



**Minutes of the Open Session of the
El Camino Hospital Board of Directors
Wednesday, November 6, 2019
2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)**

Board Members Present

Lanhee Chen, Chair
Gary Kalbach
Julie Kliger
Julia E. Miller, Secretary/Treasurer
Jack Po, MD, PhD
George O. Ting, MD
John Zoglin, Vice Chair

Board Members Absent

Peter C. Fung, MD
Bob Rebitzer
Don Watters

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:30pm by Chair Chen. A silent roll call was taken. Director Ting arrived at 5:30pm during Agenda Item 4: Board Recognition. Director Po arrived at 5:34pm during Agenda Item 5: Quality Committee Report. Directors Fung, Rebitzer, and Watters were 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. PUBLIC COMMUNICATION	None.	
4. BOARD RECOGNITION	Motion: To approve Resolution 2019-11. Movant: Zoglin Second: Kalbach Ayes: Chen, Kalbach, Kliger, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: Fung, Po, Rebitzer, Watters Recused: None Cheryl Reinking, RN, CNO, and Kathryn Fisk, CHRO, recognized Christine Hunstman, Jackie Keane, and Athena Lendvay who coordinated the hospital's participation and attendance at the 2019 Nurses Night Out at Oracle Park, bringing nurses and staff together for a fun and entertaining teambuilding activity outside of the hospital.	Resolution 2019-11 approved
5. QUALITY COMMITTEE REPORT	Director Kliger, Quality Committee Chair, reviewed the Committee's feedback from its Joint Study Session with the Hospital Board, noting an appreciation for the prioritization of quality and the desire for a better understanding of what success looks like and how the annual organizational goals will target that overall goal. Director Kliger described the Committee's request for revised formatting for the materials, including presentation of data in context and the inclusion of summaries of findings/opinions from other groups that review these metrics and topics, including the Quality Council, Medical Staff, and Service Line staff.	

	<p>Mark Adams, MD, CMO, reviewed:</p> <ul style="list-style-type: none"> - The definition of quality, STEEEP: Safe, Timely, Effective, Efficient, Equitable, and Patient-Centered care - Vision of quality/safety plan: to consistently deliver the highest quality care with zero preventable harm; Dr. Adams noted that this aspirational goal underlies the quality pillar of the organizational strategic plan. - Five strategic opportunities: 1) Governance, Leadership, and Management, 2) Quality Organization Integration, 3) Performance Improvement Metrics and Methods, 4) Journey to High Reliability, and 5) Culture of Quality and Safety. <p>Dr. Adams provided an overview of the quality governance structure, which includes an annual quality plan and an Enterprise Quality Council (the working council made up of the management team, administrators, nurses, and physicians), which reports to the Board's Quality Committee. He noted that the intent of the structure is to provide the Board with confidence that the work is being monitored and overseen in the right way, and ensure continuous improvement.</p> <p>In response to Director Miller's questions, Dr. Adams commented that the patient is central to the whole structure and the organization's mission and goals. He described structures in place to review discharges, including peer review, the grievance process, and review of readmissions and other factors.</p> <p>In response to Director Kliger's question, Dr. Adams explained that the reporting from SVMD to the Enterprise Quality Committee is not finalized, but is proposed biannually. He noted that the SVMD Board of managers receives quality updates at each of its meetings, about six times per year.</p> <p>Director Zoglin expressed concerns about "two cultures" across the two campuses. Dr. Adams explained that different cultures do not mean a difference in quality of care or how the organization does business, but rather meeting the particular needs of each facility.</p> <p>Director Kliger commented that a dashboard with the STEEEP Framework and measures is in development.</p>	
<p>6. GOVERNANCE COMMITTEE REPORT</p>	<p>a. System Governance</p> <p>Director Kalbach, Governance Committee Vice Chair, described the discussions of the Governance Ad Hoc Committee, which was appointed to 1) review governance oversight of ECH-affiliated entities and 2) make recommendations to the Governance Committee and the Board for an enhanced governance structure and reporting to move the organization from a hospital-focused to a robust health system structure. Their review focused on the following areas:</p> <ul style="list-style-type: none"> - Should SVMD be a limited liability company or move to a Foundation (1206(l) model)? Director Kalbach described the recommendation to remain a limited liability company. - Proposed makeup of SVMD's Board of Managers - Reserve powers of the ECH Board and reporting by SVMD to the Hospital Board and the Quality, Finance, and Compliance Committees <p>Director Ting requested clarification about "El Camino Health" versus "El Camino Hospital." Mary Rotunno, General Counsel, explained that El</p>	

Camino Health is a brand and El Camino Hospital and Silicon Valley Medical Development, LLC are legal entities. Ms. Rotunno described the relationships between SVMD and San Jose Medical Group (SJMG) and El Camino Medical Associates (ECMA), two separate medical groups that each have a Professional Services Agreement with SVMD. The Board requested additional information on this topic.

Director Ting suggested that ECH consider consolidating the medical group structure. Director Miller suggested that the organization define its branding first before addressing governance issues. Director Kliger and expressed concerns about two separate medical groups with distinct cultures that may function differently.

Mark Adams, MD, CMO, noted that the current recommendation is there should not be a Quality Committee of the SVMD Board and explained that the Enterprise Quality Committee would be reviewing all of SVMD's work, including both SJMG and ECMA. Director Kalbach agreed that was the Ad Hoc Committee's discussion.

Director Po suggested that members of the ECH Medical Staff should serve on the Quality Committee of the Hospital Board.

Director Kalbach described the review of structures at other organizations and input from outside counsel.

Chair Chen requested a presentation on the relationship of the different entities and under the El Camino Health brand identity.

i. SVMD, LLC Operating Agreement

Motion: To direct staff to prepare an Amended SVMD Operating Agreement in accordance with the Governance Committee recommendations as modified by Director Kalbach's suggestions tonight.

Movant: Kalbach

Second: Ting

Director Kliger suggested that putting active medical staff on the Quality Committee requires further review and discussion.

Director Miller expressed concerns about clarity of proposal and what stakeholders are supportive of the structure. Chair Chen noted that the proposed motion is providing direction to staff, not approving any agreement at this time.

In response to Director Kliger's suggestion, Ms. Rotunno noted that the concerns raised at the meeting can be discussed with the Governance Committee and included in the proposed revised Operating Agreement to be drafted and brought for review.

Ayes: Chen, Kalbach, Kliger, Miller, Po, Ting, Zoglin

Noes: None

Abstentions: None

Absent: Fung, Rebitzer, Watters

Recused: None

ii. Draft Revised Committee Charters

Director Miller expressed concerns about the process for interviewing and appointing community members of the Board's Advisory Committees. Ms. Rotunno explained that there is no delegation of authority in this area and that the appointments are all recommended by the recruiting Committee and approved by the Hospital Board. Cindy Murphy, Director

*Staff to
present on El
Camino
Health brand
and the
different legal
entities*

*Staff to
prepare an
Amended
Operating
Agreement for
Governance
Committee
and Board
review*

of Governance Services, explained that there is no proposed change to this process, that it is provided for in one of the board approved policies, this process is what has been used by all Committees for the last several years and the intent is only to memorialize it in the Committee Charters. Chair Chen commented that the ultimate responsibility for approval of Committee appointments still lies with the Board.

Motion: To approve the proposed revisions to the Compliance and Audit, Executive Compensation, Finance, Governance, Investment, as well as Quality, Patient Care and Patient Experience Committee Charters.

Ms. Rotunno suggested deletion of the inclusion of an SVMD physician in Quality Committee Charter, as physician membership on the Quality Committee will be reviewed further.

In response to Director Miller's question, Ms. Rotunno explained that fiduciary duties remain the responsibility of the Board and that all Committee appointments are subject to Board approval; Ms. Rotunno noted that the staff recommendations are in the cover memo, not the charters.

Motion: To approve the proposed revisions to the Compliance and Audit, Executive Compensation, Finance, Governance, Investment, as well as Quality, Patient Care and Patient Experience Committee Charters, striking the clause "and shall include a physician who is also a member of the Silicon Valley Medical Development, LLC (SVMD) Quality Committee."

Movant: Kalbach

Second: Zoglin

The Board discussed the Quality Committee composition, including physician membership, and requested that the Governance Committee review this question.

Ayes: Chen, Kalbach, Kliger, Miller, Po, Ting, Zoglin

Noes: None

Abstentions: None

Absent: Fung, Rebitzer, Watters

Recused: None

b. Board Action Plan

The Board discussed meeting frequency, including cadence for other District hospitals and best practices, or lack thereof, and requested the removal of that item from the plan. The Board suggested working on the effectiveness of individual meetings instead.

Motion: To approve the proposed 2019-2020 El Camino Hospital Board Action Plan striking from the section titled Meeting Effectiveness, "revisit meeting frequency to determine whether current schedule is optimal and adds value."

Movant: Miller

Second: Kalbach

Ayes: Chen, Kalbach, Kliger, Miller, Po, Ting, Zoglin

Noes: None

Abstentions: None

Absent: Fung, Rebitzer, Watters

Recused: None

c. NDBM Election and Re-Election Process

Director Miller expressed concerns about staff-suggested revisions. The

*Revised
Committee
Charters
approved*

*Board Action
Plan approved*

	<p>Board and staff described the appointment of an ad hoc committee of the Governance Committee to review and recommend proposed revisions to the process and the Governance Committee's unanimous recommendation of the proposed edits.</p> <p>Motion: To recommend to that the District Board approve the proposed revised process for Election and Re-Election of Non-District Board Members to the El Camino Hospital Board.</p> <p>Movant: Kalbach Second: Kliger</p> <p>Chair Chen explained that this motion is for a recommendation to the District Board.</p> <p>Ayes: Chen, Kalbach, Kliger, Miller, Po, Ting, Zoglin Noes: None Abstentions: None Absent: Fung, Rebitzer, Watters Recused: None</p>	<p><i>Process recommended for approval</i></p>
<p>7. RESOLUTION 2019-12</p>	<p>Chad Kenan from Citigroup and Jennifer Brown from Ponder joined the meeting via teleconference.</p> <p>Iftikhar Hussain, CFO, reported that there was a Special Joint Meeting of the Finance and Investment Committees to review this proposal, a mechanism to lock in interest rates for future bond issuance. Mr. Hussain described the favorable market conditions, the plans for \$1.5 billion in capital projects over next eight years (including Women's Hospital upgrades and construction/expansion of the Los Gatos and/or Santa Teresa sites), and the opportunity to take advantage of historically low interest rates.</p> <p>Mr. Hussain explained:</p> <ul style="list-style-type: none"> - A hedge will lock interest rates for 1) refinancing 2015 bonds on the 2025 call date and 2) issuance of new debt in 2023 or 2024 for the South market - Accounting rules require that hedges be valued at market, but net cash flow is based on the locked rate - Forward premiums, which are paid to compensate for the risk being taken by the issuer, are also currently at historic lows - The projected cost of the forward swap and financing alternatives <p>The Board discussed the concerns raised at the October 21, 2019 Joint Meeting of the Finance and Investment Committees. The Committee members unanimously supported authorizing management to refinance the 2015 bonds, but there were concerns about conducting the swap on the new money if interest rates could potentially go down more.</p> <p>In response to Director Miller's question, Mr. Kenan described the recent changes in the market, noting that rates have held relatively flat (a change of about five to six basis points (0.05-0.06%)) since the Joint Meeting on October 21, 2019.</p> <p>Motion: To approve Resolution 2019-12.</p> <p>Movant: Kalbach Second: Ting</p> <p>Director Miller expressed her opposition for the motion.</p> <p>Ayes: Chen, Kalbach, Kliger, Po, Ting, Zoglin</p>	<p><i>Resolution 2019-12 approved</i></p>

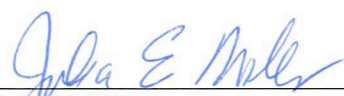
	<p>Noes: Miller Abstentions: None Absent: Fung, Rebitzer, Watters Recused: None</p>	
<p>8. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 7:00pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (10/10/2019); pursuant to <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: FY20 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 and <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters; <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation: CEO Report on Legal Update, Quality Update, and New Services and Programs; and pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.</p> <p>Movant: Kalbach Second: Miller Ayes: Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Zoglin Noes: None Abstentions: None Absent: Fung, Watters Recused: None</p>	<p><i>Adjourned to closed session at 7:00pm</i></p>
<p>9. AGENDA ITEM 16: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 8:39pm by Vice Chair Zoglin. Chair Chen left the meeting during the closed session. Agenda items 9-15 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (10/10/2019) and the Medical Staff Report, including the credentials and privileges report, by a unanimous vote in favor of all members present (Directors Chen, Kalbach, Kliger, Miller, Po, Ting, and Zoglin). Directors Fung, Rebitzer, and Watters were absent.</p>	
<p>10. AGENDA ITEM 17: CONSENT CALENDAR</p>	<p>Vice Chair Zoglin asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Zoglin requested removal of Item 22c: Approval of Revised Pathways Home Health and Hospice Budget.</p> <p>Director Zoglin expressed concerns about the \$6.2 million in transition expenses in the budget, which includes 1) retention and severance costs and 2) a write-off and replacement of the IT systems.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (10/10/2019); Minutes of the Open Session Joint Meeting to Conduct a Study Session of the Hospital Board and the Quality Committee (10/23/2019); Approval of Revised Pathways Home Health and Hospice Budget; Annual Safety Report for the Environment of Care; Medical Staff Report; and for information: FY20 Period 3 Financials; Executive Compensation Committee Report.</p> <p>Movant: Miller Second: Kliger</p>	<p><i>Consent calendar approved</i></p>

	Ayes: Chen, Kalbach, Kliger, Miller, Po, Ting, Zoglin Noes: None Abstentions: None Absent: Fung, Rebitzer, Watters Recused: None	
11. AGENDA ITEM 18: CEO REPORT	Dan Woods, CEO, described the success of the Workday implementation, ECH presentations at the recent Magnet Conference, awards received by executive team members and ECH by community organizations, and the opening of the Taube Pavilion, home of the Scrivener Center for Mental Health and Addiction Services. He reported on new procedures performed at ECH, including robotic bronchoscopy cases. He thanked the Auxiliary for their continued service.	
12. AGENDA ITEM 19: BOARD COMMENTS	Director Miller commended the Foundation for the Annual El Camino Heritage Golf Tournament, which benefitted the Peter C. Fung, MD Stroke Center.	
13. AGENDA ITEM 20: ADJOURNMENT	Motion: To adjourn at 8:46pm. Movant: Kliger Second: Kalbach Ayes: Chen, Kalbach, Kliger, Miller, Po, Ting, Zoglin Noes: None Abstentions: None Absent: Fung, Rebitzer, Watters Recused: None	<i>Meeting adjourned at 8:46pm</i>

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



Lanhee Chen
Chair, ECH Board of Directors



Julia E. Miller
Secretary, ECH Board of Directors

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