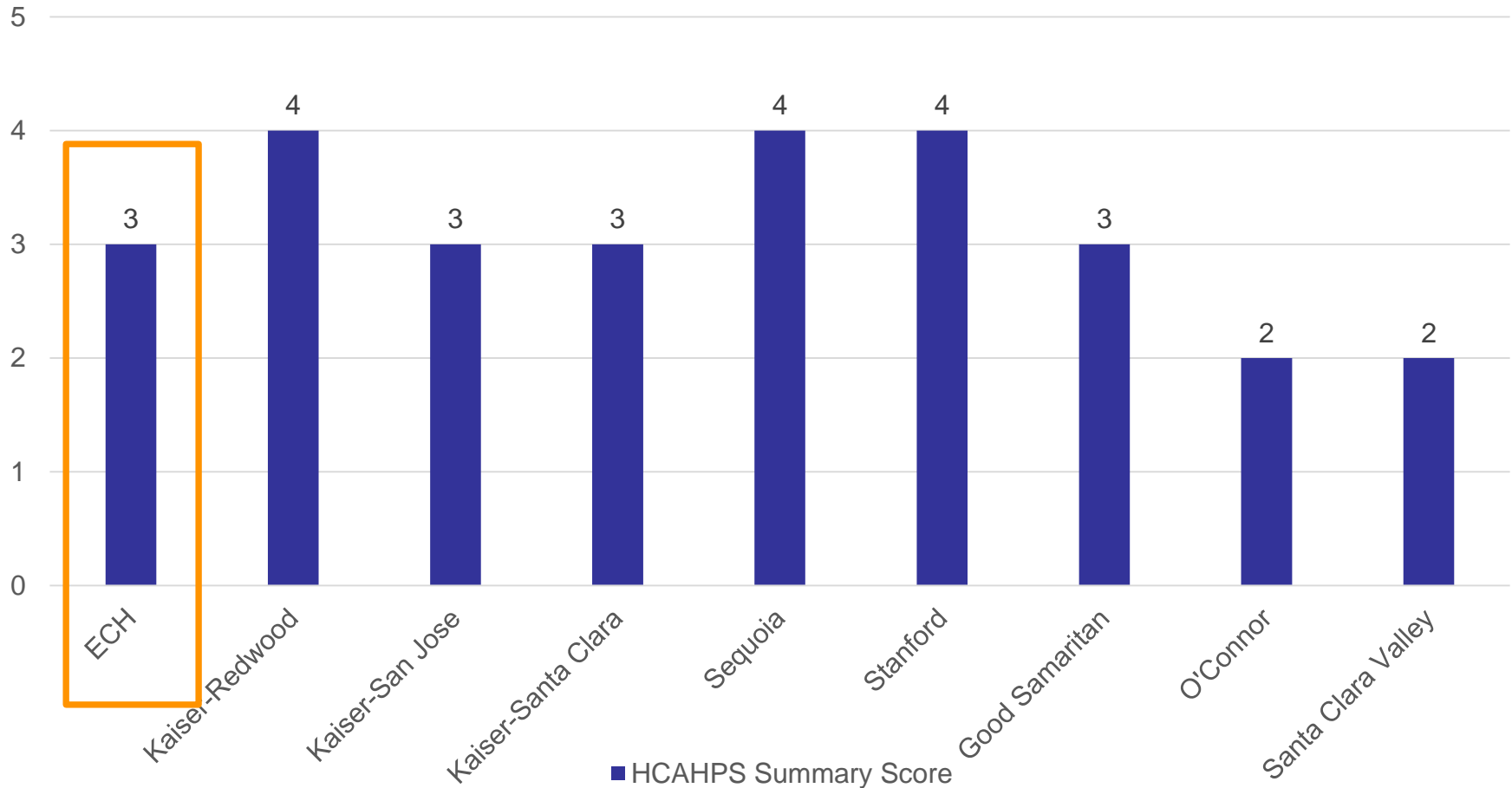
Emergency Department "Door to Floor" Time

ED Door to Inpatient Floor Time (Lower is Better)



Patient Experience

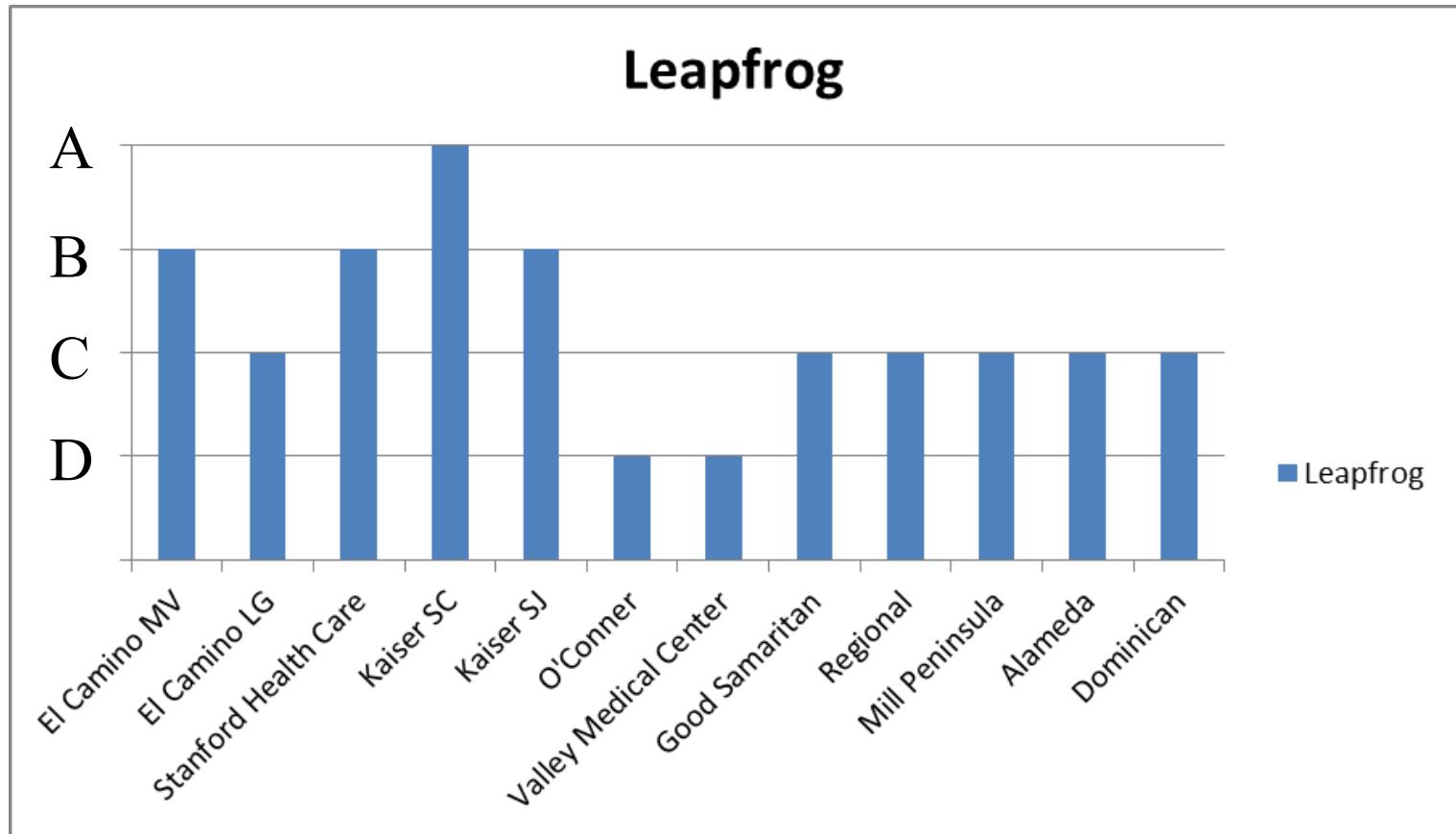
CMS Patient Experience Summary Score (1-5 Higher is Better)



The CMS “Pay for Performance” Program adjusts inpatient reimbursement based on quality and patient experience metrics

Hospital	FY19 Net Impact
Sequoia Hospital	\$484,654
Kaiser Foundation Hospital – Santa Clara	\$124,420
Kaiser Foundation Hospital – Redwood City	\$70,955
Kaiser Foundation Hospital – San Jose	(\$94,982)
El Camino Hospital (HRRP = 328K)	(\$428,082)
Santa Clara Valley Medical Center	(\$661,958)
O'Connor Hospital	(\$765,517)
Good Samaritan Hospital	(\$2,853,701)
Stanford Health Care	(\$4,202,320)

Market Comparison



Perinatal Care

Measures	El Camino	Nationwide		Statewide	
		Top 10%	Average	Top 10%	Average
C-section Rate	26.2%		32%		24.5%
Elective Delivery prior to 39 weeks	3%	0%	2%	0%	1%
Exclusive Breast Feeding	68%	73%	51%	79%	63%
Antenatal Steroids	100%	100%	98%	100%	98%

Questions?

**EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Cindy Murphy, Director of Governance Services
Date: May 8, 2019
Subject: Board Officer Election

Recommendation(s):

1. Preliminary round of voting for the Board Chair by roll call.
2. Motion to select _____ as ECH Board Chair for a two year term of service effective July 1, 2019.
3. Motion to select _____ as ECH Board Vice-Chair for a two year term of service effective July 1, 2019.
4. Motion to select _____ as ECH Board Secretary/Treasurer for a two year term of service effective July 1, 2019.

Summary:

1. Situation: Board Officers serve two year terms and the current Board Officer terms expire on June 30, 2019.
2. Authority: Board Officer Nomination and Selection Procedures provide the procedure to be followed.
3. Background: Current Board Chair Lanhee Chen is the only Director that has declared interest in the Board Chair position.
4. Assessment: N/A
5. Other Reviews: N/A
6. Outcomes: N/A

List of Attachments:

1. Board Officer Nomination and Selection Procedures
2. Director Lanhee Chen's Position Statement

Suggested Board Discussion Questions: None.

**HOSPITAL BOARD OFFICERS
NOMINATION AND SELECTION PROCEDURES
FOR FY18**

Revised/Approved 03/13/2019

Any current director of the El Camino Hospital Board is eligible to serve as a Hospital Board Officer. The new Hospital Board Officer terms begin July 1, 2019. El Camino Hospital Board Officer elections shall be held in May of odd numbered years. Following the election, it shall be the role of the Board Chair-Elect to work with the Hospital CEO in May and June to develop a slate of Board Advisory Committee Chairs and members for the following fiscal year and to present the slate to the Board for approval in June.

Hospital Board Chair:

1. Interested Directors will declare their interest to the Director of Governance Services (Cindy Murphy) by close of business April 22, 2019. The Director of Governance Services will notify the Board of all declarations of interest by close of business April 23, 2019. Any other interested Directors will then declare their interest to the Board Liaison by close of business on April 24, 2019. The Board Liaison will notify the Board of any additional declarations of interest by close of business April 25, 2019. Interested Directors will prepare a one-page Position Statement that summarizes the candidate's interest and relevant experience as it relates to the attached Hospital Board Chair competencies, no later than close of business April 29, 2019.
2. Position Statements will be distributed to Board members along with other routine Hospital Board materials one week in advance of the May 8, 2019 meeting.
3. Position Statements will be made available to the public and posted on the El Camino Hospital website when the Hospital Board materials are issued to the Board.
4. Standard questions for Hospital Board Chair:
 - a. What do you see as the ECH strategic priorities over the coming two years?
 - b. Name three defining roles of an effective Board Chair.
 - c. How would you judge the success of your leadership and the Board at the end of your term?
5. At the May 8, 2019 meeting, Interested Directors will present the information below, in public session, in the sequence outlined. Approximately 25 minutes will be allocated to each Interested Director: five (5) minutes for the Position Statement, ten (10) minutes for responses to standard questions, and (10) ten minutes to respond to general questions from the board and public:
 - a. Each interested director will read his or her Position Statement
 - b. Each interested director will provide responses to the standard questions. (Directors will present one question at a time in random order.)
 - c. The Public will be invited to ask Interested Directors any questions related to the candidate's interest in the position, and relevant experience as it relates to the Hospital Board Chair competencies

- d. The Board will be invited to ask Interested Directors any additional questions related to an Interested Director's candidacy.
6. Upon review and discussion of the candidates, the Board will vote in public session. The current Chair will facilitate the discussion and voting process.
7. The Hospital Board Chair will be elected by the Board in accordance with the following procedure at a meeting where a quorum is present.
 - a. Preliminary Balloting
 - i. Each Board member shall vote for a candidate via roll call.
 - ii. In the event a majority is not achieved, the vote will be announced for each candidate and the candidate receiving the lowest number of votes will be dropped from the next ballot.
 - iii. This procedure will continue until one candidate receives a majority of the votes cast.
 - iv. In the event a tie vote occurs (e.g., 3-3 or 4-2-2), Interested Directors may be asked additional questions by Hospital Board members and the balloting procedure will continue until a majority is achieved by one candidate.
 - b. Selection of a Board Chair
 - i. Following the preliminary balloting, the Board shall consider a motion to elect the candidate who has received the majority of the votes in his/her favor.
 - ii. If a motion pursuant to Section 7(b)(i) is not adopted by a majority of the Board members present at the meeting when a quorum is present, the Board shall continue to consider motions until a Board Chair is elected.

Hospital Vice-Chair:

1. At the May 8, 2019 Hospital Board meeting, Interested Directors will announce their candidacy following the successful election of the Hospital Board Chair.
2. Interested Directors will be asked questions, which relate to the candidate's experience, by other Hospital Board members in public session.
3. Voting will follow the same procedure as described in the Hospital Board Chair selection and appointment process above.

Hospital Secretary/Treasurer:

1. At the May 8, 2019 Hospital Board meeting, Interested Directors will announce their candidacy following the successful election of the Hospital Board Chair and the Hospital Vice-Chair.
2. Interested Directors will be asked questions, which relate to the candidate's experience, by other Hospital Board members in public session.
3. Voting will follow the same procedure as described in the Hospital Board Chair selection and appointment process above.

DATE: May 8, 2019
TO: Members of the El Camino Hospital Board of Directors
FROM: Lanhee J. Chen, J.D., Ph.D., Board Chair
RE: Hospital Board Chair Position Statement

It has been a great honor and privilege to serve as the Chair of the El Camino Hospital Board of Directors over the past two years. Together, we have made significant progress toward executing on our strategic plan, fostering new partnerships and creating new initiatives across the continuum of care, on-boarding a new CEO, and developing our Board into a more effective governing body. All the while, ECH has remained a high-quality health care institution that remains fundamentally committed to the communities we serve.

But much work remains to be done, and that's why I am asking for your support as I seek to serve another term as Board Chair.

I believe there are a few goals that should guide our work over the coming years.

First, we must continue to make progress on our Board's journey toward effective governance. This means conducting appropriate oversight of management's execution of the ECH strategic plan, focusing our work on policymaking and strategy, and more effectively utilizing our Board Advisory Committees. As Chair, I see it as my continuing responsibility to set the boundaries of our discussions while facilitating respectful and substantive dialogue.

Second, our Board should focus on what I believe to be the center of our enterprise — ensuring that ECH remains a high-performing health care organization that provides quality care and an unparalleled patient experience. We cannot rest on our laurels, and there is room for improvement. As a Board, we must do our part to foster a culture of safety at ECH and conduct effective oversight of management's efforts in this arena.

Finally, we must make data-driven decisions that are driven by our core beliefs and values as an institution. There is too much uncertainty in the health care industry to simply respond to the latest trends or fads. ECH is dedicated to relieving suffering and healing the sick in the communities we serve. So long as we view our decisions through this basic lens, I have great confidence in our ability to remain both independent and successful.

The values that are important for dynamic and effective leadership — vision, consensus-building, mutual respect, and effective communication — are the ones that I believe have guided my time as Chair, and that will continue to inform my work if you give me the honor of continuing in this role for the next two years.



**Minutes of the Open Session of the
El Camino Hospital Board of Directors
Wednesday, April 10, 2019
2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)**

Board Members Present

Lanhee Chen, Chair
Jeffrey Davis, MD**
Gary Kalbach
Julie Kliger
Julia E. Miller, Secretary/Treasurer
Bob Rebitzer
George O. Ting, MD
John Zoglin, Vice Chair

Board Members Absent

Peter C. Fung, MD

Members Excused

None

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:30pm by Secretary/Treasurer Miller. A verbal roll call was taken. Director Davis participated via teleconference. Vice Chair Zoglin joined the meeting at 5:59pm during Agenda Item 4: FY19 Period 8 Financials. Chair Chen joined the meeting during the closed session. Director Fung was absent. All other Board members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Secretary/Treasurer Miller asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. QUALITY COMMITTEE REPORT	<p>Director Kliger highlighted the Quality Committee discussions from its last meeting:</p> <ul style="list-style-type: none"> - Dashboard Review: mortality is slightly above target, readmissions trending down; - The Committee voted to form an ad hoc committee to recruit new members with expertise in data analytics, high reliability, and technical aspects of quality, or who have recently been a patient at ECH; - Patient Family Advisory Council (PFAC) updates will be added to the Committee's pacing plan; and - The Committee also discussed survey results regarding the organization's quality maturity. <p>Mark Adams, MD, CMO, outlined four domains for value-based purchasing (VBP): clinical outcomes; patient experience; safety; and efficiency (a Medicare calculation).</p> <p>In response to Board questions, Dr. Adams further described 1) performance of other participants in the VBP program, noting that most hover around 0% withhold/bonus in the zero sum budget-based penalty program, and 2) co-morbidity documentation that drives scoring for mortality.</p> <p>The Board requested additional information on ECH's VBP results and ECH's overall ratings compared to local competitors and other similar organizations. Director Kliger suggested that Dr. Adams present standings as it relates to quality and performance metrics at a future Board meeting. Dr. Adams agreed to bring back additional information and noted that across the various national rating services (Leapfrog, CMS, etc.), there is only</p>	<i>Staff to provide additional information about ECH's ratings compared with other local and comparable orgs</i>

	<p>about 20% agreement between them.</p> <p>In response to Director Miller's question, Dr. Adams discussed the current outbreak of measles in the US.</p>	
<p>4. FY19 PERIOD 8 FINANCIALS</p>	<p>Iftikhar Hussain, CFO, provided an overview of the February financials:</p> <ul style="list-style-type: none"> - Financial performance for the month and the year are ahead of plan; - Volume is low for general medicine (due to a very mild flu season) and Maternal Child Health/deliveries; Mr. Hussain noted that this contributes to the unfavorable payor mix; - Cost is favorable compared to budget; and - The cash position remains strong. <p>Mr. Hussain explained that, as of March, ECH recovered another \$13 million in investment income and is currently ahead of plan for the year. He cautioned that investments should be viewed over the long term.</p> <p>He noted that 1) \$13 million favorable variance in revenue was due to unusual items (including revenue cycle items, appeals, denials/underpayments, etc.) and 2) expenses are \$6 million ahead due to good expense and staffing management.</p> <p>Mr. Hussain reported that the opening of the Los Gatos infusion center has been delayed until August or September 2019.</p> <p>In response to Director Rebitzer's question, Mr. Hussain noted that budget assumptions will be discussed further in closed session and that a major focus over the next three years will be to reverse the unfavorable trends in payor mix and volume.</p> <p>Motion: To approve the FY19 Period 8 Financials.</p> <p>Movant: Kalbach Second: Rebitzer Ayes: Davis, Kalbach, Kliger, Miller, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p>	<p><i>FY19 Period 8 Financials approved</i></p>
<p>5. PUBLIC COMMUNICATION</p>	<p>Director Miller presented a donation of \$15,000 from Mary Ellen Fox and Michael Fox, Sr. following a positive patient experience at both campuses.</p>	
<p>6. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:03pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (March, 2019); pursuant to <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: FY20 Budget Assumptions; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Brand Positioning; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets; <i>Gov't Code Section 54957.6</i> for conference with labor negotiator Dan Woods; and <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation: CEO Report on New Services and Program and Legal Matters; and pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.</p> <p>Movant: Kalbach</p>	<p><i>Adjourned to closed session at 6:03pm</i></p>

	<p>Second: Rebitzer Ayes: Davis, Kalbach, Kliger, Miller, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p>	
<p>7. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 8:42pm by Chair Chen. Agenda items 7-14 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (March 13, 2019) and the minutes of the Executive Compensation Committee (April 10, 2019) the Medical Staff Report, including the credentials and privileges report, by a unanimous vote in favor of all members present (Directors Chen, Davis (via teleconference), Kalbach, Kliger, Miller, Rebitzer, Ting, and Zoglin). Director Fung was absent.</p>	
<p>8. AGENDA ITEM 16: CONSENT CALENDAR</p>	<p>Chair Chen asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Miller requested that Item 16a: Minutes of the Open Session of the Hospital Board Meeting (March 13, 2019) be pulled for discussion.</p> <p>Motion: To approve the consent calendar: FY19 Period 7 Financials; Minutes of the Open Session of the Executive Compensation Committee (January 29, 2019); Annual Board Self-Assessment Tool; Medical Staff Report; and for information: Finance Committee Approvals; Report on Capital Projects in Progress.</p> <p>Movant: Miller Second: Zoglin Ayes: Chen, Davis, Kalbach, Kliger, Miller, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p> <p>Director Miller noted that the public outreach regarding the expansion of the Board to 11 members has not happened, as the Governance Committee has currently tabled the issue. She commented that it is critical for the public to be notified before a bylaws change is considered and voted on.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (March 13, 2019).</p> <p>Movant: Miller Second: Kalbach Ayes: Chen, Davis, Kalbach, Kliger, Miller, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	<p><i>Consent calendar approved</i></p>
<p>9. AGENDA ITEM 17: CEO REPORT</p>	<p>Dan Woods, CEO, highlighted several processes and technologies: daily executive rounding to engage with patients and employees, an ambient listening feature (“talk to text”) for physicians, “Nurse Brain” feature in Epic, and predictive analytics to identify fall risks. He also described the new RN cohort and new leadership development program.</p> <p>Mr. Woods acknowledged the El Camino Hospital Foundation for securing its highest ever annual yield, almost \$18 million YTD. He thanked the</p>	

	Auxiliary for their contribution of over 6,000 hours in March 2019. In response to Director Ting's question, Mr. Woods explained that the ambient listening feature will be rolled out to the units, then to ambulatory sites on ECH's instance of Epic.	
10. AGENDA ITEM 22: BOARD COMMENTS	None.	
11. AGENDA ITEM 23: ADJOURNMENT	Motion: To adjourn at 8:53pm. Movant: Kalbach Second: Miller Ayes: Chen, Davis, Kalbach, Kliger, Miller, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None	Meeting adjourned at 8:53pm

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Hospital:

Lanhee Chen
Chair, ECH Board of Directors

Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Cindy Murphy, Director of Governance Services
Sarah Rosenberg, Contracts & Board Services Coordinator



**Minutes of the Open Session of the
Special Meeting to Conduct a Study Session of the
El Camino Hospital Board of Directors**

Wednesday, April 24, 2019

El Camino Hospital | Conference Rooms E&F (ground floor)

Board Members Present

Jeffrey Davis, MD
Peter C. Fung, MD
Gary Kalbach
Julie Kliger
George O. Ting, MD
John Zoglin, Vice Chair

Board Members Absent

Lanhee Chen, Chair
Julia E. Miller, Secretary/Treasurer
Bob Rebitzer

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/ Action		
1. CALL TO ORDER/ ROLL CALL	<p>The open session meeting of the Board of Directors of El Camino Hospital (the “Board”) was called to order at 6:15 pm by Vice Chair Zoglin. A silent roll call was taken. Directors Chen, Miller, and Rebitzer were absent.</p> <p>The following Advisory Committee Members and Leadership Team members joined the meeting:</p> <table><tr><td><u>Committee Members</u> <i>Compliance and Audit Cmte</i> Christine Sublett <i>Executive Comp Cmte</i> Teri Eyre Bob Miller <i>Governance Cmte</i> Christina Lai <i>Investment Cmte</i> Nicola Boone John Conover Brooks Nelson <i>Quality Cmte</i> Melora Simon</td><td><u>Leadership Team</u> Mark Adams, MD, CMO Kathryn Fisk, CHRO Jim Griffith, COO Bruce Harrison, President, SVMd Iftikhar Hussain, CFO Ken King, CASO Deb Muro, CIO Cindy Murphy, Director of Governance Services Cheryl Reinking, RN, CNO Mary Rotunno, General Counsel Diane Wigglesworth, Sr. Director, Corporate Compliance Dan Woods, CEO</td></tr></table>	<u>Committee Members</u> <i>Compliance and Audit Cmte</i> Christine Sublett <i>Executive Comp Cmte</i> Teri Eyre Bob Miller <i>Governance Cmte</i> Christina Lai <i>Investment Cmte</i> Nicola Boone John Conover Brooks Nelson <i>Quality Cmte</i> Melora Simon	<u>Leadership Team</u> Mark Adams, MD, CMO Kathryn Fisk, CHRO Jim Griffith, COO Bruce Harrison, President, SVMd Iftikhar Hussain, CFO Ken King, CASO Deb Muro, CIO Cindy Murphy, Director of Governance Services Cheryl Reinking, RN, CNO Mary Rotunno, General Counsel Diane Wigglesworth, Sr. Director, Corporate Compliance Dan Woods, CEO	
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2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Zoglin asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.			
3. EFFECTIVE GOVERNANCE AT THE COMMITTEE LEVEL	Erica Osborne from Via Healthcare Consulting presented information regarding governance at the committee level. Ms. Osborne defined the components of fiduciary, strategic, and generative governance and described generative thinking and how that can be applied to board and committee work. She also reviewed some committee best practices that can maximize committee effectiveness, including clearly defined purpose, effective leadership, strategic focus, well-facilitated meetings, thoughtfully appointed members and regular evaluation and assessment. Those present asked questions and offered their feedback and opinions about the material presented. Divided into four small groups, each group discussed and answered one pre-determined question related to the presentation. Staff was asked to compile the questions and answers and distribute to the Board and Committee members.			

4. COMMITTEE ROUNDTABLES	Divided into small groups, the Board, Advisory Committee, and Leadership Team members discussed the work of the Advisory Committees. None of the small groups constituted of quorum of the Board or any of the Advisory Committees.	
5. ADJOURNMENT	Motion: To adjourn at 8:00pm. Movant: Kalbach Second: Fung Ayes: Davis, Fung, Kalbach, Kliger, Ting, Zoglin Noes: None Abstentions: None Absent: Chen, Miller, Rebitzer Recused: None	<i>Meeting adjourned at 8:00pm</i>

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Hospital:

Lanhee Chen
Chair, ECH Board of Directors

Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Cindy Murphy, Director of Governance Services

**EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Bob Miller, Executive Compensation Committee Chair
Date: May 8, 2019
Subject: Proposed Revisions to Executive Performance Incentive Plan (“EPIP”)

Recommendation:

To approve the proposed revised Executive Performance Incentive Plan.

Summary:

1. Situation: Over its past two meetings, the Executive Compensation Committee (the “Committee”) discussed feedback from Mercer’s summary of executive feedback on the EPIP and discussed possible changes to the policy language.
2. Authority: The Committee may recommend changes to the Executive Performance Incentive Plan policy to the Hospital Board of Directors.
3. Background: The recommended changes are not material. The language changes are proposed to better match that of other executive compensation policies and to reflect the changes in the Committee’s charter as approved by the Board. They incorporate the suggestions made by members at the January meeting.
4. Assessment: None.
5. Other Reviews: Executive Compensation Committee at its April 2, 2019 meeting
6. Outcomes: The policy aligns with Executive Compensation Philosophy and the Committee Charter.

List of Attachments:

1. Proposed EPIP with tracked changes

Suggested Board Discussion Questions: None, this is a consent item.

EL CAMINO HOSPITAL
BOARD OF DIRECTORS POLICIES AND PROCEDURES
(for Hospital Board consideration on May 8, 2019)

03.04 EXECUTIVE PERFORMANCE INCENTIVE PLAN

A. Coverage:

The Chief Executive Officer (“CEO”) of El Camino Hospital (“the Hospital”) and those executives reporting directly to the CEO ~~or COO and those in other approved positions.~~ Participation in the plan is subject to approval by the Hospital Board of Directors ([reference Attachment A of the Executive Compensation Philosophy](#)).

B. Reviewed/Revised:

New: 9/15/09, 12/08/10, 2/13/13, 6/11/14 (eff 7/1/14), 10/14/15, 10/12/16, 1/10/18, 2/14/18

C. Policy Summary:

The Performance Incentive Plan is one component of the executive total remuneration program which includes base salary, benefits, and other cash compensation. The Performance Incentive Plan is an [annual](#) goal-based compensation program designed to motivate and reward performance toward key ~~annual~~ strategic goals of the Hospital.

D. General Provisions:

The target amount for incentive pay will be competitive with those at comparable hospitals. An executive’s incentive payout will be based on their performance against pre-defined organizational and individual goals and measures aligned with the Hospital’s mission, vision, and strategic goals.

1. Eligibility – Participants hired after December 31 will not be eligible for the program until the beginning of the next fiscal year on July 1. Incentive compensation will be pro-rated for executives with at least six months, but less than one year in the position at the end of the fiscal year. Written performance goals and measures will be determined within the first 60 days of employment.
2. Criteria – the Hospital has established ~~three~~ [two](#) criteria for payout: [1\) There will be no payout unless all three criteria are met.](#) the individual executive must “meet expectations” or higher on their performance review and [2\) the Hospital must meet the threshold financial measure. There will be no performance incentive payout to an executive unless both criteria are met.](#)

3. Organizational Goals – each fiscal year the Hospital will define organizational goals that support the strategic/business plan upon which at least 50% of performance incentive pay will be based. In addition, the Hospital may establish one to three threshold measures that must be achieved for there to be any payout. Whenever possible, each goal will have annual performance measures for threshold, target, and maximum levels and payouts will be on a continuum. The organizational goals will include a threshold financial measure (i.e., net margin) that must be achieved for any participant to receive incentive pay.
4. Executive Individual Goals (excluding CEO) – each fiscal year the Hospital will define individual goals that support the strategic/business plan. Whenever possible, each goal will have performance measures for threshold, target, and stretch (levels and scores will be on a continuum. The individual score will be based on the executive’s achievement against approved goals with the CEO having the discretion to modify for individual score ranging from 0% to 150%).
5. Weighing Organizational and Individual Goals – the weight of organizational, individual and discretion vary by job as shown below.

<u>Job</u>	<u>Organizational</u>	<u>Individual</u>	<u>Discretion</u>
<u>CEO</u>	<u>90%</u>	<u>N/A</u>	<u>10% at Board’s discretion</u>
<u>Presidents (Concern:EAP; Foundation; and SVMMD)</u>	<u>50%</u>	<u>50%</u>	<u>CEO has discretion to modify individual score from 0% to 150%</u>
<u>Other Participants</u>	<u>70%</u>	<u>30%</u>	<u>CEO has discretion to modify individual score from 0% to 150%</u>

6. Amount of incentive pay – the amount of incentive pay is based on the executive’s base salary as shown below:

<u>Job</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
<u>CEO</u>	<u>0.0%</u>	<u>30%</u>	<u>45%</u>
<u>Other Participants</u>	<u>0.0%</u>	<u>20%</u>	<u>30%</u>

The amount of incentive pay is prorated for new participants hired after July 1.

- ~~3. the maximum payout for an executive is 30% of their base salary as of the end of the fiscal year. The targeted payout percent for those participants reporting to the CEO or COO is 20% of base pay. The maximum incentive pay for the CEO is 45% with a~~

~~target of 30% of base salary.~~

- ~~4. Organizational Goals—each fiscal year the Hospital will define organizational goals that support the strategic/business plan upon which 70% (90% for the CEO) of performance incentive pay will be based which may include a financial measure in addition to the threshold for any payout. Whenever possible, each goal will have performance measures for threshold, target, and maximum levels and payouts will be on a continuum. Organizational goals will account for 50% of performance incentive pay for Presidents of the Foundation, SVMD, and Concern:EAP.~~
- ~~5. Executive Individual Goals (excluding CEO)—at the beginning of the fiscal year, each participant will propose performance goals and measurements that support the strategic/business plan. Whenever possible, each goal will have performance measures for threshold, target, and maximum levels and scores will be on a continuum. Individual goals (maximum of three) are weighted at 30% of target (50% for Presidents of the Foundation, SVMD, and Concern:EAP) with CEO discretion used as a modifier for individual goal pay out ranging from 0% to 150%). The performance goal score multiplied by the CEO's overall assessment of individual executive performance will determine the overall individual goal score.~~
- ~~6. Ten percent (10%) of the CEO's performance incentive pay will be at the Board's discretion.~~
7. Performance Incentive Payout – Incentive compensation will be paid within 30 days of the Board of Directors approving the payout amounts of approval of the organizational score and the payout amounts. In order to receive incentive compensation, executives must be actively employed in an executive position at the time the incentive compensation is paid.

E. Roles and Responsibilities

1. The El Camino Hospital Board of Directors shall approve the plan design including position eligible, organizational goals and scoring, and the CEO's discretionary score executive individual goals, and performance incentive payout amounts. In addition, the Board approves any exceptions recommended by the Executive Compensation Committee.
2. The Executive Compensation Committee Charter shall approve individual goals and scores, and non-CEO executive performance incentive payouts. In addition, the defines the responsibilities delegated by the Hospital Board of Directors such as Committee will reviewing and review and recommending organizational goals, policy and plan design changes, goals and performance incentive payout amounts, and report its decisions to the Board.

3. The CEO recommends the ~~organizational and~~ individual goals, scores, discretionary score, and recommends incentive and incentive payout amounts to the Committee and the organizational goals to the Committee and Board.
4. The Chief Human Resources Officer and/or Director Total Rewards are responsible for overseeing administration of the program and implementing actions approved by the Committee and the Board.

**EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Imtiaz Qureshi, MD, Enterprise Chief of Staff
Linda Teagle, MD Chief of Staff Los Gatos
Date: May 8, 2019
Subject: Medical Staff Report – Open Session

Recommendation:

To approve the Medical Staff Report, including Policies and Scopes of Service identified in the attached list.

Summary:

1. Situation: The Medical Executive Committee met on April 25, 2019.
2. Background: We received the following informational reports.
 1. Medical Staff Quality Council – The newly consolidated Quality Council met on April 3, 2019. Subcommittees were formed to work on Code Status Orders and to develop a strategic plan for reduction of Surgical Site Infections.
 2. CEO Report – The CEO provided the following updates:
 - i. Los Gatos CLABSI Free for 900 Days and counting.
 - ii. El Camino Hospital named as one of the best hospitals in the USA on *Newsweek's World's Best Hospital 2019* list. Only eight hospitals in the Bay Area were included on the list of 226 US hospitals.
 - iii. Foundation's "A Night on the Scarlet Express" gala raised \$236,000 to support the South Asian Heart Center's screening, prevention and research programs.
 - iv. New **El Camino Health** brand launching in May with our new website.
 - v. Our affiliated partner SVMMD opened 5 new locations with 60 additional physicians in San Jose, Gilroy and Morgan Hill.
 3. CMO Report – The CMO provided a verbal update on the FY19 Quality Dashboard performance.
 4. Chief of Staff Reports:
 - i. Enterprise – Dr. Qureshi introduced medical staff consultant Dr. Mark Smith who spoke to MEC. Dr. Smith expressed to MEC that he was here to provide assistance with planning and development of policies and procedures based upon the MEC members assessment of needs.

- ii. Los Gatos – Dr. Teagle announced the Los Gatos Town Hall Meeting was held on April 24 with good attendance. There will be a General Medical Staff Meeting at LG in May.
3. Other Review: The MEC approved the Policies and Scopes of Service identified in the attached file. The Annual Clinical Contracts Evaluation Summary was also approved.

List of Attachments:

1. Spreadsheet showing approved Policy and Scopes of Service
2. Annual Clinical Contract Evaluation Summary

Suggested Board Discussion Questions: None. This is a consent item.

SUMMARY OF POLICIES FOR REVIEW AND APPROVAL - BOARD			
		May 8th	
DOCUMENTS WITH MINOR REVISIONS			
Document Name	Department	Type of Document	Summary of Policy Changes
Scope of Service Prenatal Diagnostic	Prenatal Diagnostic Center	Scope	Updated use of Epic for Scheduling
Emergency Operations Plan Renamed from:FY-19	Emergency Management	Plan	Added links to existing documents as required by Joint Commission

April 2019

No.	Department	Vendor Name and Mailing Address	Contact Info	Scope of Service	Authorizing Manager	Med Staff Cmte Oversight	Rightsourcing MSP Partner (Yes/No/NA)	Evaluation Completed Y/N	MediTract #
1	Medicine MV&LG	P&A PICC, LLC 2059 Camden Ave #289 San Jose, CA 95124	Gail Heckler (Coen) Gail@papicc.com	PICC Insertion	CHRIS TARVER	Dept. of Medicine Exec. Committee HVI	N/A	YES	1480
2	Surgery MV	Pacific Life Lines 3481 La Mesa Drive San Carlos, CA 94070	Paul Shuttleworth PO Box 27573 South SF, CA 94127 pllccp@yahoo.com 650-799-8991	Perfusion Services - Cardio	SHELLY REYNOLDS		N/A	YES	808
3	Pediatrics MV & LG	Pediatric Medical Group 770 The City Drive South, Ste 4000 Orange, CA 92868	Jeryl Barganski 602-256-4628 jeryl_Barganski@pediatric.com	Infant Hearing Screening	DEBBIE GROTH	Dept. of Pediatric Exec. Committee	N/A	YES	1581
4	Surgery MV&LG	Blood Guys 1970 Fairway Oaks Drive Ripon, CA 95366	Anderson Ward, President 209-345-1200 (Direct) andy@bloodguys.com 1-888-841-4206 (General)	Auto transfusion	SHELLY REYNOLDS	Dept. of Surgery and Ortho	N/A	YES	
5	Medicine and Surgery MV&LG	Language Line One Lower Ragsdale Dr, Bldg2 Monterey, CA 93940	Michelle Garlow MGarlow@languageline.com	Interpreter Services	ASHLEE FONTENOT	All Departments	N/A	YES	1004.163C
6	Respiratory Therapy	INO Therapeutics, LLC/Ikaria	Dale Lingren	INOtherapy Services	7720 RESPIRATORY MEDICINE JOLIE FOURNET	Internal Medicine	N/A	YES	
7	Medicine MV & LG	RehabCare Group, Inc. 7733 Forsyth Blvd, Ste 2300 Clayton, MO 63105	Lynnae Brady Lynnae.Brady@elcaminohospital.org	Physical, Occupational, Speech Therapy, Social Services	MERIAM SIGNO	Dept. Medicine MV & LG	N/A	YES	1004.1734E
8	Medicine	Apheresis Group 1700 California Street, #350 San Francisco, CA 94109	Sheila Smith sheila.smith@FMC-NA.com 415-928-1352	Therapeutic Apheresis	JINA CANSON	Internal Medicine	N/A	YES	
9	Surgery	SpecialtyCare, Inc. IOM Services, LLC One American Center 3100 West End Avenue, Suite 800 Nashville, TN 37203	Nancy M. Jones, BSN, RN Vice President, Business Dev. West 916-281-9797 Nancy.jones@specialtycare.net	Neuromonitoring	SHELLY REYNOLDS	Dept. of Surgery	N/A	YES	

April 2019

No.	Department	Vendor Name and Mailing Address	Contact Info	Scope of Service	Authorizing Manager	Med Staff Cmte Oversight	Rightsourcing MSP Partner (Yes/No/NA)	Evaluation Completed Y/N	MediTract #
10	Medicine	Golden Gate Medical Physics LLC.	Sean Toner, MS, DAB MR	Physicist	MARKETTEA BENEKE	Internal Medicine	N/A	YES	
11	Orthopedics	Applied Orthotics & Prosthetics, Inc. 2577 Samaritan Drive San Jose, CA 95124	Michael J. Dodd 2577 Samaritan Drive, San Jose, Ca 95124	Orthotics and prosthetics for LG	JUDY LEYDIG	Orthopedic Dept.	N/A	YES	
12	Laboratory	Blood Centers of the Pacific 270 Masonic Ave San Francisco, CA 94118 ***PLEASE NOTE THIS	Fred McFadden Customer Account Manager, Hospital Services 270 Masonic Avenue, San Francisco, CA 94118 Direct: (415) 740-6621 Mobile: (415)	Provision of blood services for MV and LG	EDWINA SEQUIERA	Transfusion Committee	N/A	YES	1004.2832C
13	Critical Care	eICU Services Agreement	Lisa N. Ochoa Bay Area eICU Director 415-600-7620 ochoaln@sutterhealth.org	Night time ICU physician coverage at Mountain View	ALICIA POLDOSKY	Critical Care Committee	N/A		
14	Pediatric	Prolacta Bioscience 757 Baldwin Park Blvd. City of Industry, CA 91746 Website:	Patty Shanahan Kiddoo, RD Clinical Sales Specialist, Northern California Phone (Cell): 916.202.8205 Email: psiddoo@prolacta.com	Contracted Breast Milk Supplier	JODY CHARLES	Pediatric Dept	N/A	YES	
15	Surgery	NuVasive Clinical Services	10275 Little Patuxent Parkway Suite 300, Columbia< MD www. Nuvasive.com, 410-740-2370	Intra op Neuromonitoring	SHELLY REYNOLDS	Surgery Dept.	N/A	YES	
16	Materials Mgmt.	Oceanside Laundry DBA Campus Laundry	Steve Syverston, General Mgr 783 San Andreas Road, Le Selva Beach, C 95076	Hospital Laundry services	KEN KING	Medical Exec	N/A	YES	
17	Perinatal Diagnostic Center	Lucille Packard Children's Hospital Perinatal Diagnostic Center 725 Welch Rd., 3rd floor MC	Leti Gonzalez 650-736- 0408 Lalcantara@lpch.org	Genetic Counselor and Ultrasound Technicians	CHERYL REINKING/ DEBBIE GROTH	OB/GYN	N/A	YES	799
18	NICU	Lucille Packard Children's Hospital at Stanford	Kim Roberts	Occupational and Physical Therapist for NICU	JUDY LEYDIG	Pediatric Dept	N/A	YES	

April 2019

No.	Department	Vendor Name and Mailing Address	Contact Info	Scope of Service	Authorizing Manager	Med Staff Cmte Oversight	Rightsourcing MSP Partner (Yes/No/NA)	Evaluation Completed Y/N	MediTract #
19	Pediatrics	First Day Photo, Inc.	Jessica Person CEO, First Day Photo, Inc. 800-770-1926 cxt 705	Newborn Pictures	DEBBIE GROTH	Pediatric Dept	N/A	YES	
20	Pharmacy	Central Admixture Pharmacy Services, Inc.	Automation & Technoloby, 704-816-5783 Chrstopher_jones@premierinc.com Nicole Roldan, MEd, RD Senior Pharmacy Systems Specialist Northwest B. Braun Medical, Inc. Central Admixture Pharmacy Services (CAPS) Cell: 925-519-0244 Email: Nicole.Roldan@BBraunusa.com	Outsourced IV Admixture services for Pharmacy: TP & Lipids	BOB BLAIR	P&T Committee	N/A	YES	
21	Human Resources	Accountable Health Care	Lourie Esquibel, Regional Director 505.462.1000 dianewalsh@ahcstaff.com	Supplemental Staffing Agreement	8650 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
22	Human Resources	Advanced Medical Personnel Services	Conor Ryan, Sr. Acct. Mgr. 503.928.6818 cryan@gowithadvanced.com	Supplemental Staffing Agreement	8651 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
23	Human Resources	Aerotek	Cassidee Brusa, Acct Mgr 408.346.9341 cbrusa@aerotek.com	Supplemental Staffing Agreement	8652 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No clinical placements in 2018	
24	Human Resources	AHS Staffing/Pharmstat	Michelle Williams, SVP 602.508.0236 mwilliams@ahsstaffing.com	Supplemental Staffing Agreement	8650 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No placements in 2018	
25	Human Resources	American Traveler Staffing Professionals, LLC	Diane Crutchfield, Acct Mgr 866.772.5660 dcrutchfield@americantraveler.com	Supplemental Staffing Agreement	8653 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
26	Human Resources	AMN Healthcare	Kevin Jones, Regional Director 858.720.6257 kevin.jones@amnhealthcare.com	Supplemental Staffing Agreement	8650 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	

April 2019

No.	Department	Vendor Name and Mailing Address	Contact Info	Scope of Service	Authorizing Manager	Med Staff Cmte Oversight	Rightsourcing MSP Partner (Yes/No/NA)	Evaluation Completed Y/N	MediTract #
27	Human Resources	Aureus Radiology, LLC	Suzanne Trogdon, Acct Mgr 402.891.1118 x6540 strogdon@aureusmedical.com	Supplemental Staffing Agreement	8654 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
28	Human Resources	AYA Healthcare, Inc	Matt Mehan, Acct Exec 858.345.9356 mmeehan@ayahealthcare.com	Supplemental Staffing Agreement	8655 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
29	Human Resources	CompHealth	Maria Gardner 616.975.5036 maria.gardner@comphealth.com	Supplemental Staffing Agreement	8656 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
30	Human Resources	Cross Country, Inc. -Malden	Angie Neubauer, Acct Mgr 800.784.6925 aneubauer@crosscountry.com	Supplemental Staffing Agreement	8657 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
31	Human Resources	DRG Health Care Staffing	Lorie Descala, Exec Director 650.877.8111 ldescala@drgstaffing.com	Supplemental Staffing Agreement	8658 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No placements in 2018	
32	Human Resources	Emerald Health Services	Amanda Visser, Supervisor, Acct Mgmt 310.484.2005 avisser@emeraldhs.com	Supplemental Staffing Agreement	8659 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
33	Human Resources	EmPower Nursing & Allied Solutions	Dawn Whitney, CEO 503.381.8487 dawn@empowernas.com	Supplemental Staffing Agreement	8660 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
34	Human Resources	ESP Systems LLC dba Med Temps	Previous contacts no longer with agency. Agency has not replied to voicemails.	Supplemental Staffing Agreement	8661 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
35	Human Resources	FlexCare Medical Staffing	Katie Mull, Exec Acct Mgr 916.547.2161 katie@flexcarestaff.com	Supplemental Staffing Agreement	8662 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
36	Human Resources	Fortus Group Travel, Inc	Michael Spellman, Marketing Exec 315.266.1408 mspellman@fortusgroup.com	Supplemental Staffing Agreement	8663 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	

April 2019

No.	Department	Vendor Name and Mailing Address	Contact Info	Scope of Service	Authorizing Manager	Med Staff Cmte Oversight	Rightsourcing MSP Partner (Yes/No/NA)	Evaluation Completed Y/N	MediTract #
37	Human Resources	Global Healthcare Group	Laura Biodrowski, Director 717.395.7320 laura@globalhealthcaregroup.com	Supplemental Staffing Agreement	8664 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No placements in 2018	
38	Human Resources	Healthcare Pros, Inc	Jordan Broekelschen, Acct Mgr 714.761.7001 jordanb@healthcarepros.net	Supplemental Staffing Agreement	8665 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
39	Human Resources	InSync Consulting Services LLC	Tim Coxen, President 916.245.7669 tcoxen@insynconline.net	Supplemental Staffing Agreement	8666 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
40	Human Resources	Kenfoster Medical Inc.	Robin Khabra 415.310.0561 robin.khabra@kenfostermedical.com	Supplemental Staffing Agreement	8667 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No placements in 2018	
41	Human Resources	Management Health Systems, LLC dba MedPro Healthcare Staffing	Kenny Wisniewski, Acct Mgr 954.228.7316 kwisniewski@medprostaffing.com	Supplemental Staffing Agreement	8668 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No placements in 2018	
42	Human Resources	Maxim Healthcare Services, Inc. dba Maxim Staffing Solutions	Melanie Hanley, Bus Dev Mgr 510.982.3795 mehanley@maxhealth.com	Supplemental Staffing Agreement	8669 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
43	Human Resources	MedSource Travelers	Haley Petrous, Acct Mgr 586.335.3393 hpetrous@medsourcetravelers.com	Supplemental Staffing Agreement	8670 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
44	Human Resources	MGA Healthcare Inc.	Joel Wilson, Manager 415.421.4900 joel@mgahealthcare.com	Supplemental Staffing Agreement	8671 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
45	Human Resources	Power Personnel, Inc.	Cynthia Stewart, President 408.293.9144 cstewart@powerpersonnel.com	Supplemental Staffing Agreement	8672 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	

April 2019

No.	Department	Vendor Name and Mailing Address	Contact Info	Scope of Service	Authorizing Manager	Med Staff Cmte Oversight	Rightsourcing MSP Partner (Yes/No/NA)	Evaluation Completed Y/N	MediTract #
46	Human Resources	Preferred Healthcare Registry Inc.	Sally Dale, Director 800.787.6787 sales@preferredregistry.com	Supplemental Staffing Agreement	8673 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
47	Human Resources	Premier Healthcare Professionals, Inc.	Brandy MacDonald, Acct Mgr 866.296.3247 x2876 bmacdonald@travelphp.com	Supplemental Staffing Agreement	8674 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
48	Human Resources	RN Network	Jenna Barrett, Sr. Nat Acct Exec 888.363.2709 jenna.barrett@rnnetwork.com	Supplemental Staffing Agreement	8675 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
49	Human Resources	RTG Medical	Joe Steiner, Sr Recruiter 866.784.2329 x208 joe.steiner@rtgmedical.com	Supplemental Staffing Agreement	8676 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
50	Human Resources	Soliant Health, Inc.	Steve Yang, Sr Acct Exec 770.225.3167 steve.yang@soliant.com	Supplemental Staffing Agreement	8677 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
51	Human Resources	Springboard Staffing	Reggie Thomas, Sr Relationship Mgr 866.465.6286 rthomas@springboardhealthcare.com	Supplemental Staffing Agreement	8678 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
52	Human Resources	Sunbelt Staffing	Stephen Mariani, Dept. Manager 813.261.2245 stephen.mariani@sunbeltstaffing.com	Supplemental Staffing Agreement	8650 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No placements in 2018	
53	Human Resources	Supplemental Health Care	Brendan Tobolski, Client Services Mgr 716.222.9917 btobolski@supplementalhealthcare.com	Supplemental Staffing Agreement	8679 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	
54	Human Resources	Surgical Staff, Inc.	Erica Rodriguez, Placement Coordinator 800.339.9599 erodriguez@surgicalstaffinc.net	Supplemental Staffing Agreement	8680 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	No placements in 2018	
55	Human Resources	TotalMed Staffing, Inc.	Rob Neuville, Bus Dev Mgr 920.750.7159 rneuville@totalmed.com	Supplemental Staffing Agreement	8681 HUMAN RESOURCES RICH MINA	Medical Exec	Yes	Yes	

Direct Care Clinical Contract List - 2018

Clinical Contract Evaluation for CY 2018

April 2019

[illegible]



El Camino Hospital

THE HOSPITAL OF SILICON VALLEY

**Summary of Financial Operations
Fiscal Year 2019 – Period 9**

7/1/2018 to 3/31/2019

El Camino Hospital Board of Directors

Iftikhar Hussain, CFO

May 8, 2018

Financial Overview

Volume:

- Volumes in March brings the YTD combined volume measured in adjusted discharges to 1.9% below budget. Inpatient volume is lower in MCH (deliveries), and the Ortho/Spine service lines.
- YTD outpatient volume is below budget by 1.5% (1,663 visits). Imaging (CT Service) and Rehab services remain favorable to budget. Lab volume is 5.9% or 1,270 visits below budget. 650 Cases for LG Infusion were expected in the Oncology Outpatient service line for volumes will not materialize until FY20.

Financial Performance:

- YTD Operating income is favorable to budget by 15.9% (\$12.1M) primarily due to continued favorable revenue cycle operations. Net Patient Revenue is favorable to budget by 1.6% (\$10.6M).
- YTD Operating Expense is favorable to budget 1.2% (\$7.4M). YTD Salaries & Wages are favorable to budget by 1.2% (\$4.6M). YTD Non Labor expenses are also favorable to budget by 1.1% (\$2.8M).

Payor Mix:

- YTD, Medicare is 1.8 percentage points unfavorable to budget and the Commercial Payor mix is 1.7 percentage points unfavorable to budget.

Cost:

- Prod FTEs were unfavorable to target for March by 4.2% and on budget YTD.

Dashboard - ECH combined as of March 31, 2019

	Month					YTD			
	PY	CY	Bud/Target	Variance CY vs Bud		PY	CY	Bud/Target	Variance CY vs Bud
Volume									
Licenced Beds	443	443	443	-		443	443	443	-
ADC	244	263	262	1		244	240	245	(5)
Utilization MV	67%	73%	71%	2%		67%	66%	67%	-1%
Utilization LG	31%	31%	34%	-3%		30%	29%	30%	-1%
Utilization Combined	55%	59%	59%	0%		55%	54%	55%	-1%
Total Discharges (Excl NNB)	1,753	1,831	1,874	(43)		15,408	14,873	15,488	(615)
Financial Perf.									
Total Operating Revenue	82,224	83,004	85,836	(2,832)		692,328	708,576	703,853	4,723
Operating Income \$	11,398	9,493	10,964	(1,471)		106,040	88,537	76,410	12,127
Operating Margin	13.9%	11.4%	12.8%	-1.3%		15.3%	12.5%	10.9%	1.6%
EBIDA %	19.8%	17.4%	18.5%	-1.1%		21.3%	18.4%	17.0%	1.4%
Payor Mix									
Medicare	49.5%	51.2%	46.9%	4.3%		47.4%	48.7%	46.7%	2.1%
Medi-Cal	7.5%	8.5%	7.9%	0.6%		7.8%	8.1%	7.9%	0.3%
Total Commercial	39.3%	38.1%	42.7%	-4.6%		42.2%	40.7%	42.8%	-2.1%
Other	3.7%	2.2%	2.6%	-0.4%		2.5%	2.4%	2.7%	-0.3%
Cost									
Total FTE	2,602.0	2,751.6	2,811.2	(60)		2,578.8	2,659.5	2,694.5	(35)
Productive Hrs/APD	30.8	30.7	29.8	1		30.0	30.7	31.4	(1)
Balance Sheet									
Net Days in AR	50.7	48.5	48.0	0		50.7	48.5	48.0	0.5
Days Cash	505	493	449	44		505	493	449	44
Affiliates - Net Income (\$000s)									
Hosp	9,771	21,517	11,310	10,206		149,758	98,883	80,188	18,695
Concern	141	405	64	341		1,006	2,303	661	1,643
ECSC	(19)	(0)	0	(0)		(41)	(47)	0	(47)
Foundation	5	477	148	328		1,520	1,922	1,231	690
SVMD	628	1,958	43	1,915		346	3,175	(123)	3,299

Budget Variances

Fiscal Year 2019 YTD (7/1/2018-3/31/2019) Waterfall

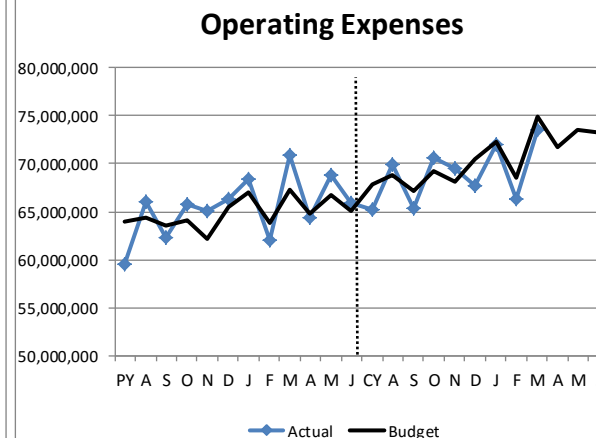
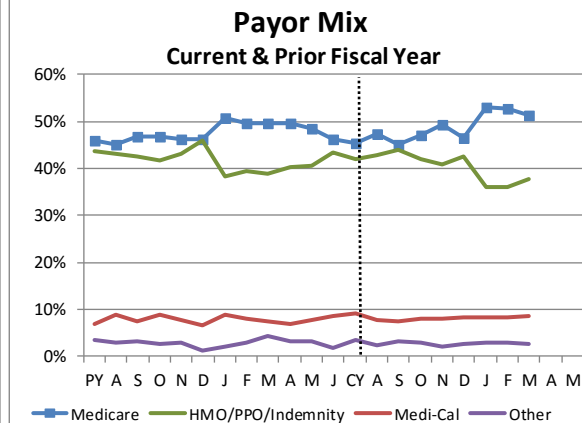
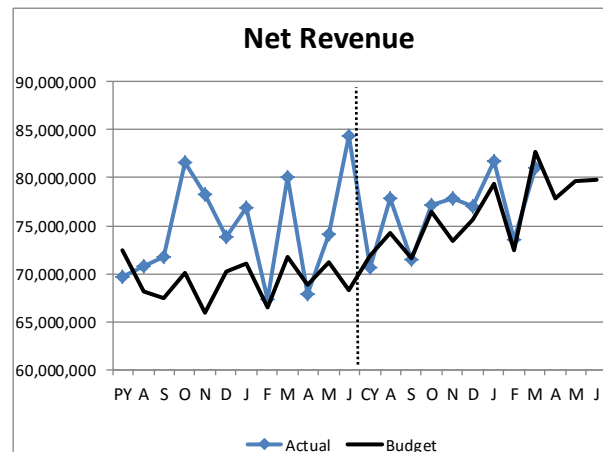
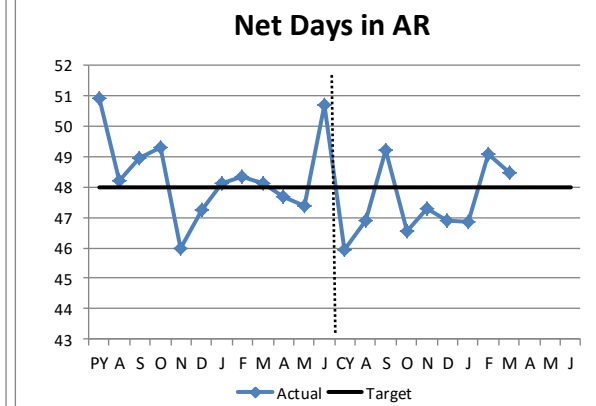
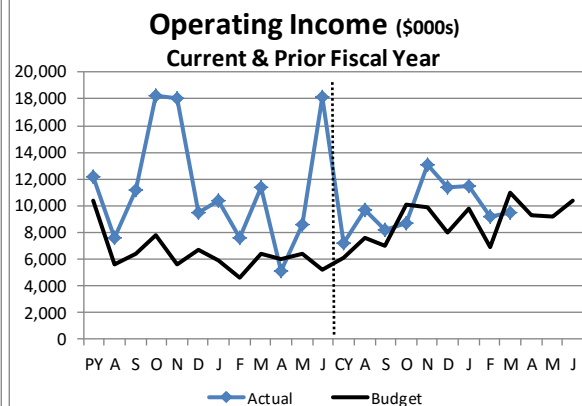
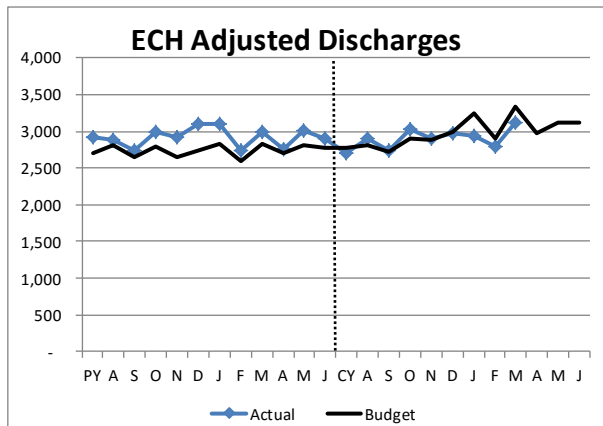
(in thousands; \$000s)	Year to Date (YTD)	
	Net Op Income	% Net Revenue
Budgeted Hospital Operations FY2019	76,410	10.9%
Net Revenue	4,723	0.7%
Labor and Benefit Expense Change - Flexing staff and vacancies in support departments.	4,588	0.6%
Professional Fees & Purchased Services - JACHO readiness and purchased services (in place of FTE) are the biggest drivers	(1,325)	-0.2%
Supplies - Positive variance in Drugs due to slow growth in OP Pharmacy.	3,368	0.5%
Other Expenses	(389)	-0.1%
Depreciation & Interest - primarily due to delayed capital spending	1,161	0.2%
Actual Hospital Operations FY2019	88,537	12.5%

El Camino Hospital (\$000s)

Period ending 03/31/2019

Period 9 FY 2018	Period 9 FY 2019	Period 9 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
292,898	314,759	331,750	(16,991)	(5.1%)	Gross Revenue	2,494,405	2,608,009	2,637,723	(29,714)	(1.1%)
(212,815)	(233,754)	(249,051)	15,297	6.1%	Deductions	(1,824,147)	(1,919,770)	(1,960,075)	40,305	2.1%
80,083	81,005	82,699	(1,694)	(2.0%)	Net Patient Revenue	670,258	688,239	677,648	10,591	1.6%
2,141	1,999	3,137	(1,138)	(36.3%)	Other Operating Revenue	22,069	20,337	26,205	(5,868)	(22.4%)
82,224	83,004	85,836	(2,832)	(3.3%)	Total Operating Revenue	692,328	708,576	703,853	4,723	0.7%
OPERATING EXPENSE										
41,202	43,963	45,265	1,301	2.9%	Salaries & Wages	353,569	375,179	379,767	4,588	1.2%
12,219	12,209	13,309	1,100	8.3%	Supplies	94,953	99,651	103,019	3,368	3.3%
10,327	9,664	8,919	(745)	(8.4%)	Fees & Purchased Services	75,972	80,960	79,636	(1,325)	(1.7%)
2,188	2,738	2,492	(247)	(9.9%)	Other Operating Expense	20,629	22,173	21,784	(389)	(1.8%)
691	575	490	(85)	(17.4%)	Interest	4,293	3,541	3,411	(130)	(3.8%)
4,201	4,361	4,398	37	0.8%	Depreciation	36,871	38,536	39,826	1,291	3.2%
70,827	73,511	74,872	1,361	1.8%	Total Operating Expense	586,287	620,039	627,443	7,404	1.2%
11,398	9,493	10,964	(1,471)	(13.4%)	Net Operating Income/(Loss)	106,040	88,537	76,410	12,127	15.9%
(1,626)	12,023	346	11,677	3370.7%	Non Operating Income	43,718	10,346	3,778	6,568	173.9%
9,771	21,517	11,310	10,206	90.2%	Net Income(Loss)	149,758	98,883	80,188	18,695	23.3%
19.8%	17.4%	18.5%	(1.1%)		EBITDA	21.3%	18.4%	17.0%	1.4%	
13.9%	11.4%	12.8%	(1.3%)		Operating Margin	15.3%	12.5%	10.9%	1.6%	
11.9%	25.9%	13.2%	12.7%		Net Margin	21.6%	14.0%	11.4%	2.6%	

Monthly Financial Trends



INVESTMENT SCORECARD AS OF MARCH 31, 2019

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY19 Year End Budget	Expectation Per Asset Allocation
Investment Performance		1Q 2019		Fiscal Year-to-date		6y 5m Since Inception (annualized)		2018	
Surplus cash balance*		\$999.8	--	--	--	--	--	\$891.1	--
Surplus cash return		6.7%	6.7%	2.6%	2.6%	5.4%	5.2%	3.2%	5.3%
Cash balance plan balance (millions)		\$270.6	--	--	--	--	--	\$276.9	--
Cash balance plan return		8.3%	7.7%	2.9%	2.7%	7.6%	6.8%	6.0%	5.7%
403(b) plan balance (millions)		\$496.8	--	--	--	--	--	--	--
Risk vs. Return		3-year		Fiscal Year-to-date		6y 5m Since Inception (annualized)		2018	
Surplus cash Sharpe ratio		1.16	1.09	--	--	1.03	1.00	--	0.43
Net of fee return		6.9%	6.3%	--	--	5.4%	5.2%	--	5.3%
Standard deviation		4.8%	4.6%	--	--	4.7%	4.6%	--	6.7%
Cash balance Sharpe ratio		1.18	1.08	--	--	1.14	1.07	--	0.40
Net of fee return		8.3%	7.3%	--	--	7.6%	6.8%	--	5.7%
Standard deviation		6.0%	5.5%	--	--	6.1%	5.8%	--	8.1%
Asset Allocation		1Q 2019		Fiscal Year-to-date		6y 5m Since Inception (annualized)		2018	
Surplus cash absolute variances to target		8.8%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		5.4%	< 10%	--	--	--	--	--	--
Manager Compliance		1Q 2019		Fiscal Year-to-date		6y 5m Since Inception (annualized)		2018	
Surplus cash manager flags		22	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		27	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$105 mm), District assets (~\$38 mm), and balance sheet cash not in investable portfolio (~\$100 mm). Includes Foundation (~\$29 mm) and Concern (~\$14 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.

Balance Sheet (in thousands)

ASSETS

	Audited	
	March 31, 2019	June 30, 2018
CURRENT ASSETS		
Cash	92,611	118,992
Short Term Investments	173,961	150,664
Patient Accounts Receivable, net	127,282	124,427
Other Accounts and Notes Receivable	2,638	3,402
Intercompany Receivables	2,859	2,090
(1) Inventories and Prepaids	79,775	75,594
Total Current Assets	479,126	475,171
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	164,972	153,784
(2) Women's Hospital Expansion	15,472	9,298
(3) Operational Reserve Fund	139,057	127,908
Community Benefit Fund	17,791	18,675
Workers Compensation Reserve Fund	21,730	20,263
Postretirement Health/Life Reserve Fund	29,662	29,212
PTO Liability Fund	25,633	24,532
Malpractice Reserve Fund	1,831	1,831
Catastrophic Reserves Fund	19,036	18,322
Total Board Designated Assets	435,185	403,826
(4) FUNDS HELD BY TRUSTEE	104,161	197,620
LONG TERM INVESTMENTS	344,151	345,684
INVESTMENTS IN AFFILIATES	34,939	32,412
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,295,837	1,261,854
Less: Accumulated Depreciation	(607,709)	(577,959)
Construction in Progress	342,011	220,991
Property, Plant & Equipment - Net	1,030,138	904,886
DEFERRED OUTFLOWS	20,726	21,177
RESTRICTED ASSETS - CASH	0	0
TOTAL ASSETS	2,448,427	2,380,776

LIABILITIES AND FUND BALANCE

	Audited	
	March 31, 2019	June 30, 2018
CURRENT LIABILITIES		
(5) Accounts Payable	36,424	49,925
Salaries and Related Liabilities	14,558	26,727
Accrued PTO	25,633	24,532
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,747	10,068
Intercompany Payables	255	125
Malpractice Reserves	1,831	1,831
(6) Bonds Payable - Current	8,630	3,850
(7) Bond Interest Payable	4,963	12,975
Other Liabilities	8,413	8,909
Total Current Liabilities	114,756	141,242
LONG TERM LIABILITIES		
Post Retirement Benefits	29,662	29,212
Worker's Comp Reserve	19,430	17,963
Other L/T Obligation (Asbestos)	3,946	3,859
Other L/T Liabilities (IT/Medl Leases)	-	-
(8) Bond Payable	508,520	517,781
Total Long Term Liabilities	561,557	568,815
DEFERRED REVENUE-UNRESTRICTED	561	528
DEFERRED INFLOW OF RESOURCES	22,835	22,835
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	1,313,533	1,243,529
Board Designated	435,185	403,825
Restricted	0	0
(9) Total Fund Bal & Capital Accts	1,748,718	1,647,355
TOTAL LIABILITIES AND FUND BALANCE	2,448,427	2,380,776

March 2019 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

- (1) The increase is due to annual insurance premiums for D&O, Property and Auto that are paid in July and amortized throughout the fiscal year. Also a quarterly pension funding was paid.
- (2) The increase is due to the District making a transfer from its Capital Appropriation Fund in support of the upcoming renovation to the Women's Hospital.
- (3) The increase is due to annual resetting of the 60 day Operational Reserve based on the new FY2019 budget that has started.
- (4) Decrease is due to draws from the 2015A/2017 Bond Project funds for the on-going IMOB and BHS construction and semi-annual 2015/2017 bond payment
- (5) Decrease is due to the yearend accruals that were paid out in July and August.
- (6) The increase is due to recognition of the first 2017 principal bond payment that will be in February 2020.
- (7) Semi-annual bond payments of interest and principal were made on the 2015A and 2017 Bonds in February.
- (8) Decrease is due to the establishment of FY2020 2015A and 2017 Bond Principal Payable moving to current bond payables.
- (9) Increase in total Fund Balance is driven by y-t-d net income and that Capital Appropriate Fund transfer by District, discussed in item #2 above.

⁽¹⁾ Hospital entity only, excludes controlled affiliates
MOUNTAIN VIEW | LOS GATOS

EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY (1 OF 2)

- **Plant & Equipment Fund** – original established by the District Board in the early 1960's to fund new capital expansion projects of building facilities or equipment (new or replacements). The funds came from the M&O property taxes being received and the funding depreciation expense at 100%. When at the end of 1992, the 501(c)(3) Hospital was performed by the District, the property tax receipts remained with the District. The newly formed Hospital entity continued on with funding depreciation expense, but did that funding at 130% of the depreciation expense to account for an expected replacement cost of current plant and property assets. It is to be noted that within this fund is an itemized amount of \$14 million for the Behavioral Health Service building replacement project. This amount came from the District's Capital Appropriation Fund (excess Gann Limit property taxes) of the fiscal years of 2010 thru 2013 by various District board actions.
- **Women's Hospital Expansion** – established June 2016 by the District authorizing the amounts accumulated in its Capital Appropriation Fund (excess Gann Limit property taxes) for the fiscal years of 2014 and 2015 to be allocated for the renovation of the Women's Hospital upon the completion of Integrated Medical Office Building currently under construction. At the end of fiscal year 2018 another \$6.2 million was added to this fund.
- **Operational Reserve Fund** – originally established by the District in May 1992 to establish a fund equal to sixty (60) days of operational expenses (based on the current projected budget) and only be used in the event of a major business interruption event and/or cash flow.
- **Community Benefit Fund** – following in the footsteps of the District in 2008 of forming its Community Benefit Fund using Gann Limit tax receipts, the Hospital in 2010 after opening its campus outside of District boundaries in Los Gatos formed its own Community Benefit Fund to provide grants/sponsorships in Los Gatos and surrounding areas. The funds come from the Hospital reserving \$1.5M a year from its operations, the entity of CONCERN contributing 40% of its annual income each year (an amount it would have paid in corporate taxes if it wasn't granted tax exempt status), that generates an amount of \$500,000 or more a year. \$15 million within this fund is a board designated endowment fund formed in 2015 with a \$10 million contribution, and added to at the end of the 2017 fiscal year end with another \$5 million contribution, to generate investment income to be used for grants and sponsorships, in fiscal year it generated over \$1.1 million of investment income for the program.

EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY (2 OF 2)

- **Workers Compensation Reserve Fund** – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000's by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.
- **Postretirement Health/Life Reserve Fund** – following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000's by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital's postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date. At the end of fiscal year 2018, GASB #75 was implemented that now represents the full actuarially determined liability.
- **PTO (Paid Time Off) Liability Fund** – originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.
- **Malpractice Reserve Fund** – originally established in 1989 by the then District's Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than \$50,000. Above \$50,000 our policy with the BETA Healthcare Group kicks in to a \$30 million limit per claim/\$40 million in the aggregate.
- **Catastrophic Loss Fund** – was established in 1999 by the Hospital Board to be a "self-insurance" reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring \$5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled \$6.8 million that did mostly cover all the necessary repairs.

APPENDIX

El Camino Hospital – Mountain View (\$000s)

Period ending 03/31/2019

Period 9 FY 2018	Period 9 FY 2019	Period 9 Budget 2019	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
242,772	259,896	266,244	(6,348)	(2.4%)	Gross Revenue	2,047,101	2,143,900	2,143,685	216	0.0%
(175,442)	(192,610)	(200,316)	7,706	3.8%	Deductions	(1,493,958)	(1,575,870)	(1,596,376)	20,505	1.3%
67,330	67,286	65,928	1,358	2.1%	Net Patient Revenue	553,143	568,030	547,309	20,721	3.8%
1,924	1,613	2,896	(1,283)	(44.3%)	Other Operating Revenue	20,476	17,609	24,046	(6,438)	(26.8%)
69,255	68,899	68,824	75	0.1%	Total Operating Revenue	573,619	585,639	571,356	14,283	2.5%
					OPERATING EXPENSE					
34,332	36,645	37,441	795	2.1%	Salaries & Wages	294,343	312,698	316,579	3,881	1.2%
10,219	10,054	10,478	424	4.0%	Supplies	77,010	81,272	83,112	1,840	2.2%
9,082	7,899	7,528	(370)	(4.9%)	Fees & Purchased Services	63,993	67,914	67,515	(399)	(0.6%)
664	1,093	974	(119)	(12.2%)	Other Operating Expense	6,556	8,034	7,931	(103)	(1.3%)
691	575	490	(85)	(17.4%)	Interest	4,293	3,541	3,411	(130)	(3.8%)
3,512	3,556	3,660	103	2.8%	Depreciation	31,463	31,650	33,147	1,497	4.5%
58,500	59,822	60,571	748	1.2%	Total Operating Expense	477,658	505,108	511,695	6,586	1.3%
10,754	9,077	8,253	824	10.0%	Net Operating Income/(Loss)	95,961	80,530	59,661	20,869	35.0%
(1,626)	12,023	346	11,677	3370.7%	Non Operating Income	43,762	10,346	3,778	6,568	173.9%
9,128	21,100	8,600	12,500	145.4%	Net Income(Loss)	139,724	90,876	63,439	27,438	43.3%
21.6%	19.2%	18.0%	1.1%		EBITDA	23.0%	19.8%	16.8%	2.9%	
15.5%	13.2%	12.0%	1.2%		Operating Margin	16.7%	13.8%	10.4%	3.3%	
13.2%	30.6%	12.5%	18.1%		Net Margin	24.4%	15.5%	11.1%	4.4%	

El Camino Hospital – Los Gatos(\$000s)

Period ending 03/31/2019

Period 9 FY 2018	Period 9 FY 2019	Period 9 Budget 2019	Variance Fav (Unfav)	Var%		YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					\$000s					
					OPERATING REVENUE					
50,126	54,863	65,507	(10,643)	(16.2%)	Gross Revenue	447,304	464,109	494,038	(29,929)	(6.1%)
(37,373)	(41,144)	(48,736)	7,591	15.6%	Deductions	(330,189)	(343,900)	(363,700)	19,800	5.4%
12,753	13,719	16,771	(3,052)	(18.2%)	Net Patient Revenue	117,115	120,209	130,339	(10,129)	(7.8%)
217	386	241	145	60.2%	Other Operating Revenue	1,593	2,728	2,159	570	26.4%
12,970	14,105	17,012	(2,907)	(17.1%)	Total Operating Revenue	118,708	122,938	132,497	(9,560)	(7.2%)
					OPERATING EXPENSE					
6,870	7,318	7,824	506	6.5%	Salaries & Wages	59,226	62,480	63,188	707	1.1%
1,999	2,155	2,831	675	23.9%	Supplies	17,943	18,379	19,907	1,528	7.7%
1,245	1,765	1,390	(375)	(27.0%)	Fees & Purchased Services	11,979	13,047	12,121	(926)	(7.6%)
1,524	1,645	1,518	(127)	(8.4%)	Other Operating Expense	14,073	14,139	13,853	(286)	(2.1%)
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
689	804	738	(66)	(9.0%)	Depreciation	5,408	6,886	6,679	(207)	(3.1%)
12,326	13,688	14,301	613	4.3%	Total Operating Expense	108,629	114,931	115,748	817	0.7%
643	416	2,711	(2,294)	(84.6%)	Net Operating Income/(Loss)	10,079	8,007	16,750	(8,743)	(52.2%)
0	0	0	0	0.0%	Non Operating Income	(45)	0	0	0	0.0%
643	416	2,711	(2,294)	(84.6%)	Net Income(Loss)	10,035	8,007	16,750	(8,743)	(52.2%)
10.3%	8.7%	20.3%	(11.6%)		EBITDA	13.0%	12.1%	17.7%	(5.6%)	
5.0%	3.0%	15.9%	(13.0%)		Operating Margin	8.5%	6.5%	12.6%	(6.1%)	
5.0%	3.0%	15.9%	(13.0%)		Net Margin	8.5%	6.5%	12.6%	(6.1%)	

- March Gross Revenue unfavorable primarily due to lower Inpatient activity:
 - -\$3.0M Spine Surgery
 - -\$800K Orthopedic Surgery
 - -\$700K Deliveries
 - -\$3.4M shortfall due to delay in start of the Infusion center
- Fees and Purchased unfavorability primarily due to building & plant maintenance and contract staffing costs

Non Operating Items and Net Income by Affiliate

\$ in thousands

	Period 9 - Month			Period 9 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	9,077	8,253	824	80,530	59,661	20,869
Los Gatos	416	2,711	(2,294)	8,007	16,750	(8,743)
Sub Total - El Camino Hospital, excl. Affiliates	9,493	10,964	(1,471)	88,537	76,410	12,127
Operating Margin %	11.4%	12.8%		12.5%	10.9%	
El Camino Hospital Non Operating Income						
Investments ²	12,955	2,368	10,587	23,935	21,969	1,965
Swap Adjustments	829	(100)	929	243	(900)	1,143
Community Benefit	(101)	(300)	199	(3,627)	(2,700)	(927)
Pathways	0	0	0	(1,243)	0	(1,243)
Satellite Dialysis	(36)	(25)	(11)	414	(225)	639
Community Connect	0	(53)	53	0	(477)	477
SVMD Funding ¹	(959)	(1,219)	260	(6,991)	(10,971)	3,981
Other	(664)	(324)	(340)	(2,504)	(2,918)	413
Sub Total - Non Operating Income	12,023	346	11,677	10,346	3,778	6,568
El Camino Hospital Net Income (Loss)	21,517	11,310	10,206	98,883	80,188	18,695
ECH Net Margin %	25.9%	13.2%		14.0%	11.4%	
Concern	405	64	341	2,303	661	1,643
ECSC	(0)	0	(0)	(47)	0	(47)
Foundation	477	148	328	1,922	1,231	690
Silicon Valley Medical Development	1,958	43	1,915	3,175	(123)	3,299
Net Income Hospital Affiliates	2,840	255	2,585	7,353	1,769	5,584
Total Net Income Hospital & Affiliates	24,356	11,566	12,791	106,237	81,957	24,280

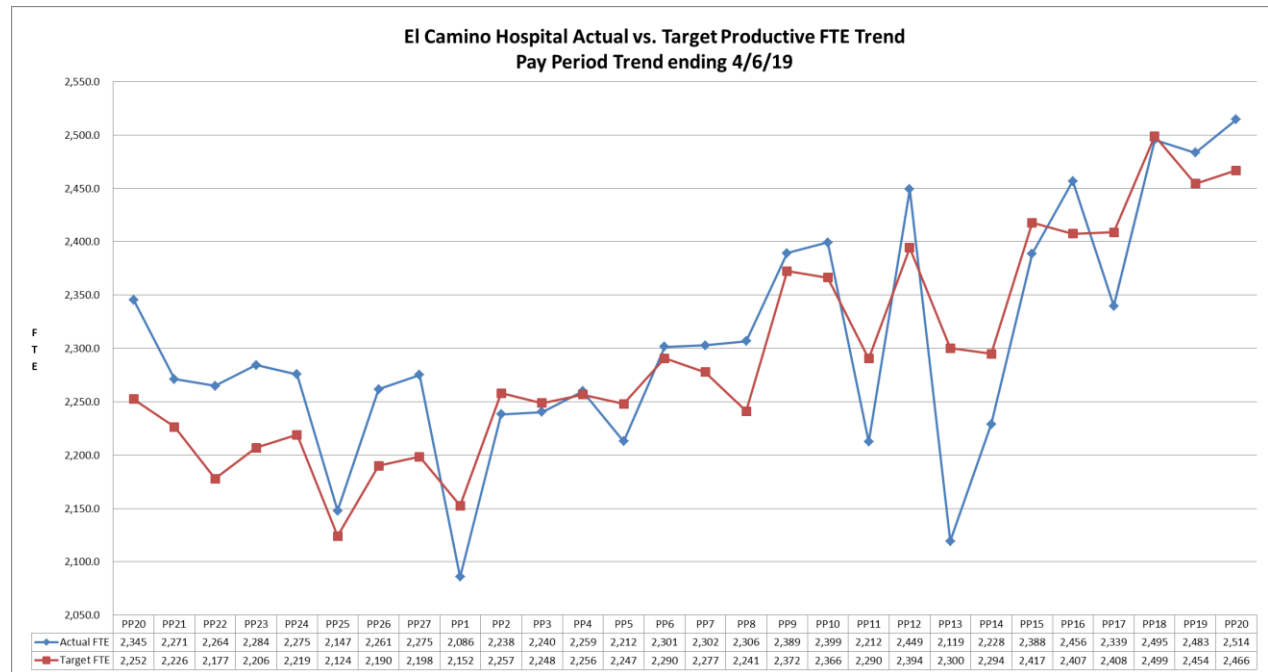
¹Favorable variances for SVMD and Community Connect are due to delayed implementation

²Equity markets experienced a massive selloff during October, and volatility is continuing

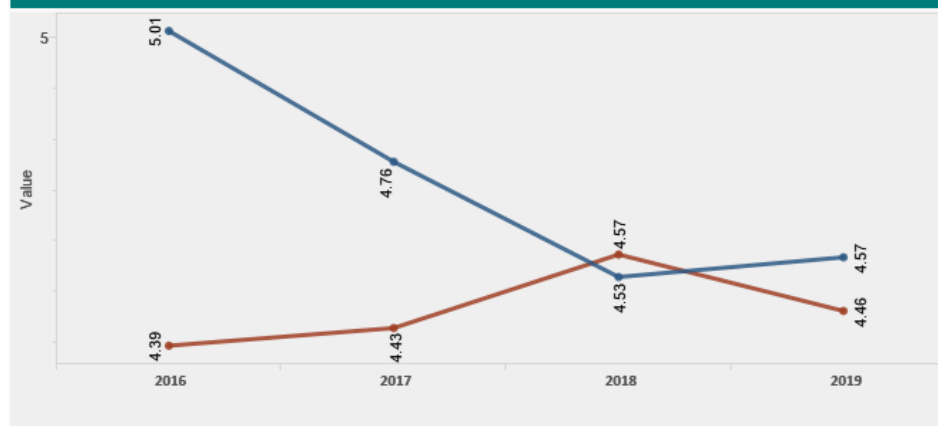
Productivity and Medicare Length of Stay

At or below FTE target. YTD we are slightly worse than budget (adjusted for volume). Ramp up for SJMG/SVMD beginning in PP19.

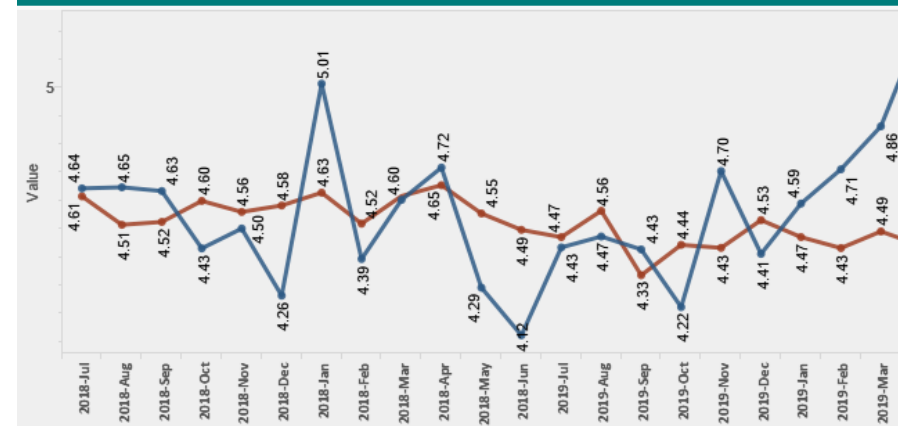
ALOS vs Milliman well-managed benchmark. Trend shows steady improvement with FY 2019 below benchmark (blue). Increase in benchmark beginning in FY 2017 due to Clinical Documentation Improvement (CDI)




AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR



AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR

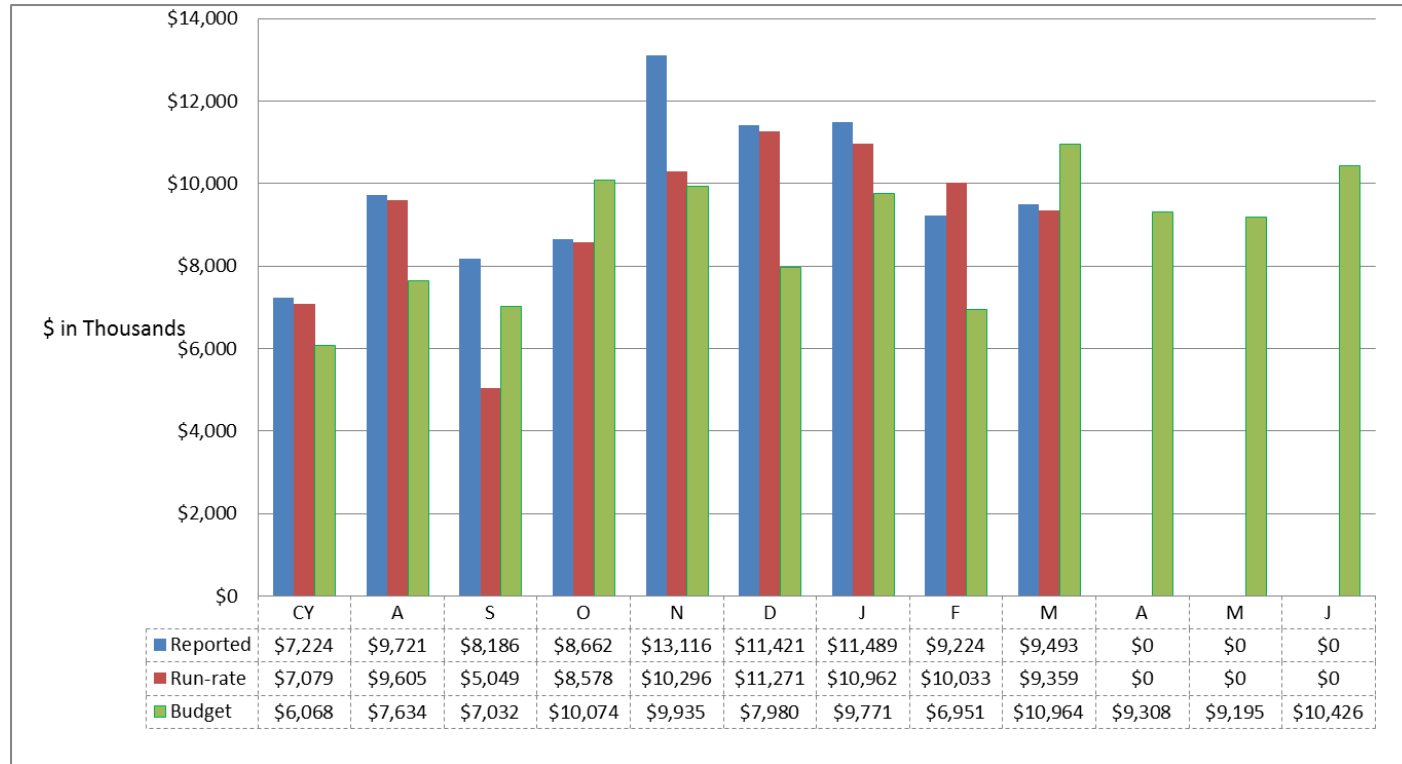


El Camino Hospital Volume Annual Trends

<div> VOLUME BY SERVICE LINE</div>									MONTH		PROCEDURAL?		FACILITY		LEVEL OF DETAIL				
									09-Mar		(All)		(All)		Service Line				
		ANNUAL TREND					FY19 Bud vs FY18		MONTH					YEAR					
		2014	2015	2016	2017	2018	2019(b)	Cases	Percent	PY	CY	Bud	Bud Var	PY Var	PY	CY	Bud	Bud Var	PY Var
IP	Behavioral Health	1,012	1,052	928	924	1,098	1,062	-36	-3.2%	77	93	90	3	16	826	847	795	52	21
	General Medicine & ...	4,165	4,592	4,459	4,961	5,285	5,325	40	0.8%	476	493	490	3	17	4,061	3,773	3,972	-199	-288
	General Surgery	1,243	1,150	1,311	1,318	1,305	1,344	39	3.0%	112	122	132	-10	10	971	1,037	991	46	66
	GYN	390	313	293	270	243	255	12	4.9%	25	27	20	7	2	191	173	183	-10	-18
	Heart and Vascular	1,859	1,998	2,001	2,203	2,372	2,445	73	3.1%	219	205	251	-46	-14	1,792	1,681	1,774	-93	-111
	MCH	6,695	6,371	5,953	5,822	5,718	5,764	46	0.8%	480	465	498	-33	-15	4,296	4,035	4,312	-277	-261
	Neurosciences	667	672	677	688	870	907	37	4.3%	81	78	74	4	-3	663	659	691	-32	-4
	Oncology	606	564	652	594	632	726	94	14.9%	61	60	61	-1	-1	490	529	520	9	39
	Orthopedics	1,695	1,773	1,746	1,690	1,705	1,819	114	6.7%	131	157	161	-4	26	1,310	1,268	1,392	-124	-42
	Rehab Services	547	555	500	461	441	436	-5	-1.1%	35	48	37	11	13	326	380	326	54	54
	Spine Surgery	377	429	417	474	375	465	90	24.0%	31	31	42	-11	0	295	248	340	-92	-47
	Urology	172	169	234	257	255	274	19	7.4%	25	32	19	13	7	187	222	194	28	35
Total		19,428	19,638	19,171	19,662	20,299	20,823	524	2.6%	1,753	1,811	1,874	-63	58	15,408	14,852	15,488	-636	-556
OP	Behavioral Health	910	886	2,394	3,260	3,151	3,417	266	8.4%	284	213	337	-124	-71	2,413	2,024	2,507	-483	-389
	Dialysis	1,059	155	6			0					0					0		
	Emergency	46,006	49,091	48,590	48,625	49,412	49,122	-290	-0.6%	4,215	4,587	4,416	171	372	37,424	35,989	36,510	-521	-1,435
	General Medicine & ...	6,637	6,620	7,195	7,129	7,265	7,457	192	2.6%	635	729	716	13	94	5,420	5,929	5,609	320	509
	General Surgery	1,837	1,853	1,797	1,836	2,004	2,068	64	3.2%	175	179	198	-19	4	1,497	1,476	1,531	-55	-21
	GYN	1,220	1,308	1,018	1,081	1,099	1,171	72	6.6%	98	116	122	-6	18	842	1,040	856	184	198
	Heart and Vascular	2,570	2,712	3,795	4,361	4,364	4,410	46	1.1%	396	411	423	-12	15	3,219	3,441	3,314	127	222
	Imaging Services	19,546	20,072	17,807	17,249	18,503	18,744	241	1.3%	1,619	1,527	1,738	-211	-92	13,765	14,250	13,902	348	485
	Laboratory Services	30,599	29,726	29,007	29,153	28,565	29,071	506	1.8%	2,556	2,262	2,667	-405	-294	21,705	20,460	21,733	-1,273	-1,245
	MCH	5,034	4,826	5,092	5,576	5,644	5,928	284	5.0%	482	428	549	-121	-54	4,235	4,007	4,399	-392	-228
	Neurosciences	110	61	127	125	114	155	41	36.0%	8	7	10	-3	-1	87	64	126	-62	-23
	Oncology	4,015	4,179	14,329	18,540	19,276	22,037	2,761	14.3%	1,659	1,854	2,112	-258	195	14,452	15,142	15,508	-366	690
	Orthopedics	866	776	584	615	641	714	73	11.4%	58	63	85	-22	5	454	544	553	-9	90
	Outpatient Clinics	1,817	1,705	1,680	1,288	1,883	1,517	-366	-19.4%	140	106	130	-24	-34	1,457	1,256	1,135	121	-201
	Rehab Services	1,731	1,747	3,954	4,518	4,926	4,900	-26	-0.5%	441	505	428	77	64	3,628	4,028	3,576	452	400
	Sleep Center	160	223	498	368	242	300	58	24.0%	20	39	25	14	19	142	243	223	20	101
	Spine Surgery	325	399	309	324	311	326	15	4.8%	25	25	35	-10	0	232	213	245	-32	-19
	Urology	1,755	1,771	1,739	1,898	2,052	2,058	6	0.3%	196	170	199	-29	-26	1,528	1,512	1,554	-42	-16
Total		126,197	128,110	139,921	145,946	149,452	153,395	3,943	2.6%	13,007	13,221	14,187	-966	214	112,500	111,618	113,280	-1,662	-882

ECH Operating Margin

Run rate is booked operating income adjusted for material non-recurring transactions



FY 2019 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>

Revenue Adjustments	J	A	S	O	N	D	J	F	M	YTD
Mcare Settlmt/Appeal/Tent Settlmt/PIP	141	112	92	76	137	443	516	129	129	1,774
IGT Supplemental	-	-	-	-	2,672	-	-	-	-	2,672
AB 915	-	-	2,875	-	-	-	-	-	-	2,875
RAC Release	-	-	161	-	-	(305)	-	(1,005)	-	(1,149)
Various Adjustments under \$250k	4	5	6	8	11	12	12	66	6	130
Total	145	116	3,137	84	2,820	150	528	(809)	135	6,305

Capital Spend Trend & FY19 Budget

Capital Spending (in 000's)	Actual FY2016	Actual FY2017	Actual FY2018	Projected FY2019	Budget 2019
EPIC	20,798	2,755	1,114	-	-
IT Hardware / Software Equipment**	6,483	2,659	1,108	19,732	19,732
Medical / Non Medical Equipment*	17,133	9,556	15,780	11,206	11,206
Non CIP Land, Land I , BLDG, Additions	4,189	-	2,070	-	-
Facilities	48,137	82,953	137,364	205,451	279,450
GRAND TOTAL	96,740	97,923	157,435	236,389	310,388
*Includes 2 robot purchases in FY2017					
**Includes ERP Implementation					

Facilities

- Projected facilities spend is lower than forecast in the budget primarily due to timing of project activity.
 - \$27M for iMOB
 - \$6M Patient Family Residence
 - \$5M Women's Hospital Expansion
 - \$3M Behavioral Health Hospital replacement

El Camino Hospital

Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	FY19 Budget	FY 19 Proj Spend	Variance Projected vs	
								Budget	FY 19 YTD Spent
CIP	ERP Upgrade			9.6	4.0	9.6	9.6	0.0	4.0
IT Hardware, Software, Equipment & Imaging				10.1	3.4	10.1	10.1	0.0	3.4
Medical & Non Medical Equipment FY 18				5.6	9.6	0.0	0.0	0.0	3.5
Medical & Non Medical Equipment FY 19				11.2	7.5	11.2	11.2	0.0	7.5
Facility Projects									
	1245 Behavioral Health Bldg	FY16	96.1	96.1	68.3	45.0	41.7	-3.3	22.4
	1413 North Drive Parking Expansion	FY15	24.5	24.5	24.4	0.0	0.7	0.7	0.2
	1414 Integrated MOB	FY15	302.1	302.1	209.0	150.0	123.3	-26.7	88.5
	1422 CUP Upgrade	FY16	9.0	9.0	8.3	0.8	1.4	0.6	0.7
	1430 Women's Hospital Expansion	FY16	135.0	135.0	5.6	10.0	4.8	-5.2	2.4
	Demo Old Main & Related Site Work		30.0	30.0	0.0	2.0	0.6	-1.4	0.0
	1502 Cabling & Wireless Upgrades	FY16	0.0	0.0	2.8	0.0	0.0	0.0	0.0
	1525 New Main Lab Upgrades		3.1	3.1	2.7	0.3	0.0	-0.3	0.5
	1515 ED Remodel Triage/Psych Observation	FY16	5.0	5.0	0.0	4.6	0.3	-4.3	0.0
	1503 Willow Pavilion Tomosynthesis	FY16	1.0	0.0	0.4	1.0	0.0	-1.0	0.0
	1602 JW House (Patient Family Residence)		6.5	6.5	0.4	6.0	0.1	-5.9	0.1
	Site Signage and Other Improvements		1.3	0.0	0.0	1.0	0.3	-0.7	0.0
	Nurse Call System Upgrades		2.4	0.0	0.0	2.4	0.2	-2.2	0.0
	1707 Imaging Equipment Replacement (5 or 6 rooms)		20.7	0.3	0.0	6.0	6.0	0.0	0.0
	1708 IR/ Cath Lab Equipment Replacement		19.4	19.4	0.0	5.0	1.0	-4.0	0.9
	1804 SVMDClinic @ North First Street		8.0	8.0	0.0	0.0	0.0	0.0	0.0
	Flooring Replacement		1.6	1.6	0.0	1.5	0.4	-1.1	0.4
	1219 LG Spine OR	FY13	0.0	0.0	4.0	0.0	0.0	0.0	0.2
	1313 LG Rehab HVAC System & Structural	FY16	0.0	0.0	4.1	0.0	0.0	0.0	0.0
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	9.0	9.0	9.0	0.0	0.0	0.0	0.1
	1307 LG Upgrades	FY13	19.3	19.3	18.8	0.8	0.0	-0.8	1.0
	1507 LG IR Upgrades		1.3	0.0	0.0	1.3	1.3	0.1	0.0
	1603 LG MOB Improvements (17)		5.0	5.0	5.0	0.5	0.0	-0.5	0.0
	1711 Emergency Sanitary & Water Storage		1.5	1.5	0.3	1.3	1.5	0.3	0.1
	LG Modular MRI & Awning		3.9	3.9	0.4	3.5	0.6	-2.9	0.3
	LG Nurse Call System Upgrade		0.8	0.0	0.0	0.5	0.4	-0.1	0.0
	LG Observation Unit (Conversion of ICU 2)		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1712 LG Cancer Center		5.0	5.0	1.3	4.8	3.7	-1.1	1.1
	Workstation Inventory Replacement		2.0	2.0	0.0	0.0	0.0	0.0	0.0
	Primary Care Clinic Development (2 @ \$3 Million Ea		6.0	6.0	0.0	5.0	4.0	-1.0	0.0
	Other Strategic Capital FY-19		5.0	5.0	0.0	15.0	9.0	-6.0	0.0
	Willow SC Upgrades (35,000 @ \$50)		1.8	1.8	0.0	1.8	0.0	-1.8	0.0
	New 28k MOB (Courthouse Prop)		22.4	22.4	0.0	1.2	0.2	-1.0	0.0
	80 Great Oaks Upgrades		4.5	4.5	0.0	0.0	0.0	0.0	0.0
	Primary Care Clinic (TI's Only) FY 17 (828 Wincheste		3.6	3.6	0.0	0.3	0.0	-0.3	0.0
	All Other Projects		9.2	8.6	108.2	7.8	3.9	-3.9	2.8
			765.8	738.3	473.0	279.5	205.5	-74.0	122.0
GRAND TOTAL				769.2	497.6	300.8	236.4	-74.0	140.5

El Camino Hospital Capital Spending (in thousands) FY 2014 – FY 2018

Category	2014	2015	2016	2017	2018	Category	2014	2015	2016	2017	2018
EPIC	6,838	29,849	20,798	2,755	1,114	Facilities Projects CIP cont.					
IT Hardware/Software Equipment	2,788	4,660	6,483	2,659	1,108	1415 - Signage & Wayfinding	-	-	106	58	136
Medical/Non Medical Equipment	12,891	13,340	17,133	9,556	15,780	1416 - MV Campus Digital Directories	-	-	34	23	95
Non CIP Land, Land I, BLDG, Additions	22,292	-	4,189	-	2,070	1423 - MV MOB TI Allowance	-	-	588	369	-
Facilities Projects CIP						1425 - IMOB Preparation Project - Old Main	-	-	711	1,860	215
Mountain View Campus Master Plan Projects						1429 - 2500 Hospital Dr Bldg 8 TI	-	101	-	-	-
1245 - Behavioral Health Bldg Replace	1,257	3,775	1,389	10,323	28,676	1430 - Women's Hospital Expansion	-	-	-	464	2,763
1413 - North Drive Parking Structure Exp	-	167	1,266	18,120	4,670	1432 - 205 South Dr BHS TI	-	8	15	-	52
1414 - Integrated MOB	-	2,009	8,875	32,805	75,319	1501 - Women's Hospital NPC Comp	-	4	-	223	320
1422 - CUP Upgrade	-	-	896	1,245	5,428	1502 - Cabling & Wireless Upgrades	-	-	1,261	367	984
Sub-Total Mountain View Campus Master Plan	1,257	5,950	12,426	62,493	114,093	1503 - Willow Pavillion Tomosynthesis	-	-	53	257	31
Mountain View Capital Projects						1504 - Equipment Support Infrastructure	-	61	311	-	60
9900 - Unassigned Costs	470	3,717	-	-	-	1523 - Melchor Pavillion Suite 309 TI	-	-	10	59	392
0906 - Slot Build-Out	1,576	15,101	1,251	294	-	1525 - New Main Lab Upgrades	-	-	-	464	1,739
1109 - New Main Upgrades	393	2	-	-	-	1526 - CONCERN TI	-	-	37	99	10
1111 - Mom/Baby Overflow	29	-	-	-	-	Sub-Total Mountain View Projects	7,219	26,744	5,588	5,535	7,948
1204 - Elevator Upgrades	30	-	-	-	-	Los Gatos Capital Projects					
0800 - Womens L&D Expansion	1,531	269	-	-	-	0904 - LG Facilities Upgrade	-	-	-	-	-
1225 - Rehab BLDG Roofing	241	4	-	-	-	0907 - LG Imaging Masterplan	774	1,402	17	-	-
1227 - New Main eICU	21	-	-	-	-	1210 - Los Gatos VOIP	89	-	-	-	-
1230 - Fog Shop	80	-	-	-	-	1116 - LG Ortho Pavillion	24	21	-	-	-
1315 - 205 So. Drive TI's	500	2	-	-	-	1124 - LG Rehab BLDG	458	-	-	-	-
0908 - NPCR3 Seismic Upgrds	1,224	1,328	240	342	961	1307 - LG Upgrades	2,979	3,282	3,511	3,081	4,551
1125 - Will Pav Fire Sprinkler	39	-	-	-	-	1308 - LG Infrastructure	114	-	-	-	-
1216 - New Main Process Imp Office	1	16	-	-	-	1313 - LG Rehab HVAC System/Structural	-	-	1,597	1,904	550
1217 - MV Campus MEP Upgrades FY13	181	274	28	-	-	1219 - LG Spine OR	214	323	633	2,163	447
1224 - Rehab Bldg HVAC Upgrades	202	81	14	6	-	1221 - LG Kitchen Refrig	85	-	-	-	-
1301 - Desktop Virtual	13	-	-	-	-	1248 - LG - CT Upgrades	26	345	197	6,669	1,673
1304 - Rehab Wander Mgmt	87	-	-	-	-	1249 - LG Mobile Imaging	146	-	-	-	-
1310 - Melchor Cancer Center Expansion	44	13	-	-	-	1328 - LG Ortho Canopy FY14	255	209	-	-	-
1318 - Women's Hospital TI	48	48	29	2	-	1345 - LG Lab HVAC	112	-	-	-	-
1327 - Rehab Building Upgrades	-	15	20	-	22	1346 - LG OR 5, 6, and 7 Lights Replace	-	285	53	22	127
1320 - 2500 Hosp Dr Roofing	75	81	-	-	-	1347 - LG Central Sterile Upgrades	-	181	43	66	-
1340 - New Main ED Exam Room TVs	8	193	-	-	-	1421 - LG MOB Improvements	-	198	65	303	356
1341 - New Main Admin	32	103	-	-	-	1508 - LG NICU 4 Bed Expansion	-	-	-	207	-
1344 - New Main AV Upgrd	243	-	-	-	-	1600 - 825 Pollard - Aspire Phase II	-	-	-	80	10
1400 - Oak Pav Cancer Center	-	5,208	666	52	156	1603 - LG MOB Improvements	-	-	-	285	4,593
1403 - Hosp Drive BLDG 11 TI's	86	103	-	-	-	Sub-Total Los Gatos Projects	5,276	6,246	6,116	14,780	12,306
1404 - Park Pav HVAC	64	7	-	-	-	1550 - Land Acquisition	-	-	24,007	-	-
1405 - 1 - South Accessibility Upgrades	-	-	168	95	-	1701 - 828 S Winchester Clinic TI	-	-	-	145	3,018
1408 - New Main Accessibility Upgrades	-	7	46	501	12	Sub-Total Other Strategic Projects	-	-	24,007	145	3,018
						Subtotal Facilities Projects CIP	13,753	38,940	48,137	82,953	137,364
						Grand Total	58,561	86,789	96,740	97,923	157,435

**EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: John Zoglin, Board Member
Date: May 8, 2019
Subject: Report on Educational Activity

Purpose:

For Information

Summary:

Approximately 300 board members and executives, from both networks and district-type hospitals attended this conference

Conference Title: Leadership Conference

Sponsoring Organization: The Governance Institute

Key Educational Points, Lessons Learned:

1. Macro Trends
 - a. New competitors, technology companies like Amazon and major integrated players with retail experience like CVS/Aetna, United/Optum (60 million patients) and Humana/Walmart (existing pharmacy and ophthalmology) force legacy systems to innovate how they deliver care. Several speakers mentioned need for online scheduling and expanded hours and a need to create experiences and relationships that generate real loyalty, not just willingness to consume based on convenience.
 - b. Social Determinants of Health Quality. From AGLH Track: Building & Sustaining a Commitment to Community & Healthcare Transformation - Only 20% of health outcomes are based on delivery of healthcare; 50% are from social / economic /physical environment. Not only important to partner with other community organizations (and even competitors) to identify community needs and deliver services, but also should try to play lead role in coordinating / integrating across various social services providers.
 - c. Must focus on consumers and patient experience more than providers have in past, but also with a caveat (also related to ECH brand positioning analysis). We must be clear about “why consumers choose us for care.” What is the combination of attributes that is highly valued and on which consumers make decisions. Value enhancers should receive the most investment. Presenter also emphasized the importance of validating branding with employees.
2. Driving Transformational Change: A Governance Imperative
 - a. Board and governance must be actively involved in change / transformation. If not, will impede progress. Hard to do with profitable overall or segments of business

- b. Board role beyond hiring good CEO and Executive Team. The Board must challenge its own conventional thinking and identify (1) areas of need for greatest fundamental change, (2) biggest vulnerability e.g. customer experience or financial and (3) disruptors. The Board should ensure the strategic plan includes scenario planning for fundamental changes in delivery system
 - c. Allow time for generative discussions. Actively look at board evaluation and goals.
 - d. Tight-Loose-Tight. Tight goals, loose board involvement in how execs achieve goals, tight measurement of KPI achievement. Include transformative goals in CEO evaluation.
- 3. Keynote: Is There an Avatar in the House? Changing the DNA of Healthcare in the Age of AI
 - a. Differentiation and diversification required to avoid commodification. Providers will need to work with deep learning from big databases.
 - b. Need to change how physicians are selected and trained.
 - c. Generate patient loyalty, now people largely go where most convenient. How healthcare can provide incremental value to generate loyalty?
 - d. With current physicians – change spend and time from focusing on the 20% who are “gung ho” and 20% who are resistant to the 60% in the middle. Helps reduce burn-out, which comes less from total hours but more from loss of perceived excellence in physician’s own performance.
- 4. From County to Cleveland: How a Government Hospital in Florida Joined the Cleveland Clinic. The Cleveland Clinic always brands any acquisition or new business with core name first e.g. Cleveland Clinic: XYZ. CC took over all operations: assumed debt, made commitments on capital investment and indigent care. Previously had been managed by two completely separate boards: Hospital 501c3 and publicly elected district.
- 5. Developing Quality Oversight Mechanisms to Evaluate Care in Outpatient Settings - Biggest consumer issue is billing – so they focused a year on developing clear bills e.g., this is facility charge, in-patient etc. Working on improving transparency in pricing. They claim “Time to third net available appointment” is standard measure for access of care. Industry standard is 7 days. Online scheduling crucial and users index very high on new patients.
- 6. Same trends hearing about regarding in-patient volume falling while out-patient continues to grow. Detailed metrics for anyone interested from presentation from Macro Trends Driving Disruption for Legacy Hospitals & Health Systems (Kaufman Hall). This presentation also identified 81% of consumers as unhappy with experience for routine care where younger people want to schedule and identify providers online. Look to Hospital last to find right health care services. Look to tech companies and insurance companies first for Yelp like info. One of the sources discusses need for identification of differentiation.
- 7. Healthcare vs. The World
 - a. Negative impact of billing: Net Promoter Score drops from 70 (quite high) immediately after time in a hospital to 14 (low) one year later – largely because of un-intelligible and high bills.

- b. People who receive regular visits with a PCP cost the system 1/3 less.
 - c. 1/2 of consumers believe health care systems are responsible for community health
 - d. Example of new methods of delivery: Baycare Tampa - Gave them a loyalty program app where they can fill out forms ahead of time. This is more convenient for the customer and they are less likely to be a no show. Give good coffee and gown instead of paper gown.
 - e. Consumers Value: Access, Experience and Value
8. A Human Factors Approach to Care. Not going to remove human error, so goal is to minimize consequences/harm and minimize opportunities for error. Example of reducing errors from 66% to 1% based on standardizing pre-admit form. Care should be designed to allow service providers to do their work. We need to admit the reality of short-term memory constraints and minimize interruptions as nurses or other providers deliver their care. Could integrate with purchasing to ensure that before any device is purchased it is actually used in real-world settings.
9. AGLH Track: Welcome/Overview of Program/Team Introductions. Related to the social determinants of health, there should be greater integration of Community Benefit programs and population health analysis and work. Other boards with primarily business and service providers may have gaps in terms of links to community. The ECH hybrid board is already ahead there.
10. Addiction, Behavioral Health, & Population Health Outcomes - Exposure to toxic stress in early childhood, trauma may lead to 15x increase in chronic disease / symptoms e.g. Alcoholism, depression, smoking, obesity/diabetes. Chronic place based inequities are a significant driver — local taxes: poor areas not enough money for schools, social services. Healthcare just shows up at the end “down-stream”.
11. AGLH Track: Leadership in a Time of Profound Change: Moving From the Big Picture to Practical Strategies. Cost of our healthcare can and will crowd-out other government expenditures e.g. education, infrastructure. Quality committee could look at patterns of healthiest and sickest patients and then understand the why.
12. KPI to measure engagement can be a bit tricky but in Activating Employees in the Battle to Engage Consumers employee engagement can be primary driver of mortality and customer satisfaction. Engagement drivers ideally connected with enablement drivers.
- a. CAHPS doesn't cut it. The patient experience is critical but it's only a piece of the larger consumerism puzzle. In keeping with the consumer view, it's important to know what actually drives consumers to become patients.
 - b. Consumers have a better grasp on what it means to be satisfied but don't often feel it during a healthcare experience. Blame sky-high expectations: 82.3 percent of U.S. consumers expect healthcare organizations to meet or exceed their expectations. That's over 10 percent higher than any other industry.
 - c. Millennial engagement driven by opportunity to learn, grow and advance and the quality of management.
13. Governance Best Practices: Managing Risk Around Population Health. Extremely difficult to manage both FPS and ACO/Population Health in same organization. If attempt must start with

clear enterprise goals, targeted populations (start limited) and KPIs. Just an example, EHR not built for population health, all population health management/ACO companies have built separate platform of which EHR is just part. Also governance may need to be different, more provider-centric. Medicare moving from 3 to 5 year contract lengths, reflecting longer time frame to generate results: obvious conflict with commercial contracts which are often just one year. Interesting approach Maryland and now Vermont taking: Hospitals given fixed amount of revenue based on their geo coverage and it's up to them to manage costs.

- 14.** Physician Leader Track: Leadership to Match Challenging Times: Building Your Effective Clinician Leadership Program. Anecdotal data, employees less engaged than independent physicians. May reflect self-selection. Also need to validate physician leadership's time. There just to be mouth piece for administration or able to make true impact and change? Physician training to often in isolation, no follow-up. To be effective needs to be tied to real world needs and interests of physicians, receive feed-back, mentoring – no different from other training – with real goals and metrics. PAMF study showed better physician leaders lead more effective organizations, though leaders themselves are more likely to burn out. Suggest more in-depth conversations between Board and physician leaders, not just monthly MEC report but quarterly strategic discussions.

Do you recommend this conference to other members of the Board? ☒ Yes ☐ No

I recommend that the board consider attending this or similar (e.g., Estes Park) conference once every two or at least 3 years. Committee members once during their tenure – ideally in first year or two. We could consider sending everyone to the same conference or sending 1/3 board each year to ensure regular exposure to issues and to discussions with other board members.



OPEN SESSION CEO Report
May 8, 2019
Dan Woods, CEO

Operations

To address recent high patient volumes, on April 15, 2019, a multi-disciplinary activation project team prepared the 10-bed unit on 3CW to become a flexible unit that can accommodate medical/surgical patients. Between April 15th and April 26th, the unit was open 9 days with an average daily census of 8 patients. The lack of available beds in the hospital has negatively impacted our Emergency Department throughput measures.

Information Services

We transitioned M*Modal voice recognition (talk to text) from the pilot phase and continues to be well received. Philips microphones are deployed throughout both hospitals and in all outpatient areas/clinics. We opened up training to all physicians, and are communicating via the Medical Staff Office and at MEC. Physicians now receive lab results on their mobile phone through a push notification on the mobile app from Epic called Haiku.

A new autonomous service robot was implemented in Los Gatos to assist with the delivery of medications, lab samples, and other critical items to support patient care. This endeavor required a very fast turnaround, taking less than three weeks from the initial discovery call to being installed, configured, and fully operational.

Push Text Notifications is now live in the ECH OR departments! For participating family and friends, text messages will be sent as the patient moves throughout different phases of care in the surgical suite. Epic OpTime will now automatically send messages as the patient advances through each peri-operative event such as when the patient's procedure has begun and the patient is out of the OR and is in the Recovery area. The nurses also have the ability to select a variety of preset messages to update family and friends.

MyChart enrollment continues to focus on the 50% patient enrollment goal with the following initiatives in process to increase patient enrollment and use: MyChart Scheduling for the Breast Health Center is now live! This allows patients to schedule their own appointments through the ECH MyCare web portal or through ECH MyCare mobile application with the aim to improve patient satisfaction. MyChart Bedside is live on 4 units (MCH, NICU, 3W, L/D) and the L/D unit was implemented last week. The 5th Unit (4A) is planned for go live in June 2019. A new report is available which highlights ECH patients who have active MyChart accounts from ECH or referring Epic organizations who have received care at ECH and demonstrates an increased enrollment number over 46%.

Workforce

This week is Nurses Week (May 6-12). Many nursing celebrations will occur during the week culminating with an event this Friday evening when we will present awards and hear a presentation from a nationally known speaker, Rich Bluni, RN.

Finance

Our cost initiative for FY19 is \$2,200,000. As of April 15, 2019 we have implemented \$3,034,570.24 in savings and cost avoidance of \$124,642.98. El Camino Hospital prevailed in a property tax appeal related to the Los Gatos Campus resulting in a one-time payment of \$102,000 and annual savings of \$23,000.

Government and Community Relations

Brenda Taussig and I met with newly elected Santa County Supervisor Susan Ellenberg, who serves as the Vice Chair of the Health and Hospitals Committee, regarding El Camino services and our community benefit programs. The hospital hosted both the Sunnyvale and the Los Altos/Los Altos Hills civic leadership programs where we presented information about district and hospital governance and services, mental health needs and programs, and community benefit. For the third year, ECH hosted a health career event for 60 high school sophomores in the Mountain View/Los Altos school district "AVID" program, which provides support for students who will be among the first in their families to attend college. ECH sponsored Caminar/Family & Children's Service's annual luncheon which featured an award-winning local author discussing youth addiction and mental health. It was attended by ECH staff and community leaders who were invited as guests.

Corporate and Community Health Services

We presented FY20 Community Benefit ("CB") grant proposals to the Community Benefit Advisory Council (CBAC) in April. The District received 59 grant applications (\$8.7M requested) and the Hospital received 61 applications (\$5.1M requested). The CBAC achieved consensus on recommendations, which we will present to each Board at upcoming meetings.

320 community members attended the Chinese Health Initiative's seventh annual Health Fair where we screened 232 individuals for diabetes and 151 for hypertension. The South Asian Heart Center raised \$236,000 at its Scarlett Express Gala.

Philanthropy

As of March 31, 2019, El Camino Hospital Foundation has secured \$18,230,426 and many fundraising activities and events are scheduled for the remainder of the fiscal year.

**EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Lane Melchor, Chair, El Camino Hospital Foundation Board of Directors
Darcie Kiyan, Interim President, El Camino Hospital Foundation
Date: April 24, 2019
Subject: Report on El Camino Hospital Foundation Activities FY19 Period 9

Purpose: For information.

Summary:

1. **Situation:** As of March 31, 2019, El Camino Hospital Foundation has a secured \$18,230,426, the highest annual yield in the Foundation's history. In addition, many fundraising activities and events are scheduled for the remainder of the fiscal year.
2. **Authority:** N/A
3. **Background:**

Major Gifts & Planned Gifts

Between March 1 and March 31, the Foundation received \$162,067 in major and planned gifts. This brings the total raised through period 9 of FY19 to \$15,668,021, a record. These new gifts include \$100,000 from a grateful out-of-state couple that never forgot the excellent care they received at El Camino Hospital decades ago. The couple requested their donation be recognized in the new hospital board room in the Sobrato Pavilion. The Foundation also received a \$45,000 donation from Santa Clara Sporting Club through their annual Goals for a Cure fundraising drive for the Free Mammogram Program. Foundation staff continues to work on major and planned gift prospects that are in the pipeline and we expect to close additional gifts before June 30.

Special Events

Golf

The 23rd annual *El Camino Heritage Golf Tournament* was held on Monday, October 29, 2018 at Sharon Heights Golf & Country Club. The 2018 tournament benefited the Norma Melchor Heart & Vascular Institute. In March, the Foundation received an additional \$3,500 in support of the event. The cost of fundraising for the event was well below the industry standard at just 39% of gross revenue. The Foundation expects to transfer net proceeds in excess of \$200,000 to the Norma Melchor Heart & Vascular Institute.

South Asian Heart Center Event

A Night on the Scarlet Express, the annual gala benefiting the South Asian Heart Center, was held on March 23, 2019 at the Computer History Museum. Since the event took place near the end of the month, the majority of funds raised will be reflected in future reports. In March, the event brought in \$72,125, bringing the total received as of March 31 to \$124,186.

Norma's Literary Luncheon

The annual tribute to Norma Melchor was held on February 7, 2019 at Sharon Heights Golf & Country Club. The funds raised will benefit the Free Mammogram Program. In March, the Foundation received \$8,750 in sponsorships and ticket sales, bringing the total received in FY19 to \$131,505. In addition, the Melchor family donated \$70,000 in 2018 for this year's event, which brings the grand total received to more than \$200,000. The Melchor family has committed to support the luncheon again next year, but will make their gift in FY20, which will make the fundraising results clearer on the report.

Annual Giving

In March, the Foundation raised an additional \$33,105 in annual gifts from direct mail, H2H membership renewals and event registrations, Circle of Caring, Healthy Giving Newsletter, and online donations. This brings the amount raised since the beginning of FY19 to \$561,708. Additional annual giving activities are planned through the remainder of the fiscal year and the Foundation is on track to exceed its annual giving goal as well.

4. Assessment: N/A
5. Other Reviews: El Camino Hospital Foundation Board Finance Committee (3/21/2019)
El Camino Hospital Foundation Board Executive Committee (3/21/2019)
El Camino Hospital Foundation Board of Directors (3/28/2019)
6. Outcomes: During the month of March, the Foundation secured \$404,211. By end of period 9, the Foundation has received nearly triple its FY19 fundraising goal of \$6,175,000, reaching the highest annual yield in its history.

List of Attachments:

1. El Camino Hospital Foundation FY19 Period 9 Fundraising Report

Suggested Board Discussion Questions: None.

FOUNDATION PERFORMANCE

FY19 Fundraising Report through 3/31/19

ACTIVITY		FY19 YTD (7/1/18 - 3/31/19)	FY19 Goals	FY19 % of Goal	Difference Period 8 & 9	FY18 YTD (7/1/17 - 3/31/18)
Major & Planned Gifts		\$15,668,021	\$3,750,000	418%	\$162,067	\$3,056,296
Special Events	Spring Event	\$500	\$450,000	0%	\$0	\$26,000
	Golf	\$338,080	\$350,000	97%	\$3,500	\$353,650
	South Asian Heart Center Event	\$124,186	\$325,000	38%	\$72,125	\$271,071
	Norma's Literary Luncheon	\$131,505	\$200,000	66%	\$8,750	\$209,075
Annual Gifts		\$561,708	\$600,000	94%	\$33,105	\$546,595
Investment Income		\$1,406,426	\$500,000	281%	\$124,664	\$496,478
TOTALS		\$18,230,426	\$6,175,000	295%	\$404,211	\$4,959,165

Highlighted Assets through 3/31/19

Board Designated Allocations	\$499,022
Donor Endowments	\$4,735,243
Operational Endowments	\$15,665,864
Pledge Receivables	\$4,005,529
Restricted Donations	\$12,949,377
Unrestricted Donations	\$906,422