

AGENDA REGULAR MEETING OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, June 12, 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 Resolution 2019-07 ATTACHMENT 3	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 – 5:52
5.	FY19 PERIOD 10 FINANCIALS ATTACHMENT 5	Iftikhar Hussain, CFO	public comment	possible motion 5:52 – 6:02
6.	PROPOSED FY20 ORGANIZATIONAL GOALS <u>ATTACHMENT 6</u>	Dan Woods, CEO	public comment	possible motion 6:02 – 6:17
7.	PROPOSED FY20 OPERATING AND CAPITAL BUDGET ATTACHMENT 7	Dan Woods, CEO; Iftikhar Hussain, CFO	public comment	possible motion 6:17 – 6:27
8.	PROPOSED FY20 COMMUNITY BENEFIT PLAN ATTACHMENT 8	Barbara Avery, Director, Community Benefit	public comment	possible motion 6:27 – 6:47
9.	PUBLIC COMMUNICATION a. Oral Comments 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. b. Written Correspondence	Lanhee Chen, Board Chair		information 6:47 – 7:02
10.	ADJOURN TO CLOSED SESSION	Lanhee Chen, Board Chair		motion required 7:02 – 7:08
11.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Board Chair		information 7:08 – 7:09
12.	CONSENT CALENDAR Any Board Member may remove an item for discussion before a motion is made. Approval Gov't Code Section 54957.2: a. Minutes of the Closed Session of the Hospital Board Meeting (5/8/2019) b. Minutes of the Closed Session of the Joint Meeting of the Finance Committee and the	Lanhee Chen, Board Chair		motion required 7:09 – 7:11

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.

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	AGENDA ITEM	PRESENTED BY	ESTIMATED
	Hospital Board (5/28/2019) c. Minutes of the Closed Session of the Executive Compensation Committee Meeting (4/2/2019) Information Health & Safety Code Section 32106(b) and Gov't Code Section 54957.6 for a conference with labor negotiator Dan Woods: d. FY20 Individual Executive Incentive Goals		TIMES
13.	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 7:11 – 7:26
14.	Gov't Code Section 54957.6 for conference with labor negotiator Bob Miller: - FY20 CEO Salary Range	Bob Miller, Executive Compensation Committee Chair	discussion 7:26 – 7:36
15.	Gov't Code Section 54957.6 for conference with labor negotiator Kathryn Fisk: - SEIU Update	Kathryn Fisk, CHRO	discussion 7:36 – 7:56
16.	Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets: - Proposed FY20 Strategic Plan Metrics	Dan Woods, CEO	discussion 7:56 – 8:16
17.	Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets: - SVMD Plan and Culture	Bruce Harrison, President, SVMD	discussion 8:16 – 9:16
18.	 Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets; Gov't Code Section 54957.6 for conference with labor negotiator Dan Woods; Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation: CEO Report on New Services and Programs, Labor Negotiations and Legal Update 	Dan Woods, CEO	discussion 9:16 – 9:26
19.	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 9:26 – 9:31
20.	ADJOURN TO OPEN SESSION	Lanhee Chen, Board Chair	motion required 9:31 – 9:32
21.	RECONVENE OPEN SESSION/ REPORT OUT	Lanhee Chen, Board Chair	9:32 – 9:33
	To report any required disclosures regarding permissible actions taken during Closed Session.		

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	AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
22.	CONSENT CALENDAR ITEMS: Any Board Member or member of the public may remove an item for discussion before a motion is made.	Lanhee Chen, Board Chair	public comment	motion required 9:33 – 9:36
	 Approval a. Minutes of the Open Session of the Hospital Board Meeting (5/8/2019) b. Minutes of the Open Session of the Joint Meeting of the Finance Committee and the Hospital Board (5/28/2019) c. FY20 Auxiliary Slate of Officers d. Resolution 2019-08: Approving Dissolution of the Independent Physicians of El Camino Hospital (IPECH) e. 2019 El Camino Hospital Community Health Needs Assessment f. Resolution 2019-09: Delegating Authority to the CEO and the CFO to Enter into, Amend, Extend the Term of or Replace the Letter of Credit provided, now or in the future, in connection 			
	with the Series 2009A Bonds (\$50,000,000) Reviewed and Recommended for Approval by the Executive Compensation Committee g. Minutes of the Open Session of the Executive Compensation Committee Meeting (4/2/2019) Reviewed and Recommended for Approval by the Finance Committee h. Medical Director, Infection Control (renewal) i. FY19 Period 9 Financials			
	Reviewed and Recommended for Approval by the Governance Committee Governance Committee Report j. FY20 Master Calendar k. FY20 Committee Goals l. FY20 Committee and Liaison Appointments			
	Reviewed and Recommended for Approval by the Quality, Patient Care and Patient Experience Committee m. Infection Prevention Plan Reviewed and Recommended for Approval by the Medical Executive Committee n. Medical Staff Report			
	 Information o. Finance Committee Approvals p. Executive Compensation Committee Approvals: including FY20 Individual Executive Base Salaries and FY20 Executive Salary Ranges q. Major Projects Update r. Investment Committee Report 			
23.	FY20 CEO SALARY RANGE APPROVAL	Lanhee Chen, Board Chair	public comment	possible motion 9:36 – 9:38
24.	CEO REPORT ATTACHMENT 24	Dan Woods, CEO		information 9:38 – 9:40
25.	BOARD COMMENTS	Lanhee Chen, Board Chair		information 9:40 – 9:54

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	AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
26.	ADJOURNMENT	Lanhee Chen, Board Chair	public comment	motion required 9:54 – 9:55pm

Upcoming Meetings (pending Board approval):

Regular Meetings: August 21, 2019; September 11, 2019; October 10, 2019;

November 6, 2019; December 11, 2019; February 12, 2020; March 11, 2020; April 15, 2020; May 13, 2020;

May 26, 2020*; June 10, 2020

Education Sessions: October 23, 2019; April 22, 2020

^{*}Joint Meeting with Finance Committee

EL CAMINO HOSPITAL BOARD

RESOLUTION 2019 - 07

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 oncology team for putting patients first and delivering high-quality, patient-centered care to community members battling cancer.

The cancer program initially offered minimally-invasive procedures, infusion treatments, radiation oncology and access to clinical trials. Over time the program expanded and services grew to include robotic-assisted surgery, robotic radiation oncology, cancer screening tests, a survivorship program and nutrition counseling, psychosocial services, and an in-house laboratory and pharmacy. Throughout the growth and expansion, the oncology team has remained committed to joining forces with patients to provide them with a personalized, holistic and comprehensive approach to treating their cancer.

The multidisciplinary team approach to treating cancer, from prevention to diagnostics to treatment and survivorship, as a complex group of diseases has helped the cancer program earn a reputation as the place to receive advanced, personalized care close to home. The team has achieved clinical outcomes that exceed the national five-year survival rates for breast, colon, lung, prostate and uterine cancers. In addition, the Commission on Cancer (CoC) of the American College of Surgeons has granted three-consecutive three-year accreditations with commendations to the program. It's the highest accreditation that can be achieved by a community hospital. During the most recent accreditation survey, the COC surveyor complimented the team and said that the program is one of the best community cancer programs in the country as demonstrated by the very high level of compliance.

WHEREAS, the Board would like to publically acknowledge the cancer care team for providing personalized, world-class care to patients.

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

The Oncology Team

IN WITNESS THEREOF, I have here unto set my hand this 12TH DAY OF JUNE, 2019.

EL CAMINO HOSPITAL BOARD OF DIRECTORS:

Lanhee Chen, JD, PhD Jeffrey Davis, MD Peter C. Fung, MD Gary Kalbach Julie Kliger, MPA, BSN Julia E. Miller Bob Rebitzer George O. Ting, MD Don C. Watters 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: June 12, 2019

Subject: Quality, Patient Care and Patient Experience Committee Report

Purpose:

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

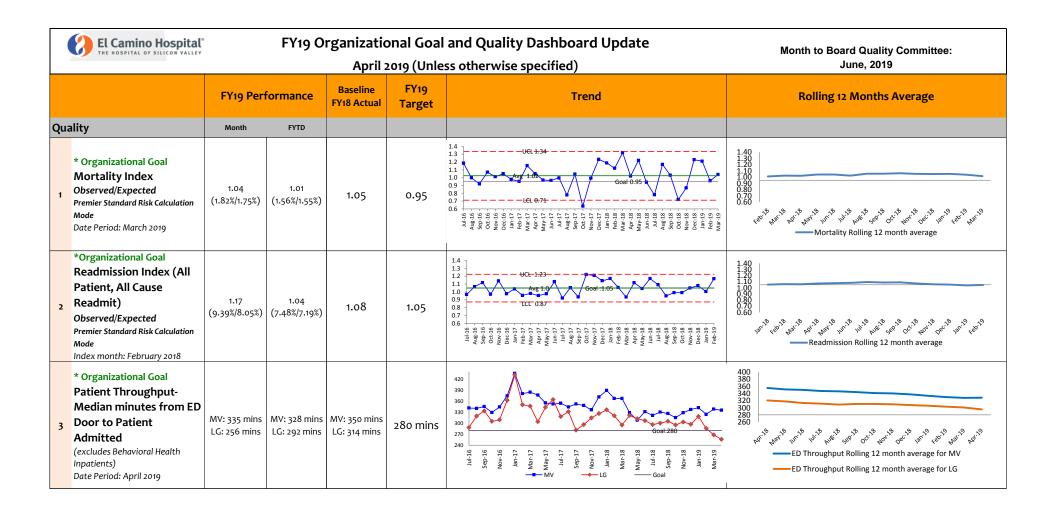
Summary:

- 1. The May edition of the FY19 quality and safety dashboard was reviewed. The mortality index and readmission index have been steady with the former just above target and the latter just below target. There has been steady improvement in the patient satisfaction HCAHPS scores with the exception of "responsiveness" which continues to be below target. Since these metrics do not appreciably change significantly from month to month, the Committee discussed highlighting only those areas of significant challenges and spending more time in depth on those topics.
- 2. The proposed enterprise FY20 quality and safety dashboard was presented in draft form. This dashboard is used throughout the enterprise at multiple levels and the Committee was asked for feedback. New measures include HCAHPS discharge instructions, Surgical Site Infections (SSI), Classification of Serious Safety Events (SSE), and PC-01 Elective deliveries prior to 39 weeks. Mortality index, Readmission index, Staff responsiveness HCAHPS, CAUTI, CLABSI, C. Diff., and Sepsis index will be retained. The Committee recommended that management consider adding two additional metrics: ED throughput and NTSV C-section rate.
- 3. The Committee reviewed the Infection Prevention Plan which is a regulatory requirement. The Committee was interested to learn that Santa Clara County has one of the highest rates of active TB in the US. The Hand Hygiene Compliance data was reviewed and thoroughly discussed with some suggestions to increase compliance. The Committee approved both the Infection Prevention Plan and the Hand Hygiene Compliance report. (The latter is a requirement for Leapfrog)
- 4. Cheryl Reinking, RN, CNO provided an update on the Patient Family Advisory Committee (PFAC) activity. It was noted that parking continues to be a challenge for patients and families.
- 5. Ms. Reinking reported on the current progress of the enterprise wide leadership rounding program. This has furnished management with excellent feedback regarding patient concerns and appears to be contributing to the increase in patient satisfaction scores. Part of the rounding program includes real time service recovery which has been helpful.
- 6. Mark Adams, MD, CMO presented a comparative overview of quality and safety scores among our regional competitors. (This was previously presented to the entire Board at the May 8, 2019 meeting.)
- 7. Dr. Adams provided an update on PSI-90. We have moved away from PSI-90 as it is no longer used in the Value Based Purchasing program. We now use specific PSI measures as stand-alone items. The report included FY19 quarters 1 3 measures. The Committee focused on two items that were high: injuries related to vaginal deliveries with and without instrumentation and

- mortality from preventable surgical complications. The Committee requested that some additional detail on those items be provided at the next committee meeting in August.
- 8. Committee recruitment is ongoing. Following the meeting, the Ad Hoc Committee reviewed 8 candidate profiles and agreed to interview 4 candidates.

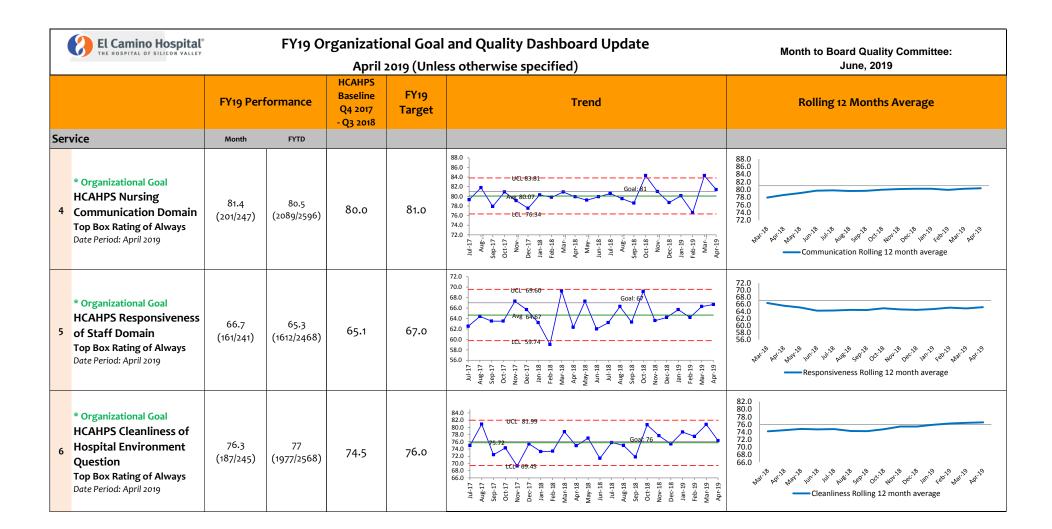
List of Attachments:

1. Quality and Experience Organizational Goals Dashboard.



Definitions and Additional Information

Measure Name	Comments	Definition Owner	Work Group	FY 2018 Definition	FY 2019 Definition	Source
Mortality Index (Observed/Expected)	Mortality Index is just above the expected value and increased slightly over February.	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	Readmission Index also increased in February. Weekly Readmission Review team found 67 Readmissions in February, with several due to UTI, medication side effects, and post-procedure infections. 10.5 % of these readmissions were sent for medical staff peer review due to complications.	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
Door to Patient Admitted (excludes Behavioral	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



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	Continuing Care Team Coaching of staff Unit tours to encourage "Join the PPEPP Squad" with flyers distributed to the different units and door signs placed Assignment of HealthStream Module "Enhanced Interaction/PPEPP" to all nursing staff	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 2+/- 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	Training all AS staff members on the standard work for call lights Implementing a sustainability plan for standard call light answering	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 2+/- 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	Presenting all current and incoming EVS Staff with the new "EVS AIDET Scripting" training video Working with EVS to re-inforce EVS introductions and business cards	Ashley Fontenot Cheryl Reinking	Patient Experience Committee		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.	Press Ganey Tool



Summary of Financial Operations Fiscal Year 2019 – Period 10

7/1/2018 to 4/30/2019

El Camino Hospital Board of Directors

Iftikhar Hussain, CFO June 12, 2019

Financial Overview

Volume

April

- Strong volume in April as measured by Adjusted Discharges (AD) were favorable to both budget by 3.4% (100 ADs) and prior year by 12.0% (331 ADs). High inpatient volume driven my General & Pulmonary, Oncology, and Orthopedics cases. High outpatient driven by Endoscopy, Interventional Bronchoscopy, Cardiac Interventional, Imaging (CT Scan), and Rehab Services.

Year to Date

- Favorable April volume improves the YTD 1.4% below budget (411 ADs) and favorable (61 ADs) compared to prior year.
- YTD inpatient volume is below budget by 3.4% (591 cases) driven by MCH (305 cases), Orthopedics/ Spine (218 cases), and HVI (118 cases).
- Outpatient volume is below budget by 0.8% (1,250 visits) driven by LG Infusion (954 visits) due to delay in start of the program originally expected to begin in January. Service will begin in October of FY20. MCH, and Behavioral Health visits continue to remain below budget.

Financial Performance

April

- Driven by favorable volumes, April Operating Income is favorable to budget by 72.4% (\$6.7M) driven by favorable Revenue 7.3% (\$5.9M) and favorable Operating Expense 1.2% (\$0.8M).

-Year to Date

- YTD Operating Income is favorable to budget by 22% (\$18.9M) driven by favorable Revenue 1.4% (\$10.6M) and favorable Operating Expense 1.2% (\$8.3M). Favorable revenue is due to \$4 million in unusual items and improvement to revenue cycle by lowering denials and underpayments.

Payor Mix

- YTD, Commercial is 2.3 percentage points unfavorable to budget primarily due to low MCH volume which is mainly commercial.

Cost

- Prod FTEs were unfavorable to target for April by 1.3% and on target YTD.



Dashboard - ECH combined as of April 30, 2019

		Montl	h			YTD			
	PY	CY	Bud/Target	Variance	•	PY	CY	Bud/Target	Variance CY vs Bud
Volume				CY vs Bud					CY VS BUG
Licenced Beds	443	443	443	-		443	443	3 443	-
ADC	226	265	254	11		242	242	246	(3
Utilization MV	62%	72%	70%	2%		67%	67%	68%	
Utilization LG	28%	34%	30%	4%		30%	30%	30%	-19
Utilization Combined	51%	60%	57%	2%		55%	55%	56%	-19
Total Discharges (Excl NNB)	1,576	1,786	1,739	47		16,984	16,637	7 17,227	(590
Financial Perf.									
Total Operating Revenue	69,537	86,887	81,011	5,875		761,864	795,463	784,864	10,599
Operating Income \$	5,109	16,048	9,308	6,739		111,150	104,585	85,719	18,866
Operating Margin	7.3%	18.5%	11.5%	7.0%		14.6%	13.1%	10.9%	2.29
EBIDA %	14.2%	23.6%	18.7%	5.0%		20.6%	19.0%	17.2%	1.89
Payor Mix									
Medicare	49.7%	50.9%	46.7%	4.2%		47.6%	49.0%	46.7%	2.39
Medi-Cal	6.9%	7.4%	8.1%	-0.6%		7.7%	8.1%	7.9%	0.29
Total Commercial	40.7%	39.0%	42.7%	-3.7%		42.1%	40.5%	42.8%	-2.3
Other	2.7%	2.7%	2.6%	0.1%		2.5%	2.4%	2.6%	-0.2
Cost									
Total FTE	2,586.6	2,755.8	2,745.2	11		2,579.6	2,669.0	2,699.5	(3
Productive Hrs/APD	32.2	29.8	30.8	(1)		30.2	30.6	31.3	(
Balance Sheet									
Net Days in AR	50.7	48.9	48.0	1		50.7	48.9	48.0	0.9
Days Cash	505	505	449	56		505	505	449	56
Affiliates - Net I	ncome (S	\$000s)							
Hosp	4,713	28,821	9,655	19,166		154,471	127,704	89,843	37,862
Concern	(66)	(50)	82	(132)		941	2,254	743	1,51
ECSC	(20)	(30)	0	(30)		(61)	(77)) 0	(7
Foundation	196	634	(42)	676		1,717	2,556	1,189	1,36
SVMD	494	(693)	45	(738)		840	2,483	(78)	2,56

Budget Variances

Fiscal Year 2019 YTD (7/1/2018-4/30/2019) Waterfall

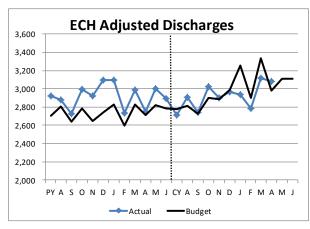
	Year to D	ate (YTD)
(in thousands; \$000s)	Net Op Income	% Net Revenue
Budgeted Hospital Operations FY2019	85,719	10.9%
Net Revenue	10,599	1.3%
Labor and Benefit Expense Change - Flexing staff and vacancies in support departments.	4,057	0.5%
Professional Fees & Purchased Services - JACHO readiness and purchased services (in place of FTE) are	(1,302)	-0.2%
the biggest drivers		
Supplies - Positive variance in Drugs due to slow growth in OP Pharmacy.	3,099	0.4%
Other Expenses	(59)	0.0%
Depreciation & Interest - primarily due to delayed capital spending	2,472	0.3%
Actual Hospital Operations FY2019	104,585	13.1%

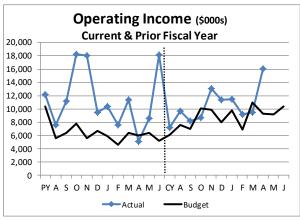
El Camino Hospital (\$000s)

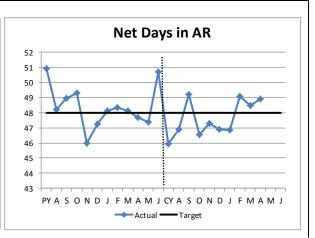
Period ending 04/30/2019

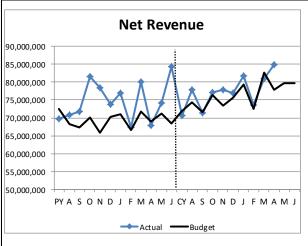
Period 10	Period 10	Period 10	Variance			YTD	YTD	YTD	Variance	
FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%	\$000s	FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%
					OPERATING REVENUE					
255,113	320,004	298,433	21,570	7.2%	Gross Revenue	2,749,518	2,928,013	2,936,156	(8,143)	(0.3%)
(187,308) (235,179)	(220,544)	(14,634)	(6.6%)	Deductions	(2,011,455)	(2,154,949)	(2,180,620)	25,671	1.2%
67,804	84,825	77,889	6,936	8.9%	Net Patient Revenue	738,063	773,064	755,537	17,527	2.3%
1,732	2,062	3,122	(1,060)	(34.0%)	Other Operating Revenue	23,802	22,399	29,328	(6,929)	(23.6%)
69,537	86,887	81,011	5,875	7.3%	Total Operating Revenue	761,864	795,463	784,864	10,599	1.4%
					OPERATING EXPENSE					
38,208	43,339	42,808	(531)	(1.2%)	Salaries & Wages	391,777	418,518	422,575	4,057	1.0%
10,262	12,309	12,041	(269)	(2.2%)	Supplies	105,215	111,960	115,060	3,099	2.7%
8,924	8,611	8,634	23	0.3%	Fees & Purchased Services	84,895	89,571	88,269	(1,302)	(1.5%)
2,268	2,086	2,416	330	13.6%	Other Operating Expense	22,897	24,259	24,199	(59)	(0.2%)
567	141	1,425	1,284	90.1%	Interest	4,859	3,682	4,836	1,154	23.9%
4,199	4,352	4,380	27	0.6%	Depreciation	41,070	42,888	44,206	1,318	3.0%
64,428	70,839	71,703	864	1.2%	Total Operating Expense	650,715	690,878	699,146	8,268	1.2%
5,109	16,048	9,308	6,739	72.4%	Net Operating Income/(Loss)	111,150	104,585	85,719	18,866	22.0%
(396) 12,773	346	12,427	3587.2%	Non Operating Income	43,322	23,119	4,124	18,995	460.6%
4,713	28,821	9,655	19,166	198.5%	Net Income(Loss)	154,471	127,704	89,843	37,861	42.1%
14.2%			5.0%		EBITDA	20.6%	19.0%		1.8%	
7.3%	6 18.5%	11.5%	7.0%		Operating Margin	14.6%	13.1%	10.9%	2.2%	
6.8%	6 33.2%	11.9%	21.3%		Net Margin	20.3%	16.1%	11.4%	4.6%	

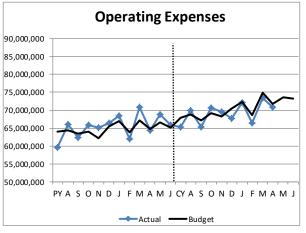
Monthly Financial Trends

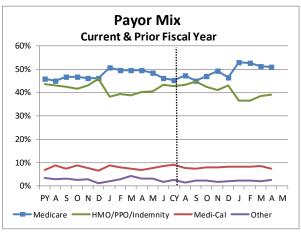












INVESTMENT SCORECARD AS OF MARCH 31, 2019

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY19 Year End Budget	Expectation Per Asset Allocation
Investment Performance		1 Q	2019	Fiscal Yea	ar-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		3-1	year			6y 5m Since			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						
Surplus cash absolute variances to target		8.8%	< 10%						
Cash balance absolute variances to target		5.4%	< 10%						
Manager Compliance 1Q 2019									
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)

A C C	C 7	гс

7,652.15		Audited
CURRENT ASSETS	April 30, 2019	June 30, 2018
Cash	108,424	118,992
Short Term Investments	181,751	150,664
Patient Accounts Receivable, net	131,653	124,427
Other Accounts and Notes Receivable	2,453	3,402
Intercompany Receivables	3,576	2,090
(1) Inventories and Prepaids	82,581	75,594
Total Current Assets	510,439	475,171
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	166,499	153,784
(2) Women's Hospital Expansion	15,472	9,298
(3) Operational Reserve Fund	139,057	127,908
Community Benefit Fund	17,988	18,675
Workers Compensation Reserve Fund	21,951	20,263
Postretirement Health/Life Reserve Fund	29,712	29,212
PTO Liability Fund	26,493	24,532
Malpractice Reserve Fund	1,831	1,831
Catastrophic Reserves Fund	19,736	18,322
Total Board Designated Assets	438,740	403,826
(4) FUNDS HELD BY TRUSTEE	95,486	197,620
LONG TERM INVESTMENTS	347,954	345,684
INVESTMENTS IN AFFILIATES	37,203	32,412
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,298,184	1,261,854
Less: Accumulated Depreciation	(612,062)	(577,959)
Construction in Progress	354,962	220,991
Property, Plant & Equipment - Net	1,041,085	904,886
DEFERRED OUTFLOWS	20,676	21,177
RESTRICTED ASSETS - CASH	0	0
TOTAL ASSETS	2,491,582	2,380,776

LIABILITIES AND FUND BALANCE

			Audited
	CURRENT LIABILITIES	April 30, 2019	June 30, 2018
(5)	Accounts Payable	38,924	49,925
	Salaries and Related Liabilities	21,708	26,727
	Accrued PTO	26,493	24,532
	Worker's Comp Reserve	2,300	2,300
	Third Party Settlements	11,739	10,068
	Intercompany Payables	93	125
	Malpractice Reserves	1,831	1,831
(6)	Bonds Payable - Current	8,630	3,850
(7)	Bond Interest Payable	6,389	12,975
	Other Liabilities	8,436	8,909
	Total Current Liabilities	126,541	141,242
	LONG TERM LIABILITIES		
	Post Retirement Benefits	29,712	29,212
	Worker's Comp Reserve	19,651	17,963
	Other L/T Obligation (Asbestos)	3,955	3,859
	Other L/T Liabilities (IT/MedI Leases)	-	- ,
(8)	Bond Payable	509,738	517,781
	Total Long Term Liabilities	563,057	568,815
	DEFERRED REVENUE-UNRESTRICTED	610	528
		22.025	22.025
	DEFERRED INFLOW OF RESOURCES	22,835	22,835
	FUND BALANCE/CAPITAL ACCOUNTS		
	Unrestricted	1,339,799	1,243,529
	Board Designated	438,740	403,825
	Restricted	438,740	403,823
(9)	Total Fund Bal & Capital Accts	1,778,538	1,647,355
(3)	Total I uliu bai & Capital Accts	1,770,330	1,047,333
	TOTAL LIABILITIES AND FUND BALANCE	2,491,582	2,380,776
	TO THE PROPERTY OF THE PROPERT	2,452,502	2,000,.70



April 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.



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 yar 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 04/30/2019

	Period 10	Period 10	Period 10	Variance		4000	YTD	YTD	YTD	Variance	
_	FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%	\$000s	FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%
						OPERATING REVENUE					
	208,733	261,473	242,753	18,720	7.7%	Gross Revenue	2,255,835	2,405,373	2,386,438	18,935	0.8%
_	(153,115)	(192,571)	(179,589)	(12,982)	(7.2%)	Deductions	(1,647,073)	(1,768,441)	(1,775,965)	7,524	0.4%
	55,618	68,902	63,164	5,738	9.1%	Net Patient Revenue	608,762	636,932	610,473	26,459	4.3%
	1,511	1,677	2,882	(1,205)	(41.8%)	Other Operating Revenue	21,988	19,286	26,929	(7,643)	(28.4%)
	57,130	70,579	66,046	4,533	6.9%	Total Operating Revenue	630,749	656,218	637,402	18,816	3.0%
						OPERATING EXPENSE					
	31,710	36,068	35,684	(384)	(1.1%)	Salaries & Wages	326,053	348,766	352,263	3,497	1.0%
	8,704	10,219	9,635	(584)	(6.1%)	Supplies	85,714	91,492	92,747	1,256	1.4%
	7,584	7,244	7,304	60	0.8%	Fees & Purchased Services	71,576	75,158	74,818	(340)	(0.5%)
	749	616	894	278	31.1%	Other Operating Expense	7,305	8,649	8,825	176	2.0%
	567	141	1,425	1,284	90.1%	Interest	4,859	3,682	4,836	1,154	23.9%
	3,507	3,535	3,644	109	3.0%	Depreciation	34,970	35,185	36,791	1,606	4.4%
	52,819	57,823	58,586	763	1.3%	Total Operating Expense	530,477	562,931	570,280	7,349	1.3%
	4,311	12,756	7,461	5,295	71.0%	Net Operating Income/(Loss)	100,272	93,286	67,121	26,165	39.0%
	(396)	12,773	346	12,427	3587.2%	Non Operating Income	43,366	23,119	4,124	18,995	460.6%
	3,914	25,529	7,807	17,722	227.0%	Net Income(Loss)	143,638	116,406	71,246	45,160	63.4%
	14.7%	23.3%	19.0%	4.3%		EBITDA	22.2%	20.1%	17.1%	3.1%	
	7.5%	18.1%		6.8%		Operating Margin	15.9%	14.2%	10.5%	3.7%	
	6.9%	36.2%	11.8%	24.4%		Net Margin	22.8%	17.7%	11.2%	6.6%	
	0.9/0	30.2/0	11.0/0	24.4/0		INCL INIGIBILI	22.0/0	1/.//0	11.2/0	0.0/0	

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

Period ending 04/30/2019

Period 10	Period 10	Period 10	Variance			YTD	YTD	YTD	Variance	
FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%	\$000s	FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%
					OPERATING REVENUE					
46,379	58,531	55,680	2,851	5.1%	Gross Revenue	493,683	522,640	549,719	(A) (27,079)	(4.9%)
(34,193)	(42,608)	(40,955)	(1,653)	(4.0%)	Deductions	(364,382)	(386,508)	(404,655)	18,147	4.5%
12,186	15,923	14,725	1,198	8.1%	Net Patient Revenue	129,301	136,132	145,064	(B) (8,932)	(6.2%)
221	385	240	145	60.4%	Other Operating Revenue	1,814	3,113	2,399	714	29.8%
12,407	16,308	14,965	1,342	9.0%	Total Operating Revenue	131,115	139,245	147,463	(8,217)	(5.6%)
					OPERATING EXPENSE					
6,498	7,271	7,124	(147)	(2.1%)	Salaries & Wages	65,724	69,752	70,312	560	0.8%
1,558	2,090	2,406	315	13.1%	Supplies	19,501	20,469	22,313	1,844	8.3%
1,340	1,367	1,330	(37)	(2.8%)	Fees & Purchased Services	13,319	14,413	13,451	(C) (962)	(7.2%)
1,520	1,470	1,522	51	3.4%	Other Operating Expense	15,592	15,609	15,375	(235)	(1.5%)
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
692	817	736	(81)	(11.0%)	Depreciation	6,100	7,703	7,415	(288)	(3.9%)
11,609	13,016	13,117	101	0.8%	Total Operating Expense	120,237	127,947	128,865	919	0.7%
799	3,292	1,848	1,444	78.1%	Net Operating Income/(Loss)	10,878	11,299	18,597	(7,299)	(39.2%)
0	0	0	0	0.0%	Non Operating Income	(45)	0	0	0	0.0%
799	3,292	1,848	1,444	78.1%	Net Income(Loss)	10,833	11,299	18,597	(7,299)	(39.2%)
12.0%	25.2%	17.3%	7.9%		EBITDA	12.9%	13.6%	17.6%	(4.0%)	
6.4%	20.2%	12.3%	7.8%		Operating Margin	8.3%	8.1%	12.6%	(4.5%)	
6.4%	20.2%	12.3%	7.8%		Net Margin	8.3%	8.1%	12.6%	(4.5%)	
					YTD April	Gross R	<u>evenue</u>	Net Pt Rever	nue <u>Operati</u>	ng Exp
•		nue driven by:			 Ortho/Spine Volume 			-\$6.5M		
	neral Surger	У	\$2.4M		 Infusion Delay 	-\$1		-\$3.6M		
	^o Urology		\$1.3M		 MCH Volume 	- \$2		-\$0.9M		
	thopedic Sur	· .	\$1.0M		 OP Gen Med (Endo/ 			+\$1.4M		
•	General Me	d	\$0.8M		 General Surg (Robot 	tic) +\$4.	2M (A)	+\$1.1M (E	3)	
• Info	usion Delay		-\$2.7M		(C) · Purchased Services	(DS) due to h	sighor robob	volumo	\$5.	60K
					PS -TJC related facil	` '	•		- \$32 - \$32	
					F 5 - 130 Telated lacii	ity repair and	mannenan	CE COSIS	- 432	2011

Non Operating Items and Net Income by Affiliate \$\\$ in thousands

	Pe	riod 10 - Mon	th	Pe	Period 10 - FYTD Actual Budget		
	Actual	Budget	Variance	Actual	Budget	Variance	
El Camino Hospital Income (Loss) from Operations							
Mountain View	12,756	7,461	5,295	93,286	67,121	26,165	
Los Gatos	3,292	1,848	1,444	11,299	18,597	(7,299)	
Sub Total - El Camino Hospital, excl. Afflilates	16,048	9,308	6,739	104,585	85,719	18,866	
Operating Margin %	18.5%	11.5%		13.1%	10.9%		
El Camino Hospital Non Operating Income							
Investments ²	15,117	2,368	12,749	39,051	24,337	14,714	
Swap Adjustments	(1,369)	(100)	(1,269)	(1,126)	(1,000)	(126)	
Community Benefit	(32)	(300)	268	(3,659)	(3,000)	(659)	
Pathways	177	0	177	(1,065)	0	(1,065)	
Satellite Dialysis	128	(25)	153	542	(250)	792	
Community Connect	0	(53)	53	0	(530)	530	
SVMD Funding ¹	(1,042)	(1,219)	177	(8,033)	(12,190)	4,158	
Other	(206)	(324)	118	(2,710)	(3,242)	532	
Sub Total - Non Operating Income	12,773	346	12,427	23,119	4,124	18,995	
El Camino Hospital Net Income (Loss)	28,821	9,655	19,166	127,704	89,843	37,861	
ECH Net Margin %	33.2%	11.9%		16.1%	11.4%		
Concern	(50)	82	(132)	2,254	743	1,511	
ECSC	(30)	0	(30)	(77)	0	(77)	
Foundation	634	(42)	676	2,556	1,189	1,366	
Silicon Valley Medical Development	(693)	45	(738)	2,483	(78)	2,561	
Net Income Hospital Affiliates	(139)	85	(224)	7,215	1,854	5,361	
Total Net Income Hospital & Affiliates	28,682	9,740	18,943	134,919	91,697	43,222	

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

2.550.0

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 (red line). Fy 19 alos has increased due to long stay outlier cases and outcomes are improving in May

Increase in benchmark beginning in FY 2017 due to Clinical Documentation Improvement (CDI)



El Camino Hospital Actual vs. Target Productive FTE Trend Pay Period Trend ending 5/4/19



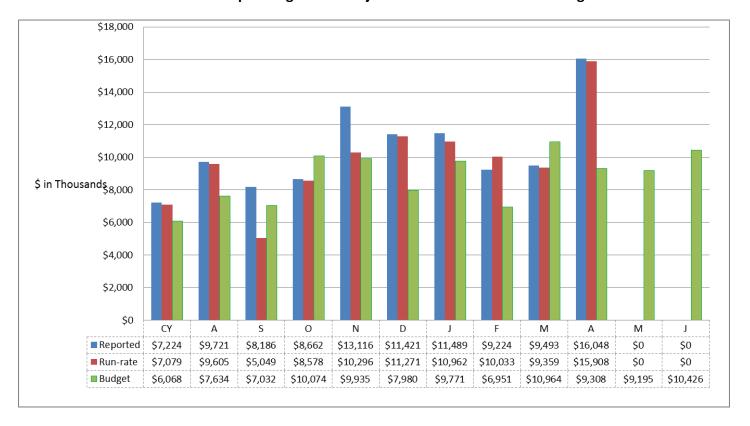


El Camino Hospital Volume Annual Trends

1	WOLLIME BY	CEDVICE	LTNE								40	MONTH	т (A	PROCED	URAL?	FACILI (AII)	TY	LEVEL OF I	ETAIL
	VOLUME BY	SERVICE	LINE								10	-Apr	L (A	")		(AII)		ervice Line	
~				ANNUAL	TREND			FY19 Bud v	rs 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 V
	Behavioral Health	1,012	1,052	928	924	1,098	1,062	-36	-3.2%	88	108	93	15	20	914	955	887	68	
	General Medicine &	4,165	4,592	4,459	4,961	5,285	5,325	40	0.8%	416	503	441	62	87	4,477	4,274	4,413	-139	-2
	General Surgery	1,243	1,150	1,311	1,318	1,305	1,344	39	3.0%	84	122	106	16	38	1,055	1,160	1,097	63	1
	GYN	390	313	293	270	243	255	12	4.9%	17	22	31	-9	5	208	195	214	-19	-:
	Heart and Vascular	1,859	1,998	2,001	2,203	2,372	2,445	73	3.1%	186	208	234	-26	22	1,978	1,889	2,008	-119	-8
	MCH	6,695	6,371	5,953	5,822	5,718	5,764	46	0.8%	458	449	477	-28	-9	4,754	4,485	4,789	-304	-26
	Neurosciences	667	672	677	688	870	907	37	4.3%	68	60	59	1	-8	731	719	750	-31	-1
	Oncology	606	564	652	594	632	726	94	14.9%	46	82	69	13	36	536	612	589	23	7
	Orthopedics	1,695	1,773	1,746	1,690	1,705	1,819	114	6.7%	127	144	129	15	17	1,437	1,411	1,521	-110	-1
	Rehab Services	547	555	500	461	441	436	-5	-1.1%	35	43	36	7	8	361	421	362	59	(
	Spine Surgery	377	429	417	474	375	465	90	24.0%	34	22	40	-18	-12	329	271	379	-108	-5
	Urology	172	169	234	257	255	274	19	7.4%	17	23	25	-2	6	204	245	219	26	4
	Total	19,428	19,638	19,171	19,662	20,299	20,823	524	2.6%	1,576	1,786	1,739	47	210	16,984	16,637	17,227	-590	-34
)	Behavioral Health	910	886	2,394	3,260	3,151	3,417	266	8.4%	258	235	268	-33	-23	2,671	2,273	2,775	-502	-39
	Dialysis	1,059	155	6			0					0					0		
	Emergency	46,006	49,091	48,590	48,625	49,412	49,122	-290	-0.6%	3,942	4,182	4,185	-3	240	41,366	40,176	40,695	-519	-1,19
	General Medicine &	6,637	6,620	7,195	7,129	7,265	7,457	192	2.6%	558	740	591	149	182	5,978	6,662	6,200	462	68
	General Surgery	1,837	1,853	1,797	1,836	2,003	2,068	65	3.2%	157	141	171	-30	-16	1,654	1,615	1,702	-87	-8
	GYN	1,220	1,308	1,018	1,081	1,099	1,171	72	6.6%	90	123	111	12	33	932	1,163	966	197	23
	Heart and Vascular	2,570	2,712	3,795	4,361	4,364	4,410	46	1.1%	359	408	357	51	49	3,578	3,851	3,671	180	27
	Imaging Services	19,546	20,072	17,807	17,249	18,503	18,744	241	1.3%	1,525	1,576	1,509	67	51	15,291	15,813	15,411	402	52
	Laboratory Services	30,599	29,726	29,007	29,153	28,565	29,071	506	1.8%	2,292	2,374	2,272	102	82	23,997	22,825	24,005	-1,180	-1,17
	MCH	5,034	4,826	5,092	5,576	5,643	5,928	285	5.1%	483	494	478	16	11	4,717	4,503	4,878	-375	-2:
	Neurosciences	110	61	127	125	114	155	41	36.0%	11	4	10	-6	-7	98	69	136	-67	-2
	Oncology	4,015	4,179	14,329	18,540	19,276	22,037	2,761	14.3%	1,544	1,866	1,915	-49	322	15,996	17,009	17,423	-414	1,0
	Orthopedics	866	776	584	615	641	714	73	11.4%	54	71	51	20	17	508	615	604	11	10
	Outpatient Clinics	1,817	1,705	1,680	1,288	1,883	1,517	-366	-19.4%	127	109	126	-17	-18	1,584	1,365	1,261	104	-2
	Rehab Services	1,731	1,747	3,954	4,518	4,925	4,900	-25	-0.5%	422	539	423	116	117	4,050	4,569	3,999	570	5:
	Sleep Center	160	223	498	368	242	300	58	24.0%	27	30	25	5	3	169	273	248	25	1
	Spine Surgery	325	399	309	324	311	326	15	4.8%	27	23	33	-10	-4	259	236	277	-41	-
	Urology	1,755	1,771	1,739	1,898	2,053	2,058	5	0.2%	162	198	169	29	36	1,690	1,710	1,723	-13	2
	Total	126,197	128,110	139,921	145.946	149.450	153,395	3.945	2.6%	12.038	13.113	12.693	420	1.075	124.538	124.727	125.973	-1,246	18

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></unfav>											
Revenue Adjustments		A	S	O	N	D	J	F	M	A	YTD
Mcare Settlmt/Appeal/Tent Settlmt/PIP	141	112	92	76	137	443	516	129	129	129	1,904
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	11	141
Total	145	116	3,137	84	2,820	150	528	(809)	135	140	6,445

Capital Spend Trend & FY 19 Budget

	Actual	Actual	Actual	Projected	Budget
Capital Spending (in 000's)	FY2016	FY2017	FY2018	FY2019	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)

					Total			
				Total Estimated	Authorized	Spent from		
	Category	Detail	Approved	Cost of Project	Active	Inception	FY19 Budget	FY 19 YTD Spen
IP	ERP Upgrade				9.6	4.6	9.6	
Hardwa	re, Software, Equ	ipment & Imaging			10.1	4.3	10.1	4
ledical &	Non Medical Eq	uipment FY 18			5.6	10.1	0.0	4.
ledical &	Non Medical Eq	uipment FY 19			11.2	8.2	11.2	8.
acility Pro	ojects							
		1245 Behavioral Health Bldg	FY16	96.1	96.1	71.3	45.0	25.
		1413 North Drive Parking Expansion	FY15	24.5	24.5	24.4	0.0	0.
		1414 Integrated MOB	FY15	302.1	302.1	215.4	150.0	94.
		1422 CUP Upgrade	FY16	9.0	9.0	8.4	0.8	
		1430 Women's Hospital Expansion	FY16	135.0	135.0	6.2	10.0	
		Demo Old Main & Related Site Work		30.0	30.0	0.0	2.0	0
		1502 Cabling & Wireless Upgrades	FY16	0.0	0.0	2.8	0.0	0
		1525 New Main Lab Upgrades		3.1	3.1	2.7	0.3	0
		1515 ED Remodel Triage/Psych Observation	FY16	5.0	5.0	0.0	4.6	
		1503 Willow Pavilion Tomosynthesis	FY16	1.0	0.0	0.4	1.0	0
		1602 JW House (Patient Family Residence)		6.5	6.5	0.4	6.0	C
		Site Signage and Other Improvements		1.3	0.0	0.0	1.0	(
		Nurse Call System Upgrades		2.4	0.0	0.0	2.4	
		1707 Imaging Equipment Replacement (5 or	6 rooms)	20.7	0.3	0.0	6.0	
		1708 IR/ Cath Lab Equipment Replacement		19.4	19.4	0.0	5.0	
		1804 SVMD Clinic @ North First Street		8.0	8.0	0.0	0.0	
		Flooring Replacement		1.6	1.6	0.0	1.5	
		1219 LG Spine OR	FY13	0.0	0.0	4.0	0.0	
		1313 LG Rehab HVAC System & Structural	FY16	0.0	0.0	4.1	0.0	
		1248 LG Imaging Phase II (CT & Gen Rad)	FY16	9.0	9.0	9.0	0.0	
		1307 LG Upgrades	FY13	19.3	19.3	18.8	0.8	
		1507 LG IR Upgrades		1.3 5.0	0.0 5.0	0.0 5.0	1.3 0.5	
		1603 LG MOB Improvements (17)		1.5	5.0 1.5	0.3	1.3	
		1711 Emergency Sanitary & Water Storage LG Modular MRI & Awning		3.9	3.9	0.4	3.5	
		LG Nurse Call System Upgrade		0.8	0.0	0.0	0.5	
		LG Observation Unit (Conversion of ICL	12)	0.0	0.0	0.0	0.0	
		1712 LG Cancer Center	, -,	5.0	5.0	1.4	4.8	
		Workstation Inventory Replacement		2.0	2.0	0.0	0.0	
		Primary Care Clinic Development (2 @	\$3 Million Ea		6.0	0.0	5.0	
		Other Strategic Capital FY-19		5.0	5.0	0.0	15.0	0
		Willow SC Upgrades (35,000 @ \$50)		1.8	1.8	0.0	1.8	
		New 28k MOB (Courthouse Prop)		22.4	22.4	0.0	1.2	
		80 Great Oaks Upgrades		4.5	4.5	0.0	0.0	C
		Primary Care Clinic (TI's Only) FY 17 (82	28 Wincheste	3.6	3.6	0.0	0.3	0
		All Other Projects		9.2	8.6	118.4	7.8	. 2
				765.8	738.3	493.2	279.5	132

300.8

153.3

520.4

769.2

GRAND TOTAL

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	-
						1425 - IMOB Preparation Project - Old Main	-	-	711	1,860	215
Facilities Projects CIP						1429 - 2500 Hospital Dr Bldg 8 Tl	-	101	-	-	-
Mountain View Campus Master Plan Projects						1430 - Women's Hospital Expansion	-		-	464	2,763
1245 - Behavioral Health Bldg Replace	1,257	3,775	1,389	10,323	28,676	1432 - 205 South Dr BHS TI	-	8	15	-	52
1413 - North Drive Parking Structure Exp	-	167	1,266	18,120	4,670	1501 - Women's Hospital NPC Comp	-	4	- 1 201	223	320
1414 - Integrated MOB	_	2,009	8,875	32,805	75,319	1502 - Cabling & Wireless Upgrades	-	-	1,261	367	984
1422 - CUP Upgrade	_	_,	896	1,245	5,428	1503 - Willow Pavillion Tomosynthesis	-	- 61	53 311	257	31 60
Sub-Total Mountain View Campus Master Plan	1,257	5,950	12,426	62,493	114,093	1504 - Equipment Support Infrastructure	-	- 01	10		
·	. 1,23,	3,330	12,420	02,433	11-1,055	1523 - Melchor Pavillion Suite 309 TI	-	-	- 10	59 464	392 1,739
Mountain View Capital Projects						1525 - New Main Lab Upgrades 1526 - CONCERN TI	-	-	37	99	1,735
9900 - Unassigned Costs	470	•	-	-	-	Sub-Total Mountain View Projects	7,219	26,744	5,588	5,535	7,948
0906 - Slot Build-Out	1,576		1,251	294	-	•	7,213	20,744	3,300	3,333	7,540
1109 - New Main Upgrades	393	2	-	-	-	Los Gatos Capital Projects					
1111 - Mom/Baby Overflow	29	-	-	-	-	0904 - LG Facilities Upgrade	-	-	-	-	-
1204 - Elevator Upgrades	30	-	-	-	-	0907 - LG Imaging Masterplan	774	1,402	17	-	-
0800 - Womens L&D Expansion	1,531	269	-	-	-	1210 - Los Gatos VOIP	89	-	-	-	-
1225 - Rehab BLDG Roofing	241	4	-	-	-	1116 - LG Ortho Pavillion	24	21	-	-	-
1227 - New Main eICU	21	-	-	-	-	1124 - LG Rehab BLDG	458 2,979	3,282	3,511	3,081	- 4,551
1230 - Fog Shop	80	-	-	-	-	1307 - LG Upgrades	•	•	•		4,551
1315 - 205 So. Drive TI's	500	2	-	-	-	1308 - LG Infrastructure	114	-	- 1 F07	-	
0908 - NPCR3 Seismic Upgrds	1,224	1,328	240	342	961	1313 - LG Rehab HVAC System/Structural	-	-	1,597	1,904	550
1125 - Will Pav Fire Sprinkler	39	-	-	-	-	1219 - LG Spine OR	214 85	323	633	2,163	447
1216 - New Main Process Imp Office	1	16	-	-	-	1221 - LG Kitchen Refrig 1248 - LG - CT Upgrades	26	- 345	- 197	6,669	1,673
1217 - MV Campus MEP Upgrades FY13	181	274	28	-	-	1249 - LG Mobile Imaging	146	-	137	0,009	1,075
1224 - Rehab Bldg HVAC Upgrades	202	81	14	6	-	1328 - LG Ortho Canopy FY14	255	209	_	_	_
1301 - Desktop Virtual	13	-	-	-	-	1345 - LG Lab HVAC	112	-	_	_	_
1304 - Rehab Wander Mgmt	87	-	-	-	-	1346 - LG OR 5, 6, and 7 Lights Replace	-	285	53	22	127
1310 - Melchor Cancer Center Expansion	44	13	-	-	-	1347 - LG Central Sterile Upgrades	_	181	43	66	-
1318 - Women's Hospital TI	48	48	29	2	-	1421 - LG MOB Improvements	_	198	65	303	356
1327 - Rehab Building Upgrades	-	15	20	-	22	1508 - LG NICU 4 Bed Expansion	-	-	-	207	-
1320 - 2500 Hosp Dr Roofing	75	81	_	-	-	1600 - 825 Pollard - Aspire Phase II	-	-	-	80	10
1340 - New Main ED Exam Room TVs	8	193	-	-	-	1603 - LG MOB Improvements	-	-	-	285	4,593
1341 - New Main Admin	32		_	_	_	Sub-Total Los Gatos Projects	5,276	6,246	6,116	14,780	12,306
1344 - New Main AV Upgrd	243		_	_	_	1550 - Land Acquisition		_	24,007	_	_
1400 - Oak Pav Cancer Center	-	5,208	666	52	156	1701 - 828 S Winchester Clinic TI	_	_	24,007	145	3,018
1403 - Hosp Drive BLDG 11 TI's	86	•	-	-	-	Sub-Total Other Strategic Projects	_	-	24,007	145 145	3,018
1404 - Park Pav HVAC	64	7	_	_	_	Jas Total Other Strategic Frojects		_	27,007	143	3,010
1405 - 1 - South Accessibility Upgrades	-	-	168	95	_	Subtotal Facilities Projects CIP	13,753	38,940	48,137	82,953	137,364
1408 - New Main Accessibility Upgrades	_	7	46	501	12	Grand Total	E0 E61	86,789	96,740	97,923	157,435
1400 - MEW Mail Accessibility Obelanes	-	,	40	301	12	Granu rotal	58,561	00,789	90,740	31,323	157,435



EL CAMINO HOSPITAL BOARD OF DIRECTORS COVER MEMO

To: El Camino Hospital Board of Directors **From:** Dan Woods, Chief Executive Officer

Date: June 12, 2019

Subject: Fiscal Year 2020 Organizational Goals Proposal

Recommendation:

To approve El Camino Health's Fiscal Year 2020 (FY20) Organizational Goals.

Summary:

- 1. <u>Situation</u>: El Camino Health (ECH) is working on specific organizational goals which have been recommended by the Executive Compensation Committee (ECC) for approval by the Board of Directors. These goals will be monitored and plans to address performance and being incorporated into the True North tactical plans.
- 2. <u>Authority</u>: As the governing body of El Camino Hospital, the Board of Directors approves ECH's organizational goals to ensure management is progressing toward achieving the strategic plan of the organization.
- Background: Following approval of the Strategic Framework, the Leadership team has created a new iteration of operationalizing it, culminating in a "True North" framework, to which the organizational goals (and in turn the efforts of the organization) can align to ensure ECH can achieve the strategic plan.
- 4. <u>Assessment</u>: Utilizing the True North framework, each pillar was assessed for an ideal state (or True North Goal). Using this as a guide, an incentive goal was created for each pillar. Each Organizational Goals is sponsored by an executive leader and performance will be reviewed on a monthly basis.
- 5. <u>Other Reviews</u>: The Finance and Quality Committees have reviewed their respective areas and recommended them for approval.
- 6. Outcomes: The attached table details the proposed Organizational Goals for FY20. Each True North pillar has an associated goal. Management is emphasizing the Quality & Safety, and Service Pillars by increasing the incentive award weight of each to 30% whereas the People and Growth Pillars each are weighted at 20% each. The Finance Pillar does not have an incentive goal, but performance to 95% budget will act as a threshold metric for the rest of the incentive award program.

List of Attachments:

1. Proposed FY20 Organizational Goals

Suggested Committee Discussion Questions:

- 1. Have we correctly aligned the organizational goals with the strategic plan?
- **2.** Are these organizational goals aligning effort to the greatest need?

FY20 PROPOSED ORGANIZATIONAL INCENTIVE GOALS

DRAFT 5/20/19

STRATEGY	Weight	GOAL	OBJECTIVES/OUTCOMES	Benchm	nark		Measurement Define	d	Measurement Period	Owner
Finance	Threshold	Budgeted	Operating Margin				95% of Budgeted		FY20	Iftikhar
	To Total 100%	What will be achieved to make strategy a success?	Define specific outcome and measurement	Internal Benchmarks	Provide source and benchmark data	Minimum	Target	Stretch	Whenever possible goal should be based on full fiscal year	
Quality and Safety	30.0%	Zero Preventable Harm	Risk-Adjusted Inpatient Mortality Index	1.05 in FY 18. 0.90 FY19 through 11/18. FY 19 target: 0.95	Premier Standard Risk Calculation	Lower of actual FY 19 or 0.95 (FY19 target)	1/3 gap to P85	1/2 gap to P85	FY20	Mark
Sarety			Risk-Adjusted Readmission Index	1.08 in FY 18. 1.00 through 11/18	Premier Standard Risk Calculation	Lower of actual FY 19 or 1.05 (FY19 target)	1/3 gap to P85	1/2 gap to P85		
			HCAHPS : Staff Responsiveness	65.1 through 12/18. FY19 goal 67.0	HCAHPS baseline: 65.1 (Q417-Q318)	Improvement over FY 2019 = top 50% of improvers	Improvement over FY 2019 = top 30% of improvers	Improvement over FY 2019 = top 10% of improvers	FY20	
Service	30.0%	Exceptional Personalized Experience, Always	HCAHPS: Discharge Information		Improvement based on Press Ganey data for FY19 all hospitals	Improvement over FY 2019 = top 50% of improvers	Improvement over FY 2019 = top 30% of improvers	Improvement over FY 2019 = top 10% of improvers	FY20	Cheryl
People	20.0%	Teams Empowered with Trust	Management: Overall employee satisfaction on Employee Engagement Survey for El Camino Hospital	ECH results last two surveys: 4.09 and 4.27. FY19 target 4.14	Press Ganey 4.32 is 90th percentile for FY19	4.24	4.27	4.30	FY20	Kathryn
Георіе	20.070	and Purpose	Employees: Participation in Employee Engagement survey	Last two surveys: 79% and 87%. FY19 target 80	Press Ganey average participation-75%	80	85	90	FY20	Kathryn
Growth	20.0%	Market Relevance and Access	Adjusted Discharges	Adjusted discharges 0.7% below budget through P8FY19. Planned growth is 4% in FY20		98% of Budget	100% of Budget	102% of budget	FY20	Jim



El Camino Hospital and Affiliates FY2020 Operating & Capital Budget

El Camino Hospital Board

June 12, 2019
Dan Woods, CEO
Iftikhar Hussain, CFO
Jim Griffith, COO

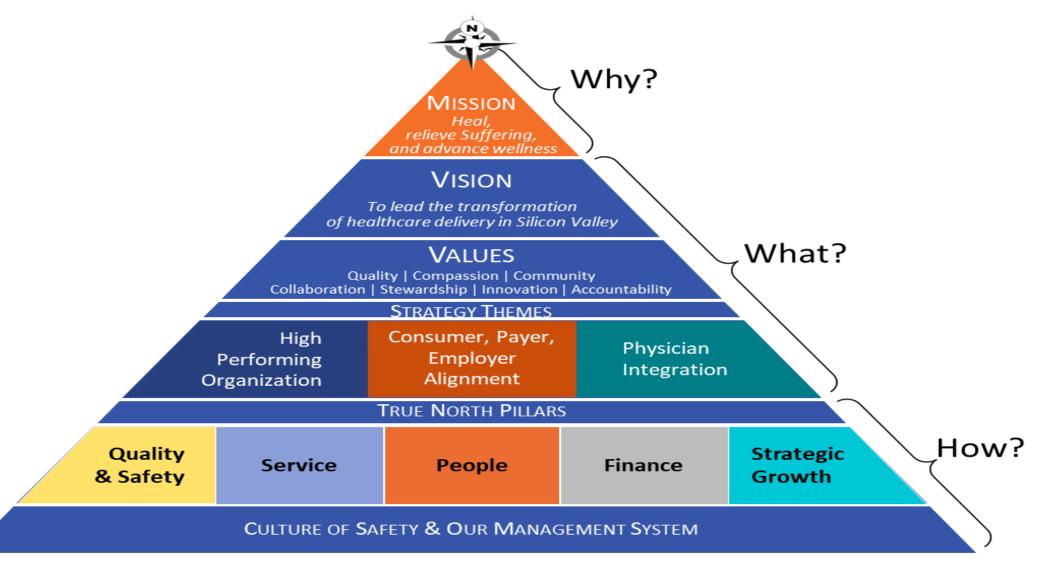
Contents

- Strategic Guidance
- Operating Budget
 - Investments with significant financial impact
 - Key drivers & assumptions
 - Volume
 - Consolidated hospital and affiliates
 - Hospital
 - Board Designated Community Benefit Endowment Fund
- Capital Budget
- Appendix
 - Affiliates
 - Capital budget detail



Strategy to Guide the Budget

Aligning Effort to Achieve ECH's Vision





FY20 Operating Budget



FY2020 Investments with Significant Financial Impacts

Investments	Description	Comments				
	Sobrato Pavilion	Expected opening Dec 1, 2019Activation costs, additional depreciation				
Program Changes	Behavioral Health Building	Expected opening Oct 1, 2019. Increased inpatient psychiatry capacity. Activation costs, additional depreciation.				
	LG Outpatient Infusion Center	Expected Oct 1, 2019				
Growth/Volume Driven	Service Line Growth	 MV Oncology Ortho/Spine Rehab Services HVI Lung Nodule Program Interventional Gastro Robotic Bronchoscopy Thoracic Oncology 				
Strategic/ Innovation	Quality	 Additional focus on sepsis program to improve diagnosis capabilities and reduce LOS Invest in HRO Culture of Safety Develop pre anesthesia clinic 				
	Patient Flow/Capacity Management	 Capacity Management Center Expansion of centralized monitoring 				



FY2020 Budget Drivers and Assumptions

Category	Item Description	Assumptions	Comments
Growth	Service Line Growth	3.8%5.2%	Based on service line plans & strategic programs
Revenue	Reimbursement increase	Overall 2.6%	Affordability - to remain mid- market and promote volume growth
	Wages and benefits	3.0%	Based on CPI of 1.9% and high local cost of living
Inflation	Pharmacy	4.0%	From our GPO Premier. Includes inflation and utilization of lower cost alternatives
	Supplies	3.0%	Expected inflation from Premier
Investments	Return on investment portfolio	4%	Target based on asset allocation
ALOS	Reduce Medicare loss by reducing ALOS	Maintain Milliman Well- Managed benchmark	Key lever in managing Medicare loss



FY2020 Volume Summary – Inpatient

- Overall +745 cases or 3.8% growth
- Service Line Growth
 - Opening of Taube Pavilion Mental Health & Addiction Services Building
 - +281 admissions, 25% increase
 - Orthopedics
 - +107 cases, 6.6% increase
 - Orthopedic Robot in Mountain View and increased volume from identified surgeons
 - Acute Rehabilitation Services at Los Gatos
 - +96 admissions, 19.6% increase
 - Spine Surgery
 - +45 cases, 14.2% increase
 - Ramp up of identified surgeons
 - Maternal Child Health (MCH)
 - +46 additional deliveries and associated volumes



FY2020 Volume Summary - Outpatient

- Overall +7,812 visits or 5.2% growth
- Service Line Growth
 - Oncology +4,712 visits, 23.2% increase
 - Opening of Los Gatos Infusion Center in October 2019, +3,052 visits.
 - Mountain View increase in hours of operation & MD recruitment, +1,660 visits.
 - Behavioral Health +372 visits, 13.3% increase
 - Enhanced MD coverage and additional partial hospitalizations
 - Add Addiction track for adolescents to existing Aspire program
 - Addiction Program extension to 40 weeks
 - General Medicine procedural volume, +538 cases, 7.4% increase
 - Additional endoscopies at Mountain View & Los Gatos
 - Additional pulmonary function and bronchoscopy volume from lung program
 - Additional Interventional Gastroenterology volume from new program at Los Gatos
 - Imaging Services +260 visits, 1.3% increase
 - New MRI at Los Gatos and additional volume from lung nodule program, electrophysiology (EP) studies, and gastroenterology.
 - Maternal Child Health +194 visits, 3.6% increase
 - Outpatient volumes generated from additional deliveries



FY2020 - Proposed Hospital & Affiliate Consolidated Budget P&L

\$000s	2016	2017	2018	2019Ann	2020 Bud	Percent Change
OPERATING REVENUE						
Gross Revenue	2,755,722,169	3,020,407,891	3,298,115,282	3,489,070,086	3,858,733,551	10.6%
Deductions	(1,983,548,835)	(2,187,761,179)	(2,404,362,165)	(2,567,475,047)	(2,845,880,772)	10.8%
Net Patient Revenue	772,173,333	832,646,712	893,753,117	921,595,040	1,012,852,779	9.9%
Other Operating Revenue	39,406,784	42,909,648	45,060,246	40,759,294	45,320,459	11.2%
Total Operating Revenue	811,580,117	875,556,360	938,813,363	962,354,333	1,058,173,238	10.0%
	28.0%	27.6%	27.1%	26.4%	26.2%	
OPERATING EXPENSE						
Salaries & Wages	443,258,272	453,364,844	472,748,025	507,873,416	557,623,143	9.8%
Supplies	118,183,227	121,980,344	128,106,815	133,511,459	146,762,816	9.9%
Fees & Purchased Services	82,065,587	88,723,794	90,789,148	94,984,770	127,162,754	33.9%
Other Operating Expense	61,207,687	51,799,644	59,802,284	61,753,442	76,428,694	23.8%
Interest	7,193,382	1,709,428	5,227,159	4,720,770	11,939,128	152.9%
Depreciation	48,803,363	47,969,821	49,711,649	51,956,931	59,462,720	14.4%
Total Operating Expense	760,711,517	765,547,875	806,385,079	854,800,788	979,379,255	14.6%
Net Operating Income/(Loss)	50,868,600	110,008,485	132,428,284	107,555,545	/8,/93,984	-26.7%
Non Operating Income	(5,146,989)	63,647,753	64,663,611	34,095,343	38,195,902	12.0%
Net Income(Loss)	45,721,611	173,656,238	197,091,895	141,648,888	116,989,884	-17.4%
EBITDA	13.2%	18.2%	20.0%	17.1%	14.2%	
Operating Margin	6.3%	12.6%	14.1%	11.2%	7.4%	
Net Margin	5.6%	19.8%	21.0%	14.7%	11.1%	

Change in Operating Margin from FY2019 to FY2020:

2019 Operating Income

\$107.6M

Hospital

(8.1M) \$13M Depreciation and Interest expense offset by growth

SVMD

(18.2M) Ambulatory Expansion

Concern

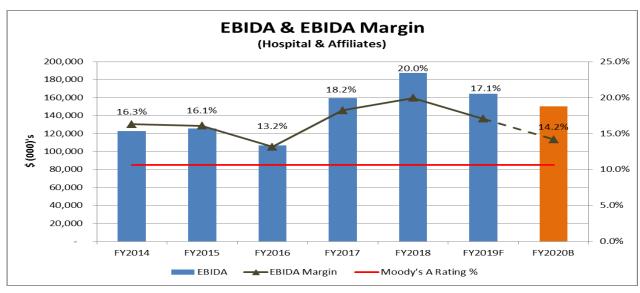
(1.7M) Loss of major account

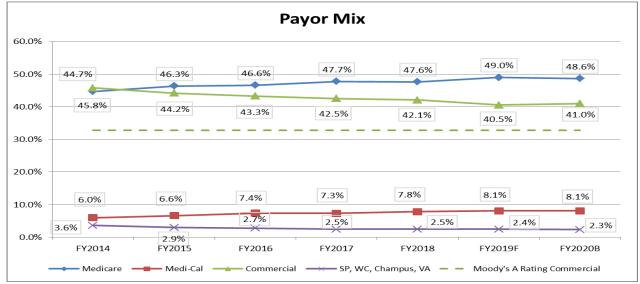
Other

(0.8M)



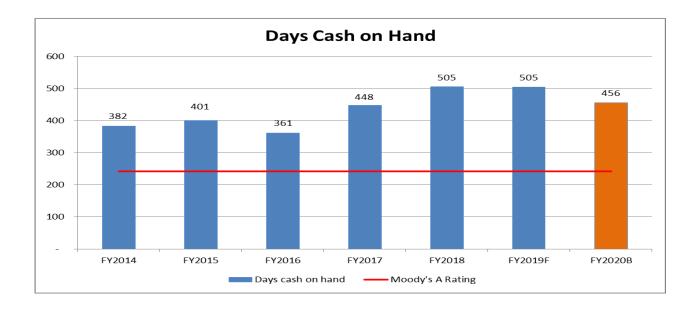
Key Financial Metrics

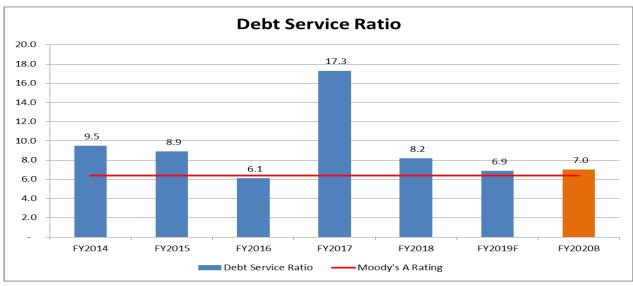


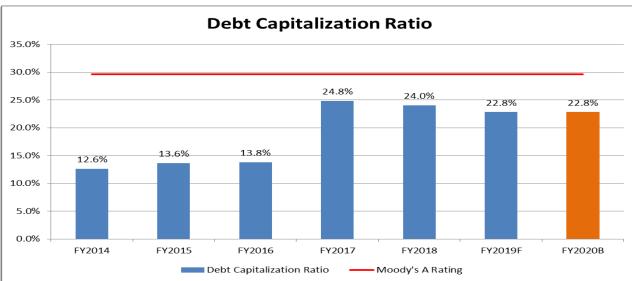


Key Financial Metrics

- Payer mix trend shows growth in Medicare and Medi-Cal
- FY 20 growth plans to provide the commercial volume to stabilize the payer mix

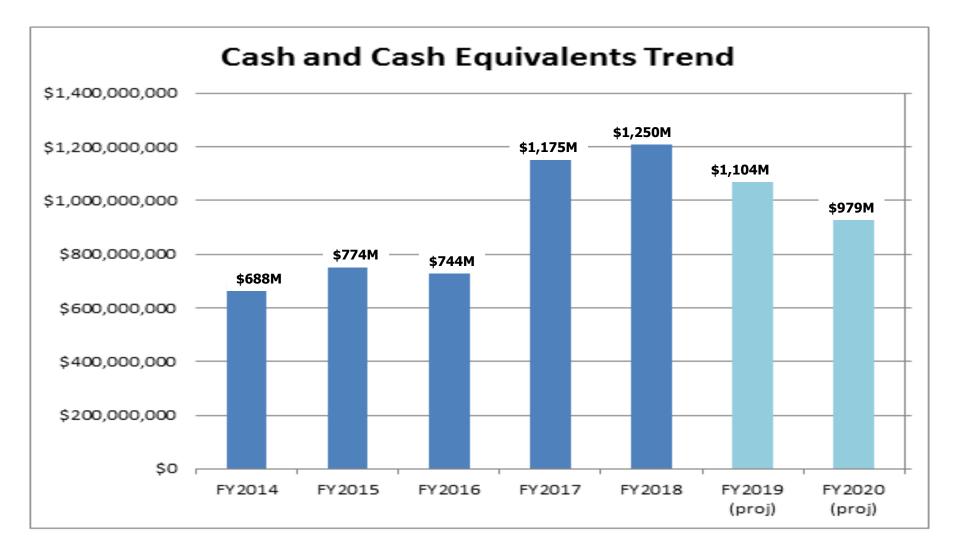








FY 2020 Budget





FY 2020 Budget

Sources and Uses Statement - FY 2020 Forecast (000s)

EL Camino Health (Excl. District)

Ending Cash and Cash Equivalents

Sources of Cash	
Cash From Operations:	
Mountain View Hospital	137,299
Los Gatos Hospital	29,832
SVMD	(26,142)
Other	(2,732)
Cash from Non-Ops	38,196
TOTAL SOURCES OF CASH	176,453
Uses of Cash	
Facility Capital	268,937

Uses of Cash	
Facility Capital	268,937
Other Capital	24,000
Bond Principal	8,630
TOTAL USES OF CASH	301,567
Beginning Cash and Cash Equivalents	1,104,004
Total Sources of Cash	176,453
Total Uses of Cash	(301,567)



978,890

Hospital P&L – Revenue Highlights

- Revenue
 - Net Patient Revenue increasing 4.7% or \$42.8M
 - 2.2% or \$19.9M due to effective increase from rate change
 - 2.5% or \$23.6M due to growth/volume
 - MV and LG Infusion \$8.7M
 - Surgery \$7.9M
 - IP Rehab \$3.5M
 - IP Psych \$2.4M



Hospital P&L – Expense Highlights

- Expense
 - Operating Expense increasing <u>6.2%</u> or <u>\$51.1M</u>
 - Salaries & Wages up <u>4.8%</u> or <u>\$24.0M</u>
 - \$14.7M driven by wage rate increases
 - \$4.6M driven by growth/volume increases
 - \$4.8M driven by Strategic/Innovation programs
 - \$2.2M driven by support of new programs
 - (\$1.1M) driven by reduction in Outside Labor costs
 - (\$1.2M) from identified savings
 - Supplies up <u>6.9%</u> or <u>\$9.1M</u>
 - \$5.6M driven by drugs related to LG Infusion (New Program) and MV Infusion growth
 - \$3.5M driven by inflation
 - \$2.6M driven by growth/volume increases
 - (\$2.6M) from identified savings
 - Other Operating Expenses up 6.9% or \$4.1M
 - Primarily due to activation and operational costs associated with new building openings
 - Depreciation expense up <u>11.2%</u> or <u>\$5.8M</u>
 - Primarily due to iMOB and Mental Health & Addiction Services buildings opening in 2020
 - Interest Expense up 152.9% or \$7.2M due to end of capitalizing interest on completed projects

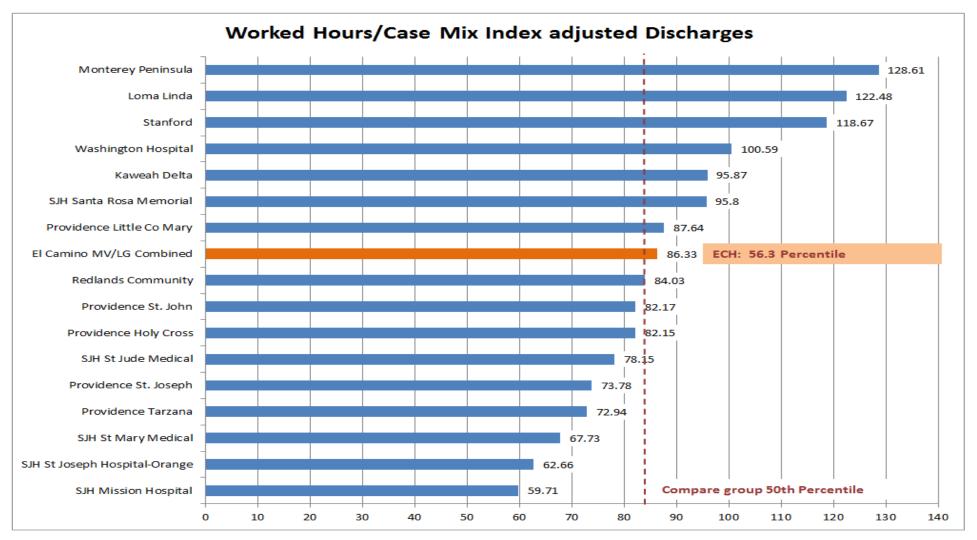


Reconciliation FY2019 to Hospital Budget FY2020 (000's)

	FY 2019 Projected/ Actual	Growth/ Volume Driven	Growth Support Services (BHS & iMOB)	Inflation	Strategic/ Innovation	Operations Improvement	Other	Increase / (Decrease)	FY 2020 Budget
NET PATIENT REVENUE	917,652	23,605		19,890			-672	42,823	960,475
Yield	26.4%							<i>-0.7%</i>	25.7%
OTHER OPERATING REVENUE	27,116						172	172	27,288
TOTAL NET OPERATING REVENUE	944,768	23,605		19,890			-501	42,994	987,763
SALARIES & WAGES	500,238	4,626	2,269	14,624	4,780	-1,200	-1,064	24,036	524,274
SUPPLIES	132,868	8,328		3,480		-2,650	-34	9,123	141,991
FEES & PURCHASED SERVICES	78,181				2,240	-600	-843	797	78,979
OTHER OPERATING EXPENSE	59,330	800	2,750		718		-149	4,119	63,449
INTEREST	4,721						7,218	7,218	11,939
DEPRECIATION	51,381						5,777	5,777	57,158
TOTAL OPERATING EXPENSE	826,718	13,753	5,019	18,104	7,738	-4,450	10,906	51,071	877,790
OPERATING MARGIN	118,050	9,852	-5,019	1,786	-7,738	4,450	-11,407	-8,077	109,973



Workforce Productivity Hospital Comparison



- Based on FY 2018 Truven/Action OI benchmarking Analysis
- Lower value equates to better productivity

FY2020 Hospital Budget Detail of Full Time Equivalent (FTE) Change

Paid FTEs	FY19 Projected	Change	FY20 Budget
TOTAL	2,648	+137	2,784
Patient Care/Volume/Growth		+67.3	
Growth: Support Services (BHS & iMOB)		+15.9	
Ambulatory Support		+31.0	Offset by SVMD Purchased Service
Strategic Initiatives		+14.2	
Regulatory/Compliance • Sterile Processing		+3.8	
 Quality Sepsis Program Manager & Analyst Program Manager Continuous Improvement 		+2.6	
Other		+2.2	

FY2020 Budget: Savings Initiatives

\$ Opportunity	Type of Spend	Initiative
\$500K	Purchased Service	OSL vendor – Use Premier vendor (AMN parent of BE Smith), bid or negotiate savings from RightSource. Estimated savings \$900K based on \$9 million annual spend.
\$500K	Health Benefits	(Medical/Dental), \$40M annual expense. Health Net quote with \$1.6M savings for 2020 calendar year.
\$600K		Professional Services: \$6M annual expense
\$200K		Premium time incidental overtime
\$350K	Other Spending	Pharmaceuticals
\$2.3M		Supply initiatives
\$4.45M		TOTAL



FY2020 - Proposed Hospital Budget P&L (Mountain View & Los Gatos)

\$000s	2016	2017	2018	2019Ann	2020 Bud	Percent Change
OPERATING REVENUE						
Gross Revenue	2,755,387,126	3,019,082,917	3,297,555,552	3,477,345,850	3,739,385,548	7.5%
Deductions	(1,983,366,755)	(2,186,820,126)	(2,403,957,321)	(2,559,693,853)	(2,778,910,637)	8.6%
Net Patient Revenue	772,020,371	832,262,791	893,598,231	917,651,998	960,474,911	4.7%
Other Operating Revenue	23,636,455	26,084,597	29,717,640	27,116,151	27,287,665	0.6%
Total Operating Revenue	795,656,826	858,347,388	923,315,871	944,768,149	987,762,576	4.6%
OPERATING EXPENSE						
Salaries & Wages	435,988,262	446,084,705	465,264,794	500,238,034	524,273,701	4.8%
Supplies	117,987,515	121,826,016	127,894,777	132,868,018	141,991,342	6.9%
Fees & Purchased Services	72,882,133	77,835,086	79,203,145	78,181,198	78,978,640	1.0%
Other Operating Expense	60,245,252	50,790,881	58,387,075	59,329,583	63,449,060	6.9%
Interest	7,193,382	1,709,428	5,227,159	4,720,770	11,939,128	152.9%
Depreciation	48,747,598	47,924,823	49,477,262	51,380,866	57,157,678	11.2%
Total Operating Expense	743,044,142	746,170,940	785,454,213	826,718,469	877,789,549	6.2%
Net Operating Income/(Loss)	52,612,685	112,176,448	137,861,659	118.049.681	109.973.026	-6.8%
Non Operating Income	(9,570,053)	57,399,730	55,774,765	13,794,983	32,938,932	138.8%
Net Income(Loss)	43,042,632	169,576,178	193,636,424	131,844,664	142,911,959	8.4%
EBITDA	13.6%	18.9%	20.9%	18.4%	18.1%	
Operating Margin	6.6%	13.1%	14.9%	12.5%	11.1%	
Net Margin	5.4%	19.8%	21.0%	14.0%	14.5%	



Board Designated Community Benefit Endowment Fund

- In FY16, the Board established an endowment to provide investment income to fund community benefit.
- We agreed to evaluate whether the fund should be increased during the annual budget cycle.
- Recommendation
 - Endowment funding earnings available for FY 20 community is \$320,000. Total Hospital community benefit for FY 20 is \$3.7 million
 - Endowment fund balance to remain \$15 million since FY 20 capital plan exceeds EBITDA by \$114 million



FY20 Capital Budget



Capital Summary

	Actual	Actual	Actual	Projected	Budget
Capital Spending (in 000's)	FY2016	FY2017	FY2018	FY2019	2020
EPIC	20,798	2,755	1,114	-	-
IT Hardware / Software Equipment	6,483	2,659	1,108	6,000	6,000
Medical / Non Medical Equipment	17,133	9,556	15,780	18,000	18,000
Non CIP Land, Land I, BLDG, Additions	4,189	-	2,070	-	-
Facilities	48,137	82,953	137,364	205,451	268,937
GRAND TOTAL	96,740	97,923	157,435	229,451	292,937
*Includes \$5M unallocated amount					



FY 2020 Facilities Capital Budget Breakdown \$ in 000's

	Estimated Total	Total Committed	FY-20	FY -20
	Project Cost	\$\$ To Date	REQUEST FOR	SPEND
	May 2019		APPROVAL	
Approved Funded Projects - In Process	\$504,881	\$487,481	\$11,200	\$123,586
Planned Projects - Pending Approval	204,240	18,100	178,040	72,254
Placeholder Projects - To Be Evaluated.	242,700	500	157,200	73,097
TOTALS	\$951,821	\$506,081	\$346,440	\$268,937



FY 2020 Facilities Capital Detail Approved Funded Projects – In Process

	Estimated Total	Total Committed	FY 20 BUDGET	FY -20 Spend
	Project Cost	\$\$To Date	\$\$	
Approved Funded Projects - In Process	May 2019	··	(A)	
BHS Replacement	96,100,000	96,100,000		12,799,752
North Dr Parking Structure Expansion	24,500,000	24,500,000		
Integrated Medical Office Building	302,100,000	302,100,000		64,489,474
CUP Upgrades	9,000,000	9,000,000		
LG Campus Planning	250,000	250,000		122,777
Imaging Equipment Replacement (Imaging Dept. Only)	21,700,000	16,900,000	4,800,000	11,700,000
IR / Cath Lab Equipment Replacement (5 or 6 Rooms)	19,400,000	13,000,000	6,400,000	9,500,000
Willow Surgery Center Improvements	6,200,000			6,200,000
MV SPD Ultrasconic Cleaner Installation	175,520	175,520		
MV Infrastructure Upgrades Misc	360,000	360,000		260,000
Lab Equipment & Security Upgrades	240,000	240,000		160,000
Emergency Sanitary & Water Storage	3,900,000	3,900,000		3,489,645
CT Equipment Replacement @ Radiation Oncology	993,302	993,302		814,095
Herman Miller Inventory (Partial Replacement)	210,000	210,000		150,000
MOB Upgrades (MV Campus) FY-19	250,000	250,000		220,000
LG Infrastructure Upgrades Misc.	240,000	240,000		146,185
LG Modular MRI & Awning	3,900,000	3,900,000		3,386,809
LG Cancer Center	6,400,000	6,400,000		3,063,525
LG MOB Improvements FY-19	498,300	498,300		340,140
Primary Care Clinic (TI's Only) FY 19 (237 @ N. 1st)	8,000,000	8,000,000		6,743,808
SVMD - Administrative Office	359,000	359,000		
SVMD - OB/GYN Clinic - 2204 Grant Rd.	105,000	105,000		
Subtotal Approved Project	s 504,881,122	487,481,122	11,200,000	123,586,210

⁽A) Projects > \$1M will come to Finance Committee for approval



FY 2020 Facilities Capital Detail Planned Projects — Pending Approval

	Estimated Total	Total Committed		FY -20 Spend
	Project Cost	\$\$To Date	\$\$	
Planned Projects - Pending Approval	May 2019		(A)	
Women's Hosp Expansion	111,000,000	16,000,000	95,000,000	33,000,000
Demo Old Main & Related Site Work	70,000,000	1,000,000	69,000,000	20,000,000
ED Remodel Triage / Psych Observation	6,750,000	250,000		6,339,525
Site Signage & Other Improvements	2,250,000	250,000		2,031,900
Nurse Call System Upgrade (Overlay Only)	800,000			700,000
Various Relocation Projects	800,000			700,000
Flooring Replacement	1,600,000	600,000	1,000,000	1,182,827
MV Wireless Infrastructure Upgrade	1,600,000		1,600,000	1,000,000
MV Physician Dining Room	1,200,000		1,200,000	1,200,000
Other Undefined	2,000,000		2,000,000	500,000
LG Nurse Call System Replacement	2,400,000		2,400,000	1,800,000
LG Security System	460,000		460,000	420,000
LG Rehab Finish Upgrades	400,000		400,000	400,000
LG Campus Signage	500,000		500,000	500,000
LG Wireless Infrastructure Upgrades	480,000		480,000	480,000
LG Paving Upgrades	800,000		800,000	800,000
LG Decontamination in OR	600,000		600,000	600,000
LG Pharmacy USP 797 & 800 Upgrades	600,000		600,000	600,000
Subtotal Planned Projects	204,240,000	18,100,000	178,040,000	72,254,252

(A) Projects > \$1M will come to Finance Committee for approval



FY 2020 Facilities Capital Detail Placeholder Projects — To Be Evaluated

	Estimated Total	Total Committed	FY 20 BUDGET	FY -20 Spend
	Project Cost	\$\$To Date	\$\$	
Placeholder Projects - To Be Evaluated.	May 2019		(A)	
New 28k MOB (Courthouse Prop)	22,400,000		22,400,000	12,400,000
LG Upgrades	0		30,000,000	12,000,000
Willow Pavilion FA Sys and Equip Upgrades	1,400,000		1,400,000	1,400,000
Patient Family Residence	20,000,000	500,000	19,500,000	596,729
Nurse Call / RTLS (PT. Rm of Future) Main Hospital Only	5,000,000		5,000,000	250,000
Radiation Oncology Equipment Replacement	12,000,000		12,000,000	10,000,000
MV MOB Upgrades FY 20	1,000,000		1,000,000	500,000
MV Facilities Planning Allowance FY 20	600,000		600,000	600,000
MV Equipment & Infrastructure Upgrades FY 20	900,000		900,000	900,000
MV Cancer Center Expansion	2,400,000		2,400,000	1,200,000
MV Undefined Annual	56,000,000			
LG IR Upgrades	1,500,000		1,500,000	250,000
LG MOB Upgrades FY 20	500,000		500,000	500,000
LG Facilities Planning Allowance FY 20	500,000		500,000	500,000
LG Equipment & Infrastructure Upgrades FY 20	600,000		600,000	600,000
LG Undefined Annual	14,000,000			
SVMD - Facilities Future Years	15,000,000			
SVMD - Clinic / Admin Office Building (New Construction)	25,000,000		25,000,000	3,000,000
SVMD - MeKee Clinic Relocation (Assumes 12,000 SF, TI's)	6,300,000		6,300,000	2,000,000
SVMD - Planning & Upgrades Allowance	1,600,000		1,600,000	400,000
Property Acquisitions	56,000,000		26,000,000	26,000,000
Subtotal Placeholder Projects	242,700,000	500,000	157,200,000	73,096,729

(A) Projects > \$1M will come to Finance Committee for approval



Physician Recruitment Budget*

- \$4.5 million practice start up investment for a target of 26 Silicon Valley Medical Development and San Jose Medical Group physicians
- \$2.5 million start up investment for a target of 8
 physicians in community practices for specialties with
 physician manpower shortages (income guarantee
 reserve)

FY2020 Hospital Physician Needs				
Physician Recruitment Needs	15			
Less SVMD & SJMG	-7			
Expected Community Recruitment	8			

FY2020 SVMD & SJMG Provider Recruitm	ent Plan
New Recruitment	
OB/Gyn (Physicians + APP)	5
PCP	5
Medical Oncology	2
Ophthamology	1
Ortho PA	2
General Surgeon (Breast)	1
New Recruit Subtotal	16
Replacement	
Endocrinology	1
ENT	1
OB/Gyn	1
Orthopedics	1
Gastroenterology	1
PCP	1
Urgent Care (APP)	2
Hospitalists	2
Replacement Subtotal	10
Total	26

^{*} A complete hospital/SVMD/SJMG physician recruitment plan will be submitted to the board in August



FY2020 Budget - Risks

Volume Drivers

- Delayed physician recruitment
- Unplanned physician leaves of absence
- Opening of Stanford's new hospital
 - The impact may reach \$3M should Stanford increase it's market share by 10% across El Camino's northern primary market
- Facility approval or equipment delays medical oncology

Profitability Drivers

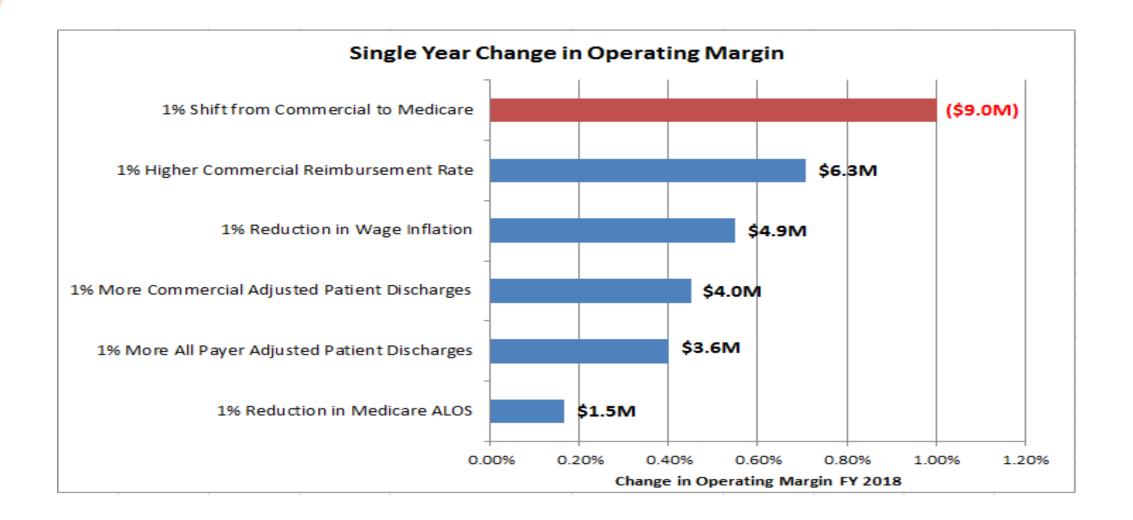
- Payer mix shift (due to competition or outpatient shift)
- Labor contract / wage rate increase
- Commercial contract negotiation and/or narrow network development

New Program Risks

SVMD / SJMG integration



Sensitivity Analysis







APPENDIX



CONCERN Highlights

Revenue Changes

- Loss of large customer with 70,000 employees
- PEPM revenue reduce by \$ 2M
- Major onsite counseling program terminated 3/31/2019 reduce by \$ 2M
- Enhanced Support reduce by \$110,000; no customer will be using this service
- Training/OD reduce by \$100,000 anticipated larger customers will use less

Expense Changes

- Labor down 5 FTEs Budget 19 to Budget 20
- Provider costs/claims reduced by \$2.3M
- Other Purchased Services reduced by \$270,000
- After hours call service reduced by \$100,000



FY2020 Budget – Concern P&L

						2020B/2019Ann
\$000s	2016	2017	2018	2019Ann	2020 Bud	Change
OPERATING REVENUE						
Total Operating Revenue	15,755,428	16,825,052	15,295,322	13,575,165	9,146,949	(4,428,216)
OPERATING EXPENSE						
Salaries & Wages	5,754,050	5,308,632	5,278,000	4,573,830	4,405,500	(168,330)
Supplies	130,342	74,622	58,935	48,110	62,503	14,393
Fees & Purchased Services	7,810,983	9,224,465	8,272,291	6,017,183	3,521,507	(2,495,676)
Other Operating Expense	744,832	725,248	696,530	623,616	523,725	(99,891)
Interest	-	-	-	-	-	-
Depreciation	42,449	29,617	35,413	27,458	15,901	(11,557
Total Operating Expense	14,482,656	15,362,584	14,341,170	11,290,197	8,529,135	(2,761,062)
Net Operating Income/(Loss)	1,272,772	1,462,468	954,152	2,284,968	617,814	(1,667,154)
EBITDA	8.3%	8.9%	6.5%	17.0%	6.9%	
Operating Margin	8.1%	8.7%	6.2%	16.8%	6.8%	

- Revenue adjusted to reflect large customer termination with major onsite counseling program effective 3/31/2019
- Salaries reduced reflecting reduction in staff that supported large customer.
- Purchased Services reduction due to loss of large customer fewer crisis intervention and activity and counseling visits.



Foundation Budget Highlights – 1/2

COMPUTER SOFTWARE: Budget increase of \$5,000

- Most of our software will remain the same except for the addition of two new software packages to better support our fundraising events
- Greater Giving Will streamline event management and deliver a smooth volunteer and guest experience for registration, auction bidding, and other transaction processing.
- Social Tables Provides event diagraming, seating, and check-in services. This will enable the events team to collaborate and communicate with donors and vendors. The software will save time and improve the event planning process.

FUNDRAISING EVENTS: Budget decrease of \$200,000

- Spring Gala The FY19 expense budget was based on the previous event structure under Sapphire Soiree. Last year, the Foundation had redesigned the event, introducing a new format and beneficiary. Heading into FY20, the Foundation is continuing with this new format and reducing the event budget to reflect that.
- Other events expected retain the same budget



Foundation Budget Highlights - 2/2

- STEWARDSHIP EVENTS: Budget neutral
- Ribbon-cutting Ceremonies
- With the opening of the Taube Pavilion and Sobrato Pavilion, the Foundation will be allocating a portion of its major gift cultivation/salon budget for a special donor events around the opening
- ANNUAL GIVING: Budget neutral
- Focus on personalized message to support mid-level donor program
- Proactive rounding on prospects while they are in the hospital to better support the Circle of Caring grateful patient program
- More segmentation by clinical program for targeted message to acquire new donors/grateful patients



Foundation – FY2020 Fundraising Detail

FY20 ECH Foundation		FY20 Goals	Unrestricted	Restricted	Gift Focus
Major & Planned Gifts		\$5,500,000	\$1,500,000	\$4,000,000	Restricted outright gifts; restricted irrevocable planned gift commitments; unrestricted gifts from matured estates; APS sponsorships
Spring g Forward		\$350,000	\$240,000	\$110,000	Event Expense; beneficiary: TBD
Even	Golf	\$325,000	\$280,000	\$45,000	Event Expense; beneficiary: Peter C. Fund, MD Stroke Center
Special Events	SAHC	\$200,000	\$125,000	\$75,000	9858 SAHC Event then transfer proceeds to SAHC Restricted Fund
S	NLL	\$200,000	\$200,000	\$0	9860 Special Events Expense then transfer net proceeds to determined beneficiary
Annual	Giving	\$600,000	\$240,000	\$360,000	El Camino Fund (unrestricted gifts) and restricted gifts for specific service line/departmental needs
Investm	ent Income	\$500,000	\$500,000	\$0	El Camino Fund (unrestricted)
	TOTAL	\$7,675,000	\$3,085,000	\$4,590,000	



Foundation - Fundraising Trend

ECH FOUNDATION		FY20 Goal	FY19 as of 3/31	FY18 Actual	FY17 Actual	FY16 Actual
Major 8	k Planned Gifts	5,500,000	15,668,021	3,232,425	4,213,319	4,059,779
ial	Spring Forward	350,000	500	360,650	788,360	936,240
	Golf Tournament	325,000	338,080	353,650	273,100	326,205
Special Events	Scarlet Ball	200,000	124,186	349,209	315,295	292,180
Ϋ́	Norma's Luncheon	200,000	131,505	284,380	153,300	245,106
Annual	Giving	600,000	561,708	658,005	587,582	507,745
Grants						64,833
Investment Income		500,000	1,406,426	911,273	1,138,296	1,319,905
TOTAL			18,230,426	6,149,592	7,469,252	7,751,993
Annual	Goal by FY	7,675,000	6,175,000	6,150,000	6,170,000	7,300,000



FY2020 Budget – Foundation P&L

						2020B/2019Ann
\$000s	2016	2017	2018	2019Ann	2020 Bud	Change
OPERATING REVENUE						
Total Operating Revenue	-	-	-	-	-	-
OPERATING EXPENSE						
Salaries & Wages	1,430,420	1,570,419	1,436,670	1,480,170	1,831,365	351,195
Supplies	45,092	60,233	57,340	96,838	88,364	(8,474)
Fees & Purchased Services	1,204,088	1,111,546	729,834	685,956	1,105,004	419,048
Other Operating Expense	240,132	221,645	214,288	259,026	340,960	81,933
Interest	-	-	-	-	-	-
Depreciation	13,316	13,316	13,316	13,316	13,316	0
Total Operating Expense	2,933,047	2,977,159	2,451,448	2,535,305	3,379,008	843,703
Net Operating Income/(Loss)	(2,933,047)	(2,977,159)	(2,451,448)	(2,535,305)	(3,379,008)	(843,703)
Non Operating Income	3,914,780	5,397,358	4,394,594	5,097,308	4,875,703	(221,605)
Net Income(Loss)	981,733	2,420,199	1,943,146	2,562,002	1,496,694	(1,065,308)

- Salaries increasing due to vacant/partial year positions (Philanthropy Officer, Admin Assistant and Database Coordinator
- Purchased Services higher due to major event expenses in FY19 have yet to be posed to actuals (South Asian Heart center & Gala)
- Other Operating Expense higher due to donor events for openings of Sobrato & Taube Pavilions.



Capital Equipment IT & Routine Capital Detail



FY 2020 Capital Request Detail Information Technology

Sum of Bu	um of Budget I								
Facility	▼ Cost Center	-	Cost Center Desc	*	Request Name	↓ Total			
	1	8480	■ INFO SVS AND TELECOMM		IS Baseline: Server - Baseline Replacement & Maintenance Parts	1,100,000			
					IS Baseline: Storage - Baseline Primary & Backup Storage Growth	875,000			
					IS Baseline: Network - Baseline Replacement & Maintanance Parts	750,000			
					IS Baseline: Software Upgrades: Existing Software	400,000			
					IS Baseline: Devices - Baseline Cart Replacement & Growth and eTime Badge Reader Repl	a 290,000			
					IS Baseline: Telecom - Baseline Replacement, Growth & Maintanance Parts	150,000			
		8485	■ IS SECURITY		IS Security Program	758,000			
					IS Security Program: Disaster Recovery Phase 2 - VRP Implementation	450,000			
		8486	■ICARE		Epic Program: Licenses, Hardware, and Implementation	727,000			
					Epic Program (MyChart/ MyChart Bedside)	500,000			
1 Total						6,000,000			
Grand Tota	al					6,000,000			



FY 2020 Capital Request Detail Medical/Non-Medical Equipment Items > \$100K Mountain View

Sum of Bu	-				
Facility	Cost Center	▼	Cost Center Desc	T Request Name	→ Total
	■1	■ 6070	■NICU	Timeless Medical System for Breast Milk, Donor Milk and Infant Formula tracking	166,000
		= 6177	■ MED SURG ONC 4B; MED SURG 1	Accutor Vital Signs Monitor	159,840
		= 6900	■ PRE-OP SHORT STAY; OPS	Centralized Monitoring 2B Pre-Op-Short Stay	224,778
		= 7400	■LABOR DELIVERY	Auto populate Vital Signs into the EMR	200,000
		∃7420	■ OPERATING ROOM	Liva Nova Heart-Lung Machine	328,290
				EPIQ CVx Ultrasound system	240,629
				System 8 Precision Saw	161,347
				Instruments for the Stryker System 8 Precision Saw	128,653
		= 7501	■LABORATORY	Chemistry Automation Line	1,064,880
				Urinalysis Instrument	161,347
		■ 7520	■ ANATOMIC PATHOLOGY	Leica Bond IHC Stainer	125,000
		■ 7560	■ ECHOCARDIOGRAPHY	Replacement of two older-style Echo units with Philips Epiq CVx	196,283
		■ 7570	■INTERVENTIONAL SERVICES	EnSite Precisionâ,,¢ Cardiac Mapping System	247,900
				SonoSite S II Ultrasound System	146,588
				Excimer Laser System The CVX-300	142,543
		= 7720	■ RESPIRATORY CARE SVCS	Olypus Tower and Cart	218,000
		= 7761	■ENDOSCOPY	Arietta 850 EUS Processor	238,650
		= 7770	■THERAPY SERVICES - IP	Fiberoptic Endoscopic Evaluation of Swallowing (FEES)	124,282
		■8380	■ STERILE PROCESSING	Vision 1300 series Cart Washer / Disinfector	276,618
				Sterrad ALLCLEAR 1-DR DUO	209,067
				AMSCO 400 SERIES 60‶Medium Steam Sterilizer	152,800
				Reliance Vision Single-chamber Washer/Disinfector	100,918
		■ 8660	■ EMP WELLNESS AND HEALTH SVCS	Fitness Court	100,000
		■ 8794	■ HEART AND VASCULAR INST	ECMO Equipment	130,000
1 Total					5,244,413

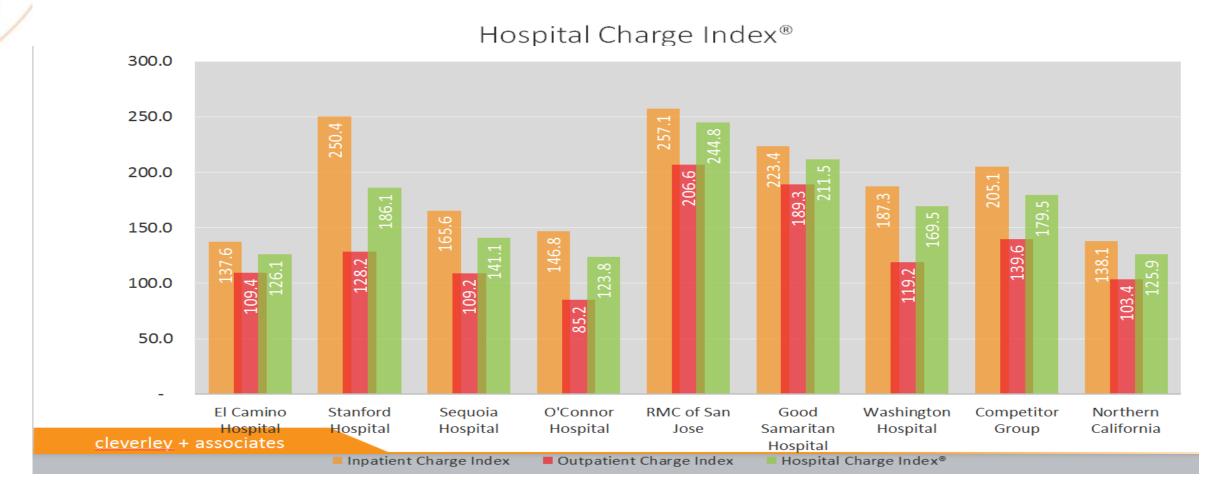


FY 2020 Capital Request Detail Medical/Non-Medical Equipment Items > \$100K Los Gatos & Total

Sum of B	udgetl				
Facility	Cost Center	₩	Cost Center Desc	₹ Request Name	<u></u> Total
	□ 11	= 7420	■ OPERATING ROOM	Jackson Table for Spine Los Gatos	516,919
		= 7520	■ ANATOMIC PATHOLOGY	Histology Lab Remodel	100,000
		= 7670	■ IMAGING - US/ECHO	Additional Ultrasound Unit Los Gatos Campus	218,556
		= 7680	■ IMAGING - CT SCAN	CT scanner for LG ED - replace XR	900,000
		■ 7720	■ RESPIRATORY CARE SVCS	Medtronics EMB	186,000
		■ 8380	■ STERILE PROCESSING	ALLCLEAR 1-DR DUO	209,067
				AMSCO 400 SERIES 48†Medium Steam Sterilizer	134,139
11 Total					2,264,681
Grand To	tal				7,509,093
				Infusion Pump Replacement (Estimated)	500,000
				Items < \$100K	2,798,266
				Strategic Capital	2,139,000
				Unallocated Funds	5,053,641
				Total Equipment	24,000,000



Charge Master Pricing Comparison with Benchmark Data





Charge Master Pricing Comparison with Benchmark Data (cont.)

- According to hospital industry pricing experts at Cleverley & Associates, Medicare claims level data shows El
 Camino Hospital prices below mid-market level compared to its local peer group, which includes Good Samaritan
 Hospital, Regional Medical Center, O'Connor Hospital, Stanford Hospital, Sequoia Hospital, and Washington
 Hospital.
- A score of 100 on the Hospital Charge Index represents the national average. Our local peer ("competitor") group's blended Hospital Charge Index is 179.5 (i.e. 79.5% higher than the national average) a reflection of the higher cost of living and prices in the Bay Area.
- In comparison, El Camino Hospital's blended Hospital Charge Index is much lower at 126.1.
- Even with the 5.0% price increase in FY19, our overall charges remain below the mid-market level of our peer group.
- 5.0% charge increase is proposed in the FY20 budget



Historical Performance vs Budget

	2012	2013	2014	2015	2016	2017	2018	2019F	2020B
Op Margin									
Act	67,498	69,126	70,305	78,122	52,613	112,176	137,862	125,502	
Bud	48,454	46,208	56,642	53,020	50,138	58,285	77,090	105,339	111,426
Var	39%	50%	24%	47%	5%	92%	79%	19%	
Op Margin %									
Act	10.5%	9.9%	9.5%	10.2%	6.6%	13.1%	15.6%	13.1%	
Bud	7.8%	7.1%	8.0%	7.1%	6.5%	7.2%	9.0%	11.1%	11.3%
Rev									
Act	643,630	701,479	739,985	767,751	795,657	858,347	930,586	954,556	
Growth from PY		9.0%	5.5%	3.8%	3.6%	7.9%	8.4%	2.6%	3.6%
Bud	624,833	647,277	704,587	750,748	765,618	814,645	855,195	951,269	989,216
Var	3%	8%	5%	2%	4%	5%	9%	0%	
Ехр									
Act	576,132	632,353	669,680	689,629	743,044	746,171	785,454	829,054	
Bud	576,378	601,069	647,944	697,728	715,481	756,360	778,105	845,930	877,790
Var	0%	-5%	-3%	1%	-4%	1%	-1%	2%	





EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Cecile Currier, VP, Corporate & Community Health Services and President

CONCERN: EAP; Barbara Avery, Director, Community Benefit

Date: June 12, 2019

Subject: FY20 Community Benefit Plan and Implementation Strategy

Recommendation(s):

To approve the FY20 El Camino Hospital Community Benefit Plan and Implementation Strategy

Summary:

1. <u>Situation</u>: The FY20 Community Benefit Plan and Implementation Strategy includes recommendations for 44 grants, sponsorships and placeholder, totaling \$3,699,948.

2. Authority: Board approval of the FY20 Community Benefit Plan and Implementation Strategy

3. Background:

FY20 Grant Proposal Overview:

- Grant applications received: 61
- Grant applications recommended for funding by CBAC: 44
- Requested funding: \$5,114,942
- Grant funds available/recommended: \$3,399,948
- Variance between requested and available/recommended funding: \$1.714.994
- ECH and El Camino Healthcare District grant proposals combined: 120 proposals totaling nearly \$14.4M

Process: Staff prepared comprehensive proposal summaries, including funding recommendations, which were provided to the Community Benefit Advisory Council (CBAC). The Council met for three hours to review, discuss and reach funding consensus which is reflected in the FY20 Plan. Proposal summaries include:

Grant goal

- Metrics and targets

- Community needs addressed

- Funding and performance history

- Delivery sites

- FY20 recommended amounts

- Services
- 4. <u>Assessment</u>: N/A
- 5. Other Reviews: The CBAC reviewed and discussed FY20 applications. Consensus was reached on recommended funding and is reflected in the Plan.
- **6.** Outcomes: Board final funding approval on FY20 Community Benefit Plan.

List of Attachments:

1. FY20 Community Benefit Plan

Suggested Board Discussion Questions: N/A

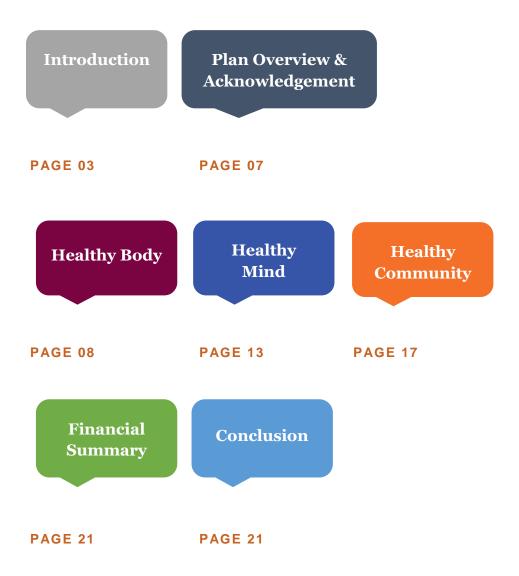


FISCAL YEAR 2020

Community Benefit Plan & Implementation Strategy



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Introduction

ABOUT EL CAMINO HOSPITAL

El Camino Health includes two nonprofit acute care hospitals in Los Gatos and Mountain View and urgent care, multi-specialty care and primary care locations across Santa Clara County. Hospital key medical specialties include cancer, heart and vascular, lifestyle medicine, men's health, mental health and addictions, lung, mother-baby, orthopedic and spine, stroke and urology. Affiliated partners include Silicon Valley Medical Development, El Camino Health Foundation and Concern. Mission

MISSION

It is the mission of El Camino Hospital to be an innovative, publicly accountable and locally controlled comprehensive healthcare organization that cares for the sick, relieves suffering, and provides quality, cost-competitive services to improve the health and well-being of the community.

COMMUNITY BENEFIT PLAN & IMPLEMENTATION STRATEGY

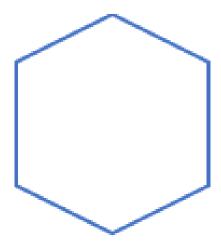
Per state and federal law, a Community Health Needs Assessment must be conducted every three years by nonprofit hospitals. In 2019, El Camino Hospital Community Benefit staff conducted a Community Health Needs Assessment (CHNA) in collaboration with the Santa Clara County Community Benefit Coalition. This assessment resulted in the identification of community health needs. The 2019 CHNA serves as a tool for guiding policy and program planning efforts and is available to the public. For a copy of the full CHNA, see https://www.elcaminohealth.org/about-us/community-benefit.

The documented needs in the 2019 CHNA served El Camino Hospital in developing this Community Benefit Plan for establishing Implementation Strategies pursuant to the Affordable Care Act of 2010 and California State Senate Bill 697. This plan outlines El Camino Hospital's funding for fiscal year 2020.

The main steps of this planning process are:

- 1. Conduct a countywide Community Health Needs Assessment (CHNA)
- 2. Select health needs and establish health priority areas
- 3. Grants process; Development of Annual Plan and Implementation Strategy

These steps are further described below.



El Camino Hospital is a member of the Santa Clara County Community Benefit Coalition ("the Coalition"), a group of organizations that includes seven nonprofit hospitals, the Hospital Council of Northern and Central California, a nonprofit multispecialty medical group, and the Santa Clara County Public Health Department. The Coalition began the 2019 CHNA planning process in Summer 2017. The Coalition's goal for the CHNA was to collectively gather community feedback and existing data about health status to inform the member hospitals' respective community health needs prioritization and selection. Since its formation in 1995, the Coalition has worked together to conduct regular, extensive Community Health Needs Assessments (CHNA) to identify and

address critical health needs of the community. The 2019 CHNA builds upon those earlier assessments.

The Coalition began the 2019 CHNA process in the fall of 2017. The collective goal for the assessment was to gather community feedback and existing data about local health needs to inform how each member hospital prioritizes and selects specific issues to

address with community benefits in its service area. The Coalition engaged Actionable Insights, a local consulting firm with expertise in community health needs assessments.

Between January and May 2018, community feedback was gathered through interviews with eight local experts and discussions with eight focus groups. The experts were individually asked to: identify and discuss the top needs of their constituencies, including barriers to health; give their perceptions of access to healthcare and mental health needs; and share which solutions may improve health (such as services and policies).

The focus group discussions centered around five questions, which were modified appropriately for each audience:

 What are the most important health needs that you see in Santa Clara County? Which are the most pressing among the community? How are the needs changing?

DEFINITIONS

Health condition: A disease, impairment, or other state of physical or mental health that contributes to a poor health outcome.

Health driver: A behavioral, clinical, environmental, social, or economic factor that impacts health outcomes.

Health indicator: A characteristic of an individual, population, or environment that is subject to measurement (directly or indirectly) and can be used to describe one or more aspects of the health of an individual or population.

Health need: A poor health outcome and its health driver, or a health driver associated with a poor health outcome that has not yet arisen as a need.

Health outcome: The measurable impact — morbidity (quality of life) and mortality (death) — of a disease within a community.

- What drivers or barriers are impacting the top health needs?
- To what extent is healthcare access a need in the community? If certain groups are identified as having less access than others, what are the barriers for them?
- To what extent is mental health a need in the community? How do mental health challenges affect physical health?
- What policies or resources are needed to impact health needs?

The focus groups comprised local residents and people who serve them. Participants represented low-income, minority, and/or medically underserved populations in the community.

Secondary data were obtained from a variety of sources, including the Community Commons public data platform and the Santa Clara County Public Health Department.

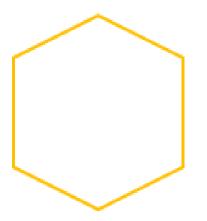
Health needs described in this report fall into three categories, as described in the Definitions box on the previous page:

- Health condition
- Health driver
- Health outcome

El Camino Health generated a list of health needs reflecting the priorities in its service area based on community input and secondary data, which were filtered using the following criteria:

- 1. Must fit the definition of a "health need" (See Definitions box, page 7.)
- 2. Is suggested or confirmed by more than one source of secondary and/or primary data
- 3. Meets qualitative threshold:
 - (a) Two of eight key informants identified the need, or
 - (b) The community prioritized it over other health issues in at least two of eight focus groups

In addition, available statistical data for some health needs failed benchmarks by 5 percent or more. The benchmarks used for comparison came from Healthy People 2020 or, when unavailable, the California state average.



El Camino Hospital selected nine health needs, including all identified health needs from the work of the Coalition and will continue to address chronic conditions and violence/injury prevention health needs. These needs were mapped to the following priority areas: Healthy Body, Healthy Mind and Healthy Community.



- Diabetes & Obesity
- Chronic Conditions (other than Diabetes & Obesity)
- Healthcare Access & Delivery
- Oral Health



- Behavioral Health
- Cognitive Decline



- Violence & Injury Prevention
- Housing & Homelessness

Step 3: Grants process; Development of Annual Plan and Implementation Strategy El Camino Hospital released the 2019 – 2020 grant application with the requirement for proposals to address needs in the three health priority areas. Staff provided a comprehensive summary of each proposal received to the Community Benefit Advisory Council (CBAC), which met twice in April 2019 to discuss grant proposals. The CBAC is comprised of an El Camino Hospital Board Liaison and representatives from the community who have knowledge about local disparate health needs. The Council provided funding recommendations, which are described for each proposal in the hospital's Community Benefit Plan & Implementation Strategy. The Plan also describes the health

needs identified through the Coalition's CHNA process and how the hospital plans to address these health needs. Findings from the CHNA are provided to illustrate the status of health needs and related disparities in Santa Clara County. El Camino Hospital used comparisons to Healthy People 2020 objectives (HP2020) where available, and state data where they were not.

Overview & Acknowledgement

Overview

Grant Proposals Received: 61

Programs new to Community Benefit: 12 Grant Proposals Recommended for Funding: 44 Total Requested Grant Funding: \$5,114,942 Total Recommended Grant Funding: \$3,399,948

Recommended Plan Total (including Placeholder and Sponsorships): \$3,699,948

Acknowledgement

El Camino Hospital especially recognizes the critical contribution of the Community Benefit Advisory Council (CBAC) for its guidance with the FY20 Plan. The CBAC is comprised of an El Camino Hospital Board Liaison and representatives from the community who have knowledge about local disparate health needs.



To improve health and prevent the onset of disease in the community through enhanced access to primary care, chronic disease management, and oral health.

The maintenance of healthy bodies is affected by a variety of factors including the environment in which we live, social and economic factors, and personal choices and health behaviors. Poor health can be experienced as diseases and conditions such as stroke or diabetes, and their related drivers such as hypertension or lack of adequate nutrition. Access to comprehensive, quality healthcare services is important for the achievement of health equity, to improve health, and to enhance quality of life for all. Healthcare access requires gaining entry into the healthcare system, accessing a healthcare location where needed services are provided, and finding a medical provider with whom the patient can communicate and trust.

2019 CHNA DATA FINDINGS: DIABETES / OBESITY

- Diabetes/Obesity was identified as a top health need in half of key informant interviews and one-third of focus groups.
- The community discussed factors that contribute to diabetes and obesity, such as the built environment, stress and poverty.
- The county has a significantly higher proportion of fast-food restaurants (86.7 per 100,000) than California overall (78.7).
- Santa Clara County has lower proportions of grocery and WIC-authorized¹ stores to residents than state benchmarks. For example, there are 9.5 WIC-authorized stores per 100,000 residents in the county compared to 15.8 in the state overall.
- Diabetes prevalence is higher in Santa Clara County (9.8 percent) than in California overall (9.1 percent) and trending up both locally and statewide.
- A significant number of LGBTQ survey respondents report being overweight or obese.
- 28 percent of youth are physically inactive.

¹The Women, Infants and Children (WIC) Program is a federally funded health and nutrition program that provides assistance to pregnant women, new mothers, and children aged 0–5. The California Department of Public Health approves the grocers and other vendors statewide who accept program vouchers. https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/Program-Landing1.aspx

- Disparities in Santa Clara County include:
 - Males are almost twice as likely as females to be obese (18 percent compared to 10 percent).
 - Although obesity rates overall do not fail benchmarks, the overweight and obesity rates among Latinx youth (about 20 percent each) are significantly higher than state averages (about 17 percent), possibly driven by physical inactivity (42 percent).
 - Being overweight or obese is also a problem among youth who identify as Pacific Islanders (about 25 percent each).
 - African ancestry² youth have higher rates of physical inactivity (33 percent) and inadequate fruit and vegetable consumption (73 percent) than the state benchmarks (38 percent and 47 percent, respectively).

2019 CHNA DATA FINDINGS: CHRONIC CONDITIONS (OTHER THAN DIABETES/OBESITY)

- Health conditions such as cardiovascular disease, cancer and respiratory problems are among the top 10 causes of death in the service area.
- The proportion of hospitalization discharges due to asthma for children, youth and older adults are all higher than the state.
- The county's prostate cancer incidence rate (127.3) is significantly higher than that of the state (109.2).
- Disparities in chronic conditions in Santa Clara County include:
 - Cancer incidence and mortality rates for various cancer sites are higher for African ancestry and White residents than for those of other ethnicities. For example, overall incidence of cancer is 22 percent higher for African ancestry residents than the county overall, and 51 percent higher than Asian residents. Also, overall cancer mortality for African ancestry residents is 71 percent higher than in than the county overall, and 67 percent higher than Asian residents.
 - African ancestry residents are hospitalized for asthma at a rate (1.7 percent) that is disproportionately higher than the rates for residents of other ethnicities (all of which are below 1 percent, such as 0.7 percent for White residents).

² African ancestry refers to all people of African descent, whether they are recent immigrants or have been in the U.S. for generations. This term is in keeping with a 2015 report by the Black Leadership Kitchen Cabinet of Silicon Valley, in conjunction with the Santa Clara Public Health Department. See http://blkc.org for the full report. Many original data sources alternately use the category Black/African-American or African-American.

2019 CHNA DATA FINDINGS: HEALTHCARE ACCESS & DELIVERY

Rates are per 100,000 unless otherwise specified.

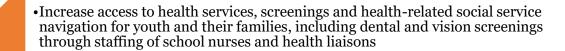
- Healthcare access and delivery was identified as a top health need by half of focus groups and key informants.
- The community expressed concern that healthcare is unaffordable, especially for people who do not receive health insurance subsidies, such as undocumented immigrants.
- Approximately one in every 13 people (8 percent) is uninsured countywide.3
- The community expressed concern about the ability of older adults to pay for healthcare (including long-term care) if they are not eligible for Medi-Cal.
- Meets quantitative threshold. (See #3 on page 8 of 2019 CHNA)
- Two in 10 Santa Clara County residents speaks limited English, which can restrict healthcare access.
- The county's rate of Federally Qualified Health Centers and access to mental-health care fall below state averages.
- Health clinic professionals expressed concern about attracting and retaining talent (especially bilingual staff) in the healthcare sector due to the high cost of living in the Bay Area.

2019 CHNA DATA FINDINGS: ORAL HEALTH

- Oral Health was identified as a top health need in two interviews and one focus group.
- There is a perceived lack of access to dental insurance in the community.
- More than one-third of adults in Santa Clara County do not have dental insurance.
- Nearly one-third (30 percent) of county children aged 2–11 have not had a recent dental exam, which is 61 percent worse than the state. The rates were the worst among White (31 percent) and Latinx (52 percent) children.
- More than half of residents of African, Asian and Latinx ancestry have had dental decay or gum disease, which is worse than the county overall (45 percent).

³ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012–2016.

STRATEGIES TO IMPROVE HEALTHY BODIES



- •Increase youth health through physical activity programs, nutrition education, food security and healthy living initiatives
- •Increase access to medical and oral health services and related resources such as a medical home, affordable or free medications, culturally relevant and health-related social services for vulnerable community members (homeless, at-risk, low-income, uninsured)
- •Address diabetes and obesity epidemics through prevention, disease management and intervention for adults and youth
- •Provide systemic support to safety net clinics for primary care, preventive services and chronic disease prevention and management

HEALTHY BODY PROPOSAL RECOMMENDATIONS

Healthy Body Agency/Program	New	Do not fund (DNF)	Dual Funding	Requested/ CBAC Recommendation	FY19 Board Approved
5210 Health Awareness Program			Х	\$25,000/\$20,000	\$25,000
African American Community Services Agency (AACSA)	х			\$25,000/\$20,000	N/A
Bay Area Women's Sports Initiative - BAWSI Girls			х	\$21,000/\$16,500	\$16,500
Bay Area Women's Sports Initiative - BAWSI Rollers		х	х	\$19,000/DNF	\$10,000
Better Health Pharmacy -SCC Public Health Department				\$75,000/\$50,000	\$50,000
Breathe California of the Bay Area			Х	\$50,000/\$50,000	\$50,000
Cambrian School District - School Nurse Program				\$140,500/\$128,000	\$129,500
Campbell Union School District - School Nurse Program				\$215,000/\$215,000	\$215,000
Challenge Diabetes Program				\$205,158/\$195,000	\$196,468
Coastal Kids Home Care	Х	Х		\$50,000/DNF	N/A
Community Health Partnership				\$50,000/\$50,000	\$50,000
Cristo Rey San Jose High School		Х		\$20,000/DNF	\$10,000
Cupertino Union School District - School Nurse Program			х	\$81,921/\$81,921	\$76,000
Gardner Family Health Network				\$266,508/\$220,000	\$220,000
GoNoodle			X	\$113,000/\$113,000	\$113,000
Healthier Kids Foundation - DentalFirst and HearingFirst			Х	\$45,000/\$30,000	\$30,000
Indian Health Center of Santa Clara Valley				\$74,000/\$74,000	\$74,000
Living Classroom		Х		\$50,000/DNF	N/A
Medical Respite			Х	\$13,500/\$13,500	\$13,500
Mount Pleasant School District				\$128,000/\$125,000	\$124,000
On-site Dental Care Foundation	Х			\$100,000/\$90,000	N/A
Playworks			Х	\$91,627/\$91,627	\$102,000
Pre-diabetes Awareness Initiative				\$150,000/\$122,800	\$140,000
SCC Office of Education - Early Head Start	x	x		\$96,858/DNF	N/A
Tower Foundation of San Jose State University (RACES)				\$50,000/\$40,000	\$40,000
Valley Verde				\$50,000/\$45,000	\$45,000
Vista Center for the Blind and Visually Impaired			х	\$71,819/\$40,000	\$40,000
Healthy Body Priority Area CBAC Reco	ommend	ation Tota	l: \$1,852,94	8	



To improve the mental health and wellbeing of the community by providing services and increasing access to services that address serious mental illness, depression, and anxiety related to issues such as dementia, domestic violence, substance use, and bullying.

Healthy minds are essential to a person's wellbeing, family functioning, and interpersonal relationships. Good brain function and mental health directly impact the ability to live a full and productive life. People of all ages with untreated mental health disorders are at high risk for many unhealthy and unsafe behaviors, including alcohol or drug abuse, violent or self-destructive behavior, and suicide. Those affected by dementia experience a decline in mental ability, which affects memory, problem-solving, and perception. The resulting confusion often also leads to depression, aggression, and other mental health issues.⁴ Caregivers of those with dementia also experience depression.⁵ Mental health disorders can also impact physical health and are associated with the prevalence, progression, and onset of chronic diseases, including diabetes, heart disease, and cancer.

2019 CHNA DATA FINDINGS: BEHAVIORAL HEALTH

- Behavioral Health ranked high as a health need, with the community prioritizing it in more than two-thirds of discussions.
- The co-occurrence of mental health and substance use emerged as a common theme.
- The community expressed concern about a lack of services for behavioral health, including preventive mental-health care and detox centers.
- Professionals who work in behavioral health described experiencing challenges with health systems that were established to serve people with these conditions.
- LGBTQ residents expressed a need for mental health and suicide prevention assistance.
- Meets quantitative threshold. (See #3 on page 8 of 2019 CHNA.)

⁴ Alzheimer's Association. https://www.alz.org/care/alzheimers-dementia-depression.asp.

⁵ Alzheimer's Association. https://www.alz.org/care/alzheimers-dementia-caregiver-depression.asp

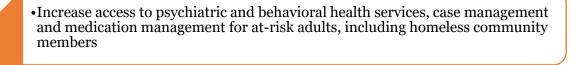
- Disparities in Santa Clara County include:
 - Hospitalization rates for attempted suicide are 73 percent higher among females than males, whereas men nationwide are 3.5 times more likely than women to commit suicide.
 - Adult men are more likely to binge drink than women, but adolescent females are more likely to binge drink (15 percent) than adolescent males (13 percent).
 - 21 percent of Latinx adults binge drink, compared to 15 percent of Whites and 8 percent of other ethnic groups.
 - Adults of White or Latinx ancestry are most likely to use marijuana (12 percent and 13 percent, respectively).

2019 CHNA DATA FINDINGS: COGNITIVE DECLINE

- Cognitive decline was mentioned in half of focus groups and two interviews with experts.
- One in nine Californians is experiencing subjective cognitive decline.
- The median age in Santa Clara County (36.8 years) is higher than the median age of California (35.8).
- The county death rate due to Alzheimer's disease (35.9 per 100,000) is nineteen percent higher than the state's rate (30.1).
- Community said that serving individuals who are cognitively impaired is difficult for providers.
- Professionals who serve people experiencing chronic homelessness and abusing substances report cases of early dementia and increased difficulty with treating and housing people with these impairments.
- Community expressed concern about the ability of older adults to pay for healthcare, including long-term care, if not Medi-Cal eligible.

Professionals rely on family members to coordinate care for their loved ones, which can affect the health, well-being, and economic stability of those family members.

STRATEGIES TO IMPROVE HEALTHY MINDS



- •Increase access to individual/group counseling, crisis intervention and addiction prevention education for youth through staffing of school-based services
- •Promote Social Emotional Learning, developmental assets and resiliency skill-building for youth
- •Increase access to programs and services for patients and families coping with cognitive decline, Alzheimer's disease and dementia, such as respite care and culturally relevant efforts to mitigate stigma and encourage early diagnosis
- •Reduce isolation and depression amongst seniors

HEALTHY MIND PROPOSAL RECOMMENDATIONS

Healthy Mind Agency/Program	New	Do not fund (DNF)	Dual Funding	Requested/ CBAC Recommendation	FY19 Board Approved
Almaden Valley Counseling Service				\$100,000/\$60,000	\$60,000
Alum Rock Counseling Center		Х		\$30,000/DNF	\$30,000
Alzheimer's Association - Asian Dementia Initiative	х	Х		\$70,000/DNF	\$70,000
Alzheimer's Association - Latino Family Connections				\$70,000/\$70,000	\$70,000
Asian Americans for Community Involvement (AACI)	х	Х		\$71,095/DNF	N/A
Bill Wilson Center				\$25,000/\$25,000	\$25,000
Cambrian School District - Counseling				\$365,200/\$104,000	\$104,000
Cancer CAREpoint	Х			\$21,600/\$21,600	\$21,500
Child Advocates of Silicon Valley				\$40,000/\$30,000	\$30,000
Counseling and Support Services for Youth (CASSY)				\$120,000/\$100,000	\$100,000
Cupertino Union School District - Counseling				\$183,211/\$140,000	\$135,000
DBSA San Jose	Х	Х		\$15,000/DNF	N/A
Hope Services	Х	Х		\$25,000/DNF	N/A
Jewish Family Services of Silicon Valley				\$100,000/\$75,000	\$75,000
LifeMoves				\$100,000/\$50,000	\$25,000
Los Gatos Union School District	Х	Х		\$165,898/DNF	N/A
Momentum for Mental Health			Х	\$58,860/\$50,000	\$50,860
Okizu	Х	Х		\$20,000/DNF	N/A
Peer Health Exchange	Х	Х		\$25,000/DNF	N/A
Peninsula Healthcare Connection				\$90,000/\$90,000	\$90,000
Respite and Research for Alzheimer's Disease				\$50,000/\$50,000	\$50,000
Teen Success, Inc.				\$35,000/\$20,000	\$20,000
Uplift Family Services				\$230,000/\$230,000	\$230,000
Healthy Mind Priority Area Recommenda	ation CBA	C Total: \$1	,094,000		



To improve the overall health of the community by providing services and increasing access to services that improve safety, provide transportation, and educate the community about health and wellbeing.

A healthy community can impact health positively by providing safe places to live, work, and be educated. When a community lacks affordable and sufficient transportation, lacks awareness of health issues and risk for chronic diseases, and is not able to access culturally competent services, its residents experience poor health.

2019 CHNA DATA FINDINGS: VIOLENCE & INJURY PREVENTION

Rates are per 100,000 unless otherwise specified.

- Violence is a major driver of poor behavioral health. Preventing violence in the service area will affect behavioral health.
- The rate of rape (22.8 per 100,000 people) in Santa Clara County is 8.5 percent higher than the state rate (21.0).
- Preventable unintentional injuries are a leading cause of death in the county (5 percent of all deaths) and the state (4 percent).
- 67 percent of all unintentional injury deaths are due to senior falls. This is higher compared to deaths due to accidental falls among the total population (31 percent).
- Disparities in violence and injury in the county include:
 - The mortality rate (43.0 deaths per 100,000 people) from all unintentional injuries is highest for African ancestry residents.
 - Community safety data including homicides, violent assault, youth assault and self-harm, and school suspensions and expulsions are all higher for Latinxs and African ancestry residents than for those of other ethnicities.

2019 CHNA DATA FINDINGS: ECONOMIC STABILITY

- Economic security was identified as a top health need by one-third of focus groups and key informants.
- Meets quantitative threshold (see #3 on page 8).

- The very high cost of living in Santa Clara County and concern about the lowincome population emerged as common themes of community input.
- The 2018 Self-Sufficiency Standard for a family of two adults, one infant, and one preschool-aged child is over \$120,600, which is more than four times higher than the 2018 Federal Poverty Level (\$25,100).
- Almost four in 10 people in Santa Clara County experiencing food insecurity do not qualify for federal food assistance because of their household incomes. (This includes 46 percent of all food-insecure children.)
- The cost of long-term care for older adults with fixed incomes who are ineligible for Medi-Cal is a concern of the community.
- Cost of mental health care is also difficult for middle-income parents according to focus group participants.
- Economic security is crucial to stable housing. (See Housing and Homelessness health need description).
- Disparities in Santa Clara County include:
 - The rates of poverty among residents of African ancestry and Other⁶ races fail benchmarks.
 - One in four Latinx households and more than one in 10 African ancestry households received food from a food bank in recent years.
 - More than nine in 10 (93 percent) White high school students graduate, while only seven in 10 Latinx and Native American students graduate. Almost eight in 10 African ancestry students graduate.
 - Fourth-grade reading proficiency is a predictor of high school graduation.⁷ About 27 percent of White fourth-grade students are reading below proficiency. This proportion is significantly worse for other children: African ancestry (60 percent), Latinx (67 percent), Pacific Islander (61 percent) and Native American ancestry (58 percent)

2019 CHNA DATA FINDINGS: HOUSING & HOMELESSNESS

- Housing and Homelessness was identified as a top health need by more than half of focus groups and key informants.
- The community described stress about the high costs of housing and the lack of affordable rent as a major priority.

⁶ "Other" is a U.S. Census category for ethnicities not specifically called out in data sets.

⁷ The Campaign for Grade-Level Reading (https://gradelevelreading.net) and Reading Partners (https://readingpartners.org/blog/why-reading-by-fourth-grade-matters-for-student-success/)

- Professionals who serve families report an increase in families seeking help from food banks and making difficult choices about how to spend remaining funds (healthy food, medicine, doctor visits, therapeutic services).
- The community reports that families often move to a different home or leave the area due to the increased cost of living.
- The 2018 Santa Clara County Self-Sufficiency Standard indicates that a family of two adults, one infant, and one preschool-aged child requires \$120,600 in annual income to be self-sufficient.
- There are approximately 7,400 people experiencing homelessness in the county (15 percent of whom are aged 0–17), which is the highest number since 2013.
- In Mountain View, the number of people experiencing homelessness (416) increased 51 percent since 2015.

STRATEGIES TO IMPROVE HEALTHY COMMUNITIES

- Increase self-sufficiency amongst vulnerable families and older adults through social work case management
- Reduce incidence of chronic diseases such as heart disease, hypertension and diabetes through culturally relevant programs, screenings and expanded access to medical devices
- Address social determinants of health such as homelessness, housing instability and food insecurity
- Support injury prevention, including falls prevention among older adults
- Provide domestic and intimate partner violence survivor services
- · Promote physical activity and healthy lifestyles
- · Promote access to medical searches and improve health literacy

HEALTHY COMMUNITY PROPOSAL RECOMMENDATIONS

Healthy Community Agency/Program	New	Do not fund (DNF)	Dual Funding	Requested/ CBAC Recommendation	FY19 Board Approved	
Chinese Health Initiative			Х	\$51,907/\$35,000	\$40,000	
Fresh Lifelines for Youth, Inc.	Х	Х		\$30,000/DNF	N/A	
Health Library & Resource Center - Los Gatos		х	х	\$71,000/DNF	\$63,672	
Los Gatos-Saratoga Recreation	Х			\$31,030/\$20,000	N/A	
Next Door Solutions to Domestic Violence			х	\$75,000/\$75,000	\$75,000	
Pacific Hearing Connection				\$25,000/\$25,000	\$20,000	
Silicon Valley Bicycle Coalition		Х	Х	\$30,000/DNF	\$30,000	
South Asian Heart Center			Х	\$200,000/\$110,000	\$170,000	
West Valley Community Services - Community Access Resources and Education (CARE)				\$153,000/\$153,000	\$150,000	
West Valley Community Services - CARE Senior Services				\$59,250/\$35,000	\$25,000	
Women SV	Х	Х	_	\$100,000/DNF	N/A	
Healthy Community Priority Area CBAC Re	Healthy Community Priority Area CBAC Recommendation Total: \$453,000					

Financial Summary

Requested Grant Funding: \$5,114,942

Sponsorship funding: \$200,000

Placeholder: \$100,000

Total: \$5,414,942

Recommended Grant Funding: \$3,399,948

Sponsorship funding: \$200,000

Placeholder: \$100,000

Total: \$3,699,948

Conclusion

El Camino Hospital's CHNA identified health needs based on community input, secondary data and other qualitative thresholds. The nine health needs mapped to three priority areas overlap with one another, in that community members having one of these health needs are likely to face challenges in another. El Camino Hospital's Community Benefit grant portfolio is targeted to address the needs in and across each of the three health priority areas through integrated and coordinated funding.

The grants proposed in this plan have been carefully screened based on their ability to impact at least one of the three priority areas. The Board of Directors' support of this Community Benefit plan will allow El Camino Hospital to continue responding to the most pressing needs faced by vulnerable residents in our communities.

The premise — and the promise — of community benefit investments is the chance to extend the reach of hospital resources beyond the patient community, and address the suffering of underserved, at-risk community members. These annual community grants provide direct and preventive services throughout the service area. Community Benefit support addresses gaps by funding critical, innovative services that would otherwise not likely be supported. The Community Benefit Plan aims to improve the health and wellness of the entire community, far beyond hospital walls.



Minutes of the Open Session of the El Camino Hospital Board of Directors Wednesday, May 8, 2019 2500 Grant Road, Mountain View, CA 94040 Conference Rooms F&G (ground floor)

Board Members Present Lanhee Chen, Chair

Jeffrey Davis, MD Peter C. Fung, MD

Julie Kliger

Julia E. Miller, Secretary/Treasurer

Bob Rebitzer

George O. Ting, MD John Zoglin, Vice Chair Board Members Absent Gary Kalbach **Members Excused**

None

**via teleconference

Ag	genda 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 Vice Chair Zoglin. A silent roll call was taken. Director Rebitzer arrived 5:31pm during Agenda Item 2: Potential Conflicts of Interest. Director Kliger arrived at 5:32pm and Director Chen arrived at 5:34pm during Agenda Item 3: Board Recognition. Director Kalbach was absent. All other Board members were present at roll call.	
2.	POTENTIAL CONFLICTS OF INTEREST DISCLOSURES	Chair Chen asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3.	BOARD RECOGNITION	Jim Griffith, COO, recognized the ECH Stroke Care team for receiving designation from The Joint Commission as a Thrombectomy-Capable Stroke Center and their continued efforts to build a comprehensive stroke program.	
		Motion: To approve <i>Resolution 2019-06</i> .	
		Movant: Ting Second: Zoglin Ayes: Davis, Fung, Miller, Kalbach, Kliger, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Chen, Kalbach Recused: None	
		Director Fung commended all of those involved for their work.	
4.	QUALITY COMMITTEE REPORT	Director Kliger reported that the Quality Committee had a robust discussion on the FY20 organizational goals, noting that she abstained from supporting management's proposals. She also reported that Committee is currently recruiting for 3-4 new members.	
		Mark Adams, MD, CMO, outlined the organizational goals on the quality dashboard; he described the inpatient hospice program, work regarding readmissions, and challenges with improving ED throughput. He also reviewed clinical documentation improvements, highlighting an outstanding 100% physician query response rate.	
		Director Rebitzer requested that upper and lower control limits be included on the ED Throughput goal on the dashboard. The Board and Dr. Adams discussed the differences in performance between the Mountain View and	

Los Gatos campuses.

Director Kliger further described her reservations about the proposed FY20 organizational goals, noting that mortality and readmissions measures are performing consistently well, are tracked on an ongoing basis, and have a significant regulatory component. She commented that an additional, more challenging goal would be preferable. Other Board members on the Quality Committee, Directors Fung and Ting, discussed their support of the proposed goals, including their organizational criticality and their importance in the continuum of care.

Dr. Adams provided an overview of how ECH compares with other health systems in the area. He noted that there is variability in evaluation and reporting, with only about 20% agreement across the various national rating services. Dr. Adams reviewed:

- CMS Hospital Compare (CMS Star Rating, 7 groups of measures, including patient experience, mortality, readmissions, use of imaging, and efficiency), where ECH has a 4-Star rating
- Emergency Department "Door-to-Floor" time
- CMS Patient Experience Summary
- CMS "Pay for Performance": Value-Based Purchasing, Hospital Readmission Reduction (80% of hospitals nationwide receive a penalty), Hospital Acquired Conditions Reduction programs
- Leapfrog Grades
- Perinatal Care

Dr. Adams noted that ECH reviews whatever is possible to make improvements and potentially improve scores, but must keep in mind what makes sense for the organization.

Director Rebitzer expressed concerns about patient experience and Leapfrog scores, given ECH's strategic direction.

In response to Director Fung's question, Dr. Adams commented that ED Throughput is the biggest area for improvement related to CMS Star ratings.

Director Ting suggested exploring Sequoia Hospital's successes across the various ratings and evaluations.

Director Davis noted that there are many quality metrics that an organization could choose and suggested focusing a quality agenda on two or three main goals. He commended Cheryl Reinking, RN, CNO, for her quality process improvement work.

5. BOARD OFFICER ELECTIONS

Director Zoglin explained that Director Chen was the only Director that declared interest in serving as Board Chair.

Director Zoglin called for a voice vote regarding the selection of Director Chen as Board Chair for the upcoming term, and the Directors responded as follows:

Chen: Abstain
Davis: Aye
Fung: Aye
Miller: Aye
Kalbach: Absent
Kliger: Aye
Rebitzer: Aye
Ting: Aye
Zoglin: Aye

Board Officers Selected

Motion: To select Director Chen as ECH Board Chair for a two-year term of service, effective July 1, 2019. **Movant:** Miller Second: Kliger Aves: Chen, Davis, Fung, Miller, Kalbach, Kliger, Rebitzer, Ting, Zoglin Noes: None **Abstentions:** None Absent: Kalbach Recused: None Director Chen requested nominations or declarations of interest from the floor for the position of Vice Chair. Director Fung nominated Director Zoglin. Motion: To select Director Zoglin as ECH Board Vice Chair for a two-year term of service, effective July 1, 2019. Movant: Kliger **Second:** Davis Ayes: Chen, Davis, Fung, Miller, Kliger, Rebitzer, Ting, Zoglin Noes: None **Abstentions:** None **Absent:** Kalbach **Recused:** None Director Chen requested nominations or declarations of interest from the floor for the position of Secretary/Treasurer. Motion: To select Director Miller as ECH Board Secretary/Treasurer for a two-year term of service, effective July 1, 2019. **Movant:** Fung **Second:** Ting Ayes: Chen, Davis, Fung, Miller, Kalbach, Kliger, Rebitzer, Ting, Zoglin Noes: None **Abstentions:** None Absent: Kalbach Recused: None 6. PUBLIC Members of the public expressed concerns regarding employment, benefits, **COMMUNICATION** and hiring practices with Silicon Valley Medical Development and urged the Board to consider the value of long-term employees and hire on the temporary clinic staff in permanent positions. David Urhausen, Political Director of the South Bay Labor Council, expressed the Council's opposition to the proposal to add an 11th ex officio seat on the Hospital Board for ECH's CEO. Omar Torres, policy aide for San Jose City Councilwoman Magdalena Carrasco, thanked the Board for their time and expressed Councilwoman Carrasco's concerns about San Jose Medical Group healthcare workers' lack of health insurance. **Motion:** To adjourn to closed session at 6:34pm pursuant to *Gov't Code* 7. ADJOURN TO Adjourned **CLOSED SESSION** Section 54957.2 for approval of the Minutes of the Closed Session of the to closed Hospital Board Meeting (April 10, 2019) and Minutes of the Closed Session session at of the Special Meeting to Conduct a Study Session of the Hospital Board 6:34pm (April 24, 2019); pursuant to Health and Safety Code Section 32155 for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to Health and Safety Code Section 32106(b) for a report and discussion involving

May 6, 2019 Fage 4	health care facility trade secrets: Strategic Plan Metrics Update; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: South Bay Strategy; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets and <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; and pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.	
	Movant: Kliger Second: Miller Ayes: Chen, Davis, Fung, Miller, Kliger, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Kalbach Recused: None	
8. AGENDA ITEM 16: RECONVENE OPEN SESSION/	Open session was reconvened at 9:02 pm by Chair Chen. Agenda items 8-15 were addressed in closed session. Directors Ting and Rebitzer were not present when open session reconvened.	
REPORT OUT	During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (April 10, 2019) and the Minutes of the Closed Session of the Special Meeting to Conduct a Study Session of the Hospital Board (April 24, 2019) the Medical Staff Report, including the credentials and privileges report, by a unanimous vote in favor of all members present (Directors Chen, Davis, Fung, Kliger, Miller, Rebitzer, Ting, and Zoglin). Director Kalbach was absent.	
9. AGENDA ITEM 16: CONSENT	Chair Chen asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed.	Consent calendar
CALENDAR	Motion: To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (April 10, 2019); Minutes of the Open Session of the Special Meeting to Conduct a Study Session of the Hospital Board	approved
	(April 24, 2019); Revised Executive Incentive Plan Policy; Medical Staff Report; and for information: FY19 Period 9 Financials; Report on Educational Activity.	
	(April 24, 2019); Revised Executive Incentive Plan Policy; Medical Staff Report; and for information: FY19 Period 9 Financials; Report on Educational Activity. Movant: Fung	
	(April 24, 2019); Revised Executive Incentive Plan Policy; Medical Staff Report; and for information: FY19 Period 9 Financials; Report on Educational Activity.	
	(April 24, 2019); Revised Executive Incentive Plan Policy; Medical Staff Report; and for information: FY19 Period 9 Financials; Report on Educational Activity. Movant: Fung Second: Zoglin Ayes: Chen, Davis, Fung, Kliger, Miller, Zoglin Noes: None Abstentions: None Absent: Kalbach, Rebitzer, Ting Recused: None	
10. AGENDA ITEM 17: CEO REPORT	(April 24, 2019); Revised Executive Incentive Plan Policy; Medical Staff Report; and for information: FY19 Period 9 Financials; Report on Educational Activity. Movant: Fung Second: Zoglin Ayes: Chen, Davis, Fung, Kliger, Miller, Zoglin Noes: None Abstentions: None Absent: Kalbach, Rebitzer, Ting	
	(April 24, 2019); Revised Executive Incentive Plan Policy; Medical Staff Report; and for information: FY19 Period 9 Financials; Report on Educational Activity. Movant: Fung Second: Zoglin Ayes: Chen, Davis, Fung, Kliger, Miller, Zoglin Noes: None Abstentions: None Absent: Kalbach, Rebitzer, Ting Recused: None Dan Woods, CEO, described a new autonomous robot at the Los Gatos campus, text updates for families in the surgical waiting room. He thanked all of the nurses for their service and reported that this week (May 6-12 th) is Nurses Week. He also described health career event for local high school	
	(April 24, 2019); Revised Executive Incentive Plan Policy; Medical Staff Report; and for information: FY19 Period 9 Financials; Report on Educational Activity. Movant: Fung Second: Zoglin Ayes: Chen, Davis, Fung, Kliger, Miller, Zoglin Noes: None Abstentions: None Absent: Kalbach, Rebitzer, Ting Recused: None Dan Woods, CEO, described a new autonomous robot at the Los Gatos campus, text updates for families in the surgical waiting room. He thanked all of the nurses for their service and reported that this week (May 6-12th) is Nurses Week. He also described health career event for local high school students and the South Asian Heart Center's Scarlett Express Gala. Mr. Woods acknowledged the El Camino Hospital Foundation for their	

	Foundation from Michael Fox, Sr.	
12. AGENDA ITEM 23: ADJOURNMENT	Motion: To adjourn at 9:10pm Movant: Fung Second: Miller Ayes: Chen, Davis, Fung, Kliger, Miller, Zoglin Noes: None Abstentions: None Absent: Kalbach, Rebitzer, Ting Recused: None	Meeting adjourned at 9:10pm

Attest as to the approval	of the for	egoing minutes	by the Board	of Directors	of El Car	nino Hospital:

Lanhee Chen Julia E. Miller

Chair, ECH Board of Directors Secretary, ECH Board of Directors

Prepared by:

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





Minutes of the Special Joint Open Session of the Finance Committee and the El Camino Hospital Board of Directors Tuesday, May 28, 2019 2500 Grant Road, Mountain View, CA 94040 Conference Rooms F&G (ground floor)

Board Members PresentBoard Members AbsentMembers AbsentLanhee Chen, ChairPeter C. Fung, MDNone

Jeffrey Davis, MD*

Julie Kliger, MPA, BSN

Gary Kalbach
Julia E. Miller, Secretary/Treasurer

Committee Members Present

Bob Rebitzer

Joseph Chow

George O. Ting, MD
Boyd Faust

*via teleconference

William Hobbs*

John Zoglin, Vice Chair

Richard Juelis

*via teleconference

*via teleconference

Ag	genda Item	Comments/Discussion	Approvals/ Action
1.	CALL TO ORDER/ ROLL CALL	The open session meeting of the Special Joint Meeting of the Finance Committee and the El Camino Hospital Board of Directors (the "Board") was called to order at 5:30pm by Vice Chair Zoglin. A verbal roll call was taken. Director Davis and Finance Committee member Bill Hobbs participated via teleconference. Directors Fung and Kliger and were absent. Chair Chen arrived at 5:34pm and Director Rebitzer arrived at 5:45pm during Agenda Item 4: FY20 Capital and Operating Budget. All other Board and Finance Committee Members were present at roll call.	
2.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Zoglin asked if any Board or Finance Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3.	PUBLIC COMMUNICATION	None.	
4.	FY20 CAPITAL AND OPERATING BUDGET	Iftikhar Hussain, CFO, explained the major projected FY20 investments with significant financial impacts on the proposed budget as well as the budget drivers and assumptions. He reported that the proposed budget reflects projected inpatient volume growth of 3.8% and a projected 5.2% outpatient volume growth. Mr. Hussain explained that the projected decrease in operating margin for FY20 is being driven by depreciation, interest, investment in SVMD (\$18 million) and loss of one of CONCERN's major clients. He also noted that the current and projected key financial metrics (days of cash on hand, debt service ratio and debt capitalization ratio) all look good. On the expense side, Mr. Hussain explained the proposed operating expense increase of 5.2% is driven by labor costs, supplies and activation and operational costs of new buildings as well as the related increased depreciation and interest expense. He reported that the Truven/Action OI benchmarking analysis shows ECH at the 56.3 percentile for workforce productivity and explained the major categories the planned additional 137 FTE's are in. He also reported on the planned \$4.45 million in cost savings initiatives including elimination of incidental overtime through better shift change planning, and reductions in supply and pharmaceutical costs. Mr. Hussain explained that that there is a total of \$3.7 million planned for the Hospital's community benefit grant program, including \$320,000 in earnings from the Board's designated community benefit endowment fund.	

Mr. Hussain described the proposed FY20 capital budget totaling \$292.937,000 to which \$258.837,000 is planned for facilities, \$6 million for TF Hardware and Software, \$18 million for other medical and non-medical equipment and \$5 million is unallocated. In response to questions from the Board and Committee members, Mr. Hussain and Jim Griffith, COO, responded as follows: 1. Despite a trend of declining deliveries (Maternal-Child Health Service Line), management projects growth in FY20 through OB/GYN physician recruitments that are in progress. 2. Occupancy assumptions are driven by an increase in inpatient rehab beds in Los Gatos, increase in BHS beds in MV, and procedural growth for in-patient surgery. 3. Management expects ECH's percentage of commercial payors to remain stable in the low 40's. Growth plans are built around a healthy mis of commercial and Medicare patients. 4. Increase in oncology services will be driven by adding an additional two hours of operations at the MV Infusion center, an additional two hours of operations at the MV Infusion center, an additional third provider in place, and planned recruitment of two more providers as well as high demand for infusion services in LG. 5. The projected net revenue (as opposed to revenue) is based on the difference between ECH's billed charges and commercial contracted and government imposed reinbursement rates. 6. Approved planned capital spending may not be achieved when there are delays in obtaining approvals from the City of Mountain View and OSHPD. Funds for other planned and placeholder projects may not be spent as management is still evaluating these. 5. ADJOURN TO CLOSED SESSION Movant: Kalbach Second: Miller Ayes: Chen, Chow, Davis, Faust, Juelis, Kalbach, Miller, Rebitzer, Ting, Zoglin Noes: None Absent: Fung, Hobbs**, Kliger Recused: None **Mr. Hobbs was no longer on the teleconference line when the meeting adjourned to closed session. Open session. Open session was reconvened at 6:26pm by Chair Chen. Agenda items 6-8 were address	May 26, 2019 Fage 2		1
Mr. Hussain and Jim Griffith, COO, responded as follows: 1. Despite a trend of declining deliveries (Maternal-Child Health Service Line), management projects growth in FY20 through OB/GYN physician recruitments that are in progress. 2. Occupancy assumptions are driven by an increase in inpatient rehab beds in Los Gatos, increase in BHS beds in MV, and procedural growth for in-patient surgery. 3. Management expects ECH's percentage of commercial payors to remain stable in the low 40's. Growth plans are built around a healthy mix of commercial and Medicare patients. 4. Increase in oncology services will be driven by adding an additional two hours of operations at the MV Infusion center, an additional third provider in place, and planned recruitment of two more providers as well as high demand for infusion services in LG. 5. The projected net revenue (as opposed to revenue) is based on the difference between ECH's billed charges and commercial contracted and government imposed reimbursement rates. 6. Approved planned capital spending may not be achieved when there are delays in obtaining approvals from the City of Mountain View and OSHPD. Funds for other planned and placeholder projects may not be spent as management is still evaluating these. 5. ADJOURN TO CLOSED SESSION Motion: To adjourn to closed session at 6:06pm pursuant to Health and Safety Gode Section 321906(b) for a report and discussion involving health care facility trade secrets: Development of New Services and Programs: Budgetary Implications. Movant: Kalbach Second: Miller Ayes: Chen, Chow, Davis, Faust, Juclis, Kalbach, Miller, Rebitzer, Ting, Zoglin Noes: None Absent: Fung, Hobbs**, Kliger Recused: None **Wir. Hobbs was no longer on the teleconference line when the meeting adjourned to closed session. 6. AGENDA ITEM 9: **RECONVENE** Opensession was reconvened at 6:26pm by Chair Chen. Agenda items 6-8 were addressed in closed session. There were no actions taken in closed session.		\$292,937,000 of which \$268,937,000 is planned for facilities, \$6 million for IT Hardware and Software, \$18 million for other medical and non- medical	
Service Line), management projects growth in FY20 through OB/GYN physician recruitments that are in progress. 2. Occupancy assumptions are driven by an increase in inpatient rehab beds in Los Gatos, increase in BHS beds in MV, and procedural growth for in-patient surgery. 3. Management expects ECH's percentage of commercial payors to remain stable in the low 40's. Growth plans are built around a healthy mix of commercial and Medicare patients. 4. Increase in oncology services will be driven by adding an additional two hours of operations at the MV Infusion center, an additional third provider in place, and planned recruitment of two more providers as well as high demand for infusion services in LG. 5. The projected net revenue (as opposed to revenue) is based on the difference between ECH's billed charges and commercial contracted and government imposed reimbursement rates. 6. Approved planned capital spending may not be achieved when there are delays in obtaining approvals from the City of Mountain View and OSHPD. Funds for other planned and placeholder projects may not be spent as management is still evaluating these. 5. ADJOURN TO CLOSED SESSION Movant: Kalbach Seglety Code Section 32106(b) for a report and discussion involving health care facility trade secrets: Development of New Services and Programs: Budgetary Implications. Movant: Kalbach Second: Miller Ayes: Chen, Chow, Davis, Faust, Juelis, Kalbach, Miller, Rebitzer, Ting, Zoglin Noes: None Absent: Fung, Hobbs**, Kliger Recused: None **Mr. Hobbs was no longer on the teleconference line when the meeting adjourned to closed session. 6. AGENDA ITEM 9: RECONVENE OPEN SESSION/ REPORT OUT			
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remain stable in the low 40's. Growth plans are built around a healthy mix of commercial and Medicare patients. 4. Increase in oncology services will be driven by adding an additional two hours of operations at the MV Infusion center, an additional third provider in place, and planned recruitment of two more providers as well as high demand for infusion services in LG. 5. The projected net revenue (as opposed to revenue) is based on the difference between ECH's billed charges and commercial contracted and government imposed reimbursement rates. 6. Approved planned capital spending may not be achieved when there are delays in obtaining approvals from the City of Mountain View and OSHPD. Funds for other planned and placeholder projects may not be spent as management is still evaluating these. 5. ADJOURN TO CLOSED SESSION Motion: To adjourn to closed session at 6:06pm pursuant to Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets: Development of New Services and Programs: Budgetary Implications. Movant: Kalbach Second: Miller Ayes: Chen, Chow, Davis, Faust, Juelis, Kalbach, Miller, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Abstentions: None Abstentions: None Abstentions: Hung, Hobbs**, Kliger Recused: None **Mr. Hobbs was no longer on the teleconference line when the meeting adjourned to closed session. 6. AGENDA ITEM 9: RECONVENE OPEN SESSION/ REPORT OUT Open session was reconvened at 6:26pm by Chair Chen. Agenda items 6-8 were addressed in closed session. There were no actions taken in closed session.		beds in Los Gatos, increase in BHS beds in MV, and procedural	
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7. AGENDA I LEM 23: Mouon: 10 adjourn at 0:2/pm. Meeting	7. AGENDA ITEM 23:	Motion: To adjourn at 6:27pm.	Meeting
ADJOURNMENT Movant: Kalbach Second: Miller Ayes: Chen, Chow, Davis, Faust, Juelis, Kalbach, Miller, Rebitzer, Ting, Zoglin Noes: None adjourned of 6:27pm	ADJOURNMENT	Second: Miller Ayes: Chen, Chow, Davis, Faust, Juelis, Kalbach, Miller, Rebitzer, Ting, Zoglin	adjourned at 6:27pm

Abstentions: None	
Absent: Fung, Hobbs, Kliger	
Recused: None	

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

Lanhee Chen Julia E. Miller

Secretary, ECH Board of Directors Chair, ECH Board of Directors

John Zoglin

Chair, Finance Committee

Prepared by: Cindy Murphy, Director of Governance Services



EL CAMINO HOSPITAL AUXILIARY, INCORPORATED

2500 GRANT ROAD MOUNTAIN VIEW, CA 94040

815 POLLARD ROAD LOS GATOS, CA 95032

2019 - 2020 Slate of Officers

The Nominating Committee is pleased to place the following Auxiliary members in nomination for the 2019 - 2020 El Camino Hospital Auxiliary Board of Directors.

President
Vice President/President Elect
Vice President Director of Services MV
Vice President Director of Services LG
Vice President Director of Senior Membership
Vice President
Co Directors of Junior Membership MV

Vice President
Director of Junior Membership LG
Secretary
Treasurer
Associate Treasurer
Parliamentarian

Judy Van Dyck Maria Pilar Camps Jasna Davies Christine Courtoy Teresa Day

Janice Smith Parvati Mistry

Vanessa Binder Emilie Herr Kenneth Jablinskey Mike Kowalski Carol Carey

Respectfully submitted the 2019-2020 Nominating Committee





EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors **From:** Mary L. Rotunno, General Counsel

Date: June 12, 2019

Subject: Dissolution of Independent Physicians of El Camino Hospital

Recommendation(s):

To approve the dissolution of Independent Physicians of El Camino Hospital, a mutual benefit corporation ("IPECH") and distribution of its remaining assets to El Camino Hospital ("ECH").

Summary:

- 1. <u>Situation</u>: The Board of Directors of IPECH has determined that IPECH has completed all of its activities and has voted to dissolve IPECH and distribute any remaining assets to ECH as provided in IPECH's bylaws. ECH is not a member of IPECH but ECH was granted the right in IPECH's bylaws to approve IPECH's dissolution. The only assets are \$20,000 in cash.
- **2.** <u>Authority</u>: The ECH Board has not delegated the authority to approve IPECH's dissolution to management so ECH Board approval is required.
- 3. <u>Background</u>: IPECH's primary activity over the last several years has been to assist with the implementation of electronic health record systems in physicians' offices. That activity, and all related agreements have been terminated. As a result, the IPECH Board has determined to dissolve IPECH.
- **4.** <u>Assessment</u>: There are no viable alternatives to approval of the resolution. If not approved, IPECH will not engage in further business activities but would continue to incur certain expenses.
- **5.** Other Reviews: The IPECH Board has approved its dissolution. ECH management agrees with this decision.
- 6. Outcomes: After approval, IPECH will take steps to dissolve, primarily involving filings with the California Secretary of State and federal and state tax agencies. Once completed, the remaining assets will be distributed to ECH.

List of Attachments:

1. Draft Resolution

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

EL CAMINO HOSPITAL RESOLUTION 2019-08

DRAFT RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL APPROVING DISSOLUTION OF INDEPENDENT PHYSICIANS OF EL **CAMINO HOSPITAL**

WHEREAS, the Board of Directors of Independent Physicians of El Camino Hospital ("IPECH") has determined it is in the best interest of IPECH to wind up its business, to pay or provide for its liabilities, to distribute its remaining assets to El Camino Hospital ("ECH"), as provided in IPECH's bylaws, and to dissolve IPECH;

WHEREAS, the Bylaws of IPECH provide that dissolution of IPECH must be approved by ECH; now, therefore, be it

RESOLVED, that the Board of Directors of ECH approves the winding up and dissolution of IPECH.

Duly passed and adopted at a regular meeting held on this 12th day of June, 2019, by the following votes:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
Julia E. Miller	
Secretary FCH B	oard of Directors



EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Cecile Currier, VP, Corporate & Community Health Services and President,

CONCERN:EAP; Barbara Avery, Director Community Benefit

Date: June 12, 2019

Subject: 2019 El Camino Hospital Community Health Needs Assessment

Recommendation:

To adopt the 2019 El Camino Hospital Community Health Needs Assessment

Summary:

- 1. <u>Situation</u>: Conducted every three years, the Community Health Needs Assessment (CHNA) is conducted in compliance with California State Senate Bill 697 and IRS requirements per the Affordable Care Act of 2010.
- 2. <u>Authority</u>: The triennial CHNA is the framework for the annual Community Benefit Plan & Implementation Strategy which is presented to the Board for approval.
- Background: Per the Affordable Care Act, El Camino Hospital conducted a community health 3. needs assessment from June 2017 through June 2019. Chaired by El Camino Hospital, phase one of the assessment was developed in collaboration with the Santa Clara County Community Benefit Hospital Coalition, comprised of six other non-profit hospitals, Santa Clara County Public Health Department, the Hospital Council of Northern and Central California and Palo Alto Medical Foundation. Community feedback was gathered through key informant interviews with eight local experts and discussions with eight focus groups representing identified health concerns. Secondary data were obtained from a variety of sources, including the Community Commons data platform and new health reports conducted by the Santa Clara County Public Health Department since the previous CHNA. Phase one concluded with the identification of health needs that met the progressive screening criteria. Criteria levels included benchmarking against state and national data such as Healthy People 2020. The development of El Camino Hospital's CHNA was based on phase one findings. The CHNA includes nine prioritized health needs mapped to three focus areas which provide the framework for the hospital's Community Benefit work for the next three years.
- 4. <u>Assessment</u>: N/A
- 5. Other Reviews: N/A
- 6. Outcomes: The 2019 CHNA will represent the framework of the Community Benefit Plans for Fiscal Years 2020 through 2022.

List of Attachments:

1. 2019 Community Health Needs Assessment

Suggested Board Discussion Questions: N/A



2019 Community Health Needs Assessment

June 2019



Acknowledgments

El Camino Hospital would like to recognize the following organizations and individuals for their contributions to this report:

SANTA CLARA COUNTY COMMUNITY BENEFIT HOSPITAL COALITION

• El Camino Hospital

Barbara Avery, Director of Community Benefit Sharan Johal, Senior Community Benefit Specialist

• Hospital Council of Northern and Central California

Jo Coffaro, Regional Vice President Jeanette Murphy, Regional Coordinator, Monterey Bay, San Mateo and Santa Clara Sections

• Kaiser Permanente

Stephan Wahl, Community Health Manager, Kaiser Foundation Hospitals, San Jose and Santa Clara

• Lucile Packard Children's Hospital Stanford

Joey Vaughan, Manager of Community Partnerships

O'Connor Hospital, part of Verity Health System
 Diana Ohlhaver, Director of Marketing and Communications

Palo Alto Medical Foundation/Sutter Health

Janet Lederer, Vice President, Education and Community Benefit

• St. Louise Regional Hospital, part of Verity Health System
Dawn Bussey, Executive Director of Communications and Community Affairs

Santa Clara County Public Health Department

Dr. Anandi Sujeer, Health Care Program Manager, Epidemiology

Stanford Health Care

Colleen Haesloop Johnson, Director of Community Partnerships

EL CAMINO HOSPITAL CEO AND BOARD OF DIRECTORS

- Dan Woods, CEO
- Lanhee J. Chen, Board Chair, JD, PhD
- Jeffrey M. Davis, MD, MPH
- Peter C. Fung, MD, MS, FACP, FAAN, FAHA
- Gary Kalbach

- Julie Kliger, MPA, BSN, RN
- Julia E. Miller, Secretary/Treasurer
- Bob Rebitzer
- George O. Ting, MD
- Don C. Watters
- John L. Zoglin, Vice Chair

The 2019 Community Health Needs Assessment report was prepared by the research firm Actionable Insights, LLC:

- Melanie Espino, Cofounder and Principal
- Jennifer van Stelle, PhD, Cofounder and Principal



Helping organizations discover and act on data-driven insights.

1346 The Alameda, Suite 7-507 San Jose, CA 95126 www.ActionableLLC.com 408-384-4955 | 408-384-4956

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1. Executive Summary

BACKGROUND

The Santa Clara County Community Benefit Hospital Coalition ("the Coalition") is a group of organizations that includes seven nonprofit hospitals, the Hospital Council of Northern and Central California (a nonprofit hospital and health system trade association), the Santa Clara County Public Health Department and the Palo Alto Medical Foundation (a nonprofit multi-specialty group). The Coalition formed in 1995 for the purpose of identifying and addressing critical health needs of the community. Since then, the Coalition's members have worked together to conduct an extensive triennial Community Health Needs Assessment (CHNA) in compliance with current federal requirements. The 2019 CHNA builds upon those earlier assessments.

The Internal Revenue Service (IRS) requires the CHNA report to describe how the assessment was conducted (including the community served, who was involved and the process and methods used) and which significant health needs were identified and selected as a result. Gathering input from the community and experts in public health, clinical care, and others is central to the IRS mandate.

With this assessment, the Coalition uses data to identify health trends and continues to address critical health needs. Individually and collectively, Coalition members will develop strategies to tackle these needs and to improve the health and well-being of community members. As with prior CHNAs, this assessment also highlights Santa Clara County's assets and resources. (*See Attachment 4: Community Assets and Resources.*)

Available to the public, the 2019 CHNA report serves as a tool for guiding policy and program planning efforts. For Coalition member hospitals, it also supports developing Community Benefit Plans pursuant to California State Senate Bill 697 and meeting IRS requirements for Community Health Needs Assessment and Implementation Strategies pursuant to the Affordable Care Act of 2010.

PROCESS AND METHODS

The Coalition began the 2019 CHNA process in the fall of 2017. The collective goal for the assessment was to gather community feedback and existing data about local health needs to inform how each member hospital selects specific issues to address with Community Benefit in its service area. The Coalition engaged Actionable Insights, a local consulting firm with expertise in community health needs assessments.

Between January and May 2018, community feedback was gathered through interviews with eight local experts and discussions with eight focus groups. The experts were individually asked to: identify and discuss the top needs of their constituencies, including barriers to health; give their perceptions of access to healthcare and mental health needs; and share which solutions may improve health (such as services and policies).

The focus group discussions centered around five questions, which were modified appropriately for each audience:

- What are the most important health needs that you see in Santa Clara County? Which are the most pressing among the community? How are the needs changing?
- What drivers or barriers are impacting the top health needs?
- To what extent is healthcare access a need in the community? If certain groups are identified as having less access than others, what are the barriers for them?
- To what extent is mental health a need in the community? How do mental health challenges affect physical health?
- What policies or resources are needed to impact health needs?

The focus groups comprised local residents and people who serve them. Participants represented low-income, minority, and/or medically underserved populations in the community.

Secondary data were obtained from a variety of sources, including the Community Commons public data platform and the Santa Clara County Public Health Department.

DEFINITIONS

Health condition: A disease, impairment, or other state of physical or mental health that contributes to a poor health outcome.

Health driver: A behavioral, clinical, environmental, social, or economic factor that impacts health outcomes.

Health indicator: A characteristic of an individual, population, or environment that is subject to measurement (directly or indirectly) and can be used to describe one or more aspects of the health of an individual or population.

Health need: A poor health outcome and its health driver, or a health driver associated with a poor health outcome that has not yet arisen as a need.

Health outcome: The measurable impact — morbidity (quality of life) and mortality (death) — of a disease within a community.

Health needs described in this report fall into three categories, as described in the Definitions chart on the previous page:

- Health condition
- Health driver
- Health outcome

El Camino Hospital generated a list of health needs reflecting the priorities in its service area based on community input and secondary data, which were filtered using the following criteria:

- 1. Must fit the definition of a "health need" (See Definitions box, page 7)
- 2. Is suggested or confirmed by more than one source of secondary and/or primary data
- 3. Meets qualitative threshold:
 - (a) Two of eight key informants identified the need, or
 - (b) The community prioritized it over other health issues in at least two of eight focus groups

In addition, available statistical data for some health needs failed benchmarks by 5 percent or more. The benchmarks used for comparison came from Healthy People 2020 or, when unavailable, the California state average. These data are described in the summary descriptions of the health needs below.

HEALTH NEEDS

The 2019 community health needs were mapped to three priority areas: Healthy Body, Healthy Mind and Healthy Community. Each need is also presented in alphabetical order in this section. Rates are per 100,000 unless otherwise specified.



- Diabetes & Obesity
- Chronic Conditions (other than Diabetes & Obesity)
- Healthcare Access & Delivery
- Oral/Dental Health



- Behavioral Health
- Cognitive Decline



- Violence & Injury Prevention
- Economic Stability
- Housing & Homelessness

Health Need	Justification
Access and Delivery	 Healthcare access and delivery was identified as a top health need by half of focus groups and key informants. The community expressed concern that healthcare is unaffordable, especially for people who do not receive health insurance subsidies, such as undocumented immigrants. Approximately one in every 13 people (8 percent) is uninsured countywide.¹ The community expressed concern about the ability of older adults to pay for healthcare (including long-term care) if they are not eligible for Medi-Cal. Meets quantitative threshold. (See #3 on page 8) Two in 10 Santa Clara County residents speaks limited English, which can restrict healthcare access. The county's rate of Federally Qualified Health Centers and access to mental-health care fall below state averages. Health clinic professionals expressed concern about attracting and retaining talent (especially bilingual staff) in the healthcare sector due to the high cost of living in the Bay Area.

 $^{^{\}rm 1}$ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012–2016.

Health Need	Justification
Behavioral Health (including mental health and substance use)	 Behavioral Health ranked high as a health need, with the community prioritizing it in more than two-thirds of discussions. The co-occurrence of mental health and substance use emerged as a common theme. The community expressed concern about a lack of services for behavioral health, including preventive mental-health care and detox centers. Professionals who work in behavioral health described experiencing challenges with health systems that were established to serve people with these conditions. LGBTQ residents expressed a need for mental health and suicide prevention assistance. Meets quantitative threshold. (See #3 on page 8.) Disparities in Santa Clara County include: Hospitalization rates for attempted suicide are 73 percent higher among females than males, whereas men nationwide are 3.5 times more likely than women to commit suicide. Adult men are more likely to binge drink than women, but adolescent females are more likely to binge drink (15 percent) than adolescent males (13 percent). 21 percent of Latinx adults binge drink, compared to 15 percent of Whites and 8 percent of other ethnic groups. Adults of White or Latinx ancestry are most likely to use marijuana (12 percent and 13 percent, respectively).
Cognitive Decline (including dementia)	 Cognitive decline was mentioned in half of focus groups and two interviews with experts. One in nine Californians is experiencing subjective cognitive decline. The median age in Santa Clara County (36.8 years) is higher than the median age of California (35.8). The county death rate due to Alzheimer's disease (35.9 per 100,000) is nineteen percent higher than the state's rate (30.1). Community said that serving individuals who are cognitively impaired is difficult for providers. Professionals who serve people experiencing chronic

Health Need	Justification
	 homelessness and abusing substances report cases of early dementia and increased difficulty with treating and housing people with these impairments. Community expressed concern about the ability of older adults to pay for healthcare, including long-term care, if not Medi-Cal eligible. Professionals rely on family members to coordinate care for their loved ones, which can affect the health, well-being, and economic stability of those family members.
Diabetes/ Obesity	 Diabetes/Obesity was identified as a top health need in half of key informant interviews and one-third of focus groups. The community discussed factors that contribute to diabetes and obesity, such as the built environment, stress and poverty. The county has a significantly higher proportion of fast-food restaurants (86.7 per 100,000) than California overall (78.7). Santa Clara County has lower proportions of grocery and WIC-authorized² stores to residents than state benchmarks. For example, there are 9.5 WIC-authorized stores per 100,000 residents in the county compared to 15.8 in the state overall. Diabetes prevalence is higher in Santa Clara County (9.8 percent) than in California overall (9.1 percent) — and trending up both locally and statewide. A significant number of LGBTQ survey respondents report being overweight or obese. 28 percent of youth are physically inactive. Disparities in Santa Clara County include: Males are almost twice as likely as females to be obese (18 percent compared to 10 percent). Although obesity rates overall do not fail benchmarks, the overweight and obesity rates among Latinx youth (about 20 percent each) are significantly higher than state averages

² The Women, Infants and Children (WIC) Program is a federally funded health and nutrition program that provides assistance to pregnant women, new mothers, and children aged 0–5. The California Department of Public Health approves the grocers and other vendors statewide who accept program vouchers. https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/Program-Landing1.aspx

Health Need	Justification
	 (about 17 percent), possibly driven by physical inactivity (42 percent). Being overweight or obese is also a problem among youth who identify as Pacific Islanders (about 25 percent each). African ancestry³ youth have higher rates of physical inactivity (33 percent) and inadequate fruit and vegetable consumption (73 percent) than the state benchmarks (38 percent and 47 percent, respectively).
Economic Security (including food security and education)	 Economic security was identified as a top health need by onethird of focus groups and key informants. Meets quantitative threshold (see #3 on page 8). The very high cost of living in Santa Clara County and concern about the low-income population emerged as common themes of community input. The 2018 Self-Sufficiency Standard for a family of two adults, one infant, and one preschool-aged child is over \$120,600, which is more than four times higher than the 2018 Federal Poverty Level (\$25,100). Almost four in 10 people in Santa Clara County experiencing food insecurity do not qualify for federal food assistance because of their household incomes. (This includes 46 percent of all food-insecure children.) The cost of long-term care for older adults with fixed incomes who are ineligible for Medi-Cal is a concern of the community. Cost of mental health care is also difficult for middle-income parents according to focus group participants. Economic security is crucial to stable housing. (See Housing and Homelessness health need description on page 13.) Disparities in Santa Clara County include: - The rates of poverty among residents of African ancestry and Other4 races fail benchmarks.

³ African ancestry refers to all people of African descent, whether they are recent immigrants or have been in the U.S. for generations. This term is in keeping with a 2015 report by the Black Leadership Kitchen Cabinet of Silicon Valley, in conjunction with the Santa Clara Public Health Department. See http://blkc.org for the full report. Many original data sources alternately use the category Black/African-American or African-American. ⁴ "Other" is a U.S. Census category for ethnicities not specifically called out in data sets.

Health Need	Justification
	 One in four Latinx households and more than one in 10 African ancestry households received food from a food bank in recent years. More than nine in 10 (93 percent) White high school students graduate, while only seven in 10 Latinx and Native American students graduate. Almost eight in 10 African ancestry students graduate. Fourth-grade reading proficiency is a predictor of high school graduation.⁵ About 27 percent of White fourth-grade students are reading below proficiency. This proportion is significantly worse for other children: African ancestry (60 percent), Latinx (67 percent), Pacific Islander (61 percent) and Native American ancestry (58 percent).
Housing and Homelessness	 Housing and Homelessness was identified as a top health need by more than half of focus groups and key informants. The community described stress about the high costs of housing and the lack of affordable rent as a major priority. Professionals who serve families report an increase in families seeking help from food banks and making difficult choices about how to spend remaining funds (healthy food, medicine, doctor visits, therapeutic services). The community reports that families often move to a different home or leave the area due to the increased cost of living. The 2018 Santa Clara County Self-Sufficiency Standard indicates that a family of two adults, one infant, and one preschool-aged child requires \$120,600 in annual income to be self-sufficient. There are approximately 7,400 people experiencing homelessness in the county (15 percent of whom are aged 0–17), which is the highest number since 2013. In Mountain View, the number of people experiencing homelessness (416) increased 51 percent since 2015.

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⁵ The Campaign for Grade-Level Reading (https://gradelevelreading.net) and Reading Partners (https://readingpartners.org/blog/why-reading-by-fourth-grade-matters-for-student-success/)

Health Need	Justification
Oral/Dental Health	 Oral/Dental Health was identified as a top health need in two interviews and one focus group. There is a perceived lack of access to dental insurance in the community. More than one-third of adults in Santa Clara County do not have dental insurance. Nearly one-third (30 percent) of county children aged 2–11 have not had a recent dental exam, which is 61 percent worse than the state. The rates were the worst among White (31 percent) and Latinx (52 percent) children. More than half of residents of African, Asian and Latinx ancestry have had dental decay or gum disease, which is worse than the county overall (45 percent).

The data also support continuing El Camino Hospital's work to address two health needs in which it has specific expertise: chronic conditions and violence/injury prevention.

Health Need	Justification
Chronic Conditions (other than Diabetes/ Obesity)	 Health conditions such as cardiovascular disease, cancer and respiratory problems are among the top 10 causes of death in the service area. The proportion of hospitalization discharges due to asthma for children, youth and older adults are all higher than the state. The county's prostate cancer incidence rate (127.3) is significantly higher than that of the state (109.2). Disparities in chronic conditions in Santa Clara County include: Cancer incidence and mortality rates for various cancer sites are higher for African ancestry and White residents than for those of other ethnicities. For example, overall incidence of cancer is 22 percent higher for African ancestry residents than the county overall, and 51 percent higher than Asian residents. Also, overall cancer mortality for African ancestry residents is 71 percent higher than in than the county overall, and 67 percent higher than Asian residents.

Health Need	Justification
	- African ancestry residents are hospitalized for asthma at a rate (1.7 percent) that is disproportionately higher than the rates for residents of other ethnicities (all of which are below 1 percent, such as 0.7 percent for White residents).
Violence and Injury Prevention	 Violence is a major driver of poor behavioral health. Preventing violence in the service area will affect behavioral health. The rate of rape (22.8 per 100,000 people) in Santa Clara County is 8.5 percent higher than the state rate (21.0). Preventable unintentional injuries are a leading cause of death in the county (5 percent of all deaths) and the state (4 percent). 67 percent of all unintentional injury deaths are due to senior falls. This is higher compared to deaths due to accidental falls among the total population (31 percent). Disparities in violence and injury in the county include: The mortality rate (43.0 deaths per 100,000 people) from all unintentional injuries is highest for African ancestry residents. Community safety data — including homicides, violent assault, youth assault and self-harm, and school suspensions and expulsions — are all higher for Latinxs and African ancestry residents than for those of other ethnicities.

KEY TAKEAWAYS

The community health needs identified in Santa Clara County during the 2019 assessment were the same as those identified in 2016. However, the 2019 CHNA also revealed new or increased concerns related to housing insecurity, mental health, access to healthcare, and diabetes prevalence.

The Coalition conducted a robust assessment to meet state and federal requirements and to identify community health needs. The 2019 CHNA findings in this report reflect hundreds of statistical data points, interviews with local health experts, and conversations with community members and service providers representing some of the Santa Clara County's most vulnerable populations. It provides a clear picture of how the community prioritizes its current health needs.

Housing Insecurity and **Mental Health:** A common theme of the community's input was that housing insecurity is a driver of poor mental health. Focus group

participants and key informants said community members are enduring unsafe or unhealthy housing conditions because some tenants fear that asking their landlords to remedy such conditions will result in eviction and homelessness. They also noted that families are moving out of the area because of the high cost of living and, in many cases, commuting longer distances to work. The stress and disruption of family connections due to relocation can negatively affect mental health, they added. Service providers who help community members find housing emphasized that people with mental health issues need supportive arrangements, yet there may be less tolerance for these individuals in the current rental market, which favors property owners.

Access to Healthcare: The Coalition has focused on access to healthcare in every CHNA because access is crucial to improving the health of community members, in terms of both prevention and intervention. The Affordable Care Act and subsequent Medi-Cal expansion provided more opportunities for people to obtain health insurance. In the 2019 CHNA, the Coalition explored whether improved access to care was making a difference. It found that healthcare access remains a concern, particularly the difficulty of navigating health systems and the shortage of healthcare providers, which can make it challenging for patients to get appointments, especially for specialty care.

As in 2016, community members in 2019 described the struggle to afford healthcare, even with Covered California options. The costs of copays and medicines still concern many people, including those who have health insurance. In the 2019 CHNA, focus group participants and key informants worried about the health needs of immigrants in Santa Clara County, including: a lack of health insurance among immigrants without legal resident status, a reluctance among immigrants to use services for which they qualify, for fear of deportation (because of reports that Immigration and Customs Enforcement targets people in public places) and concerns about being deemed a "public charge" for accessing services (which may negatively affect their immigration status). Medical professionals reported an increase in no-shows for appointments among the immigrant population.

Diabetes Prevalence: The Coalition has long focused on the rising trends in obesity. Data show that 17 percent of Santa Clara County residents are obese, a proportion that has increased incrementally every year since 2010 (when it was 15 percent).⁶ In the 2019 CHNA, the Coalition found that diabetes is also increasing across California. In Santa Clara County, almost 10 percent of adults have been diagnosed with diabetes⁷ and 36

⁶ UCLA Center for Health Policy Research, AskCHIS 2007–2016. Santa Clara County Public Health Department.

⁷ UCLA Center for Health Policy Research, AskCHIS 2015. Santa Clara County Public Health Department.

percent have been diagnosed with pre-diabetes.⁸ Although updated statistics on childhood diabetes rates were unavailable, community health experts indicated that the number of overweight children being diagnosed with pre-diabetes is on the rise.

NEXT STEPS

After making this CHNA report publicly available by June 30, 2019, El Camino Hospital will solicit feedback and comments through its website's contact form. Community input will be collected until two subsequent CHNA reports have been posted to the Community Benefit page of its website. The hospital will also develop a Plan and Implementation Strategy (based on the 2019 CHNA results).

⁸ Santa Clara County Public Health Department. Retrieved from https://arcg.is/1mTHbu, April 2019.

⁹ https://www.elcaminohospital.org/about-us/community-benefit

2. Background

The Santa Clara County Community Benefit Hospital Coalition ("the Coalition") is a group of organizations that includes seven nonprofit hospitals, the Hospital Council of Northern and Central California (a nonprofit hospital and health system trade association), the Santa Clara County Public Health Department, and the Palo Alto Medical Foundation (a nonprofit multispecialty group). The Coalition formed in 1995 for the purpose of identifying and addressing critical health needs of the community. Every three years since then, the Coalition's members have worked together to conduct an extensive Community Health Needs Assessment (CHNA). The 2019 CHNA builds upon those earlier assessments.

With this assessment, the Coalition uses data to identify health trends and to continue to address critical health needs. Individually and collectively, Coalition members will develop strategies to tackle these needs and improve the health and well-being of community members. As with prior CHNAs, this assessment also highlights Santa Clara County's assets and resources.

For the purposes of this assessment, the definition of "community health" is not limited to traditional health measures. In addition to the physical health of community members, it includes indicators related to the quality of life (for example, access to healthcare, affordable housing, food security, education and employment) and the physical, environmental and social factors that influence the health of the county's residents. This broad definition reflects the Coalition's philosophy that many factors affect community health, and that community health cannot be adequately understood or addressed without the consideration of trends outside the realm of healthcare.

CHNA PURPOSE AND ACA REQUIREMENTS

In 2018–2019, the hospital conducted an extensive community health needs assessment (CHNA) for the purpose of identifying critical health needs of the community. The 2019 CHNA will also serve to assist the hospital in meeting IRS CHNA requirements pursuant to the Patient Protection and Affordable Care Act of 2010 (ACA). The ACA, which was enacted on March 23, 2010, includes requirements for nonprofit hospitals that wish to maintain their tax-exempt status. Regulations finalized December 31, 2014, also provided guidance related to section 501(r) of the Internal Revenue Code. These regulations mandate all nonprofit hospitals to conduct a CHNA and develop and adopt

an implementation strategy every three years. ¹⁰ The CHNA must be conducted by the last day of a hospital's taxable year.

The CHNA process, completed in 2019 and described in this report, was conducted in compliance with current federal requirements. This CHNA report documents how the assessment was conducted, including the community served, who was involved in the assessment, the process and methods used, and the community's significant health needs that were identified and prioritized as a result of the assessment. The 2019 assessment includes input from local residents and experts in public health, clinical care and others.

Available to the public, the 2019 CHNA serves as a tool for guiding policy and program planning efforts. For Coalition member hospitals, it also serves to assist in developing Community Benefit Plans pursuant to California State Senate Bill (SB) 697.

SB 697, enacted in 1994, requires private nonprofit hospitals to conduct a community needs assessment and to consult with the community on a plan to address their identified needs. The community needs assessment must be conducted every three years. Hospitals are also required to submit an annual report to the California Office of Statewide Health Planning and Development, which must include descriptions of strategies that hospitals have engaged to address the identified community needs.

The 2019 CHNA meets both State of California (SB 697) and federal (IRS) requirements mandated by the ACA.

BRIEF SUMMARY OF 2016 CHNA

In 2016, the hospital participated in a collaborative process to identify significant community health needs and meet state and federal requirements. The 2016 CHNA is posted on El Camino Health's public website.¹¹

The health needs that were identified and prioritized through the 2016 CHNA process are listed below in order of priority:

- 1. Economic Security
- 2. Obesity and Diabetes
- 3. Housing
- 4. Behavioral Health

¹⁰ https://www.gpo.gov/fdsys/pkg/FR-2014-12-31/pdf/2014-30525.pdf

¹¹ https://www.elcaminohospital.org/sites/ech/files/2016-Community-Health-Needs-Assessment-20160615.pdf

- 5. Access and Delivery
- 6. Oral and Dental Health
- 7. Cardiovascular (Heart) and Cerebrovascular (Stroke) Diseases
- 8. Hypertension
- 9. Tobacco Use
- 10. Violence and Abuse
- 11. Cancer
- 12. Birth Outcomes
- 13. Alzheimer's Disease and Dementia
- 14. Communicable Diseases
- 15. Unintentional Injuries
- 16. Learning Disabilities
- 17. Respiratory Conditions
- 18. Sexual Health

For the 2019 CHNA, the hospital coalition built upon existing work by starting with a list of previously identified health needs. Updated secondary data were collected for these health needs, and community input was used to add health needs to the list and to delve deeper into questions about healthcare access, delivery, barriers to care and solutions. The CHNA team also specifically sought to understand mental health needs in the community.

WRITTEN PUBLIC COMMENTS ON 2016 CHNA

To offer the public a means to provide written input on the 2016 CHNA, the hospital maintains a Community Benefit page on its website, ¹² where it posts reports and provides an online contact form. This venue will allow for continued public comments on the 2019 CHNA report.

At the time this CHNA report was completed, El Camino Health had not received written comments about the 2016 CHNA report. The hospital will continue to track any submissions made and will ensure that all relevant comments are reviewed and addressed by appropriate staff.

¹² https://www.elcaminohospital.org/about-us/community-benefit

3. About El Camino Hospital

El Camino Health includes two nonprofit acute care hospitals in Los Gatos and Mountain View and urgent care, multi-specialty care and primary care locations across Santa Clara County. Hospital key medical specialties include cancer, heart and vascular, lifestyle medicine, men's health, mental health and addictions, lung, mother-baby, orthopedic and spine, stroke and urology. Affiliated partners include Silicon Valley Medical Development, El Camino Health Foundation and Concern. Mission

MISSION

It is the mission of El Camino Hospital to be an innovative, publicly accountable and locally controlled comprehensive healthcare organization that cares for the sick, relieves suffering, and provides quality, cost-competitive services to improve the health and well-being of the community.

HISTORY IN BRIEF

Local voters approved the formation of a healthcare district in 1956 by a 12-to-1 margin. The Santa Clara County Board of Supervisors appointed a five-member board for the district. The district board's first decision was the selection of a 20-acre orchard on Grant Road in Mountain View as the site for the new hospital, and it chose the name El Camino Hospital. In 1957, voters approved a \$7.3 million bond issue, again by a large margin, to finance the building and operation of the hospital. Construction of the four-story hospital began in 1958. By 1961, all necessary preparations had been made, and the hospital admitted its first patients on September 1.

Continuing a steady pace of growth over the next several decades, the hospital added an array of community need-based services, including an outpatient surgery center, family birthing center, emergency, radiology and intensive care facilities, a psychiatric unit and a senior resource center. During the hospital's third decade in the community, the Board established the El Camino Hospital Foundation to raise charitable contributions in support of the hospital.

In 2006, after the second groundbreaking event in El Camino Hospital's history, construction began on the new seismically compliant main hospital building at the Mountain View campus. Three years later, the state-of-the-art hospital in Mountain View opened on November 15, 2009.

In 2008, the hospital acquired the assets of the former Community Hospital of Los Gatos. The former owners closed the hospital in April 2009, but a fully renovated and staffed Los Gatos Hospital reopened that July. The 143-bed hospital continues to offer

full-service, acute care to residents of Los Gatos and surrounding communities, just as it had been doing since it opened in 1962.

Silicon Valley Medical Development LLC, an affiliate of El Camino Hospital, aspires to elevate the healthcare experience – beyond healing – for the communities we serve. Through physician partnerships, we provide our patients with healthcare options that fit their lifestyle. Urgent care, primary care and specialty care services are provided at 11 locations across Santa Clara County.

In addition to delivering healthcare services across Santa Clara County, El Camino Health's employee assistance and mental health program, Concern, offers employers across the country an optimized blend of human connection, compassion, and technology to help employees build resilience and achieve emotional well-being. Services include resources for employees and their families to stay calm and effective even when dealing with setbacks, change and/or pressure. Concern has been affiliated with the hospital corporation since 1981.

SPECIALTY CARE AND INNOVATIONS

El Camino Hospital provides specialty programs and clinical areas of distinction that are highly regarded throughout the Bay Area.

Some programs and accomplishments unique to the hospital are:

- Regional leader in performing robotic-assisted surgery
- Cardiovascular specialists who were among the researchers to introduce CoreValve and MitraClip, two minimally invasive valve treatments
- Highest volume program on the West Coast in performing bronchial thermoplasty, a novel procedure to treat severe asthma
- One of the first comprehensive Men's Health Programs in California and the U.S.
- The Cancer Center's five-year survival rates for breast, colon, prostate and lung cancers exceed national benchmarks
- A nationally certified cardiac and pulmonary rehabilitation program the first in the region offering comprehensive recovery services
- One of the few Bay Area hospitals to offer neurointervention, a minimally invasive way to treat brain conditions
- Founding sponsor of the PulsePoint app, a life-saving smartphone app that alerts CPR-trained citizens of nearby cardiac arrests
- South Asian Heart Center, a heart health education and lifestyle modification program for the South Asian community

• Chinese Health Initiative, a health education and support program tailored to the health disparities and cultural preferences of the Chinese community

El Camino Hospital is also recognized as a national leader in the use of health information technology and wireless communications. The hospital has been awarded the Gold Seal of Approval from The Joint Commission as a Primary Stroke Center as well as three consecutive American Nurses Credentialing Center (ANCC) Magnet Recognitions for Nursing Care.

MEDICAL CONDITIONS TREATED AND SERVICES PROVIDED AT EL CAMINO HOSPITAL

Fiscal Year 2018 Cases by Service	Total Number of Cases	% of Total
Behavioral Health	4,250	2.4
Emergency	49,417	28.5
General Medicine	12,070	7.0
General Surgery	3,311	1.9
GYN	1,338	0.8
Heart and Vascular	6,738	3.9
Imaging Services	18,509	10.7
Laboratory Services	28,568	16.5
MCH	15,125	8.7
Neurosciences	984	0.6
Oncology	19,908	11.5
Orthopedics	2,348	1.4
Other	513	0.3
Outpatient Clinics	1,890	1.1
Rehab Services	5,369	3.1
Sleep Center	211	0.1
Spine Surgery	685	0.4
Urology	2,307	1.3
GRAND TOTAL	173,541	100.0

COMMUNITY BENEFIT PROGRAM

For more than 50 years, El Camino Hospital has provided healthcare services beyond its walls — crossing barriers of age, education and income level — to serve the people of its region, because a healthier community benefits everyone.

Building a healthier community requires a combined effort. It has been the privilege of El Camino Hospital to collaborate with community members who have expertise in

understanding health disparities in local cities, as well as organizations with similar missions. Working together has vastly multiplied El Camino Hospital's ability to make a difference.

El Camino Hospital, in partnership with El Camino Healthcare District, provides funding through the Community Benefit Program in the form of grants and sponsorships to organizations that demonstrate an ability to impact the health needs of vulnerable, underserved and at-risk community members.

Integral to the process is the valuable guidance the Hospital receives from the Community Benefit Advisory Council (CBAC). The CBAC comprises an El Camino Hospital Board Liaison, and representatives from the community who have knowledge about local disparate health needs. The CBAC's recommendations for grant funding are included in the annual Community Benefit Plan and Implementation Strategy, which is presented to the El Camino Hospital Board of Directors for review and approval.

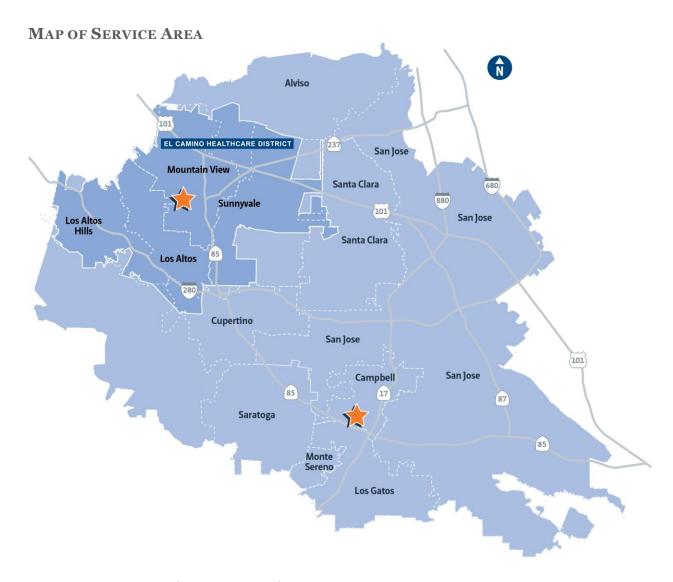
Every year, the Hospital publishes the Community Benefit Annual Report to inform the community about Community Benefit Program financials, the grant programs and how these funded services improve the health of vulnerable populations both through direct services and prevention initiatives.¹³

DEMOGRAPHIC PROFILE OF COMMUNITY SERVED

The IRS defines the "community served" by a hospital as those individuals living within its hospital service area, including low-income or underserved populations. El Camino Hospital is located in Santa Clara County, and its community encompasses most of the cities in that county. The cities served by the hospital are:

North County	West County	Mid-County	
Los Altos	Cupertino	Alviso	
Los Altos Hills	Los Gatos	Campbell	
Loyola	Monte Sereno	San Jose	
Mountain View	Saratoga	Santa Clara	
Sunnyvale			

¹³ https://www.elcaminohealth.org/about-us/community-benefit



Orange stars represent El Camino Hospital campuses.

SANTA CLARA COUNTY

Santa Clara County is one of nine counties in the San Francisco Bay Area. The 2017 estimated population was 1.94 million people, making it the sixth largest county in California. San Jose is the largest city in the county with more than 1.03 million residents (or 53 percent of the population).

Nearly 17 percent of the population in Santa Clara County is under the age of 18, and 12 percent is 65 years or older. The median age is 36.8 years. Santa Clara County is also

very diverse. Notably, people of "some other race" ¹⁴ make up the third largest racial group behind White and Asian, respectively, accounting for 11 percent of the population. Nearly 5 percent of the population is of two or more races. More than one quarter (26 percent) of residents have Latinx heritage.

RACE/ETHNICITY IN SANTA CLARA COUNTY

Race/Ethnicity	Total % of County (Race Alone)	Total % of County (Alone or in Combination with Other Races)*	
White	46.9	50.8	
Asian	34.4	37.2	
Latinx (Any Race)	_	26.3	
Some Other Race	10.6	11.7	
Two or More Races	_	4.8	
Black/African Ancestry	2.5	3.4	
American Indian/Alaskan Native	0.5	1.3	
Native Hawaiian/Pacific Islander	0.4	0.8	

^{*} Percentages do not total 100 percent because they overlap. Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012–2016.

Nearly four in 10 (38 percent) people in Santa Clara County were born outside the United States. This percentage is higher than the foreign-born populations statewide (27 percent) and nationwide (13 percent). In Santa Clara County, two-thirds (67 percent) of the Asian/Pacific Islander population and more than one-third (35 percent) of Latinxs are foreign-born. This compares with 15 percent of White residents and 17 percent of African ancestry residents.¹⁵

About one in 10 (11 percent) foreign-born residents in Santa Clara County is a recent immigrant, having arrived in the U.S. in 2010 or later. This includes 13 percent of the

¹⁴ "Other" is a U.S. Census category for ethnicities not specifically called out in data sets.

¹⁵ U.S. Census Bureau; 2011–2015 American Community Survey 5-Year Estimates, Selected Population Tables, Tables DP02; generated by Baath M. (Santa Clara County Public Health Department) using American FactFinder.

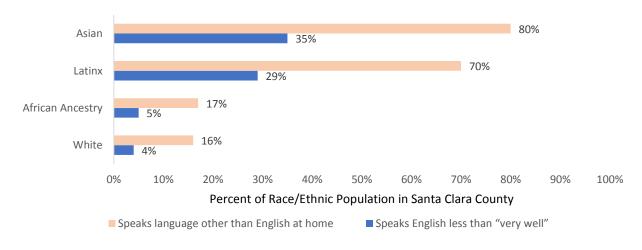
foreign-born Asian/Pacific Islander population. Among the Asian/Pacific Islander population, the subgroups with the highest proportions of foreign-born residents are Asian Indian (73 percent), Korean (71 percent) and Vietnamese (70 percent). Among foreign-born residents of Santa Clara County, the Asian Indian and Japanese subgroups are most likely (21 percent), and Latinxs are least likely (4 percent), to be recent immigrants. This compares with 15 percent of White residents and 13 percent of African ancestry residents who are foreign-born.

LANGUAGES SPOKEN AND LANGUAGE PROFICIENCY

Santa Clara County residents in total speak more than 100 languages and dialects. More than half (52 percent) of the population in the county speaks a language other than English at home. This percentage is higher than the state average (44 percent).

More than one in five (21 percent) county residents say that they do not speak English "very well," which exceeds the state benchmark (19 percent). In Santa Clara County, Asian/Pacific Islanders represent the highest percentage (80 percent) of people who speak a language other than English at home, followed by Latinxs (70 percent), residents of African ancestry (17 percent), and Whites (15 percent). Similarly, Asian/Pacific Islanders aged 5 and older represent the highest percentage (35 percent) of people who do not speak English "very well," followed by Latinxs (29 percent), residents of African ancestry (5 percent), and Whites (4 percent). Among Asian/Pacific Islander subgroups, Vietnamese residents represent the highest percentages of people aged 5 and older who speak a language other than English at home (91 percent) and who do not speak English "very well" (57 percent).

LANGUAGES SPOKEN BY ETHNICITY, SANTA CLARA COUNTY



Source: Santa Clara County Public Health Department, 2017, Asian/Pacific Islander Health.

INCOME AND EDUCATION

Two key social determinants, income and education, are closely connected,¹⁶ and have a significant impact on health outcomes, including poor birth outcomes, functional health (hearing, vision, and speech), asthma, obesity, mental health, and injuries.¹⁷ Santa Clara County has one of the highest annual median incomes in the country and one of the highest costs of living. The median household income is \$101,173, which is far higher than California (\$63,783) and higher than neighboring San Mateo County (\$98,546).¹⁸

As shown in the chart below, about half of households in Santa Clara County earn annual incomes of \$100,000 or more, about one-fourth earn between \$50,000 and \$100,000, and the rest earn less than \$50,000. By comparison, the 2018 Self-Sufficiency Standard for a family of two adults, one infant, and one preschool-aged child is over \$120,600. This amount exceeds the county's median household income — and is more than four times higher than the Federal Poverty Level of \$25,100.

PERCENT OF HOUSEHOLDS BY INCOME RANGE, SANTA CLARA COUNTY



Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012–2016. Table S1901.

¹⁶ Vilorio, D. (2016). Education Matters. Career Outlook. U.S. Bureau of Labor Statistics, March 2016.

¹⁷ Gupta, R.P., de Wit, M.L., & McKeown, D. (2007). The Impact of Poverty on the Current and Future Health Status of Children. *Pediatric Child Health*. *12*(8): 667–672.

¹⁸ U.S. Census Bureau. American Community Survey, 5-Year Estimates, 2012–2016.

¹⁹ The Insight Center for Community Economic Development. *Self-Sufficiency Standard Tool.* https://insightcced.org

Despite the fact that half of households earn more than \$100,000 per year, there are indications that many residents of Santa Clara County are economically insecure:

- More than one in five (22 percent) residents lives below 200 percent of the Federal Poverty Level, which is better than the percentage of Californians overall (35 percent).²⁰
- Nearly four in 10 children countywide are eligible for free or reduced-price lunch (38 percent).²¹
- Housing costs are high in Santa Clara County: The 2018 median home price is \$1.3 million, and the median rent is \$3,600 per month.²²
- Approximately one in every 13 people (8 percent) is uninsured.²³
- About one in 10 people (11 percent) has experienced recent food insecurity.
- More than 7,400 people in Santa Clara County are experiencing homelessness.

AREA DEPRIVATION INDEX

For 20 years, the U.S. Health Resources and Services Administration has used the Area Deprivation Index (ADI) to measure the lack of basic necessities in communities. The ADI measures social vulnerability. The ADI combines 17 indicators of socioeconomic status, such as income, employment, education, and housing conditions, and has been linked to health outcomes such as 30-day re-hospitalization rates, cardiovascular disease death, cervical cancer incidence, cancer deaths, and all-cause mortality.

The ADI score of 81.9 for El Camino Hospital's service area²⁴ was calculated using Census Block Group²⁵ level data. After the score was generated, the percentile of 18 was determined. In general, the greater the percentile number, the greater the deprivation.

The table below shows the 17 indicators that comprise the index, along with the value for the service area and for California. For most indicators, a lower score and percentile is desired. The arrow symbol preceding each indicator shows the desired direction for the percentile. Exceptions to the desired direction include median gross rent and monthly

²⁰ U.S. Census Bureau, American Community Survey. 2012–2016.

²¹ National Center for Education Statistics, NCES-Common Core of Data. 2015–2016.

²² Zillow, data through May 31, 2018: https://www.zillow.com/santa-clara-county-ca/home-values/

²³ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012–2016.

²⁴The service area is comprised of the following cities: Alviso, Campbell, Cupertino, Los Altos, Los Altos Hills, Los Gatos, Loyola, Monte Sereno, Mountain View, San Jose, Santa Clara, Saratoga, and Sunnyvale.

²⁵ A Census Block Group is smaller than a Census Tract, but larger than a Census Block. In urban areas, a Census Block is generally equivalent to a city block, but in suburban and rural areas may be defined by the Census in other ways. A Census Block Group encompasses multiple, usually contiguous, Census Blocks. (U.S. Census Bureau. 2018. Geography Program Glossary.)

home cost, where lower percentiles indicate higher rent and housing costs. Area percentiles and indicator values that are worse than California are noted in red text.

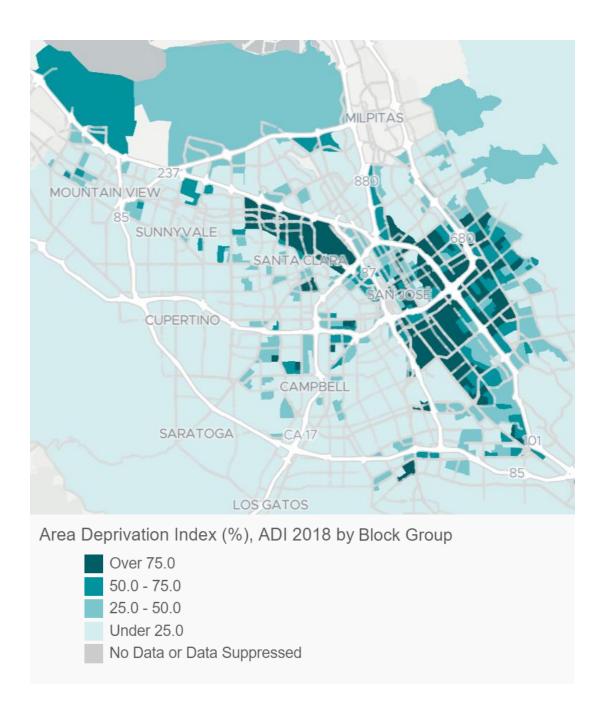
AREA DEPRIVATION INDEX, EL CAMINO HOSPITAL SERVICE AREA

Indicator Name	Service Area	Service	CA	CA
	Percentile	Area	Percentile	Value
	(out of 100)	Value	(out of 100)	
↓ Area Deprivation Index	18	_	49	-
$oldsymbol{\psi}$ Single parent households with children	56	19.8%	67	23.8%
ullet Less than high school education, aged 25+	76	7.4%	84	10.0%
↓ High school diploma/GED, adults ≥ aged 25	61	86.7%	74	81.9%
$oldsymbol{\psi}$ Median family income	12	\$115,600	32	\$74,913
V Unemployment, ≥ aged 16	53	6.6%	68	8.9%
ullet Employed in white collar jobs, aged 16+	26	70.7%	47	60.5%
$oldsymbol{\psi}$ Families below poverty level	46	6.3%	64	11.9%
→ Population below 150% of poverty threshold	38	15.7%	59	25.9%
	24	1.6	36	2.2
$oldsymbol{\psi}$ Owner-occupied housing units	65	55.7%	68	54.1%
↑ Median home value	3	\$797,700	11	\$441,468
↑ Median gross rent	6	\$1,822	17	\$1,313
↑ Median monthly home cost	7	\$2,371	20	\$1,768
↓ Crowded households (>1 person per room)	89	8.3%	89	8.3%
↓ Households without complete plumbing	45	0.3%	52	0.4%
↓ Households without a telephone	53	1.8%	59	2.2%
↓ Households without a motor vehicle	51	5.1%	62	7.5%

Arrow indicates the desired direction of the percentile (not always the value) on a scale of 0 to 100. Percentages of total area population. Area percentiles are generated in comparison to U.S. values. Children refers to people under 18 years old. Sources: Community Commons, using U.S. Census Bureau, American Community Survey data (2013–2017) and Census Block Group level data (BroadStreet 2018).

The map below shows the ADI score by Census Block Group. Colors for the block groups are based on the percentile range into which the block group falls.

AREA DEPRIVATION INDEX MAP, EL CAMINO HOSPITAL SERVICE AREA



4. Assessment Team

HOSPITALS AND OTHER PARTNER ORGANIZATIONS

The following organizations collaborated with El Camino Hospital to prepare the 2019 Community Health Needs Assessment (CHNA):

- Hospital Council of Northern and Central California
- Kaiser Permanente South Bay (San Jose and Santa Clara Kaiser Foundation Hospitals)
- Lucile Packard Children's Hospital Stanford
- Santa Clara County Public Health Department
- Stanford Health Care
- Sutter Health (Palo Alto Medical Foundation)
- Verity Health System (O'Connor and St. Louise Regional Hospitals)

IDENTITY AND QUALIFICATIONS OF CONSULTANTS

Actionable Insights (AI), LLC, an independent local research firm, completed the CHNA. For this assessment, AI assisted with CHNA planning, conducted primary research, collected secondary data, synthesized primary and secondary data, facilitated the processes of identification of community health needs and assets, and documented the processes and findings into a report.

The project managers for this assessment were Jennifer van Stelle, Ph.D., and Melanie Espino, the cofounders and principals of Actionable Insights. They were assisted by Robin Dean, MA, MPH; Alexandra Fiona Dixon; Rebecca Smith Hurd; Franklin Hysten; Jenjii Hysten; Heather Imboden, MCP; Susana Morales, MA; Olivia Murillo; Kit Strong, MPH, MSW; and Margaret Tamisiea.

5. Process and Methods

The Coalition collaborated on the primary and secondary data requirements of the 2019 CHNA. The CHNA data collection process took place over seven months and culminated in this report, which was written for El Camino Hospital in the first half of 2019.



The Coalition contracted Actionable Insights (AI) to collect secondary quantitative (statistical) data, secondary statistical and survey data from Santa Clara County Public Health Department reports, and primary qualitative data through key informant interviews and focus groups.

SECONDARY DATA COLLECTION

More than 200 quantitative health indicators were analyzed to assist the Coalition with understanding the health needs in Santa Clara County and assessing the priority of those needs in the community. Data was collected from existing sources using the Community Commons CHNA Data Platform²⁶ and other online sources. Findings from CBHC member 2016 CHNA reports and collected sub-county data, where available, were also used.

In addition, quantitative and qualitative secondary data were collected from multiple Santa Clara County Public Health Department sources:

- Status of African/African Ancestry Health: Santa Clara County 2014 Report
- Santa Clara County 2017 Asian and Pacific Islander Health Assessment
- Partners for Health Santa Clara County: Community Health Assessment-Community Health Improvement Plan 2015–2020
- Status of LGBTQ Health: Santa Clara County 2013

As a further framework for the assessment, the Coalition requested that the data analysis address the following questions:

- How do these indicators perform against accepted benchmarks (Healthy People 2020 objectives and statewide averages)?
- Are there disparate outcomes and conditions for people in the community?

²⁶ Powered by University of Missouri's Center for Applied Research and Environmental System (CARES) system. https://www.communitycommons.org

Healthy People is an endeavor of the U.S. Department of Health and Human Services, which has provided 10-year national objectives for improving the health of Americans based on scientific data for 30 years. Healthy People sets national objectives or targets for improvement. The most recent set of objectives are for the year 2020 (HP2020). Year 2030 objectives are currently under development.²⁷

Regarding secondary qualitative data, in 2013 the Santa Clara County Board of Supervisors funded studies that shed light on key health issues for the LGBTQ and African ancestry (Black and African-American) communities. The Status of LGBTQ Health: Santa Clara County 2013 report studied key priority health issues for the county's diverse lesbian, gay, bisexual, transgender and queer communities. The African/African Ancestry Health Assessment studied health issues for those of African ancestry, with attention to the different experiences and needs of those who are foreign-and native-born. Both reports included findings from conversations with these populations, and they express a specific effort to understand the experiences of LGBTQ residents who are of African ancestry. In 2013, the lack of statistical data on these small populations was cited as an information gap. The inclusion of these two important reports fills that gap and contributes to the understanding of the health needs of residents who are LGBTQ and/or African ancestry.

INFORMATION GAPS AND LIMITATIONS

A lack of secondary data limited the Coalition in its ability to assess some health issues that were identified as community needs during the 2019 CHNA process. Statistical information related to these topics was scarce:

- Adult use of illegal drugs and misuse/abuse of prescription medications
- Alzheimer's disease and dementia diagnoses
- Diabetes among children
- Hepatitis B
- Health of undocumented immigrants (who do not qualify for subsidized health insurance and may be underrepresented in survey data)
- Mental health disorders
- Suicide among LGBTQ youth

²⁷ http://www.healthypeople.gov

PRIMARY QUALITATIVE DATA (COMMUNITY INPUT)

Primary research was conducted for this assessment. Two strategies were used for collecting community input: first, key informant interviews with local experts; second, focus groups with professionals who represent and/or serve the community or community members (residents) themselves.

The assessment included input from key informants and focus group participants representing these populations:²⁸

- Low-income
- Minority
- Medically underserved
- Homeless
- Older adults
- Youth

The Coalition also sought to build upon prior CHNAs by focusing the primary research on the community's perception of mental health (identified as a major health need in the 2016 CHNA) and their experience with healthcare access and delivery (also identified as a major health need in 2016). Relatively little quantitative data exists on these subjects.

Each interview and focus group was recorded as a standalone piece of data. Recordings were transcribed, and then the research team used qualitative research software tools to analyze the transcripts for common themes. The team also tabulated how many times health needs had been prioritized by each of the focus groups or described as a priority in a key informant interview. The Coalition used this tabulation to help assess community health priorities.

In all, the Coalition solicited input from more than 65 community leaders and representatives of various organizations and sectors. These representatives either work in the health field or improve health conditions by serving those from the target populations. The Coalition also distributed a community priority survey to several organizations that did not participate in interviews or focus groups. Multiple community leaders participated from each of these agencies:

Santa Clara County Public Health Department and Behavioral Health Services

²⁸ The IRS requires that community input include the low-income, minority, and medically underserved populations.

- Hospitals, clinics and healthcare systems
- Mental/behavioral health or violence prevention providers
- County government departments
- City government departments
- School systems
- Nonprofit community-based organizations serving children, youth, seniors, parents, minorities, immigrants, those experiencing homelessness, and those suffering from dementia, mental health and substance use disorders

These leaders and representatives participated in key informant interviews or focus groups. See Attachment 1: Community Leaders, Representatives and Members Consulted for the list of organizations that participated in the CHNA, along with their expertise and mode of consultation (focus group or key informant interview).

KEY INFORMANT INTERVIEWS

Primary research was conducted between January and May 2018 via key informant interviews with eight Santa Clara County experts from various organizations in the health sector. Interviews were conducted in person or by telephone for approximately one hour. Key informants were asked:

- What are the most important health needs that you see in Santa Clara County? Which are the most pressing among the community? How are the needs changing?
- What drivers or barriers are impacting the top health needs?
- To what extent is healthcare access a need in the community? If certain groups are identified as having less access than others, what are the barriers for them?
- To what extent is mental health a need in the community? How do mental health challenges affect physical health?
- What policies or resources are needed to impact health needs?

DETAILS OF KEY INFORMANT INTERVIEWS

Name	Agency	Expertise	Date
Anne Ehresman	Project Cornerstone	Youth	1/30/18
Candace Roney	Dental Society	Oral health	1/30/18
Laura Brunetto	Santa Clara County Public Health Department	Maternal health	2/1/18

Name	Agency	Expertise	Date
Erin O'Brien	Community Solutions	Community safety and mental health	2/6/18
Dr. Peter Coehlo	Private practice Southern Santa Clara County 2		2/27/18
Dr. Sara Cody	Santa Clara County Public Health Department	Public health	3/26/18
Bruno Pillet	Second Harvest Food Bank	Food insecurity	4/16/18
Camille Llanes Fontanilla	Somos Mayfair	Immigrant population	5/7/18

FOCUS GROUPS

Focus groups with community leaders and residents were convened in March and April 2018. A total of 46 professionals and 20 residents participated in various focus groups. Nonprofit hosts, such as the Community Health Partnership, recruited participants for the groups. These participants represented low-income, minority and/or medically underserved populations in the community. The focus group discussions centered on the same five questions asked of key informants; facilitators modified the questions appropriately for each audience.

DETAILS OF FOCUS GROUPS

Торіс	Focus Group Host/Partner	Date	Number of Participants
Homelessness	Medical Respite Program, Santa Clara Valley Medical Center	3/7/18	8
Senior population, low socioeconomic status*	Portuguese Organization for Social Services and Opportunities	3/22/18	11
Healthcare safety net	Community Health Partnership	3/28/18	8
Substance use	Caminar for Mental Health	4/10/18	7
Senior population, middle-income socioeconomic status*	Avenidas	4/16/18	9
Social determinants of health	Stanford Health Care	4/20/18	6

Торіс	Focus Group Host/Partner	Date	Number of Participants
Youth mental health	Community Health Awareness Council	4/25/18	7
Community and family safety	East San José PEACE Partnership	4/26/18	10

^{*} Resident group.

See Attachment 5: Qualitative Research Protocols for additional details.

PROCESS OF IDENTIFYING COMMUNITY HEALTH NEEDS

The Coalition began the 2019 CHNA planning process in the fall of 2017. The collective goal for the assessment was to gather community feedback and existing data about local health needs to inform how each member hospital would select specific issues to address with Community Benefit in its service area. The Coalition engaged Actionable Insights, a local consulting firm with expertise in community health needs assessments.

Community feedback was gathered between January and May 2018 via individual interviews with eight local experts and convening eight focus groups. The experts were asked to: identify and discuss the top needs of their constituencies, including barriers to health; give their perceptions of access to healthcare and mental health needs; and share which solutions may improve health (such as services and policies).

The focus group discussions centered on five questions (*see page 37*), which were modified appropriately for each audience. The focus groups comprised local residents and people who serve them. Participants represented low-income, minority and/or medically underserved populations in the community.

Secondary data were obtained from a variety of sources, including the public Community Commons data platform and the Santa Clara County Public Health Department.

Health needs described in this report fall into three categories (see Definitions box at right):

- Health conditions
- Health drivers
- Health outcomes

El Camino Hospital generated a list of health needs that reflects priorities in its service area based on community input and secondary data, which were filtered using the following criteria:

- 1. Must fit the definition of a "health need."
- 2. Is suggested or confirmed by more than one source of secondary and/or primary data.
- 3. Meets qualitative threshold:
 - (a) Two of eight key informants identified the need, or
 - (b) The community prioritized it over other health issues in at least two of eight focus groups.

In addition, available statistical data for some health needs failed benchmarks by 5 percent or more. The benchmarks used for comparison

the following pages.

PROCESS OF PRIORITIZING HEALTH NEEDS

The IRS CHNA requirements state that hospital facilities must identify and prioritize significant health needs of the community.

came from Healthy People 2020 or, when unavailable, California state averages. These data are described in the summary descriptions of each health need, which appear on

As described in the Process and Methods section, qualitative input was solicited from focus group and interview participants about which needs they thought were the highest priority (most pressing).

DEFINITIONS

Health condition: A disease, impairment, or other state of physical or mental health that contributes to a poor health outcome.

Health driver: A behavioral, clinical, environmental, social, or economic factor that impacts health outcomes.

Health indicator: A characteristic of an individual, population, or environment that is subject to measurement (directly or indirectly) and can be used to describe one or more aspects of the health of an individual or population.

Health need: A poor health outcome driver associated with a poor health outcome that has not yet arisen as

Health outcome: The measurable impact — morbidity (quality of life) and mortality (death) — of a disease within a community.

The Coalition used this input to identify the significant health needs; therefore, the 2019 health needs listed in this report reflect the health priorities of the community, as follows:

- 1. Housing and Homelessness
- 2. Access and Delivery
- 3. Behavioral Health
- 4. Economic Security (including Food Security)
- 5. Diabetes/Obesity
- 6. Cognitive Decline
- 7. Oral/Dental Health

Summarized descriptions of each health need appear in Section 6: Prioritized Community Health Needs.

6. Prioritized 2019 Community Health Needs

The processes and methods described in Section 5: Process and Methods resulted in the prioritization of seven health needs (*see list on previous page*). Each description summarizes the statistical data and community input collected during the community health needs assessment. *For additional information, see Attachment 2: Secondary Data Tables*.

HOUSING AND HOMELESSNESS

More than half of all focus groups and key informants prioritized Housing and Homelessness as a health need. The community described stress about the high costs of housing and lack of affordable rent.

"We have multiple families or groups of people living in one unit, whether that's an apartment or a home or whatever. We have people renting out living rooms or backyards ... or RVs and then paying people to take a shower in their home. Or we have five families living in a single-family unit where each family has a bedroom. That creates stress." —Focus group participant

Professionals who serve families report an increase in households seeking help from food banks and making difficult choices about how to spend remaining funds — healthy food, medicine, doctor visits, therapeutic services. The community reports that families are moving within or exiting the area due to increased cost of living.

More than one quarter (28 percent) of Santa Clara County residents live below the 2018 Self-Sufficiency Standard, and there are significant racial and ethnic disparities.²⁹ Santa Clara County has a much lower rate of available HUD-assisted housing units (374.3 units) than in the state (352.4). The number of those experiencing homelessness has recently increased by nearly 14 percent (to nearly 7,400 people in 2017, up from 6,500 in 2015), as has the proportion of them who are minors (15 percent in 2017, up from about 1 percent in 2015). The public health officer interviewed noted that a lack of stable housing can prolong recovery time from diseases and surgical procedures.

ACCESS AND DELIVERY

Healthcare Access and Delivery, which impacts various other community health needs, was identified as a top health need by half of focus groups and key informants.

²⁹ Insight Center for Economic Development. (2018).

Although the county overall has high rates of health insurance (92 percent) and available providers (113 primary providers per 100,000 people), the community reports that healthcare is often unaffordable. Those who do not receive health insurance subsidies (such as undocumented immigrants) often lack insurance and the funds to pay for medical care without it. Health clinic professionals believe that undocumented immigrants have accessed healthcare less often in recent years due to the political climate and fear of being identified and subject to deportation. Latinxs, Pacific Islanders and those of "Other"³⁰ races have the highest rates of uninsured (15 percent, 9 percent, and 17 percent, respectively).

The rate of early and adequate prenatal care is above 75 percent in all cities of the county except for Milpitas (71 percent), Santa Clara (72 percent) and San Jose (73 percent).

Even for those individuals with healthcare insurance, medication often remains unaffordable. Several community members are concerned about the ability of older adults to pay for healthcare (including long-term care) if they are not Medi-Cal eligible. The county's rates of Federally Qualified Health Centers (1.9 per 100,000 people) and access to mental-health care (272.4 providers per 100,000 people) fall below state averages (2.5 centers and 280.6, respectively).

As described on page 28, two in 10 Santa Clara County residents speak limited English, including 35 percent of Asian/Pacific Islander residents and 29 percent of Latinx residents. More than half of Vietnamese residents and four in 10 Korean residents report not speaking English well. Limited English proficiency can restrict healthcare access. Health clinic professionals expressed concern about attracting and retaining talent (especially bilingual staff) in the healthcare sector due to the high cost of living in the Bay Area.

BEHAVIORAL HEALTH

Behavioral Health, including mental health and substance abuse, ranked high as a health need, with the community prioritizing it in more than two-thirds of discussions.

The co-occurrence of mental health and substance use emerged as a common theme. The community cited a lack of services for behavioral health, including preventive mental-health care and detox centers, as a major concern. Professionals who work in behavioral health described experiencing challenges with health systems that were established to serve people with these conditions.

³⁰ "Other" is a U.S. Census category for ethnicities not specifically called out in data sets.

"Basically, there's nowhere [for those with moderate to high mental health needs] to go because, the community is tapped out. ... So, our mental health programs end up managing them, and we don't get reimbursed from the county, from the health plans because, we're not, according to our contract, obligated to manage these patients. But, yet, somebody has to take care of these members. So, that's what's been happening."

—Focus group participant

In focus groups and interviews, residents discussed economic security as a driver of poor mental health and substance use. Often, economic security was also cited as the result of not receiving treatment for behavioral health problems. Additionally, LGBTQ residents expressed a need for mental-health care and suicide prevention assistance.

Although data overall do not fail benchmarks, disparities are evident. Latinx residents experience levels of stress that are much higher than — and sometimes twice as high as — the overall county population in multiple areas (work, finances, food, health and rent). Asian residents report levels of stress about work (56 percent) and health (46 percent) that are each two to three percentage points higher than county residents overall. The percentage of the Medicare population with depression (11 percent) is trending up. Men are twice as likely as women to report being diagnosed with post-traumatic stress disorder (4 percent, compared with 2 percent).

Adult men are also more likely to binge drink than women (15 percent, compared to 13 percent), but adolescent females are more likely to binge drink than adolescent males. Latinx adults experience high rates of binge drinking (21 percent) compared with other populations (15 percent of Whites and 8 percent for other ethnic groups). (Geographically, Campbell has the highest rate of alcohol outlets per square mile of any city in Santa Clara County at 5.6, compared with 0.5 in Saratoga, and 2.7 countywide.)

Latinx and White adults are most likely to use marijuana (13 percent and 12 percent, respectively).³¹ Almost one-fourth of African ancestry and Latinx students have misused cough and cold medicine, compared to 12 percent of White youth. Rates of other types of substance use among Latinx and African ancestry youth (cocaine, ecstasy, inhalants, and prescription pain medicine) are up to six percentage points higher than their White counterparts (whose rates are between 5 percent and 11 percent). About 15 percent of county adolescents have seriously considered suicide, with the highest percentages in the Filipino (21 percent) and Pacific Islander (19 percent) youth. Although nationwide

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³¹This data was collected in 2014 (Santa Clara County Behavioral Risk Factor Survey), which is before California passed the Medical Cannabis Regulation and Safety Act (2015) and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (2017), which is expected to increase the proportion of adults who use cannabis.

men are 3.5 times more likely to commit suicide than women,³² Santa Clara County hospitalization rates for attempted suicide are 73 percent higher for females than males.

ECONOMIC SECURITY

Economic Security, including food security and education, was prioritized by one-third of all focus groups and key informants.

As described on page 29, although the poverty and income-inequality rates are lower than those of California's overall, research shows that the cost of living is very high in Santa Clara County. While median income seems relatively high in the county (\$115,600), more than one quarter (28 percent) of Santa Clara County residents live below the 2018 Self-Sufficiency Standard, and significant racial and ethnic disparities exist.³³ The cost of living and the low-income population emerged as common themes of community input. Economic security is crucial to stable housing. (*See also the Housing and Homelessness health need description.*)

Rates of food insecurity are favorable (11 percent, compared to 14 percent), but the proportion of adults and children experiencing food insecurity who do not qualify for federal food assistance (39 and 46 percent, respectively) is higher in Santa Clara County than the state as a whole (22 percent and 29 percent). (*See also the Diabetes/Obesity health need description*.)

The focus group illuminated the great extent to which disparities exist. African ancestry residents and those of "Other"³⁴ races have rates of poverty that fail benchmarks (16.1 percent and 17 percent compared to 15.8 percent). More than one in 10 African ancestry and one in four Latinx households have received food from a food bank in recent years. The community mentioned people who are low-income in the majority of focus groups and key informant interviews. (*See the Area Deprivation Index Map, page 32*.)

The costs of long-term care for older adults with fixed incomes who are not eligible for Medi-Cal is a community concern. Mental-health care costs are also difficult for middle-income parents, as reported by youth mental-health providers. (*See also the Behavioral Health health need description*.)

Education is included in this category, as it is a predictor of economic security. Overall, the county high school graduation rate (percent of students who graduate in four years

³² American Foundation for Suicide Prevention. https://afsp.org/suicide-statistics/ Insight

³³Center for Economic Development. (2018).

³⁴ "Other" is a U.S. Census category for ethnicities not specifically called out in data sets.

with a regular high school diploma) is high and stable (82 percent), but rates are lower among Latinx (70 percent), Native American (70 percent) and African ancestry (79 percent) residents than White residents (93 percent). Third- and fourth-grade reading levels are predictors of high school graduation.³⁵ Lack of fourth-grade reading proficiency among children of African (60 percent), Latinx (67 percent), Pacific Islander (61 percent) and Native American ancestry (58 percent) is significantly worse than among White children (27 percent).

DIABETES/OBESITY

Half of all key informant interviews and a third of focus groups identified Diabetes/ Obesity as a top health need. The community discussed environmental factors that contribute to diabetes and obesity such as the built environment, stress and poverty.

"[Obesity] usually has to do with very, very, very generally the environment, the neighborhoods where you have higher rates of obesity are also the neighborhoods where you have more disinvestments so you're not gonna have the same access to full grocery stores or you might just have smaller corner stores. Or less access to parks that are safe. There's usually kind of interacts with environmental conditions, that built support, physical activity and healthy eating." —Key informant

Data indicate that Santa Clara County has a significantly higher proportion of fast-food restaurants (86.7 per 100,000 people) than the state (78.7). Weekly fast food consumption is highest in Campbell (40 percent of city residents), San Jose (42 percent) and Los Gatos (38 percent). Conversely, the county also has lower proportions of grocery stores (19.5 per 100,000 people) and WIC-authorized stores³⁶ (9.5 per 100,000 people) than the state benchmark (21.8 grocery stores, 15.8 are WIC).

Among cities in the El Camino Hospital service area,³⁷ Campbell has the highest rate of fast food restaurants per mile at 5.9, exceeding that of the county overall and San Jose (2.8). However, it also has relatively better access to farmers' markets (at 1.1 miles, compared with 1.6 miles in the county overall and 1.6 miles in Santa Clara). The distance to fresh groceries is shortest in Mountain View, Sunnyvale and Los Altos (at 0.4 miles or

³⁵ The Campaign for Grade-Level Reading. https://gradelevelreading.net

³⁶ The Women, Infants and Children (WIC) Program is a federally funded health and nutrition program that provides assistance to pregnant women, new mothers, and children aged 0–5. The California Department of Public Health approves the grocers and other vendors statewide who accept program vouchers. https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/Program-Landing1.aspx

³⁷ Cities data spreadsheet provided by public health Dec 2016 Indicators from 2014, accessed January 2019. Excludes Gilroy and Morgan Hill, as well as Monte Sereno or Los Altos Hills, where data is unstable.

less) and farthest in Los Altos Hills, Monte Sereno and Morgan Hill (more than one mile). Diabetes prevalence is higher in the county than in the state — and is trending up both locally and statewide.

"The biggest coping strategy for people who are food insecure is to go for cheap food. Cheap food is usually unhealthy food. So, they go for processed food, McDonald's, things like that because it's less expensive. Therefore, there's a very high percentage of diabetes and prediabetes among the people we serve. We estimate that more than a third of the people we're serving are either diabetes or prediabetes." —Key informant

Overall obesity rates are high, but do not fail benchmarks. However, disparities were found: Latinx residents have the highest rate of overweight or obese adults (72 percent) compared to the county overall (54 percent). Pacific Islanders have high rates of overweight and obesity among adults (77 percent) and middle/high school youth (49 percent). This is possibly driven by physical inactivity; more than one in four (28 percent) of all youth are physically inactive in the county.

Latinx youth fail the benchmark for physical activity (42 percent are inactive compared to 38 percent in California). About six in 10 county youth have insufficient fruit and vegetable consumption, which is worse than the state average (47 percent). Although that benchmark is relatively high, Latinx youth are faring slightly better (46 percent) — and better than youth of other ethnicities (73 percent of African ancestry youth, 73 percent of youth of "Other"³⁸ ethnicities, and 61 percent of White youth.) Fruit and vegetable consumption data were unavailable for Asian/Pacific Islander youth.

Among cities in El Camino Hospital's service area, the hypertension death rate is highest in San Jose (18.3). Diagnosed high-blood pressure is highest among Campbell residents (33 percent) compared with other cities, such as Los Altos (15 percent) and San Jose (28 percent).

Males are much more likely than females to be obese (18 percent compared to 10 percent). One in four LGBTQ survey respondents report being overweight or obese. Obesity often coexists with food insecurity (a lack of available financial resources for food at the household level) because "both are consequences of economic and social disadvantage." (See also the Economic Security health need description.)

³⁸ Other" is a U.S. Census category for ethnicities not specifically called out in data sets.

³⁹ Food Research & Action Center. (2015). *Food Insecurity and Obesity.*

COGNITIVE DECLINE

Cognitive Decline and Dementia were mentioned in half of the focus groups and two interviews with experts. Serving individuals who are impaired is difficult for providers.

Professionals serving chronically homeless individuals and individuals who abuse substances report early onset dementias and difficulty treating and housing people with these impairments. Several community members are concerned about the ability of older adults to pay for healthcare, including long-term care, for those who are not Medi-Cal eligible. Professionals rely on family members to coordinate care for their loved ones, which can affect their health, well-being, and economic stability. Although county data on dementia are not available, one in nine Californians is experiencing subjective cognitive decline.

The county death rate due to Alzheimer's disease is significantly worse than the state's rate (35.9 per 100,000 compared to 30.1). The median age in Santa Clara County (36.8 years) is higher than that of California overall (35.8). In El Camino Health's service area, Los Altos and Los Altos Hills and Saratoga have the highest proportion of older adults (at 20 and 23 percent respectively) followed by Monte Sereno (19 percent) and Los Gatos (18 percent) compared to a mean of 12 percent in the service area overall.

ORAL/DENTAL HEALTH

Oral/Dental Health was prioritized as a health need in two interviews and in one focus group. Feedback related to oral/dental health usually concerned the perceived lack of access to dental insurance.

More than a third of adults (36 percent) in Santa Clara County do not have dental insurance, which is better than the California average (41 percent). However, significantly more children in Santa Clara County (30 percent) lack a recent dental exam than the state average (19 percent); the percentages are highest (worst) among White and Latinx children (31 percent and 52 percent, respectively).

Ethnic disparities exist. More than half of residents of African, Asian and Latinx ancestry have had dental decay or gum disease, which is worse than the county as a whole (45 percent).

For additional details, including statistical data and sources, see the data tables found in Attachment 3: Secondary Data Tables.

7. Evaluation of 2017–2019 Implemented Strategies Based on the 2016 CHNA

In 2015–16, El Camino Hospital participated in a Community Health Needs Assessment similar to collaborative 2019 effort.

The 2016 CHNA report is posted on the Community Benefit Page of the El Camino Hospital website.⁴⁰ IRS regulations mandate that all nonprofit hospitals develop and adopt an implementation strategy to address community needs every three years.⁴¹

After reviewing the findings of the 2016 CHNA, El Camino Hospital's Community Benefit Advisory Council (CBAC) identified 12 health needs to address in FY17 and the subsequent two fiscal years with community benefit grant funding.

The health needs fall under three health priority areas:



- Access to Healthcare & Delivery
- Cancer
- Cardiovascular (Heart)
 & Cerebrovascular
 (Stroke)
- Hypertension
- Obesity & Diabetes
- Oral & Dental Health
- Respiratory Conditions



- Alzheimer's Disease & Dementia
- Behavioral Health



- Economic Security
- Unintentional Injuries
- Violence & Abuse

Due to the timing of the CHNA publication and the submission of year-end data from grants, annual data for FY19 (January 1, 2019–June 30, 2019) is unavailable for inclusion. Each year, the Community Benefit Program publishes an Annual Report to the Community available on the Community Benefit page of the website.²⁴

⁴⁰ https://www.elcaminohospital.org/about-us/community-benefit

⁴¹ https://www.gpo.gov/fdsys/pkg/FR-2014-12-31/pdf/2014-30525.pdf

For additional details on El Camino Hospital's Community Benefit Program results in fiscal years 2017 and 2018 and the first six months of fiscal year 2019, see Attachment 7: FY17 – FY19 Year-over-Year Dashboard.

8. Conclusion

El Camino Hospital worked with its Community Benefit Hospital Coalition partners, pooling expertise and resources, to conduct the 2019 Community Health Needs Assessment in Santa Clara County.

By gathering secondary data and conducting new primary research as a team, the partners were able to understand the community's perception of health needs as well as prioritize health needs with an understanding of how each compares against benchmarks.

The 2019 CHNA, which builds upon prior assessments, meets federal (IRS) and California state requirements.

Next steps for El Camino Hospital:

- After the CHNA is adopted by the hospital's board, make the CHNA report publicly available on the website (by June 30, 2019).⁴²
- Monitor community comments on the CHNA report (ongoing) Select priority health needs to address.
- Develop strategies to address priority health needs (independently or with Coalition partner hospitals).
- Ensure Community Benefit Plan and Implementation Strategy is approved by the hospital board (by June 2019).

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⁴² https://www.elcaminohospital.org/about-us/community-benefit

9. List of Attachments

- 1. Community Leaders, Representatives and Members Consulted
- 2. Secondary Data Indicators
- 3. Secondary Data Tables
- 4. Community Assets and Resources
- 5. Qualitative Research Protocols
- 6. IRS Checklist
- 7. FY17 FY19 Year-over-Year Dashboard



EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Iftikhar Hussain, CFO

Date: June 12, 2019

Subject: Delegation of Authority regarding Letter of Credit and 2009A Bonds

Recommendation(s):

To approve the attached Resolution 2019-09.

Summary:

1. <u>Situation</u>: Management has asked that the El Camino Hospital Chief Executive Officer ("CEO") and the El Camino Hospital Chief Financial Officer ("CFO") be delegated authority to obtain letters of credit with respect to the 2009A Bonds and to enter into related agreements.

As part of El Camino Hospital's Plan of Finance, the Hospital borrowed the proceeds of the 2009A tax-exempt bonds issued by Santa Clara County in the amount of \$50,000,000 ("2009A Bonds"). The 2009A Bonds are variable interest rate bonds where the interest rate is reset weekly. The Bond Owners have the option to tender to the Remarketing Agent some or all of the 2009A Bonds each week. A requirement of the 2009A Bonds is that a credit facility be available to the Remarketing Agent to provide funding to purchase tendered 2009A Bonds and to purchase all 2009A Bonds in certain circumstances.

Since the 2009A Bonds were issued, Wells Fargo Bank has provided the credit facility in the form of a Letter of Credit in the amount of \$50,000,000 issued pursuant to a reimbursement agreement. The expiration date of the Letter of Credit is now October 13, 2019.

So long as the remaining term of the Letter of Credit is less than one year, the amounts owed on the 2009A Bonds are classified as short-term debt for accounting purposes. Moreover, on the expiration date, if a new credit facility has not been substituted as provided in the Bond Indenture, then the full amount of the 2009A Bonds would be due.

- 2. <u>Authority</u>: The El Camino Hospital Board of Directors may delegate authority to its employees and agents to enter into agreements on behalf of El Camino Hospital ("ECH").
- 3. <u>Background</u>: Letters of Credit supporting the 2009A Bonds have had terms of three years so that ECH regularly negotiates remedies of such agreements and tests the market for such instruments.
- **Assessment:** Delegating to the ECH CEO and ECH CFO the authority to negotiate and enter into such agreements would mean that the El Camino Hospital Board would not be



required to review and approve renewals or new agreements regarding letters of credit for the 2009A Bonds for the remainder of the term of those bonds.

- 5. Other Reviews: This proposal was not reviewed by a Committee in order to be able to replace or renew the existing letter of credit before ECH's fiscal year end of June 30, 2019.
- 6. Outcomes: After approval, negotiations with respect to a letter of credit and related documents will be concluded and then the required agreements would be executed and delivered by the parties.

List of Attachments:

1. Draft Resolution

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

EL CAMINO HOSPITAL DRAFT REVISED RESOLUTION 2019-09

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL IN CONNECTION WITH CERTAIN VARIABLE RATE REVENUE BONDS ISSUED BY THE SANTA CLARA COUNTY FINANCING AUTHORITY IN THE AMOUNT OF \$50,000,000; DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER TO ENTER INTO, AMEND, REPLACE OR EXTEND AND DELIVER, NOW OR IN THE FUTURE, SERIES 2009A REIMBURSEMENT AGREEMENTS REGARDING ISSUANCE OF A LETTER OF CREDIT AND OTHER DOCUMENTS AND AGREEMENTS IN CONNECTION THEREWITH AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS.

WHEREAS, on November 8, 2006, the Board of Directors ("Board") of El Camino Hospital ("Hospital") duly passed and adopted Resolution 2006-13, as amended from time to time, approving a plan to obtain long-term financing for costs of the Hospital's major facilities renovation and replacement project (the "Plan of Finance");

WHEREAS, pursuant to the Plan of Finance, the Hospital would borrow the proceeds of the sale of tax-exempt insured revenue bonds in an aggregate principal amount not to exceed \$250 million from the Santa Clara County Financing Authority, a joint exercise of powers authority ("Authority"), in two separate transactions, the first installment issued in 2007 in the aggregate principal amount of \$150 million, and the second in the approximate principal amount of \$100 million, the proceeds of such bonds to be loaned to the Hospital;

WHEREAS, on March 27, 2007, the Santa Clara County Financing Authority, a joint exercise of powers authority ("Authority"), issued and sold the first installment of tax-exempt revenue bonds in the aggregate principal amount of one hundred fifty million dollars (\$150,000,000) (the "2007 Bonds") as contemplated by the Plan of Finance, consisting of variable-rate bonds bearing interest at fluctuating rates set by periodic auctions, such variable-rate bonds to be hedged with a "forward starting swap" to manage a part of the risk of the increase in interest expense;

WHEREAS, a swap agreement was entered into with Citibank, National Association, dated as of March 7, 2007, which included three confirmations in the notional amount of fifty million dollars (\$50,000,000) each, and each later amended and restated as of March 15, 2008 (two of such swaps have since been terminated and one swap is currently outstanding);

WHEREAS, on May 15, 2008, the Authority remarketed the 2007 Bonds, converting the 2007 Bonds from variable-rate bonds bearing interest at fluctuating rates set by periodic auctions to a fixed rate mode;

WHEREAS, on January 14, 2009, the Board authorized the Hospital to structure the second installment of tax-exempt revenue bonds, to be issued by the Authority, in the aggregate principal amount of one hundred million dollars (\$100,000,000) so that up to one hundred percent (100%) of the bonds may be variable-rate bonds;

WHEREAS, on March 17, 2009, the Board approved the second installment of tax-exempt revenue bonds, to be issued by the Authority in the aggregate principal amount of fifty million dollars (\$50,000,000) of variable rate revenue bonds.

WHEREAS, on April 7, 2009, the Authority issued and sold tax exempt revenue bonds in the aggregate principal amount of fifty million dollars (\$50,000,000) (the "2009A Bonds") as contemplated by the Plan of Finance, consisting of variable rate bonds.

WHEREAS, the obligations of the Hospital with respect to the 2009A Bonds were evidenced and secured by (i) payments to be made by the Hospital pursuant to the Loan Agreements entered into with the Authority; (ii) the issuance of obligations under the Master Indenture as amended and supplemented, between the Hospital and Wells Fargo Bank, National Association, as master trustee; and (iii) by a grant of a security interest in the Hospital's Gross Revenues, as defined and as provided in the Master Indenture;

WHEREAS, in connection therewith and pursuant to a Reimbursement Agreement dated as of April 1, 2009, Wells Fargo, National Association, issued Irrevocable Letter of Credit No. NZ5637944, dated April 7, 2009 (the "Series 2009A LOC");

WHEREAS, the Series 2009A LOC expires on October 13, 2019;

WHEREAS, once the remaining term on the current 2009A Letter of Credit is less than twelve (12) months, Hospital obligations with respect to the 2009A Bonds are considered to be short term debt for accounting purposes;

WHEREAS, Hospital will need to enter into, amend, replace, extend and execute and deliver the current 2009A Letter of Credit and any related agreements or new letters of credit and any related agreements such as a reimbursement agreement in the future;

WHEREAS, it is in the best interest of the Hospital for the Board of Directors to delegate to the Hospital's Chief Executive Officer and Chief Financial Officer ("Authorized Officers"), the authority to enter into, amend, replace, extend and execute and deliver (a) the current 2009A Letter of Credit and any related agreements such as a Reimbursement Agreement or (b) a new reimbursement agreement with a new letter of credit and any related agreements such as a reimbursement agreement, from time-to-time;

WHEREAS, such delegation should include the authorization of, the execution, delivery and performance of various agreements and the approval of other actions, agreements and documents as required, including agreements, certificates and actions as the Authorized Officers (defined below) determine in their discretion to be necessary or advisable to carry out the Plan of Finance attached;

NOW, THEREFORE, BE IT:

RESOLVED, that the Authorized Officers, in all cases acting singly, is hereby authorized on behalf of Hospital to negotiate, execute and deliver, approve or acknowledge, as applicable, extensions or amendments of the 2009A LOC or new or replacement reimbursement agreement relating to a letter of credit, now or in the future, as well as any related agreements, certificates or

other documents for and in the name and on behalf of the Hospital, with such terms as may be negotiated by the Authorized Officers, provided that the Authorized Officer executing each such document may approve any other terms then set forth; be it further

RESOLVED, that each Authorized Officer, in all cases acting singly, is hereby authorized to negotiate with any letter of credit provider, and execute and deliver any reimbursement agreement relating to the letters of credit supporting the 2009A Bonds, any related agreements, certificates or other documents; be it further

RESOLVED, that each Authorized Officer, in all cases acting singly, is hereby authorized to do any and all things, to execute and deliver any and all documents, instruments and certificates, and to enter into any and all agreements necessary or advisable to carry out, give effect to and comply with the terms and intent of this Resolution, the Plan of Finance and the transactions contemplated by the agreements, and any part of the transactions described herein or therein. The Secretary of the Board is hereby authorized to attest any signature of each Authorized Officer on any of the documents, instruments, certificates and agreements authorized by this Resolution; be it further

Duly passed and adopted at a regular meeting held on this 12th day of June 2019, by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:
TI' E M'II
Julia E. Miller
Secretary, El Camino Hospital
Board of Directors

A \$ 7 E O



Minutes of the Open Session of the Executive Compensation Committee Tuesday, April 2, 2019

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

Members Present

Members Absent

Teri Eyre

None

Julie Kliger, Vice Chair**

Jaison Layney Bob Miller, Chair

**via teleconference

Pat Wadors John Zoglin

	genda Item	Comments/Discussion	Approvals/ Action
1.	CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the "Committee") was called to order at 4:00pm by Chair Bob Miller. A verbal roll call was taken. Ms. Wadors joined the meeting at 4:04pm during Agenda Item 5: Report on Board Actions. Ms. Julie Kliger joined the meeting at 4:14pm during Agenda Item 8: Progress Against FY19 Organizational Goals and participated via teleconference. All other Committee members were present at roll call.	
2.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Miller asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3.	PUBLIC COMMUNICATION	None.	
4.	CONSENT CALENDAR	Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed. Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (January 29, 2019); Proposed FY20 Meeting Dates; and for information: Progress Against FY19 ECC Goals; Article of Interest. Movant: Layney Second: Eyre Ayes: Eyre, Layney, Miller, Wadors, Zoglin Noes: None	Consent calendar approved
		Abstentions: None Absent: Kliger Recused: None	
5.	APPOINTMENT OF VICE CHAIR	Chair Miller announced that he has appointed Julie Kliger as Vice Chair of the Committee and that she has accepted.	
6.	REPORT ON BOARD ACTIONS	Chair Miller referred to the recent Board approvals as further detailed in the packet.	
		In response to Committee questions, Dan Woods, CEO, reported that the transaction between Silicon Valley Medical Development (SVMD) and San Jose Medical Group closed April 1, 2019. He explained that currently the President of SVMD is the only SVMD executive, and that position falls under the Committee's purview.	
		Mr. Woods and Ms. Fisk described 1) bankruptcy court proceedings related to the transaction, 2) the SVMD VP of Human Resources who is managing	

	April 2, 2019 Page 2	AND C CANADO 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
		HR for SVMD and is overseeing the staffing of the newly acquired clinics.	
		Chair Miller reported that the CEO evaluation process was approved by the Board.	
7.	DRAFT REVISED EXECUTIVE PERFORMANCE INCENTIVE PLAN	Ms. Fisk provided an overview of the revisions to the Plan, which removed outdated references, incorporated feedback from the Committee's last meeting, and included an exception clause (any exceptions require Board approval).	Draft Revised EPIP recommended for approval
		Motion: To recommend that the Board approve the Draft Revised Executive Performance Incentive Plan.	
		Movant: Eyre Second: Wadors Ayes: Eyre, Layney, Miller, Wadors, Zoglin Noes: None Abstentions: None Absent: Kliger Recused: None	
8.	PROGRESS AGAINST FY19	Dan Woods, CEO, provided an update on the progress against the FY19 organizational goals:	
	ORGANIZATIONAL GOALS	 Patient Throughput (door to floor): staff identified 64 opportunities and have focused on 18. He described constraints on the process improvements (e.g., a patient is ready to be admitted, but a bed may not available) and the development of a command center to better identify and triage available resources. 	
		- <u>HCAHPS</u> : Mr. Woods explained that cleanliness is a surrogate for satisfaction. He described the performance and employee engagement of the Environment Services department and lessons learned from newly introduced executive rounding regarding the nurse call system and accountability structures.	
		- <u>People Management</u> : Ms. Fisk described some of the drivers of the increase in employee engagement scores including: 1) creating a line-of-sight for employees to ECH's organizational goals where they receive a recognition bonus for their contributions toward the organization's overall success and 2) regularly-scheduled CEO town halls.	
9.	ADJOURN TO	Motion: To adjourn to closed session at 4:25pm.	Adjourned to
	CLOSED SESSION	Movant: Wadors Second: Eyre	closed session at 4:25pm
		Ayes: Eyre, Kliger, Layney, Miller, Wadors, Zoglin Noes: None Abstentions: None	
		Absent: None Recused: None	
10.	AGENDA ITEM 15: RECONVENE OPEN	Open session was reconvened at 5:28pm. Agenda items 10-14 were addressed in closed session.	
	SESSION/ REPORT OUT	During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting (January 29, 2019) by a unanimous vote in favor of all members present (Eyre, Kliger (via teleconference), Layney, Miller, Wadors, Zoglin).	
11.	AGENDA ITEM 16:	Chair Miller requested that the goal related to the CEO Review process say	Proposed FY20
11.	AGENDA ITEM 16:	Chair Miller requested that the goal related to the CEO Review process say	Proposed FY20

PROPOSED FY20	"review" rather than "support."	Committee
COMMITTEE GOALS	Mr. Zoglin suggested that the goals should push the Committee to do more than what has been done in previous years.	Goals approved; to be reviewed
	The Committee discussed other potential areas of focus including Board Director compensation and optimizing the Joint Board and Committee education sessions.	by the Governance Committee and
	Ms. Wadors cautioned that the Committee should not over operationalize its work; for example, the executive team and Ms. Fisk should choose the particular tools/template for succession planning, and staff and the Committee should discuss what success looks like.	the Hospital Board
	The Committee also discussed whether or not physician compensation and a scorecard of overall organizational health should be reviewed by the Committee. Ms. Eyre noted that the governance oversight of compensation committees is typically limited to executives.	
	The Committee will conduct a self-evaluation in Q3 to review its effectiveness.	
	Motion: To approve the Proposed FY20 Committee Goals with the edit as noted above.	
	Movant: Wadors Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None	
12. AGENDA ITEM 17: FY19 PACING PLAN	There were no questions or comments from the Committee.	
13. AGENDA ITEM 18: CLOSING COMMENTS	In response to Ms. Wadors' question, Ms. Fisk described ECH's diversity reporting, including the EEO-1 survey required by the Equal Employment Opportunity Commission (EEOC). Ms. Fisk noted the importance of the employee population mirroring the diversity of the patient population.	
14. AGENDA ITEM 19: ADJOURNMENT	Motion: To adjourn at 5:43pm. Movant: Wadors Second: Eyre Ayes: Eyre, Kliger, Layney, Miller, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None	Meeting adjourned at 5:43pm

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and the Board of Directors of El Camino Hospital.

Bob Miller Julia E. Miller

Chair, Executive Compensation Committee Secretary, ECH Board of Directors

Prepared by: Sarah Rosenberg, Contracts Administrator/Governance Services EA



EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors **From:** Jim Griffith, Chief Operating Officer

Date: June 12, 2019

Subject: Infection Control Medical Director Agreement Renewal

Recommendation(s):

To approve delegating to the CEO the authority to execute a two-year renewal agreement for the Infection Control (IC) Medical Director for the Mountain View and Los Gatos campuses at an increased hourly rate and an additional nine (9) hours per month, to be effective July 1, 2019.

Summary:

1. Situation:

- Infection Control oversight by a physician is a Title 22 requirement. The IC Medical Director Agreement expires June 30, 2019.
- The current compensation for the IC Medical Director Agreement is \$160/hour (unchanged since 2008), 40 hours per month (increased from 32/month in 2014) for a total annual compensation of \$76,800.00.
- The IC Medical Director also requested an increase in her hourly rate to \$200/hour upon renewal. The parties negotiated an increase of \$170/hour (a \$10/hour increase from her current rate) due to her long-standing, successful tenure as the Hospital's IC Medical Director.
- Upon renewal, the IC Medical Director and Hospital's Sr. Director Quality/Chief Quality Officer requested additional duties be added to the IC Medical Director agreement, and an additional nine (9) hours per month to provide the additional work. The IC Medical Director regularly works over her monthly maximum, and with the additional duties added upon renewal, it is recommended to increase the monthly hours from 40 to 49 to work on the additional duties, some of which are listed below:
 - Provide direction and support to the Employee Wellness and Health Services program regarding investigation and follow up for staff post exposure management of contagious diseases.
 - Provide direction and support to Emergency Department physicians on emerging pathogens and alerts from the California Department of Public Health (CDPH) and the Center for Disease Control (CDC).
 - Provide direction and support to the peri-operative departments related to exposure management when breeches occur in cleaning, disinfection and sterilization procedures.
 - Provide direction and support to the Medical Staff Office regarding the CDPH requirements for all medical staff members for TB surveillance and required vaccinations, including influenza.

- Expand oversight of all IC activities to the Willow outpatient surgery department.
- The proposed increased hourly rate and hours results in an increased total annual compensation of \$99,960.00, 10% of which is withheld and released upon successful outcome of IC Medical Director annual quality goals.
- 2. <u>Authority</u>: According to Administrative Policies and Procedures 51.00, Finance Committee approval is required prior to the CEO signature of physician agreements that are greater than a 10% increase in compensation and Finance Committee recommendation and Board approval is required for physician agreements that exceed the 75th percentile for fair market value.
- 3. <u>Background</u>: A PAMF Infection Disease specialist has been the Hospital's IC Medical Director for the past 19 years and her efforts effectively impact all areas of the Hospital. The IC team was applauded by the most recent Joint Hospital Commission visit.
- 4. <u>Fair Market Value Assessment</u>: The proposed increased rate of \$170/hour is at the 90th percentile according to 2019 MD Ranger SF Bay Area data for Infection Control Medical Direction and between the 75th percentile (\$160) and 90th percentile (\$170) according to 2019 MD Ranger All Facilities for Infection Control Medical Direction. The proposed increase in hourly rate, hours and total compensation of \$99,960.00 is between the 50th percentile (\$98,640.00) and 75th percentile (\$109,161.00) according to 2019 MD Ranger SF Bay Area data for Infection Control Medical Direction, using the multi-facility calculation. An increase in compensation is budgeted for FY20.
- 5. Other Reviews: The Director of Infection Prevention and the Sr. Director Quality/Chief Quality Officer support this recommendation. Legal and compliance will review the final agreement and compensation terms prior to execution. The Finance Committee reviewed and recommended this proposal for approval at its May 28, 2019 meeting.
- 6. <u>Outcomes</u>: The IC Medical Director is on target for meeting both FY19 quality goals. FY20 quality goals will be developed and included in the renewal agreement, or by the contract required date of September 30, 2019.

List of Attachments: None.

Suggested Board Discussion Questions: None.



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 June 12, 2019

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

L		Mont	n			YTE)	
	PY	CY	Bud/Target	Variance	PY	CY	Bud/Target	Variance
Volume				CY vs Bud				CY vs Bu
Licenced Beds	443	443	443	-	443	44	3 443	-
ADC	244	263	262	1	244	24	0 245	(!
Utilization MV	67%	73%	71%	2%	67%	669	67%	-1
Utilization LG	31%	31%	34%	-3%	30%	299	6 30%	-1
Utilization Combined	55%	59%	59%	0%	55%	549	6 55%	-1
Total Discharges (Excl NNB)	1,753	1,831	1,874	(43)	15,408	14,87	3 15,488	(61
inancial Perf.								
Total Operating Revenue	82,224	83,004	85,836	(2,832)	692,328	708,57	6 703 <i>,</i> 853	4,72
Operating Income \$	11,398	9,493	10,964	(1,471)	106,040	88,53	7 76,410	12,12
Operating Margin	13.9%	11.4%	12.8%	-1.3%	15.3%	12.59	6 10.9%	1.6
EBIDA %	19.8%	17.4%	18.5%	-1.1%	21.3%	18.49	6 17.0%	1.4
Payor Mix								
Medicare	49.5%	51.2%	46.9%	4.3%	47.4%	48.79	⁶ 46.7%	2.1
Medi-Cal	7.5%	8.5%	7.9%	0.6%	7.8%	8.19	6 7.9%	0.3
Total Commercial	39.3%	38.1%	42.7%	-4.6%	42.2%	40.79	42.8%	-2.1
Other	3.7%	2.2%	2.6%	-0.4%	2.5%	2.49	6 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	(3
Productive Hrs/APD	30.8	30.7	29.8	1	30.0	30.	7 31.4	
Balance Sheet								
Net Days in AR	50.7	48.5	48.0	0	50.7	48.	5 48.0	0.
Days Cash	505	493	449	44	505	49	3 449	4
Affiliates - Net I	ncome (\$000s)						
Hosp	9,771	21,517	11,310	10,206	149,758	98,883	80,188	18,69
Concern	141	405	64	341	1,006	2,303	661	1,64
ECSC	(19)	(0)	0	(0)	(41)	(47	0	(4
Foundation	5	477	148	328	1,520	1,922	1,231	69
SVMD	628	1,958	43	1,915	346	3,175	(123)	3,29

Budget Variances

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

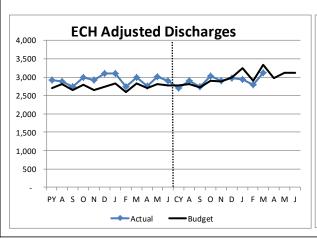
	Year to Date (YTD)		
(in thousands; \$000s)	Net Op Income	% Net Revenue	
Budgeted Hospital Operations FY2019	76,410	10.9%	
Net Revenue	4,723	0.7%	
Labor and Benefit Expense Change - Flexing staff and vacancies in support departments.	4,588	0.6%	
Professional Fees & Purchased Services - JACHO readiness and purchased services (in place of FTE) are	(1,325)	-0.2%	
the biggest drivers			
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%	

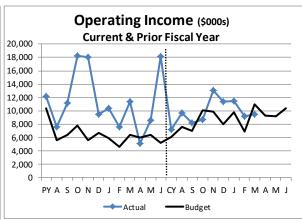
El Camino Hospital (\$000s)

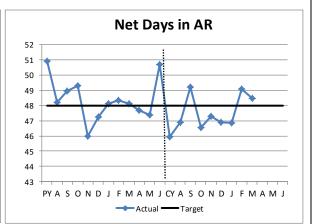
Period ending 03/31/2019

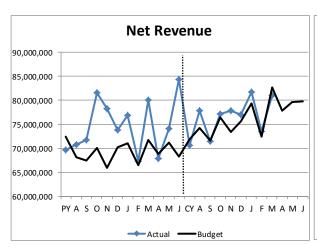
Period 9	Period 9	Period 9	Variance	Var9/ \$000a		YTD	YTD	YTD	Variance	Maw0/
FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%	\$000s	FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%
					OPERATING REVENUE					
292,898	314,759	331,750	(16,991)	(5.1%)	Gross Revenue	2,494,405	2,608,009	2,637,723	(29,714)	(1.1%)
(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%	, ,		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%	

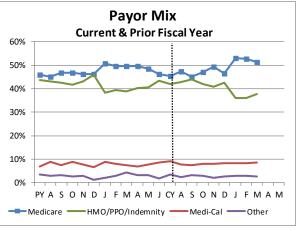
Monthly Financial Trends

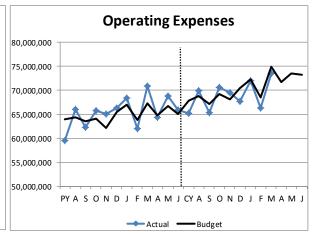












INVESTMENT SCORECARD AS OF MARCH 31, 2019

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 Ye	Fiscal Year-to-date		e Inception alized)		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				e Inception alized)		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						
Surplus cash absolute variances to target		8.8%	< 10%						
Cash balance absolute variances to target		5.4%	< 10%						
Manager Compliance		1Q	2019						
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
CURRENT ASSETS	March 31, 2019	June 30, 2018
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
	CURRENT LIABILITIES	March 31, 2019	June 30, 2018
(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	4 040 500	1 2 12 522
	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.



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 yar 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

od 9	Period 9	Period 9	Variance			YTD	YTD	YTD	Variance	
018	FY 2019	Budget 2019	Fav (Unfav)	Var%	\$000s	FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%
					OPERATING REVENUE					
42,772	259,896	266,244	(6,348)	(2.4%)	Gross Revenue	2,047,101	2,143,900	2,143,685	216	0.0%
75,442)	(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%										
									4.4%	
4 7 6 3 1 (2,772 5,442) 7,330 1,924 9,255 4,332 0,219 9,082 664 691 3,512 8,500 0,754 1,626) 9,128	D18 FY 2019 2,772 259,896 5,442) (192,610) 7,330 67,286 1,924 1,613 9,255 68,899 4,332 36,645 0,219 10,054 9,082 7,899 664 1,093 691 575 3,512 3,556 8,500 59,822 0,754 9,077 1,626) 12,023 9,128 21,100 21.6% 19.2% 15.5% 13.2%	D18 FY 2019 Budget 2019 2,772 259,896 266,244 5,442) (192,610) (200,316) 7,330 67,286 65,928 1,924 1,613 2,896 9,255 68,899 68,824 4,332 36,645 37,441 0,219 10,054 10,478 9,082 7,899 7,528 664 1,093 974 691 575 490 3,512 3,556 3,660 8,500 59,822 60,571 0,754 9,077 8,253 1,626) 12,023 346 9,128 21,100 8,600 21.6% 19.2% 18.0% 15.5% 13.2% 12.0%	D18 FY 2019 Budget 2019 Fav (Unfav) 2,772 259,896 266,244 (6,348) 5,442) (192,610) (200,316) 7,706 7,330 67,286 65,928 1,358 1,924 1,613 2,896 (1,283) 9,255 68,899 68,824 75 4,332 36,645 37,441 795 0,219 10,054 10,478 424 9,082 7,899 7,528 (370) 664 1,093 974 (119) 691 575 490 (85) 3,512 3,556 3,660 103 8,500 59,822 60,571 748 0,754 9,077 8,253 824 1,626) 12,023 346 11,677 9,128 21,100 8,600 12,500 21.6% 19.2% 18.0% 1.1% 15.5% 13.2% 12.0% 1.2%	D18 FY 2019 Budget 2019 Fav (Unfav) Var% 2,772 259,896 266,244 (6,348) (2.4%) 5,442) (192,610) (200,316) 7,706 3.8% 7,330 67,286 65,928 1,358 2.1% 1,924 1,613 2,896 (1,283) (44.3%) 9,255 68,899 68,824 75 0.1% 4,332 36,645 37,441 795 2.1% 0,219 10,054 10,478 424 4.0% 9,082 7,899 7,528 (370) (4.9%) 664 1,093 974 (119) (12.2%) 691 575 490 (85) (17.4%) 3,512 3,556 3,660 103 2.8% 8,500 59,822 60,571 748 1.2% 0,754 9,077 8,253 824 10.0% 1,626) 12,023 346 11,677 3370.7%	Net Patient Revenue Patien	Note	Pry 2019 Budget 2019 Fav (Unfav) Var% \$000s Fry 2018 Fry 2019 Prav (Unfav) Var% \$000s Fry 2018 Pry 2019 Pry 2019	Practice Practice	Page Page

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

Period ending 03/31/2019

Period 9	Period 9	Period 9	Variance			YTD	YTD	YTD	Variance	
FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%	\$000s	FY 2018	FY 2019	Budget 2019	Fav (Unfav)	Var%
					OPERATING REVENUE					
50,1	26 54,863	65,507	(10,643)	(16.2%)	Gross Revenue	447,304	464,109	494,038	(29,929)	(6.1%)
(37,3	73) (41,144)	(48,736)	7,591	15.6%	Deductions	(330,189)	(343,900)	(363,700)	19,800	5.4%
12,7	53 13,719	16,771	(3,052)	(18.2%)	Net Patient Revenue	117,115	120,209	130,339	(10,129)	(7.8%)
2	17 386	241	145	60.2%	Other Operating Revenue	1,593	2,728	2,159	570	26.4%
12,9	70 14,105	17,012	(2,907)	(17.1%)	Total Operating Revenue	118,708	122,938	132,497	(9,560)	(7.2%)
					OPERATING EXPENSE					
6,8	70 7,318	7,824	506	6.5%	Salaries & Wages	59,226	62,480	63,188	707	1.1%
1,9	99 2,155	2,831	675	23.9%	Supplies	17,943	18,379	19,907	1,528	7.7%
1,2	45 1,765	1,390	(375)	(27.0%)	Fees & Purchased Services	11,979	13,047	12,121	(926)	(7.6%)
1,5	24 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%
6	89 804	738	(66)	(9.0%)	Depreciation	5,408	6,886	6,679	(207)	(3.1%)
12,3	26 13,688	14,301	613	4.3%	Total Operating Expense	108,629	114,931	115,748	817	0.7%
6	43 416	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%
6	43 416	2,711	(2,294)	(84.6%)	Net Income(Loss)	10,035	8,007	16,750	(8,743)	(52.2%)
10	20/ 0.70/	20.20/	/11 (0/)		EDITO A	12.00/	12.10/	47.70/	/F CO/\	
10.					EBITDA	13.0%	12.1%		(5.6%)	
	0% 3.0%		(13.0%)		Operating Margin	8.5%	6.5%		(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

	Pe	eriod 9 - Mon	th	P	eriod 9 - FYTI)
	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. Afflilates	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

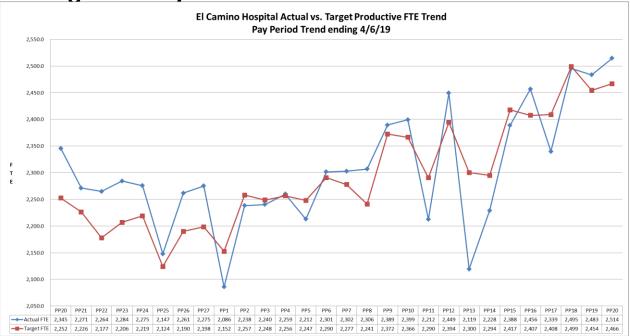


²Equity markets experienced a massive selloff during October, and volatility is continuing

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)





El Camino Hospital Volume Annual Trends

											_	MONTH	_	PROCEE	URAL?	FACIL	TY	LEVEL OF I	DETAIL
/ (/ /	VOLUME BY	SERVICE	LINE								09	-Mar '	(A	II)		(AII)	Y S	ervice Line	
				ANNUAL	TREND			FY19 Bud v	rs 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
Beh	havioral Health	1,012	1,052	928	924	1,098	1,062	-36	-3.2%	77	93	90	3	16	826	847	795	52	
Ger	neral 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	
Ger	neral 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	
GYI	N	390	313	293	270	243	255	12	4.9%	25	27	20	7	2	191	173	183	-10	
Hea	art 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	
MC	CH	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	
Neu	urosciences	667	672	677	688	870	907	37	4.3%	81	78	74	4	-3	663	659	691	-32	
Ond	cology	606	564	652	594	632	726	94	14.9%	61	60	61	-1	-1	490	529	520	9	
Ort	thopedics	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	
Reh	hab Services	547	555	500	461	441	436	-5	-1.1%	35	48	37	11	13	326	380	326	54	
Spi	ine Surgery	377	429	417	474	375	465	90	24.0%	31	31	42	-11	0	295	248	340	-92	
Uro	ology	172	169	234	257	255	274	19	7.4%	25	32	19	13	7	187	222	194	28	
Tot	tal	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	
Beh	havioral 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	
Dia	alysis	1,059	155	6			0					0					0		
Eme	nergency	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	
Ger	neral 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	
Ger	neral 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	
GYI	N	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	
Hea	art 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	
lma	aging 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	
Lab	boratory 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	
MC	CH	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	
Neu	urosciences	110	61	127	125	114	155	41	36.0%	8	7	10	-3	-1	87	64	126	-62	
One	cology	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	
Ort	thopedics	866	776	584	615	641	714	73	11.4%	58	63	85	-22	5	454	544	553	-9	
Out	tpatient 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	
Reh	hab 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	
Sle	eep Center	160	223	498	368	242	300	58	24.0%	20	39	25	14	19	142	243	223	20	
Spi	ine Surgery	325	399	309	324	311	326	15	4.8%	25	25	35	-10	0	232	213	245	-32	
Uro	ology	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	
Tot	tal	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	

ECH Operating Margin

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



M	YTD
129	1,774
-	2,672
-	2,875
-	(1,149)
6	130
135	6,305
	6 135

Capital Spend Trend & FY 19 Budget

	Actual	Actual	Actual	Projected	Budget
Capital Spending (in 000's)	FY2016	FY2017	FY2018	FY2019	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)

				Total Estimated	Total Authorized	Spent from			Variance Projected vs	
	Category	Detail	Approved	Cost of Project	Active	Inception	FY19 Budget	FY 19Proj Spend	Budget	FY 19 YTD Spent
CIP	ERP Upgrade				9.6	4.0	9.6	9.6	0.0	
Γ Hardwai	re, Software, Equip	ment & Imaging			10.1	3.4	10.1	10.1	0.0	3.4
Aedical &	Non Medical Equip	oment FY 18			5.6	9.6	0.0	0.0	0.0	3.5
Лedical &	Non Medical Equip	oment FY 19			11.2	7.5	11.2	11.2	0.0	7.5
acility Pro	jects									
		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.:
		1414 Integrated MOB	FY15	302.1	302.1	209.0	150.0	123.3	-26.7	88.
		1422 CUP Upgrade	FY16	9.0	9.0	8.3	0.8	1.4	0.6	
		1430 Women's Hospital Expansion	FY16	135.0	135.0	5.6	10.0	4.8	-5.2	
		Demo Old Main & Related Site Work	1110	30.0	30.0	0.0	2.0	0.6	-1.4	
		1502 Cabling & Wireless Upgrades	FY16	0.0	0.0	2.8	0.0	0.0	0.0	
		1525 New Main Lab Upgrades	1110	3.1	3.1	2.7	0.3	0.0	-0.3	
		1515 ED Remodel Triage/Psych Observation	FY16	5.0	5.0	0.0	4.6	0.3	-4.3	
		1503 Willow Pavilion Tomosynthesis	FY16	1.0	0.0	0.4	1.0	0.0	-1.0	
		1602 JW House (Patient Family Residence)	1110	6.5	6.5	0.4	6.0	0.1	-5.9	
		Site Signage and Other Improvements		1.3	0.0	0.0	1.0	0.3	-0.7	
		Nurse Call System Upgrades		2.4	0.0	0.0	2.4	0.2	-2.2	
		1707 Imaging Equipment Replacement (5 or	6 rooms)	20.7	0.3	0.0	6.0	6.0	0.0	
		1707 Imaging Equipment Replacement (30)	0100ilisj	19.4	19.4	0.0	5.0	1.0	-4.0	
		1804 SVMD Clinic @ North First Street		8.0	8.0	0.0	0.0	0.0	0.0	
		Flooring Replacement		1.6	1.6	0.0	1.5	0.4	-1.1	
		1219 LG Spine OR	FY13	0.0	0.0	4.0	0.0	0.4	0.0	
		1313 LG Rehab HVAC System & Structural	FY16	0.0	0.0	4.0	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	
		1307 LG Upgrades	FY13	19.3	19.3	18.8	0.0	0.0	-0.8	
		1507 LG Opgrades 1507 LG IR Upgrades	L112		0.0	0.0	1.3	1.3	0.1	
		1603 LG MOB Improvements (17)		1.3 5.0	5.0	5.0	0.5	0.0	-0.5	
		•							0.3	
		1711 Emergency Sanitary & Water Storage LG Modular MRI & Awning		1.5 3.9	1.5 3.9	0.3 0.4	1.3 3.5	1.5 0.6	-2.9	
		ŭ		0.8	0.0	0.4	0.5	0.4	-2.5	
		LG Nurse Call System Upgrade LG Observation Unit (Conversion of ICU	2)	0.0	0.0	0.0	0.0	0.4	0.0	
		1712 LG Cancer Center	2)	5.0	5.0	1.3	4.8	3.7	-1.1	
		Workstation Inventory Replacement		2.0	2.0	0.0	0.0	0.0	0.0	
		Primary Care Clinic Development (2 @	ća Million Es		6.0	0.0	5.0	4.0	-1.0	
		,	33 IVIIIIIVII Ed	5.0	5.0	0.0	15.0	9.0	-6.0	
		Other Strategic Capital FY-19								
		Willow SC Upgrades (35,000 @ \$50)		1.8	1.8 22.4	0.0	1.8	0.0	-1.8	
		New 28k MOB (Courthouse Prop)		22.4		0.0 0.0	1.2 0.0	0.2 0.0	-1.0 0.0	
		80 Great Oaks Upgrades	O \4/: al- a - t -	4.5	4.5					
		Primary Care Clinic (TI's Only) FY 17 (82	o wincheste		3.6	0.0	0.3	0.0	-0.3	
		All Other Projects		9.2	8.6	108.2	7.8	3.9	-3.9	
RAND TO				765.8	738.3 769.2	473.0 497.6	279.5 300.8	205.5 236.4	-74.0	

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	-
						1425 - IMOB Preparation Project - Old Main	-	-	711	1,860	21
Facilities Projects CIP						1429 - 2500 Hospital Dr Bldg 8 TI	-	101	-	-	-
Mountain View Campus Master Plan Projects						1430 - Women's Hospital Expansion	-	-	-	464	2,763
1245 - Behavioral Health Bldg Replace	1,257	3,775	1,389	10,323	28,676	1432 - 205 South Dr BHS TI	-	8	15	-	52
1413 - North Drive Parking Structure Exp	-	167	1,266	18,120	4,670	1501 - Women's Hospital NPC Comp	-	4	-	223	32
1414 - Integrated MOB	_	2,009	8,875	32,805	75,319	1502 - Cabling & Wireless Upgrades	-	-	1,261	367	98
1422 - CUP Upgrade	_	-	896	1,245	5,428	1503 - Willow Pavillion Tomosynthesis	-	-	53	257	3
Sub-Total Mountain View Campus Master Plan	1,257	5,950	12,426	62,493	114,093	1504 - Equipment Support Infrastructure	-	61	311	-	6
Sub-rotal Mountain View Campus Muster Flair	1,23,	3,330	12,120	02,433	11-1,055	1523 - Melchor Pavillion Suite 309 TI	-	-	10	59	392
Mountain View Capital Projects						1525 - New Main Lab Upgrades 1526 - CONCERN TI	-	-	- 37	464 99	1,739 10
9900 - Unassigned Costs	470	3,717	-	-	-		7,219		5,588	5,535	7,94
0906 - Slot Build-Out	1,576	15,101	1,251	294	-	Sub-Total Mountain View Projects	7,219	26,744	3,300	3,333	7,54
1109 - New Main Upgrades	393	2	-	-	-	Los Gatos Capital Projects					
1111 - Mom/Baby Overflow	29	-	-	-	-	0904 - LG Facilities Upgrade	-	-		-	-
1204 - Elevator Upgrades	30	-	-	-	-	0907 - LG Imaging Masterplan	774	1,402	17	-	-
0800 - Womens L&D Expansion	1,531	269	-	-	-	1210 - Los Gatos VOIP	89	-	-	-	-
1225 - Rehab BLDG Roofing	241	4	-	-	-	1116 - LG Ortho Pavillion	24	21	-	-	-
1227 - New Main eICU	21	-	-	-	-	1124 - LG Rehab BLDG	458	- 2 202	-	-	4.55
1230 - Fog Shop	80	-	-	-	-	1307 - LG Upgrades	2,979	3,282	3,511	3,081	4,55
1315 - 205 So. Drive TI's	500	2	-	-	-	1308 - LG Infrastructure	114	-	-	-	-
0908 - NPCR3 Seismic Upgrds	1,224	1,328	240	342	961	1313 - LG Rehab HVAC System/Structural	-	-	1,597	1,904	550
1125 - Will Pav Fire Sprinkler	39	-	-	-	-	1219 - LG Spine OR	214	323	633	2,163	44
1216 - New Main Process Imp Office	1	16	-	-	-	1221 - LG Kitchen Refrig	85	-	-	-	1 67
1217 - MV Campus MEP Upgrades FY13	181	274	28	-	-	1248 - LG - CT Upgrades	26 146	345 -	197	6,669	1,67
1224 - Rehab Bldg HVAC Upgrades	202	81	14	6	-	1249 - LG Mobile Imaging 1328 - LG Ortho Canopy FY14	255	209	-	-	-
1301 - Desktop Virtual	13	-	_	_	-	1345 - LG Lab HVAC	112	209	_	_	_
1304 - Rehab Wander Mgmt	87	-	_	_	-	1346 - LG OR 5, 6, and 7 Lights Replace	-	285	53	22	12
1310 - Melchor Cancer Center Expansion	44	13	_	_	-	1347 - LG Central Sterile Upgrades	_	181	43	66	_
1318 - Women's Hospital TI	48	48	29	2	_	1421 - LG MOB Improvements	_	198	65	303	35
1327 - Rehab Building Upgrades	-	15	20	-	22	1508 - LG NICU 4 Bed Expansion	_	-	-	207	-
1320 - 2500 Hosp Dr Roofing	75	81	-	_	-	1600 - 825 Pollard - Aspire Phase II	_	_	_	80	1
1340 - New Main ED Exam Room TVs	8	193	_	_	_	1603 - LG MOB Improvements	-	_	-	285	4,59
1341 - New Main Admin	32	103	_	_	_	Sub-Total Los Gatos Projects	5,276	6,246	6,116	14,780	12,30
1344 - New Main AV Upgrd	243	-	_	_	_	·	-,	-	•	•	,
1400 - Oak Pav Cancer Center	-	5,208	666	52	156	1550 - Land Acquisition	-	-	24,007	- 1/5	2.01
1400 - Oak Pav Cancer Center 1403 - Hosp Drive BLDG 11 TI's	86	103	-	-	-	1701 - 828 S Winchester Clinic TI	-	-		145 145	3,01
1404 - Park Pav HVAC	64	7	_	_	_	Sub-Total Other Strategic Projects	-	-	24,007	145	3,01
	04	,	168	- 95	-	Subtotal Facilities Projects CIP	13,753	38,940	48,137	82,953	137,364
1405 - 1 - South Accessibility Upgrades	-	-			- 12	Crowd Total	E0 EC1	00 700	00.740	07.032	157.42
1408 - New Main Accessibility Upgrades	-	7	46	501	12	Grand Total	58,561	86,789	96,740	97,923	157,43



EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Peter C. Fung, MD **Date:** June 12, 2019

Subject: Item 22 (j) - (l): Governance Committee Report/Approvals

Recommendation(s):

To approve the following:

1. Proposed FY20 Master Board and Committee Calendar

2. Proposed FY20 Committee Goals

3. Proposed FY20 Committee and Liaison Appointments

Summary:

- 1. <u>Situation</u>: The Governance Committee met on May 29, 2019 and voted to recommend several items for the Board's approval which will be more fully discussed below. The Governance Committee also discussed issues related to Governance of ECH's subsidiary entities. The issue came to the Governance Committee by referral from the Compliance and Audit Committee. The Governance Committee appointed an Ad Hoc Committee comprised of members Gary Kalbach and Pete Moran to study these issues and develop recommendations for the Governance Committee's consideration in October. When developed, The Governance Committee will bring those recommendations forward to the Board.
- **2.** Authority: All of these items are within the Governance Committee's Charter.

3. Background:

- **A.** Proposed FY20 Master Board and Committee Calendar The Board typically meets on the 2nd Wednesday of the month, except December and July. Some departures from that typical schedule are as follows. Each of the Committees has reviewed and approved their meeting schedules.
 - 1. August 3rd Wednesday instead of 2nd to avoid scheduling a Board meeting during the last week of the local public schools' summer vacation.
 - 2. October 2nd Thursday instead of Wednesday to avoid scheduling a Board meeting on Yom Kippur.
 - 3. November 1st Wednesday to accommodate Board Chair's work travel schedule.
 - **4.** Changing dark month from December to January to relieve staff from preparing for January Board meeting during the winter holiday.
- **B.** Proposed FY20 Committee Goals These goals were presented to the Governance Committee by each of the Committees and are now recommended to the Board for approval.
- **C.** Proposed FY20 Committee and Liaison Appointments The Board Chair's slate, which contains the following changes, is also recommended for approval.
 - 1. Director Kalbach will serve as Chair of the Investment Committee.

Items 22 (j) - (l)June 12, 2019

- **2.** Director Watters will serve on the Finance Committee and on the Compliance and Audit Committee.
- **3.** In-Coming Director Po will serve on the Quality, Patient Care and Patient Experience Committee and on the Investment Committee

In addition, after the Governance Committee reviewed the proposed slate, the Board Chair requested some additional changes at the request of a Board member.

- **4.** Director Ting will leave the Investment Committee and Join the Executive Compensation Committee.
- **5.** Director Miller will leave the Compliance and Audit Committee and Join the Investment Committee.
- 4. Assessment: N/A
- 5. Other Reviews: The Governance Committee has reviewed and recommends approval of Items 22 (j) (l), with the exception of those items noted above (3)(C)(4) and (5) which were added after its review.
- **6.** Outcomes: N/A

List of Attachments:

- 1. Proposed FY20 Board and Committee Master Calendar
- **2.** Proposed FY20 Committee Goals
- **3.** Proposed FY20 Committee and Liaison Appointments

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

DRAFT FY20 ECHD and ECH Board & Committee Master Calendar May 29, 2019

*The Finance Committee will have its own separate meeting following the Joint Meetings on 1/28/2020 (with IC) and 5/28/2019 (with ECHB).

*Federal Holiday

*School Dates

JULY 2019

S	M	T	W	T	F	S
30	1	2	3	4 July 4th	5	6
				July Hull		
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29 FC	30	31	1	2	3

AUGUST 2019

S	М	Т	W	Т	F	S
28	29	30	31	1	2	3
4	5 QC	6	7	8	9	10
11	12 IC	13 GC	14	15 CC	16	17
18	19	20	21 ECHB	22	23	24
25	26	27	28	29	30	31

SEPTEMBER 2019

S	M	Т	W	Т	F	S
1	2 Labor Day	3	4	5	6	7
8	9 QC	10	11 ECHB	12	13	14
15	16	17	18	19 ECC	20	21
22	23 FC	24	25	26 CC	27	28
29	30	1	2	3	4	5

OCTOBER 2019

S	M	Т	W	Т	F	S
29	30	1	2	3	4	5
6	7 QC	8	9	10 ECHB	11	12
13	14	15 GC	16	17	18	19
20	21	22 ECHD	23 Education	24	25	26
27	28	29	30	31	1	2

NOVEMBER 2019

S	M	Т	W	Т	F	S	
27	28	29	30	31	1	2	
3	4 QC	5	6 ECHB	7 ECC	8	9	
10	11 IC	12	13	14	15	16	
17	18	19	20	21 CC	22	23	
24	25 FC	26	27	28 Thanksgiving	29	30	

DECEMBER 2019

S	M	Т	W	Т	F	S	
1	2 QC	3	4	5	6	7	
8	9	10	11 ECHB	12	13	14	
15	16	17	18	19	20	21	
22	23	24 Xmas Eve	25 Xmas Day	26	27	28	
29	30	31	1	2	3	4	

JANUARY 2020

S	M	Т	W	Т	F	S
29	30	31	1 New Year's	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20 MLK Day	21 ECHD	22	23 CC	24	25
26	27 FC* IC	28	29	30	31	1

FEBRUARY 2020

S	M	Т	W	Т	F	S
26	27	28	29	30	31	1
2	3 QC	4 GC	5	6	7	8
9	10 IC	11	12 ECHB	13	14	15
16 ski wk	17 President's	18	19	20	21	22
23	24	25	26 Retreat	27	28	29

MARCH 2020

S	M	Т	W	Т	F	S
1	2 QC	3	4	5	6	7
8	9	10	11 ECHB	12	13	14
15	16	17 ECHD	18	19 CC	20	21
22	23 FC	24	25	26	27	28
29	30	31 GC	1	2	3	4

APRIL 2020

S	M	Т	W	Т	F	S
29	30	31	1	2 ECC	3	4
5 spr bk	6 QC	7	8	9	10	11
12	13	14	15 ECHB	16	17	18
19	20	21	22 Education	23	24	25
26	27 FC	28	29	30	1	2

MAY 2020

S	M	Т	W	Т	F	S
26	27	28	29	30	1	2
3	4 QC	5	6	7	8	9
10	11 IC	12	13 ECHB	14	15	16
17	18	19 ECHD	20	21 CC	22	23
24/31	25 Memorial	26 ECHB FC*	27	28 ECC	29	30

JUNE 2020

S	M	Т	W	Т	F	S
31	1 QC	2 GC	3	4	5	6
7	8	9	10 ECHB	11	12	13
14	15	16 ECHD	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4

District Board ECHD	Hospital Board ECHB	Compliance CC	Executive Comp ECC	Finance FC	Governance GC	Investment IC	Quality QC	Educational Sessions	Board Retreat
5x per year	10x per year	6x per year	4x per year	7x per year	5x per year	4x per year	10x per year	2x per year	1x per year
3 rd Tuesday + after election	2 nd Wednesday (traditional)	3 rd Thursday	Thursdays	4 th or Last Monday	1 st Tuesday	2 nd Monday	1 st Monday	4 th Wednesday	



Compliance and Audit Committee

PURPOSE

The purpose of the Compliance and Audit Committee (the "Committee") is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in its exercise of oversight of Corporate Compliance, Privacy, Internal and External Audit, Enterprise Risk Management, and Information Technology (IT) Security. The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the organization and the engagement, independence, and performance of the internal auditor and external auditor. The Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

STAFF: **Diane Wigglesworth**, Sr. Director, Corporate Compliance (Executive Sponsor)

The Sr. Director, Corporate Compliance shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the Executive Team or outside consultants may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GC	DALS	TIMELINE	METRICS	
1.	Review reporting from the new compliance program incident management tool and assess if the level of detail is sufficient for the committee's oversight.	Q2 FY20	Committee reviews and provides recommendations to the Compliance Officer	
2.	Review the hospital's assessment of the impact and any action plan, if applicable, of the 2020 California Consumer Privacy Act on Hospital operations.	Q3 FY20	Committee reviews and provides recommendations to the Compliance Officer	
3.	Review the results and mitigation action plan of a privacy and security risk assessment of SVMD.	Q3 FY20	Committee reviews and provides recommendations to the Compliance Officer	
4.	Review ECH's IT Security Strategic Plan.	Q4 FY20	Committee reviews and provides recommendations to CIO	

SUBMITTED BY:

Chair: Sharon Anolik Shakked

Executive Sponsor: Diane Wigglesworth



Executive Compensation Committee

PURPOSE

The purpose of the Executive Compensation Committee (the "Committee") is to assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in its responsibilities related to the Hospital's executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Kathryn Fisk**, Chief Human Resources Officer (Executive Sponsor); **Julie Johnston**, Director, Total Rewards;

Cindy Murphy; Director of Governance Services

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing their individual compensation.

GOALS	TIMELINE	METRICS	
Advise the Board ensuring strategic alignment and proper oversight of compensation-related decisions including performance incentive goal-setting and plan design	 Review and recommend FY19 Org Scores (Q1) Review and approve FY19 Individual Scores and Payout amounts (Q1) Review and recommend approval of letter of reasonableness (Q3) Review and approve FY21 executive base salaries (not including the CEO) (Q4) Review and recommend proposed FY21 organizational goals (Q4) Review and approve FY21 individual goals (Q4) 	 Board approves FY19 organizational score (Q1/2) Committee approves FY19 Executive Performance Incentive Scores and Payouts (Q1) Board approves Letter of Reasonableness (Q3) Committee approves FY21 executive base salaries (not including the CEO) (Q4) Board approves FY21 organizational goals (Q4) Committee approves FY21 individual goals (Q4) 	
2. Evaluate the effectiveness of the independent compensation consultant and the Committee	Review consultant performance (Q2) Complete ECC self-assessment (Q3)	Complete assessment of consultant (Q2) Board Chair reviews cost/value of consultant (Q2) Committee discusses results of self-assessment (Q4)	
3. Review Leadership Development/Succession Planning	Review CEO FY19 performance review process (Q1) Review Leadership Development and Succession Plan (Q4)	- Board Chair completes CEO review (Q1) - CHRO updates Committee on leadership (Q4)	

SUBMITTED BY:

Chair: Bob Miller

Executive Sponsor: Kathryn Fisk



Finance Committee

PURPOSE

The purpose of the Finance Committee (the "Committee") is to provide oversight, information sharing, and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital (ECH) Hospital Board of Directors ("Board"). In carrying out its review, advisory, and oversight responsibilities, the Finance Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

STAFF: **Iftikhar Hussain**, Chief Financial Officer (Executive Sponsor)

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS
1. Review major capital projects	Each regular meeting	Update on major capital projects in progress
2. Evaluate consumer-facing bills for ease of understanding, including patient portal (MyChart)	Q1	Review 5 – 10 bills with common/usual diagnoses/procedures and make recommendations to staff and Board
3. Review the top three (3) service lines: 1) Heart & Vascular Institute (HVI), 2) Ortho, Neuro and Spine, and 3) MCH	- HVI (Q1) - Ortho, Neuro and Spine (Q2) - MCH (Q3)	Presentations in September, November, and March

SUBMITTED BY:

Chair: John Zoglin

Executive Sponsor: Iftikhar Hussain



Governance Committee

PURPOSE

The purpose of the Governance Committee (the "Committee") is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in matters related to governance, board development, board effectiveness, and board composition, *i.e.*, the nomination and appointment/reappointment process. The Governance Committee ensures the Board and Committees are function at the highest level of governance standards.

STAFF: **Dan Woods**, Chief Executive Officer (Executive Sponsor); **Cindy Murphy**; Director of Governance Services

The CEO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS	
	Q1 FY20	- Recommendation for high-priority Hospital Board member competencies made to Hospital and District Board	
Review the governance structure of the Hospital Board, conduct research, and make recommendations on preferred competencies	Q4 FY20	 Chair nominates Governance Committee member to serve on District Board Ad Hoc Committee and participate in the Non-District Board Member recruitment/interview process as requested by the District Board 	
	Q4 FY20	- Assess implementation of changes to ECH Board Structure and make recommendations	
	Q4 FY19 –Q1 FY21 Q1- FY20	- FY19 Self-Assessment Survey Completed (Q4 FY19 – Q1 FY20)	
2. Promote, enhance, and sustain competency-		- FY20 Self-Assessment Tool recommended to the Board (Q3) and survey completed (Q4 FY20 – Q1 FY21)	
based, efficient, effective governance		 Reports are completed and made available to the Board and the District Board (Q1) 	
		- Develop FY20 Board Goals (Q1)	
3. Develop Board and Committee Education Plan for	Q1 FY20	- Develop and recommend FY20 Board and Committee Education Plan	
FY20	Q2 FY20	- Recommend FY20 Annual Retreat Agenda to the Board	

SUBMITTED BY:

Chair: Peter C. Fung, MD

Executive Sponsor: Dan Woods



Investment Committee

PURPOSE

The purpose of the Investment Committee is to develop and recommend to the El Camino Hospital (ECH) Board of Directors ("Board") the investment policies governing the Hospital's assets, maintain current knowledge of the management and investment funds of the Hospital, and provide oversight of the allocation of the investment assets.

STAFF: **Iftikhar Hussain**, Chief Financial Officer (Executive Sponsor)

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the Executive Team or hospital staff may participate in the meetings upon the recommendation of the CFO and at the discretion of the Committee Chair. The CFO is an ex-officio member of this Committee.

G	DALS	TIMELINE	METRICS	
1.	Review performance of consultant recommendations of managers and asset allocations	Each quarter - ongoing	Committee to review selection of money managers and make recommendations to the CFO	
2.	Education Topic: Environmental and Social Governance	FY20 Q1	Complete by the August 2020	
3.	Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	Q4	Completed by May 2020	

SUBMITTED BY:

Chair: Jeffrey Davis, MD

Executive Sponsor: Iftikhar Hussain



Quality, Patient Care and Patient Experience Committee

PURPOSE

The purpose of the Quality, Patient Care and Patient Experience Committee (the "Committee") is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in constantly enhancing and enabling a culture of quality and safety at ECH, to ensure delivery of effective, evidence-based care for all patients, and to oversee quality outcomes of all services of ECH. The Committee helps to assure that exceptional patient care and patient experiences are attained through monitoring organizational quality and safety measures, leadership development in quality and safety methods, and assuring appropriate resource allocation to achieve this purpose.

STAFF: Mark Adams, MD, Chief Medical Officer (Executive Sponsor)

The CMO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional clinical representatives and members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair. These may include: the Chiefs/Vice Chiefs of the Medical Staff, physicians, nurses, and members from the community advisory councils, or the community at-large.

G	DALS	TIMELINE	METRICS	
1.	Review the Hospital's organizational goals and scorecard and ensure that those metrics and goals are consistent with the strategic plan and set at an appropriate level as they apply to quality	 FY19 Achievement and Metrics for FY20 (Q1 FY20) FY21 Goals (Q3 – Q4) 	Review management proposals; provide feedback and make recommendations to the Board	
2.	Alternatively (every other year) review peer review process and medical staff credentialing process; monitor and follow through on the recommendations	Q2	 Receive update on implementation of peer review process changes (FY20) Review Medical Staff credentialing process (FY21) 	
3.	Review Quality, Patient Care and Patient Experience reports and dashboards	 FY21 Quality Dashboard (Q1-Q2 proposal; monthly for review and discussion, if needed) CDI Core Measures, PSI-90, Readmissions, Patient Experience (HCAHPS), ED Patient Satisfaction (x2 per year) Leapfrog survey results and VBP calculation reports (annually) 	Review reports per timeline –	
4.	Oversee execution of the Patient and Family-Centered Care plan and LEAN management activities and cultural transformation work	Quarterly	Review plan and progress; provide feedback to management –	
5.	All committee members regularly attend and are engaged in committee meeting preparation and discussions	Review quarterly at the end of the meeting	Attend 2/3 of all meetings in person Actively participate in discussions at each meeting	
6.	Monitor the impact of interventions to reduce mortality and readmissions	Quarterly	Review progress toward meeting quality organizational goals	

SUBMITTED BY: Chair: Julie Kliger, MPA, BSN **Executive Sponsor:** Mark Adams, MD, CMO



FY20 El Camino Hospital Board of Directors Advisory Committee & Liaison Appointments

	Committee Appointments					
COMMITTEE	COMPLIANCE AND AUDIT	EXECUTIVE COMPENSATION	FINANCE	GOVERNANCE	INVESTMENT	QUALITY
CHAIR	Sharon Anolik Shakked	Bob Miller	John Zoglin	Peter C. Fung, MD	Gary Kalbach	Julie Kliger
	Don Watters	Julie Kliger	Gary Kalbach	Gary Kalbach	Jack Po, MD	Jack Po, MD
BOARD MEMBERS	Bob Rebitzer	John Zoglin	Don Watters	Bob Rebitzer	Julia Miller	Peter C. Fung, MD
		George O. Ting, MD				George O. Ting, MD
	Lica Hartman	Teri Eyre	Joseph Chow	Christina Lai	Nicola Boone	Melora Simon
COMMUNITY	Christine Sublett	Jaison Layney	Boyd Faust	Peter Moran	John Conover	
MEMBERS		Pat Wadors	William Hobbs		Brooks Nelson	
			Richard Juelis			

Liaison Appointments	
ECH FOUNDATION BOARD OF DIRECTORS (Liaison)	Julia E. Miller
COMMUNITY BENEFIT ADVISORY COUNCIL (CBAC)	John Zoglin

LEGEND

- *Board Members
- *Community Members



EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Mark Adams, MD, CMO

Date: June 12, 2019

Subject: Infection Prevention Plan and Annual Hand Hygiene Compliance Report

Purpose:

1. To obtain the Board's approval El Camino Hospital's Annual Infection Prevention Plan.

2. To inform the Board of El Camino Hospital's FYTD 2019 Hand Hygiene Compliance.

Summary:

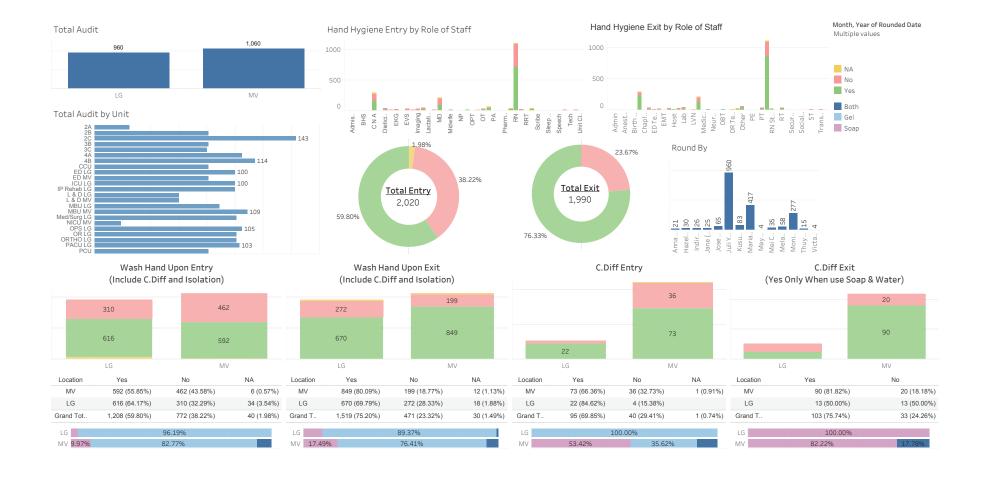
- 1. <u>Situation</u>: The Annual Infection Prevention Plan guides the work and actions of the Infection Prevention Committee of the Medical Staff and the Infection Prevention Department.
- 2. <u>Authority</u>: An update to the Infection Prevention Plan is required annually by the California Department of Public Health, the Santa Clara Valley Department of Public Health, and The Joint Commission. The plan includes an updated risk assessment regarding communicable diseases in the population served. As part of the Hand Hygiene Practices section of the Leapfrog Hospital Survey, hospitals are encouraged to report compliance and trends recognized regarding hand hygiene to hospital leaders and the Board.
- Background: The primary function of the plan and department is to prevent transmission of infections agents among patients, staff, medical staff, and visitors. Strategies are developed each year to address issues with hospital-acquired infections, antimicrobial resistance, and the presence of infectious disease in the community that impacts the hospital, i.e. Clostridium difficile, Tuberculosis, Influenza, etc. Routine and expanded audits of hand hygiene compliance were initiated in FY 2018 as part of ECH's Quality Goal of reducing hospital-acquired infections. The work of sustaining the changes in FY 2018 continues in the HAI A3 Team that meets monthly to review these data and address trends and issues with hand hygiene.
- **4.** <u>Assessment:</u> The Infection Prevention Plan reflects the community risks of infection.
- 5. Other Reviews: The Quality, Patient Care and Patient Experience Committee reviewed and recommended approval of The Infection Prevention Plan. It was also approved by ECH's Infection Prevention Committee, and is required reporting to the Board by Leapfrog. Hand Hygiene compliance data is routinely reported to the Patient and Employee Safety Committee. Each Nursing Unit receives monthly hand hygiene compliance data on their dashboard.

6. Outcomes: N/A

List of Attachments:

- 1. Infection Prevention Plan
- 2. Hand Hygiene Compliance Report

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





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: June 12, 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 May 23, 2019.
- **2.** Background: We received the following informational reports.
 - a) Quality Council The newly consolidated Quality Council met on May 1, 2019. The number of Surgical Site Infections have doubled in CY 2019 (32) vs CY 2018 when there were only 15 on the MV Campus. The subcommittee of the Quality Council developed a two tiered strategy to combat SSIs enterprise wide. Immediately, the following actions were implemented: Noes to Toes Procedure, clipping of hair outside of the OR, and ATP cleaning verification will be incorporated in the OR and cath lab suites. Long term plans include implementation of best practices such as ERAS, glucose control and preprocedural patient education once the new surgery outpatient area opens.
 - b) CEO Report The CEO provided the following updates:
 - i. The Joint Commission has designated the Mountain View Hospital as a Thrombectomy-Capable Stroke Center.
 - ii. The Commission on Cancer (CoC) of the American College of Surgeons has granted our oncology service line its third consecutive three-year accreditation with commendations.
 - iii. Foundation's "Spring Forward" gala fund-a-need appeal raised \$95,000 to support our Mental Health & Addiction Services Program.
 - iv. Mountain View opened a 10-bed flex unit on 3CW that can accommodate medical/surgical patients or maternity patients, based on the needs of our patients.
 - v. Push Text Notifications are available for family and friends of patients in the OR as they move through the surgical suite.
 - vi. Los Gatos will celebrate their 10 year anniversary as part of the El Camino family in July.
 - c) CMO Report The CMO provided a verbal update on the FY19 Quality Dashboard performance. The mortality rate and readmissions showed decline. ED Throughput has shown improvement. Data will be recalculated based upon the intent of the criteria to more accurately reflect ECH performance.

- i. The Annual Physician Engagement Survey will be launched the first week of June and remain open for three weeks. The survey gives physician partners an opportunity to provide their opinions and feedback on quality of services offered, teamwork and culture of safety at ECH.
- d) CNO Report The CNO informed MEC members:
 - Capacity Command Center pilot is going well with discharges by noon up to 33%. Nurses are working diligently on preplanning with patients and families for discharge.
 - ii. Contract negotiations are in process with the nurses' union.
 - iii. The application for the fourth Magnet Status Designation is underway and looks good for meeting the criteria.
- e) Chief of Staff Reports:
 - i. Enterprise Medical staff and hospital quality strategic plans are intricately linked and both consultants provided status updates.
 - 1. Progressive Consultants focused on development of staged approach to achievement of the vision. First draft of the plan to be completed by early June and presented to Administration. The plan is focused on the ECH goals to (1) Perform in the Top 10% Nationally Enterprise Wide and (2) Zero Preventable Harm.
 - 2. Mark Smith, the medical staff consultant, met with task force to restructure the peer review process into the establishment of a centralized peer review committee.
 - ii. Los Gatos Dr. Teagle announced the Los Gatos Town hall Meeting was held on April 24. The welcome reception for the SJMG group was well attended.
- 3. <u>Other Review:</u> The MEC approved the Policies and Scopes of Service identified in the attached file.

List of Attachments:

1. Spreadsheet showing approved Policy and Scopes of Service

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

SUMMARY OF POLICIES/PROTOCOLS FOR REVIEW AND APPROVAL - BOARD								
		12-Jun-19						
	New Documents							
Document Name	Document Name Department Type of Document Summary of Policy Changes							
FY-19 Medical Equipment Management Plan	Emergency Management	Plan						
	DOCU	JMENTS WITH MI	NOR REVISIONS					
Document Name	Document Name Department Type of Document Summary of Policy Changes							
Bloodborne Pathogen Exposure Control	Employee Health and Wellness	Plan	Expanded on Work Practice Control section and updated training to meet OSHA recommendations					
Scope of Service	Mental Health Services	Scope	Updated services offered					
omplaint and Grievance Management Patient Experience Policy Updated to current practice								



TITLE:	FY-19 Medical Equipment Management Plan			
CATEGORY:	Safety – Environment of Care			
LAST APPROVAL:				
TYPE:	□ Policy □ Protocol □ Practice Guideline □ Standardized □ Procedure □ Plan □ Scope of Service/ADT Procedure			
OFFICE OF ORIGIN:	Clinical Engineering			
ORIGINAL DATE:	04/03/2018			

I. COVERAGE:

This Medical Equipment Management Plan applies to hospital functions at all hospital-operated facilities including the Mountain View and Los Gatos campuses and outpatient clinics.

II. PROGRAM OBJECTIVES, INTENT AND CORE VALUES:

El Camino Hospital is committed to providing a safe, accessible and effective Environment of Care (EOC), consistent with its mission, services and applicable governmental mandate. This commitment includes the provision of a physical environment that minimizes hazards and risks to patients, employees and visitors. This plan describes a comprehensive facility-wide Medical Equipment Management Plan that describes the process for: The Mountain View and Log Gatos campuses as well as all associated clinics where El Camino patients are cared for. To that end, it is the intent of this plan to describe a comprehensive facilities-wide management system that promotes safe and effective use of medical equipment, the objectives of which include:

- Maintaining a current accurate inventory of equipment included in the program
- Ensuring all equipment receives an initial inspection prior to use
- Ensuring *preventive maintenance* is performed pursuant to a risk-based equipment maintenance strategy and schedule
- Providing timely and effective corrective maintenance services
- **Reporting, investigating and resolving** incidents, problems and failures involving equipment in a timely and effective fashion

Developing and providing training materials in coordination with Hospital Educator

III. SCOPE AND APPLICATION:

This plan applies to select medical equipment, devices and technology and the uses thereof, which are generally included within a designed environment of care management program.

The items, processes, and critical functions addressed in this plan include, but are not limited to the following:

- Program planning/design, implementation, and the measurement of outcomes and performance improvements
- Medical equipment which is purchased, rented, leased, borrowed, and supplied for demonstration
- Equipment identification, risk assessment, inventory and maintenance
- Equipment Device-related hazard alerts and product recalls
- Equipment involved in incidents that have, or may have, contributed to death, serious injury or



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illness pursuant to the Safe Medical Device Act (SMDA)

- Clinical and technical consultative services relative to equipment pre-purchase evaluation, end user training, and equipment life-cycle analysis.
- Oversight of the hemodialysis equipment service refer to Chief of Dialysis

IV. REFERENCES:

- Joint Commission Accreditation Manual for Hospitals, Environment of Care, EC.02.04.01, EC.02.04.03
- 2. California Code of Regulations, Title 22, sections 70837, 70853
- 3. Medical Equipment Management Manual

V. AUTHORITY

In accordance with its bylaws, the Central Safety Committee the authority to ensure this plan is formulated, appropriately set forth and carried out. The authority and responsibility for program strategic design and operational oversight has been delegated to the Director of Clinical Engineering.

VI. PROGRAM ORGANIZATION AND RESPONSIBILITIES

- A. Executive Management (i.e. the organization's governing body, the facility Leadership Team) provides the program vision, leadership, support and appropriate resources through the development, communication and institutionalizing of pertinent business fundamentals.
- B. The Clinical Engineering Department, has been given the responsibility for:
 - 1. Cataloging all medical devices and equipment and determining which devices are deemed critical and to be included in the scheduled maintenance program
 - 2. Maintaining an accurate inventory of all the devices deemed critical
 - 3. Performing initial safety tests and inspections of all medical equipment
 - Inspecting and maintaining equipment that does not meet the criteria to be listed individually in the maintenance program through a series of scheduled environmental inspections and testing
 - Performing and documenting maintenance activities through the design and implementation of the equipment management program, to include coordination of the initial risk assessments
 - 6. Developing written plans and operating procedures
 - 7. Identifying training needs
 - 8. Providing technical consultation and assistance with equipment end user training
 - 9. Initial response to, investigation and reporting of incidents, potential Safe Medical Devices Act issues and Sentinel Events
- C. Each Department Manager/Director is responsible to develop and manage department specific elements the equipment management program to include:



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1. Ensuring all equipment, regardless of the type or ownership, receives an initial inspection before being introduced into the patient care environment and is functionally tested prior to each use insofar as it is recognized that each use of the device constitutes a functional test.

- 2. Maintaining equipment through the development and management of department-specific elements of the equipment management program, including user training, and assessing program effectiveness.
- 3. Implementation of procedures to address failed devices:
 - a. How to respond to equipment failure
 - b. How staff should contact Clinical Engineering when equipment repair is required
 - c. How to pro-actively identify equipment that is in disrepair or in need of assessment
 - d. How to ensure failed equipment is properly tagged and taken out of service
- D. A multi-disciplinary Central Safety Committee (CSC) ensures that the program remains in alignment with the core values, direction, and goals of the organization by providing leadership, determining priority and assessing the utility and efficacy of changes to the program. The CSC is also the central hub of the applicable Information Collection and Evaluation System (ICES) and acts as a clearinghouse for action items and recommendations, as well as a forum for leveraging issues, and developing program imperatives.
 - The CSC meets regularly throughout the year and, as part of the standing agenda, receives and reviews reports and summaries of actions taken, deficiencies, issues and performance improvement relative to equipment management, as well as several other pertinent functions and disciplines.
- E. Employees (all those who use equipment, to include contract employees, registry/on-call personnel, etc.) are responsible to participate in equipment training and demonstrate core competencies relative to safe, effective equipment operations (including the performance of routine functional testing of equipment to verify integrity with each use). Employees must ensure their work practices and processes are safe and are in accordance with departmental procedures, training, provisions of this plan, and sound clinical judgment.

VII. RISK ASSESSMENT

The clinical and physical risks associated with the management of medical equipment are discerned through the following facility-wide processes:

- Risk-based initial & scheduled inspections, testing and maintenance
- Ongoing Equipment Safety Management methods and protocols, including those designed to address operator/user errors and equipment failures
- Incident Report review/evaluation through the applicable Information Collection and Evaluation System and the EM/ISC
- Device-related hazard alerts and product recalls
- Environmental and Hazard Surveillance rounds
- Communications with customers (end users)
- Root Cause Analysis of medical equipment related significant events



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VIII. PROGRAM IMPLEMENTATION AND PROCESSES OF PERFORMANCE

- A. The selection and acquisition of medical equipment is accomplished through local and clinical specialty evaluation committees and through the utilization of medical technology and product line manuals. Conformance to pre-established standards, as appropriate, is ensured through the purchasing process.
- B. The risk-based criteria for inclusion in the medical equipment preventive maintenance (PM) program includes:
 - Equipment function/clinical application (e.g. diagnostic, therapeutic, or monitoring)
 - Physical/clinical risks associated with use and/or failure
 - Maintenance requirements
 - Equipment classification incident history
 - Environment of equipment use (areas of equipment use)
 - Supplied, owned, or maintained by an outside service

Clinical Engineering is responsible for establishing appropriate PM schedules based upon the foregoing risk criteria, experience, and ongoing monitoring and evaluation of equipment performance, reliability and use. All medical equipment, regardless of the type ownership, receives inspection, maintenance and testing at appropriate frequencies using approved methodologies, commensurate with relative risk, criticality and priority, to include:

- Scheduled preventive maintenance performed on those pieces of equipment included in the PM program.
- Inspection during scheduled rounds, using the environmental concept.
- Functional testing at the point of use.
- C. Medical device product recalls and alert notifications are managed through a system involving Clinical Engineering, Facility Services, Materials Management, Safety, Risk and the equipment user departments. As medical equipment alerts, product recalls and manufacturer letters are received, they are researched through the Clinical Engineering department. When the alert or the recall involves equipment supported by Clinical Engineering, the equipment/product user department and Clinical Engineering check inventory and take action, as prescribed in the notice. Clinical Engineering provides the CSC with relevant data where it is tracked and monitored for follow up on the alert.
- D. The investigation and reporting of device-related incidents involving death, serious injury, serious illness, or posing a significant impact on care or an occupational hazard are managed through an ad hoc administrative investigation team (Quality Review Report (QRR). The Team is comprised of individuals who collectively possess the technical, clinical, and operational skill sets necessary to effectively evaluate the surrounding circumstances and determine the need for reporting under the Safe Medical Devices Act (SMDA) requirements.

 The SMDA investigation process and ensuing investigative reports are instrumental in discovering user error issues that provide impetus for training improvements. In instances when the governmental criteria are met, the investigation and root cause analysis is



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documented on the FDA "MedWatch" report form, in accordance with the SMDA policy. In addition, the user's department under the direction of Risk Management completes a QRR form. This form is used to document user errors; as well as other equipment use management issues such as cannot duplicate problem, equipment abuse, and unsafe practices.

- E. Clinical and physical risks relative to the use of equipment are identified and assessed through processes involving periodic performance assessment, user feedback, safety rounds, and incident reporting/review.
- F. Education and Training for the end users of equipment (including use, reporting failures, emergency procedures, etc.) is area/department specific and provided through the individual department manager. Educational topics include:
 - Capabilities, limitations and special applications of equipment
 - Basic operations and safety precautions
 - Emergency procedures
 - Skills necessary to perform equipment maintenance
 - Processes for reporting program problems, failures, and user errors.

Clinical Engineering will provide technical consultation, as appropriate. Department managers/Administrators, in concert with the Education Department will verify that each employee possesses the required core competencies relative to the safe and effective use and maintenance of equipment, as required. Education and training for maintainers of equipment (e.g. Clinical Engineering) is provided through the equipment vendors and ongoing technical, educational and professional development programs. An engineer's equipment training is based upon a training needs assessment and coordinated through the Director of Clinical Engineering. Required competencies are established, monitored and documented through the Director of Clinical Engineering.

Training materials and programs are developed and periodically revised to reflect:

- Assessment of educational needs
- Organization-wide experiences
- New technologies, equipment, and systems
- Results of risk assessments, environmental rounds, audits, and inspections
- Changes in pertinent laws, codes, and standards
- CSC recommendations
- G. Procedures are developed by the Clinical Engineering Department in conjunction with the user Departments. They include processes to ensure failed or deficient devices are immediately taken out of service. In these cases, the user enters pertinent information onto a repair tag and Clinical Engineering is notified, without delay. Other aspects included within the user-specific departmental procedures address failure procedures, emergency clinical interventions in the event of critical equipment failure, and obtaining emergency back-up equipment and repair services.



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IX. PERFORMANCE MEASURE

2019 Performance Indicator Addition (Monitoring and Inspection)

Performance Improvement Indicator	Target
Staff knowledge: Staff know how to contact Clinical Engineering should a	>90%
piece of equipment malfunction	
Staff can describe the proper way to replace or to request accessories: as an	>90%
example BP Cuffs, Lead sets , etc	/30/6

X. PROGRAM EFFECTIVENESS

The effectiveness of the equipment management program, including the appropriateness of the program design, training, maintaining equipment integrity, issues, and behaviors will be monitored and assessed on an ongoing basis. Relevant reports and concurrent and retrospective data relative to the management of equipment will be garnered and tracked through the applicable Information Collection and Evaluation System (ICES). The CSC will receive periodic reports and give approvals or make recommendations, as indicated. These reports include summaries of monitoring results relative to performance standards, but are not limited to:

- Reports of SMDA issues, investigations, and follow up
- Relevant device/product related hazard alerts/product recalls and follow up
- Reports of equipment related significant events
- Trends or clusters of; cannot duplicate reported equipment problems, user errors, and equipment that cannot be located for scheduled preventive maintenance
- Efficient scheduled and corrective maintenance completion
- End user survey

XI. ANNUAL PROGRAM EVALUATION

Results of this evaluation process will form the basis for performance improvement standards, strategic goal setting, planning, and verifying the continued effectiveness of program on an annual basis, the Utility Systems Management Plan/Program is evaluated relative to its *objectives, scope, effectiveness and performance*. This evaluation process is coordinated through Engineering, in conjunction with the Facilities Director, and includes an evaluation of:

- The continued appropriateness and relevance of program objectives, as well as whether or not these objectives were met.
- The Scope of the program, relative to its continuing to comprise meaningful aspects, relevant
 equipment, technology and system, items that add value and elements conducive to continuous
 regulatory compliance.
- The extent to which the program was Effective in meeting the needs of the customer, the
 patients and the organization, within the parameters of the given scope and objectives. This
 analysis includes initiatives, accomplishments, problem solving, examples and other evidence of
 effectiveness.



TITLE: FY-19 Medical Equipment Management Plan

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• The performance dimensions, to evaluate expectations of performance attainment, measurement techniques, process stability and improvement efforts and outcomes, secondary to performance monitoring results.

Results of this evaluation process will form the basis for performance improvement standards, strategic goal setting, planning, and verifying the continued applicability of program objectives.

XII. APPROVAL:

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Central Safety Committee:	9/2018
ePolicy Committee:	5/2019
Quality Committee:	
Board of Directors:	N/A
Medical executive committee:	5/2019
Historical Approvals:	N/A

Finance Committee Approvals Report to the Board – June 12, 2019

In accordance with the Corporate Compliance: Physician Financial Arrangements Policy, the following agreements were approved by the Finance Committee at its May 28, 2019 meeting.

Clinical Area	Campus	Agreement Type	Hourly or Per Diem Rate	Hours/Month	Not-to-Exceed	FMV Assessment	Statement of Need
Lithotripsy	LG	Professional Services Agreement	Physician Comp. is based on procedure (CPT)	N/A	\$1,621,200 budgeted for FY20	Being Confirmed	Agreement with Urology Group Practice to provide lithotripsy services including equipment, supplies and technical staff necessary to provide Hospital patients with urinary stone diseases.
Behavioral Health Unit	MV	On-Call Panel	\$200 Per Diem for on-call coverage; Additional \$250 Per Diem when physician arrives in PACU before 7:00 am to conduct ECT medical clearance	N/A	N/A	\$200/Per Diem is below the 25 th percentile \$250/Per Diem is at the 50 th percentile	Provides for On-Call physician services for the BHU and for Medical Clearance for Outpatient ECT

In accordance with the Signature Authority Policy, the following capital expenditure was approved by the Finance Committee at its May 28, 2019 meeting:

Project	Campus	Not to Exceed Amount	Description of Project and Statement of Need
Campus Signage	MV	\$2.5 million	120 new or retrofitted signs including two new major monument signs at North and South Drive, electrical work and lighting changes.



EL CAMINO HOSPITAL HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Bob Miller, Executive Compensation Committee Chair

Date: June 12, 2019

Subject: Executive Compensation Committee Approvals - FY20 Executive Base Salaries and

Salary Ranges

Purpose: To inform the Board regarding the approved FY20 Executive Base Salaries and Salary Ranges.

Summary:

1. <u>Situation</u>: At is May 30, 2019 meeting the Executive Compensation Committee took action to approve FY20 Executive Base Salaries and Salary Ranges and is now reporting those approvals to the Board.

- 2. <u>Authority</u>: Per ECH Policy, the Executive Compensation Committee has the delegated authority to approve changes to the Executive Team's (except for the CEO) base salary ranges and base salaries.
- 3. <u>Background</u>: Mercer, an outside compensation consultant, conducted a comprehensive market review for the each of the executive positions. The salary ranges are based on market data and the El Camino Hospital median, which is consistent with the executive compensation philosophy. The ECC reviewed the market data as well as the CEO's recommendations for base salary increases and approved the following:

Approved FY20 Executive Salary Ranges:

	FY20 Salary Range		
Position	Minimum	Midpoint	Maximum
Chief Administrative Services Officer	\$243,200	\$304,000	\$364,800
Chief Financial Officer	\$498,400	\$623,000	\$747,600
Chief Information Officer	\$364,000	\$455,000	\$546,000
Chief Medical Officer	\$472,000	\$590,000	\$708,000
Chief Nursing Officer	\$314,400	\$393,000	\$471,600
Chief Operating Officer	\$527,120	\$658,900	\$790,680
Chief Strategy Officer (open position)	\$336,160	\$420,200	\$504,240
General Counsel	\$386,400	\$483,000	\$579,600
President ECH Foundation (open position)	\$232,800	\$291,000	\$349,200
President, SVMD	\$366,400	\$458,000	\$549,600
VP, Corporate & Comm. Health Svcs; President, CONCERN:EAP	\$243,200	\$304,000	\$364,800
VP, Payor Relations	\$208,000	\$260,000	\$312,000
Chief Human Resources Officer	\$322,400	\$403,000	\$483,600

Approved FY20 Executive Base Salaries:

Position	FY20 Base Salary
Chief Administrative Services Officer	\$312,090
Chief Financial Officer	\$508,820
Chief Information Officer	\$393,490
Chief Medical Officer	\$592,250
Chief Nursing Officer	\$378,780
Chief Operating Officer	\$566,500
General Counsel	\$427,280
President, SVMD	\$527,280
VP, Corporate & Comm. Health Svcs; President, CONCERN:EAP	\$275,010
VP, Payor Relations	\$280,880
Chief Human Resources Officer	\$368,600

- **4.** <u>Assessment</u>: N/A
- 5. Other Reviews: The Executive Compensation Committee reviewed the data presented by Mercer and approved the above FY20 base salaries and salary ranges at its May 30, 2019 meeting.
- 6. <u>Outcomes</u>: This achieves competitive ranges for the incumbent and potential future executives. The base salary changes recognize market movement and performance.

List of Attachments:

1. None

<u>Suggested Board Discussion Questions</u>: None. This is an informational consent item.



EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Ken King, CASO Date: June 12, 2019

Subject: Major Projects Update

Purpose:

To keep the Board informed on the progress of major capital projects in process.

Summary:

1. <u>Situation</u>: **Taube Pavilion** (aka BHS) construction is 89% complete and progressing towards substantial completion in late July, with the Lobby finishes being the last element to be completed. Furniture and equipment fit up is scheduled to begin in mid-June and be completed by the end of July. The waste water storage project which must be completed to obtain final occupancy begins on May 20th and is scheduled to be substantially complete by August 21st. This project is forecasted to be completed within the approved budget. (See Attachment #1 – Cost Reports)

Sobrato Pavilion (aka IMOB) construction is 77% complete and progressing towards substantial completion in late September with Tenant TI's being the last element to be completed. Furniture and equipment fit up is scheduled to begin in early August and be completed by the end of September. To minimize the traffic impact the "offsite work" on Grant Road and other areas around the hospital are scheduled to be completed during the summer months. This project is forecasted to be completed with the approved budget. (See Attachment #1 – Cost Reports)

Women's Hospital construction documents are in the final stage of review prior to submission to OSPHD for plan review and permitting. We are pushing for a nine month process to obtain a building permit so that construction can begin in the spring of 2020.

Demo Old Main Hospital & Related Construction development planning is in process. The initial phase of the project requires the partial demolition of the structure so that a Temporary Loading Dock and Receiving Area can be constructed. (See Attachment #1 for Project Preview)

- 2. <u>Authority</u>: This memo is to keep the Finance Committee and the Board informed of the progress towards completion of the major development projects within the Mountain View Campus Development Plan.
- **Background:** The Board of Directors approved the Mountain View Campus Development Projects which consist of the following:

Step I:StatusNorth Parking Garage Expansion -CompleteBehavioral Health Services Building -ConstructionIntegrated Medical Office Building -ConstructionCentral Plant Upgrades -Complete

Major Projects Update June 12, 2019

Step II:

Women's Hospital Expansion - Plan Review/Permit

Demolition of Old Main Hospital - Schematic Design

- **4.** <u>Assessment</u>: In addition to the construction activities all impacted departments are working on the activation, training, move planning and budgeting for the future state of operations.
- 5. Other Reviews: N/A
- 6. Outcomes: The primary objective continues to be completing the projects within the approved budgets and to safely transition into the new building environments.

List of Attachments:

1. Cost Reports & Old Main Demo & Related Site Work Project Preview

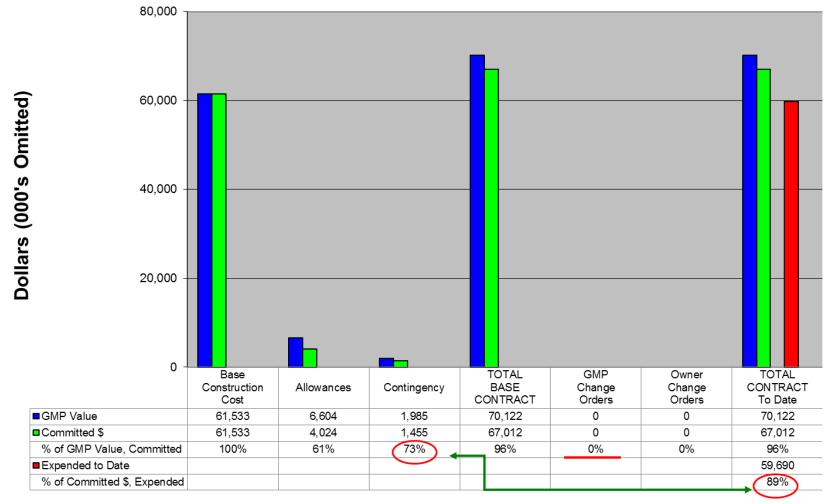
Suggested Board Discussion Questions: N/A



Finance Committee – Major Projects Update May 28, 2019

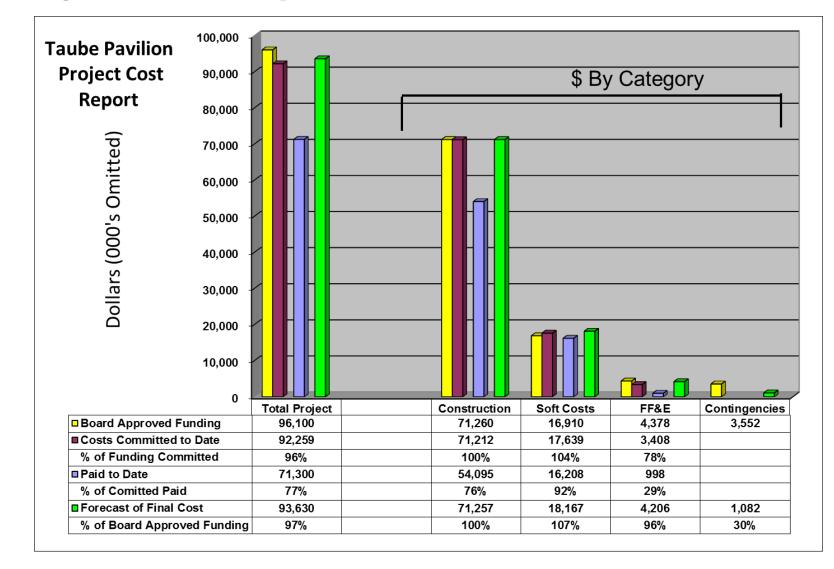
Ken King, CASO

Taube Pavilion Construction Contract Cost Report



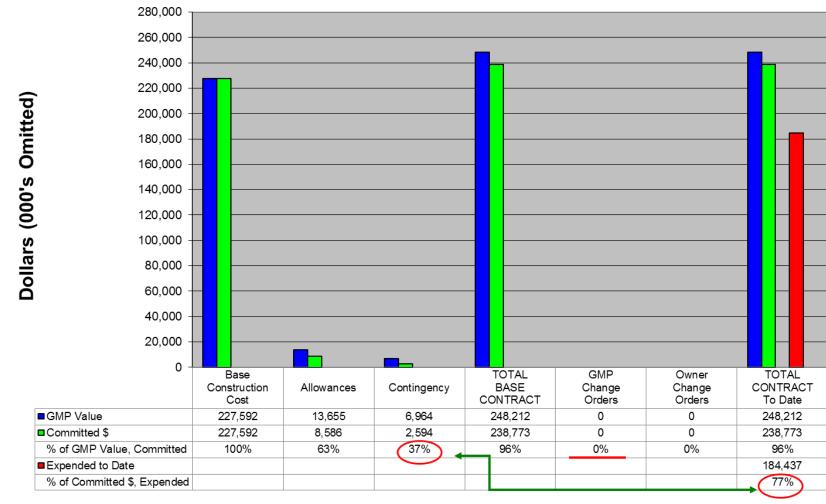


Taube Pavilion Project Cost Report



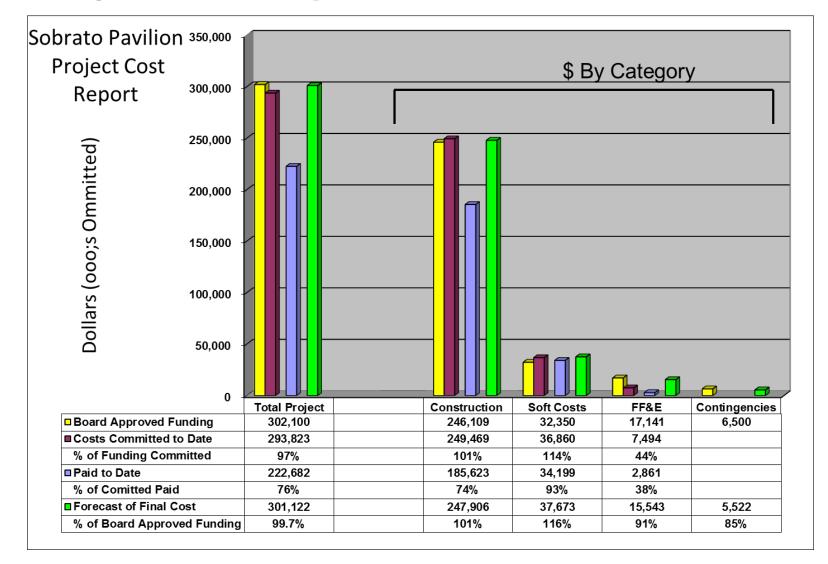


Sobrato Pavilion Construction Contract Cost Report





Sobrato Pavilion Project Cost Report



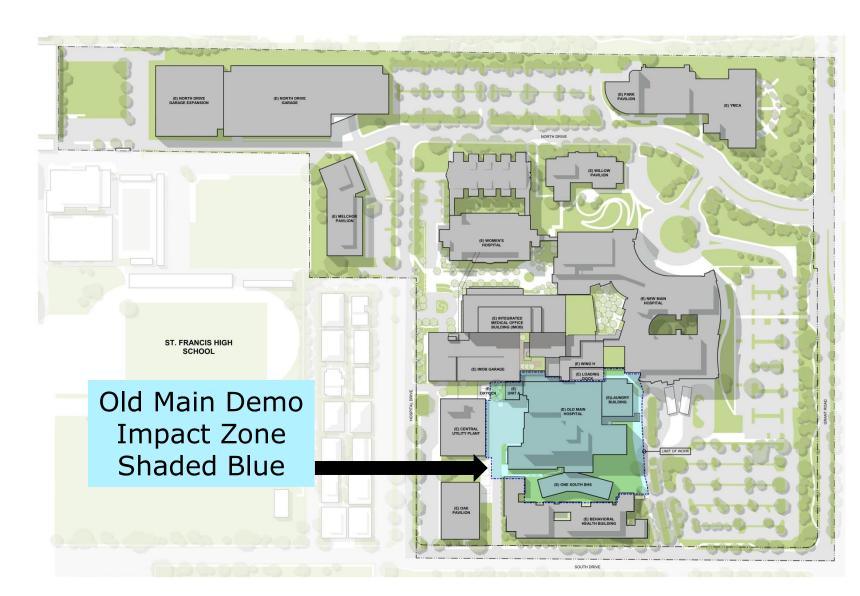


Old Main Demo & Related Site Work

Project Scope Preview



Mountain View Campus Existing Site Plan





Mountain View Campus Proposed Site Plan



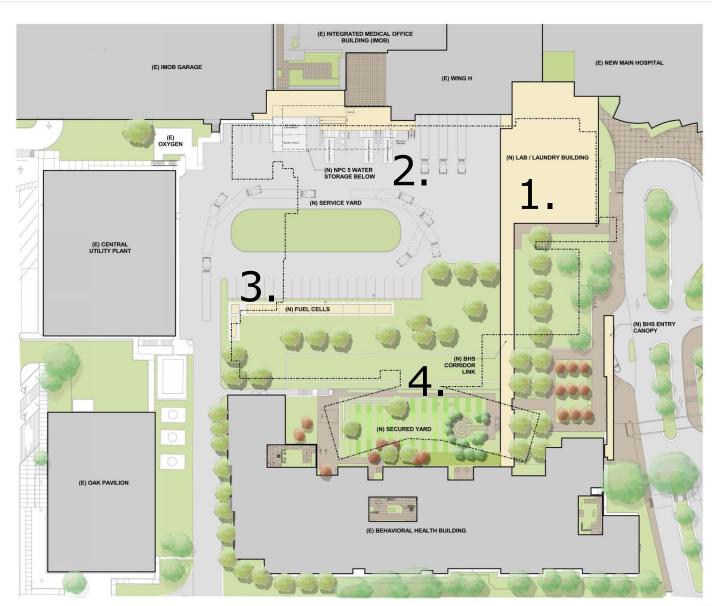


Mountain View Campus Proposed Site Plan Close UP

Key Elements Proposed

- New Structure proposed to house Cardiac Rehab Services & Support Space with a Corridor Link between Main Hospital and Taube Pavilion.
- 2. New Service Yard & Receiving Area
- 3. Fuel Cell Installation
- 4. Courtyard & Landscaping

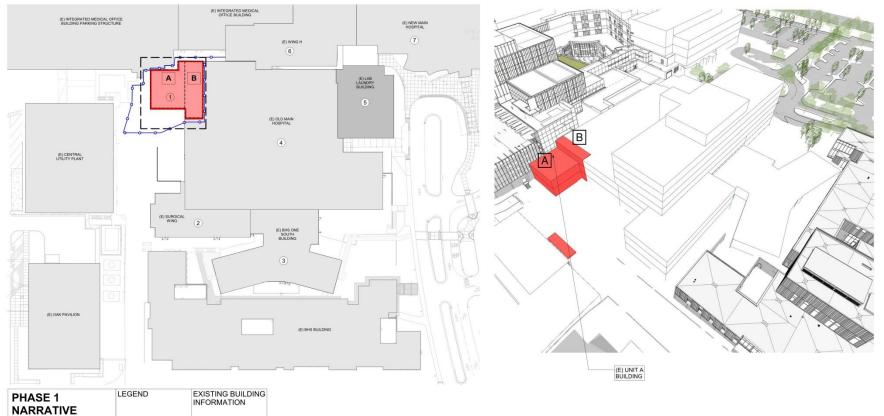




 REFER TO AP-001 & AP-002 FOR INFORMATION ON PHASING OF

- SEE SHEETS A-100 TO A-113 FO INTERIM LOADING DOCK & SER YARD, BHS CONNECTOR &
 - 3. SEE SHEETS CIVI AND LANS

Old Main Hospital Demo & Related Site Work Phase I



PHASE 1
NARRATIVE

A DEMOLITION OF (E)
UNIT A BUILDING, SEE
SHEET TLD-02

B SOFT DEMOLITION OF
(E) SECTION OF OLD
MAIN HOSPITAL, SEE
SHEET TLD-02

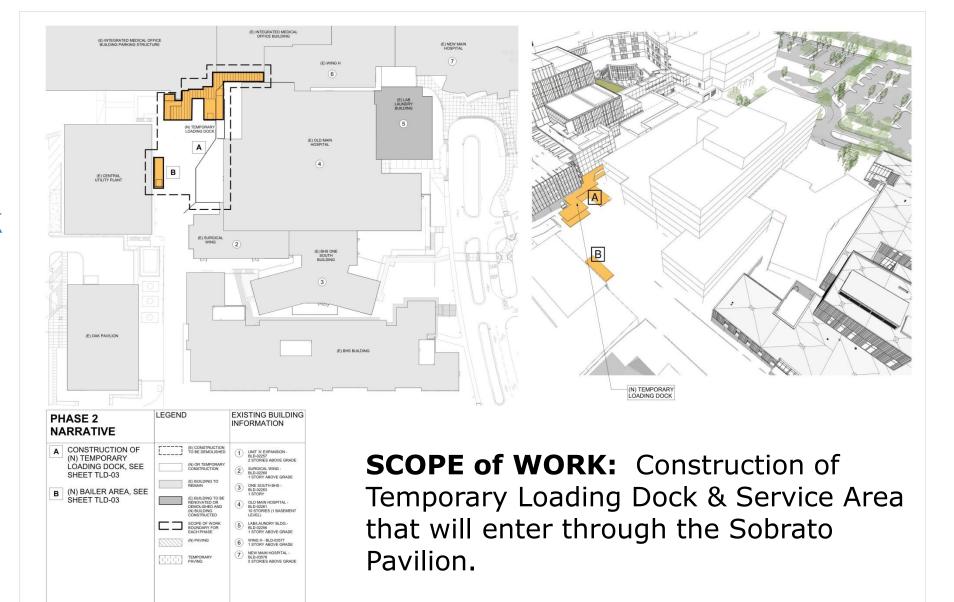
B SOFT DEMOLITION OF
(E) SECTION OF OLD
MAIN HOSPITAL, SEE
SHEET TLD-02

B SOFT DEMOLITION OF
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SCOPE of WORK: Partial Demolition of structure to clear space for Temporary Loading Dock & Service Area that will enter through the Sobrato Pavilion.

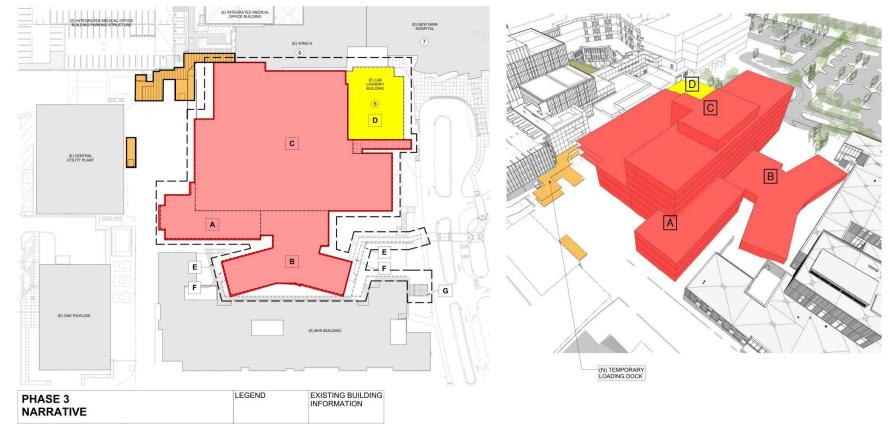


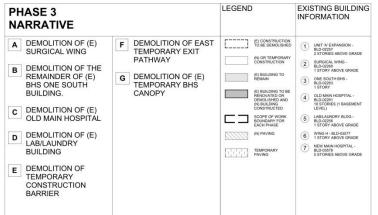
Old Main Hospital Demo & Related Site Work Phase II





Old Main Hospital Demo & Related **Site Work** Phase III

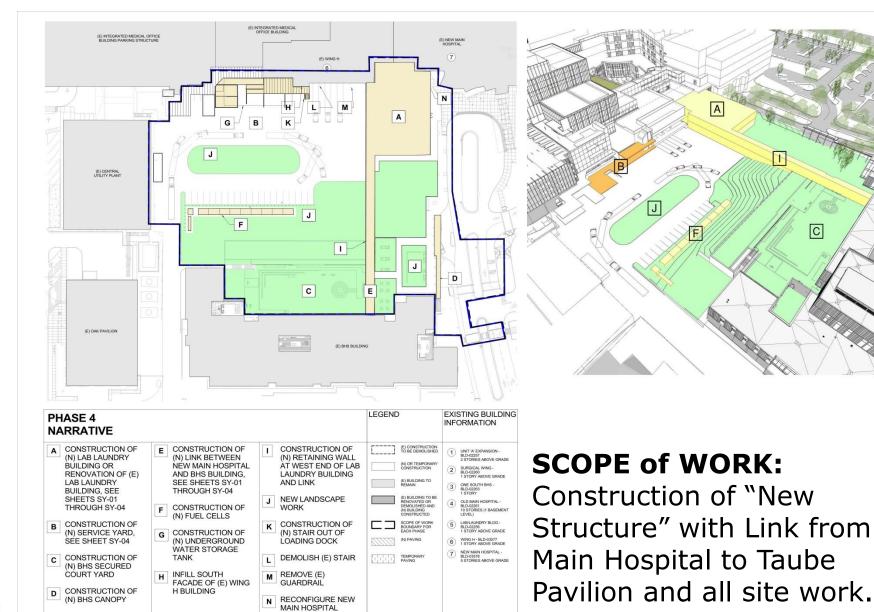




SCOPE of WORK: Sequenced demolition of entire hospital structure from top down to subbasement level.



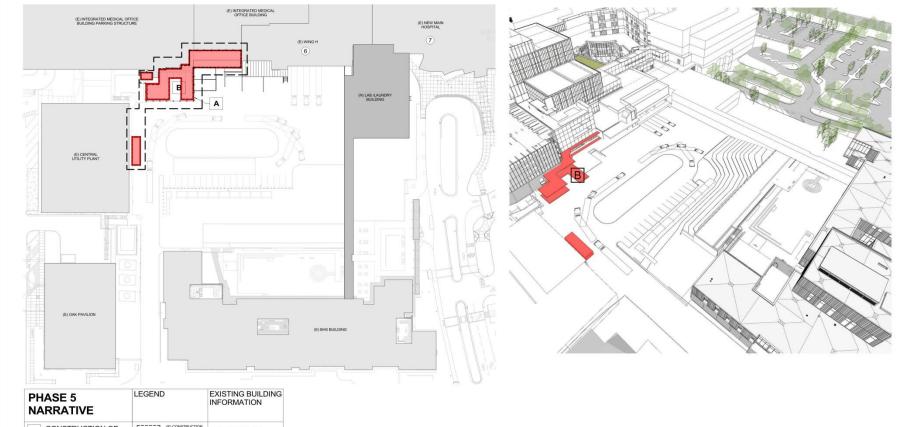
Old Main Hospital Demo & Related **Site Work** Phase IV



SOUTH ENTRY



Old Main Hospital Demo & Related Site Work Phase V



PHASE 5
NARRATIVE

A CONSTRUCTION OF TEMPORARY CONSTRUCTION BARRIER

B DEMOLITION OF (E) TEMPORARY LOADING DOCK, SEE SHEET SY-04 FOR POST DEMOLITION LAYOUT

B DEMOLITION OF (E) TEMPORARY LOADING DOCK, SEE SHEET SY-04 FOR POST DEMOLITION LAYOUT

CONSTRUCTION BARRIER

B DEMOLITION OF (E) TEMPORARY LOADING DOCK, SEE SHEET SY-04 FOR POST DEMOLITION LAYOUT

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SCOPE of WORK: Demolition of Temporary Loading Dock & Service Area and construction of final configuration.





EL CAMINO HOSPITAL BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors

From: Iftikhar Hussain, CFO

Date: June 12, 2019

Subject: Investment Committee Report

Purpose:

To inform the Board regarding the work of the Investment Committee.

Summary:

- 1. <u>Situation</u>: The Investment Committee meets quarterly. Its last meeting was on May 13, 2019.
- 2. <u>Authority</u>: N/A
- Background: The Committee completed its FY19 Goals which included education on investing strategies in volatile markets. The conclusion was to maintain the current asset allocation which is conservative compared to other healthcare organizations. The education material is available in the Board portal. At its last meeting, the Committee reviewed the following:
 - **A.** Annual Report on the 403(b) Investment Plan: The Committee concluded that the investment options provided to ECH employees are reasonable.
 - **B.** Asset allocation and ERM framework based on long term forecast cash projections: The Committee reviewed options to increase return with higher risk but determined that no change is needed at this time.
 - **C.** Pavilion's process for selecting and monitoring hedge fund managers: The Committee found the process to be reasonable.
 - **D.** Quarterly Review of Investment Performance: As of March 2019, the Cash Surplus return was at benchmark and the retune on Cash Balance Plan was 20 basis points higher than benchmark
- **4.** Assessment: N/A
- **5.** Other Reviews: None.
- **6.** Outcomes: N/A

<u>List of Attachments</u>: None.

Suggested Board Discussion Questions: None. This is an informational consent item.



OPEN SESSION CEO Report June 12, 2019 Dan Woods, CEO

Information Services

The next phase of M*Modal voice recognition (talk to text) includes implementation of the transcription module. Moving to the M*Modal platform for transcription increases accuracy, timeliness and productivity by providing upfront tools to physicians while reducing cost per line. Use of the M*Modal voice recognition tool has demonstrated reductions in transcription volumes and therefore transcription costs.

We completed an upgrade to the most current version of Epic on June 2nd, which provides the required changes for collecting and reporting Meaningful Use, MIPS, and Quality Measures for CY 2019.

Patients are now able to receive automatic notifications for their ED visit which provides real time messages regarding when they will see their provider and progression towards other important care points during their stay. A report highlighting ECH patients who have active MyChart accounts from ECH or referring Epic organizations which have received care at ECH with patient data contributed to the patients MyChart account demonstrates an increased enrollment number **over 46%**.

Workforce

The El Camino Hospital Nursing Division submitted our 4th designation documents to the Magnet program appraisers, which is administered by the American Nurses Credentialing Center on June 3rd. Magnet designation is a rare and distinct honor. Less than 10% of hospitals are designated Magnet.

Government and Community Relations

In support of community health concerns about greater availability and use of cannabis products, ECH hosted a seminar for Leadership Mountain View participants and alumni. The audience included community leaders, elected officials, and school resource police officers. Mountain View Police Chief Max Bosel provided an update on federal, state and local law regarding cannabis use and sale, what is available in local cannabis dispensaries, and how police departments are handling juvenile and adult use of cannabis products. ECH Behavioral Health & Addictions Services Medical Director Dr. Dan Becker discussed what medical research and clinical practice has shown about the negative effects of cannabis on the developing adolescent brain. Later in the month, during our mental health awareness public education series, ECH hosted a very well-attended program on the same topic by Dr. Becker.



Corporate and Community Health Services

CONCERN initiated its new "counselor connect" referral service for their largest customers. This service allows the call center to call the counselor and transfer a new client into voicemail or to the counselor directly instead of the client having to make a separate call. CONCERN also launched a statewide specialty counselor network for first responders. Barbara Avery, Community Benefit Director, participated in a focus group conducted by the Santa Clara County Office of Women's Policy. The focus is to develop a community health planning process to assess barriers to health for women in Santa Clara County. The South Asian Heart Center (SAHC) attended TiEcon 2019 Health Fair ("The Indus Entrepreneurs") and the Sunnyvale Temple Kiosk where we conducted biometric screenings and made attendees aware of our programs offered through the SAHC.

The Chinese Health Initiative ("CHI") completed the first Diabetes Prevention Learning Series on lifestyle changes for 80 community members who are pre-diabetic or diabetic. The 4-month program offers in-depth information on diet, exercise, sleep and stress management for diabetes prevention. CHI also recruited 15 bilingual volunteers to help clients with language barriers participating in the Challenge Diabetes programs at Community Service Agencies in Mountain View, Sunnyvale and Cupertino. The Health Library & Resource Center provided outreach at the Elder Summit, Aging Services Caregivers Count Conference at the Campbell Community Center, Mountain View Senior Resource Fair and the Advance Health Care Directive presentation at Santa Clara University.

Philanthropy

As of April 30, 2019, El Camino Hospital Foundation has a secured \$18,875,491 since the start of FY19, the highest annual yield in the Foundation's history.

Marketing and Communications

We launched the El Camino Health website on May 1st as the first forward-facing initiative of the unified brand. The brand rollout continued with a new *Intercom* look and feel, e-signatures, and email addresses.

<u>Auxiliary</u>

The Auxiliary contributed 5,757 volunteer hours in April 2019 and 5,996 in May 2019.



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: June 12, 2019

Subject: Report on El Camino Hospital Foundation Activities FY19 Period 10

Purpose: For information.

Summary:

1. <u>Situation</u>: As of April 30, 2019, El Camino Hospital Foundation has a secured \$18,875,491 since the start of FY19, the highest annual yield in the Foundation's history.

2. <u>Authority</u>: N/A

3. <u>Background</u>:

Major Gifts & Planned Gifts

In April, the Foundation received \$15,062 in major and planned gifts, bringing the total raised as of April 30 to \$15,683,083. These included an unrestricted \$15,000 major gift to the El Camino Fund. As in previous fiscal years, staff attention in the months of April and May leading up to the annual gala shifted from securing major and planned gifts to securing event sponsorships and paddle raise commitments. Major and planned gift activity has resumed and will continue through the end of the fiscal year.

Special Events

Spring Event

Spring Forward, the Foundation's annual gala, was held on May 18, 2019 at Los Altos Golf & Country Club. Proceeds will benefit the addictions program at the Scrivner Center for Mental Health & Addiction Services. Honorary Chairs Tad and Dianne Taube and Mary and Doug Scrivner were honored for their transformational gifts. Chief Administrative Officer Ken King gave a Taube Pavilion update. Addiction medicine expert Dr. Omar Manejwala gave a futurist's perspective on addiction. In April the Foundation received \$90,500 in sponsorships and ticket sales. Fund-in-need appeal donations and raffle purchases made that night, as well as additional ticket sales and sponsorships will be reflected in next month's report. Although we have not yet calculated all expenses, we can report that the fund-in-need appeal raised nearly \$100,000 at the event and donations are still being received.

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 April, the Foundation received an additional \$4,000 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 March, a significant percentage of the funds raised, particularly those committed that evening, are reflected in this month's report. In April the foundation received \$98,740, bringing the total to \$222,926.

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 Breast Health Services' Free Mammogram Program. In April, the Foundation received \$5,100 payments from commitments made for the 2019 event, bringing the total raised as of April 30 to \$136,605. The Melchor Family generous covers the cost of this event annually. Their support for the 2019 luncheon was received in FY18. Beginning in FY20, the Melchors will make their gift in the same fiscal year as the event in order to keep event income better aligned with the fiscal calendar.

Annual Giving

In April, the Foundation raised an additional \$25,719 in annual gifts from direct mail, Hope to Health 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 \$587,427. 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: N/A
- 6. Outcomes: During the month of April, the Foundation secured \$645,065. As of end of period 10, the Foundation has received more than three times 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 10 Fundraising Report

Suggested Board Discussion Questions: None.



FOUNDATION PERFORMANCE

	FY19 Fundraising Report through 4/30/19					
	ACTIVITY	FY19 YTD (7/1/18 - 4/30/19)	FY19 Goals	FY19 % of Goal	Difference Period 9 & 10	FY18 YTD (7/1/17 - 4/30/18)
Ma	jor & Planned Gifts	\$15,683,083	\$3,750,000	418%	\$15,062	\$3,206,365
r;	Spring Event	\$91,000	\$450,000	20%	\$90,500	\$117,950
Events	Golf	\$342,080	\$350,000	98%	\$4,000	\$353,650
ecial I	South Asian Heart Center Event	\$222,926	\$325,000	69%	\$98,740	\$316,525
Sp	Norma's Literary Luncheon	\$136,605	\$200,000	68%	\$5,100	\$214,275
Anı	nual Gifts	\$587,427	\$600,000	98%	\$25,719	\$576,015
Inv	estment Income	\$1,812,370	\$500,000	362%	\$405,944	\$647,571
TO	TALS	\$18,875,491	\$6,175,000	306%	\$645,065	\$5,432,351

Highlighted Assets through 4/30/19

Board Designated Allocations	\$453,366
Donor Endowments	\$4,747,851
Operational Endowments	\$16,131,645
Pledge Receivables	\$4,005,529
Restricted Donations	\$12,947,048
Unrestricted Donations	\$1,108,575

El Camino Hospital Auxiliary

Membership Report to the Hospital Board Meeting of May 8, 2019

Combined Data as of April 30, 2019 for Mountain View and Los Gatos Campuses

Membership Data:

Senior Members		
Active Members	332	-1 Net change compared to previous month
Dues Paid Inactive	4	(Includes Associates & Patrons)
Leave of Absence	8	
Subtotal	344	
Resigned in Month	 6	
Deceased in Month	0	
Junior Members		
Active Members	210	-2 Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	0	
Subtotal	210	
Total Active Members	542	
Total Membership	554	

Combined Auxiliary Hours from Inception (to April 30, 2019): 5,972,571 Combined Auxiliary Hours for FY2018 (to April 30, 2019): 64,904 Combined Auxiliary Hours for April 30, 2019: 5,757

El Camino Hospital Auxiliary

Membership Report to the Hospital Board Meeting of June 12, 2019

Combined Data as of May 31, 2019 for Mountain View and Los Gatos Campuses

Membership Data:

Total Membership

Senior Members Active Members	334	+2 Net change compared to previous month
Dues Paid Inactive	5	(Includes Associates & Patrons)
Leave of Absence	9	
Subtotal	348	
Resigned in Month	5	
Deceased in Month	1	
Junior Members		
	040	200 Not Ob d to
Active Members	240	+30 Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	0	
Subtotal	240	
Total Active Members	574	

Combined Auxiliary Hours from Inception (to May 31, 2019): 5,978,784
Combined Auxiliary Hours for FY2018 (to May 31, 2019): 71,117
Combined Auxiliary Hours for May 31, 2019: 5,996

588