



**Minutes of the Open Session of the  
Finance Committee of the  
El Camino Hospital Board of Directors  
Monday, September 23, 2019  
El Camino Hospital | Conference Room A&B  
2500 Grant Road, Mountain View, CA 94040**

**Members Present**

**John Zoglin, Chair**  
**Joseph Chow**  
**Boyd Faust**  
**Gary Kalbach**  
**William Hobbs \*\***

\*\*via teleconference

**Members Absent**

**Richard Juelis**  
**Don Watters**

<b>Agenda Item</b>	<b>Comments/Discussion</b>	<b>Approvals/ Action</b>
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:30pm by Chair John Zoglin. Roll call was taken. William Hobbs participated via teleconference. Richard Juelis and Don Watters were absent. All other members were present.	
<b>2. POTENTIAL CONFLICT OF INTEREST</b>	Chair Zoglin asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
<b>3. PUBLIC COMMUNICATION</b>	There were no comments from the public.	
<b>4. CONSENT CALENDAR</b>	<p>Chair Zoglin asked if any member of the Committee wished to remove an item from the consent calendar.</p> <p>Item 4(c) Radiation Oncology Timeline was pulled for discussion.</p> <p>The Committee reviewed the timeline in more detail and asked for further explanation of the critical drivers of the proposed timeline. In response to the Committee's question, Ken King, CASO, explained the key drivers for the expedited timeline to be time allowed for manufacture of equipment, the designing phase, and the permitting phase.</p> <p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of the Finance Committee Meeting (7/29/2019), (b) Financial Report (FY20 Period 1), and for information: (c) Update on Radiation Oncology Timeline, (d) Progress Against Goals, (e) Pacing Plan, (f) Articles of Interest, (g) Report on Major Capital Projects in Progress, and (h) El Camino Hospital S&amp;P Global Rating.</p> <p><b>Movant:</b> Kalbach <b>Second:</b> Chow <b>Ayes:</b> Chow, Faust, Hobbs, Kalbach, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Juelis and Watters <b>Recused:</b> None</p>	<b><i>Consent Calendar was approved.</i></b>
<b>5. REPORT ON BOARD ACTIONS</b>	Chair Zoglin asked the Committee for any questions or feedback on the Report on Board Actions as further detailed in the packet.	
<b>6. FY20 PERIOD 2</b>	Iftikhar Hussain, CFO, provided highlights of FY20 Period 2 Financials as further detailed in the materials submitted. Mr. Hussain reviewed July	<b><i>Financials recommended</i></b>

<p><b>FINANCIALS</b></p>	<p>and August volumes, revenues, monthly financial trends, productivity, and operating margin. He noted that substantial revenues, fueled by volume growth, drove the \$7.9M operating margin favorable variance. He reported that despite higher volumes, expenses remained close to budgeted, hospital FYTD Productive FTEs continue to be favorable to the volume adjusted target by 1.7% with a slight decrease in overall positive variance, and that the setback in LOS due to prolonged stay outlier cases has shown improvement since May and continues to be ahead of target. He further reported that Adjusted Discharges (AD) continue to be favorable to budget 678 ADs (11%) and favorable to prior year by 15%. He noted that for August, payor mix is at budget, while YTD remains slightly unfavorable.</p> <p>The Committee further reviewed Silicon Valley Medical Development's August Financials. Mr. Hussain reported that some of the variances could be attributed to the EPIC implementation with \$1.6m in net revenue in backlog and delay in charging. The remaining variances are due to dip in volumes and disruption of phone systems and scheduling. He further noted that this should recover in 2-3 months, and that physician chart closure in September is very good.</p> <p>Mr. Husain concluded with some notable surprises for July and August to include high volumes in general surgeries, deliveries, ortho, and cancer.</p> <p><b>Motion:</b> To recommend the Board approval of Period 2 Financials.</p> <p><b>Movant:</b> Faust  <b>Second:</b> Kalbach  <b>Ayes:</b> Chow, Faust, Hobbs, Kalbach, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Juelis and Watters  <b>Recused:</b> None</p>	<p><i>for approval</i></p>
<p><b>7. POST-IMPLEMENTATION REVIEW: PACS/RIS</b></p>	<p>Deb Muro, CIO, reviewed the Enterprise Imaging Program post-implementation status with the Committee. She explained what our upgraded PACS system includes, the original problem statement of not meeting the clinical and business goals of ECH and its physicians, the project goals, and benefits and outcomes for staff and technology. She further reported on the projected financial outcomes, operating expenses, and current status of key areas. Ms. Muro asked the Committee for feedback, and a brief discussion ensued.</p> <p>The Committee's feedback included how does this differentiate El Camino Health. In response, Ms. Muro reiterated that this PACS system is a leading-edge and a well-recognized and documented solution. She further explained that images could be distributed to the patient via myChart, and AI will tie into this soon.</p> <p><i>*The Committee asked to revisit the original business case in 6 months.</i></p>	
<p><b>8. CAPITAL FUNDING REQUEST – MV CAMPUS COMPLETION</b></p>	<p>Mr. King reviewed the Mountain View Campus Completion project as further detailed in the submitted materials to including a project overview, anticipated sequence of events, cost estimates of phase 1 &amp; 2, and projected timeline. He further explained the rationale to execute the initial work of designing, permitting, and performing the demolition, which will take 18 to 20 months, with a final phase proposed plan ready for review in January/February 2020. A brief discussion ensued.</p> <p>Mr. Hobbs asked for clarification of the projected cost of phase 3 in</p>	<p><i>Capital Funding recommended for approval</i></p>



	<p>comparison to the long-range plan. In response to Mr. Hobbs's question, Mr. King reported that the overall campus completion including phase 3 could range from \$55 to \$95 million and would fall within the range of the long term plan of \$70 million, depending on desired concessions.</p> <p>Mr. King concluded with the request to recommend approval of funding the first two phases of work at a cost not to exceed \$24.9 million while taking time to develop the final phase, which will complete the Mountain View Campus.</p> <p><b>Motion:</b> To recommend the Board approve capital funding not-to-exceed \$24.9 million.</p> <p><b>Movant:</b> Chow  <b>Second:</b> Faust  <b>Ayes:</b> Chow, Faust, Hobbs, Kalbach, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Juelis and Watters  <b>Recused:</b> None</p>	
<p><b>9. REVIEW OF PATIENT BILLINGS</b></p>	<p><i>Brian Fong, Director Revenue Integrity and Johnna Mohun-Garvey, Director of Patient Accounts, joined the meeting at 7:05pm.</i></p> <p>Mr. Fong reported on previous questions expressed by the Committee to include statistics on collecting co-pays and deductibles, deferral process or policy on self-pay, effort to improve awareness of separate physician billing, how El Camino Health's bad debt compares to other hospitals, percentage of services obtained from pre-service price estimate, ability to combine SVMD/ECMA and El Camino bills, financial policy, and billing statement design. Mr. Fong asked the Committee for feedback, and a robust discussion ensued.</p> <p>Committee feedback included the following recommendations:</p> <p>Member Kalbach commented that patients need a call out for multiple billing and while amid emergency the patient is not going to focus on the billing.</p> <p>Member Chow made the following recommendations: scrub document to be more patient-friendly healthcare billing, current design is overwhelming, highlight the URL or bring to the top, spell-out patient obligations, more visibility of multiple billing, more transparency of billing, account summary section is confusing, where does the patient find payment plan balance, and how does the patient pay by phone (<i>i.e.</i>, Apple Pay, Venmo, etc.).</p> <p>Member Faust asked that we get feedback from some patients (PFAC), regarding whether they can interpret the current billing statement. He also requested further visibility of the Financial Assistance program: Is it based on a sliding scale? Is it clear and easy to get to? Can anyone be on a six-month payment plan?</p> <p>Chair Zoglin requested that we integrate billing with SVMD. He expressed that multiple billing statements are an irritant to our patients and that although the patient is given this information upon admission, there is a need to revisit billing to set the expectation of multiple bills. He concluded with the request to have PFAC review our current billing statement and submit their feedback at a later Committee meeting.</p> <p><i>*The Committee asked for integrated billing to be discussed at the next</i></p>	

	<i>meeting, and for PFAC review of Patient Billing.</i>	
<b>10. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 7:00pm.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Chow  <b>Ayes:</b> Chow, Faust, Hobbs, Kalbach, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Juelis and Watters  <b>Recused:</b> None</p>	<i>Adjourned to closed session at 7:00pm</i>
<b>11. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT</b>	The open session reconvened at 8:27 pm. Agenda Items 11-17 were covered in closed session. During the closed session, the Committee approved the Meeting Minutes of the Closed Session of the Finance Committee (7/29/2019) by a unanimous vote of all members present (Zoglin, Chow, Faust, Kalbach and Watters). Mr. Juelis and Mr. Hobbs were absent.	
<b>12. AGENDA ITEM 18: APPROVAL OF PHYSICIAN CONTRACTS</b>	<p><b>Motion:</b> To approve the (a) Medical Advisor Renewal Agreement, (b) LG Cardiology Panel Renewal (c) Amendment to OB Hospitalist Program Agreement at MV &amp; LG Campuses to Provide Emergency Backup Services, and (d) NICU Quality Projects Amendment to Increase Hours.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Faust  <b>Ayes:</b> Chow, Faust, Hobbs, Kalbach, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Juelis and Watters  <b>Recused:</b> None</p>	<i>Physician Contracts approved/ recommended for approval</i>
<b>13. AGENDA ITEM 19: CLOSING COMMENTS</b>	None.	
<b>14. AGENDA ITEM 20: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 8:28pm.</p> <p><b>Movant:</b> Faust  <b>Second:</b> Chow  <b>Ayes:</b> Chow, Faust, Hobbs, Kalbach, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Juelis and Watters  <b>Recused:</b> None</p>	<i>Meeting adjourned at 8:28pm</i>

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

  
 John Zoglin  
 Chair, Finance Committee