



**Minutes of the Open Session of the
 Executive Compensation Committee
 of the El Camino Hospital Board of Directors
 Thursday, September 19, 2019
 El Camino Hospital | Conference Room A (ground floor)
 2500 Grant Road, Mountain View, CA 94040**

Members Present

Teri Eyre
 Jaison Layney
 Bob Miller, Chair
 George Ting, MD
 Pat Wadors**
 John Zoglin

Members Absent

Julie Kliger, Vice Chair

**via teleconference

Agenda 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 4:02pm by Chair Bob Miller. A verbal roll call was taken. Ms. Wadors participated via teleconference. George Ting, MD joined the meeting at 4:17pm during Agenda Item 8: FY19 Organizational Score. Ms. Kliger was absent. 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. INTRODUCTIONS	Chair Miller welcomed Dr. Ting to the Committee.	
5. CONSENT CALENDAR	<p>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.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (May 30, 2019); and for information: Progress Against FY20 ECC Goals.</p> <p>Movant: Zoglin Second: Layney Ayes: Eyre, Layney, Miller, Wadors, Zoglin Noes: None Abstentions: None Absent: Kliger, Ting Recused: None</p>	<i>Consent calendar approved</i>
6. REPORT ON BOARD ACTIONS	Chair Miller referred to the recent Board approvals as further detailed in the packet.	
7. GENERATIVE GOVERNANCE	<p>As discussed at the April 24, 2019 Board and Committee Education Session, Chair Miller outlined fiduciary, strategic, and generative lenses to view Committee and Board work. He noted that the intent of generative governance is to ask creative, out-of-the box questions like (not just “what did we do?” but also “should we be doing what we had been doing?”). He encouraged the Committee to use this kind of thinking in their work.</p> <p>Dan Woods, CEO, noted that issue and question framing can be curious</p>	

	and collaborative rather than adversarial.	
8. FY19 ORGANIZATIONAL SCORE	<p>Dan Woods, CEO explained that the Mortality Index is measured by actual over expected. He noted that this is a multi-year goal, and the stretch for FY20 will be 0.85.</p> <p>In response to Mr. Layney's question, Lisa Stella from Mercer explained that the types of metrics are similar to other healthcare organizations. Mr. Woods and the Committee discussed goal setting including: 1) fiscal year measurement rather than only Q4 performance for HCAHPS; 2) selection of patient experience domains and target setting using Press Ganey's tool.</p> <p>The Committee discussed organizational goal performance over time, noting that high scores could indicate an opportunity to set more challenging goals or stellar performance in a particular year. Mr. Zoglin commented that over a 10-year span achievement should average 70%. In response to Mr. Woods' questions regarding goal setting, Ms. Eyre suggested including standard deviations to provide context for benchmark data.</p> <p>Chair Miller requested that benchmark data (including particular numbers, percentiles, etc.) for goals are included in the review to provide context for the Committee.</p>	<i>FY19 Organizational Goals recommended for approval</i>
9. FY19 CEO PERFORMANCE REVIEW PROCESS AND FY20 RECOMMENDATIONS	<p>Lisa Stella from Mercer discussed the overall CEO performance review process with the Chairs of the Hospital Board, District Board, and Executive Compensation Committee. Overall, noting that feedback was generally positive. Areas for improvement identified include: 1) clearer ownership and alignment on the timeline and 2) providing survey questions to the Board in advance and incorporating any feedback on survey content.</p> <p>Chair Miller commented that 1) the FY19 process started late and 2) the questions were presented to the Board for review.</p> <p>There were no further recommended changes for the FY20 process or questions from the Committee.</p>	
10. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 4:22pm.</p> <p>Movant: Eyre Second: Layney Ayes: Eyre, Layney, Miller, Wadors, Ting, Zoglin Noes: None Abstentions: None Absent: Kliger Recused: None</p>	<i>Adjourned to closed session at 4:22pm</i>
11. AGENDA ITEM 19: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 5:37pm. Agenda items 11-18 were addressed in closed session. Ms. Wadors and Mr. Zoglin left the meeting during the closed session.</p> <p>During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting (May 30, 2019), the Proposed FY19 Individual Executive Incentive Goals Score, and the Proposed FY19 CHRO Incentive Goals Score by a unanimous vote in favor of all members present (Eyre, Layney, Miller, Wadors, Zoglin). Ms. Kliger was absent.</p>	
12. AGENDA ITEM 20: PROPOSED FY19 INDIVIDUAL	<p>Motion: 1) To approve the proposed FY19 individual incentive plan payouts noted below subject to the Board's approval of the FY19 organizational score; 2) to recommend that the Board approve the revised</p>	<i>FY19 incentive plan payouts approved and</i>

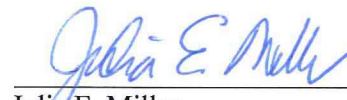
September 19, 2019 Page 2	<div>INCENTIVE PLAN PAYOUTS</div> <div><table><tr><th>Position</th><th>Payout</th></tr><tr><td>Chief Medical Officer</td><td>\$123,557</td></tr><tr><td>VP, Corporate & Community Health Services/ President, CONCERN:EAP</td><td>\$66,148</td></tr><tr><td>Chief Operating Officer</td><td>\$98,168</td></tr><tr><td>Chief Human Resources Officer</td><td>\$93,778</td></tr><tr><td>President, SVMD</td><td>\$152,250</td></tr><tr><td>Chief Financial Officer</td><td>\$123,104</td></tr><tr><td>VP, Payor Relations</td><td>\$67,966</td></tr><tr><td>Chief Administrative Services Officer</td><td>\$50,924</td></tr><tr><td>Chief Information Officer</td><td>\$93,538</td></tr><tr><td>Chief Nursing Officer</td><td>\$92,225</td></tr><tr><td>General Counsel</td><td>\$97,783</td></tr></table><div>Movant: Eyre Second: Layney Ayes: Eyre, Layney, Miller, Ting, Noes: None Abstentions: None Absent: Kliger, Wadors, Zoglin Recused: None</div></div>	Position	Payout	Chief Medical Officer	\$123,557	VP, Corporate & Community Health Services/ President, CONCERN:EAP	\$66,148	Chief Operating Officer	\$98,168	Chief Human Resources Officer	\$93,778	President, SVMD	\$152,250	Chief Financial Officer	\$123,104	VP, Payor Relations	\$67,966	Chief Administrative Services Officer	\$50,924	Chief Information Officer	\$93,538	Chief Nursing Officer	\$92,225	General Counsel	\$97,783	<div>FY19 CASO discretionary bonus recommended for approval</div>
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13. AGENDA ITEM 21: PROPOSED FY20 PRESIDENT, FOUNDATION BASE SALARY	<div>Motion: To approve the Proposed FY20 President, Foundation Base Salary of \$280,000. Movant: Layney Second: Eyre Ayes: Eyre, Layney, Miller, Ting Noes: None Abstentions: None Absent: Kliger, Wadors, Zoglin Recused: None</div>	<div>FY20 President, Foundation Base Salary approved</div>																								
14. AGENDA ITEM 23: FY20 PACING PLAN	<div>The Committee summarized the requests from the meeting and discussed items for the November meeting: <div>1. Incentive Plan policy changes – structural changes (100% as target; 150% at max) and clarify the ability to make goal modifications. 2. Review Compensation Philosophy and Executive Benefits policy (i.e., approach to taxable benefit allowance as part of base, total cash and total remuneration). 3. Optimal timing of executive salary changes; Chair Miller asked that ECH work with Mercer for a recommendation including transition, if applicable, to get on that ideal schedule.</div></div>	<div>Pacing Plan to be updated</div>																								
15. AGENDA ITEM 23: CLOSING COMMENTS	<div>The Committee discussed the effectiveness of the meeting. Chair Miller asked staff to consider how to address individual goal/measurement changes that are needed between Committee meetings to allow for more and better responsiveness. He suggested delegating ability to a sub-Committee or the Committee Chair to provide recommendations on goal revisions subject to later Board or Committee approval.</div>																									

16. AGENDA ITEM 24: ADJOURNMENT	Motion: To adjourn at 5:56pm. Movant: Ting Second: Layney Ayes: Eyre, Layney, Miller, Ting Noes: None Abstentions: None Absent: Kliger, Wadors, Zoglin Recused: None	Meeting adjourned at 5:56pm
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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
Chair, Executive Compensation Committee



Julia E. Miller
Secretary, ECH Board of Directors

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