



**Minutes of the Open Session of the  
El Camino Hospital Board of Directors  
Wednesday, December 11, 2019  
2500 Grant Road, Mountain View, CA 94040  
Conference Rooms F&G (ground floor)**

**Board Members Present**

Lanhee Chen, Chair  
Peter C. Fung, MD  
Gary Kalbach  
Julie Kliger  
Julia E. Miller, Secretary/Treasurer  
Jack Po, MD, PhD  
Bob Rebitzer\*\*  
George O. Ting, MD  
Don Watters\*\*  
John Zoglin, Vice Chair

**Board Members Absent**

\*\*via teleconference

**Members Excused**

None

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	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 verbal roll call was taken. Director Watters participated via teleconference. Director Rebitzer joined the meeting at 5:33pm via teleconference and Director Po arrived at 5:34pm during Agenda Item 3: Public Communication. Director Fung arrived during the closed session. All other Board members were present at roll call.	
<b>2. POTENTIAL CONFLICTS OF INTEREST DISCLOSURES</b>	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.	
<b>3. PUBLIC COMMUNICATION</b>	Raina Schwartzberg from SEIU-UHW described the union negotiations with SVMd and commented that the clinic healthcare workers are seeking better pay and benefits.	
<b>4. QUALITY COMMITTEE REPORT</b>	<p>Director Kliger, Quality Committee Chair, described the Committee's review of readmission data, highlighting upcoming areas for deeper review and the improvement in the index for Acute Myocardial Infarction (heart attacks).</p> <p>She reported that the Committee reviewed the patient safety indicators (safety events that should never happen), noting that areas that are underperforming and their root causes will be reviewed at the Committee's next meeting.</p> <p>Director Kliger explained that the Committee requested more context in the materials and a standardized approach to reporting out the data that reviews trends and regional performance.</p> <p>Dr. Adams reported that in the month of November there were zero hospital-acquired infections. The Board commended Director Kliger and staff for the report and the organization for this achievement.</p>	
<b>5. FY20 PERIOD 4 FINANCIALS</b>	<p>Iftikhar Hussain, CFO, highlighted the following in the Period 4 Financials:</p> <ul style="list-style-type: none"> <li>- For the first four months, ECH is ahead of plan, due to higher than expected growth (12% overall; 10% at Mountain View and 24% at Los Gatos), driven by various factors including physician recruitment, equipment purchases, and accelerated turnaround</li> </ul>	<b><i>FY20 Period 4 Financials approved</i></b>

	<p>times in the Emergency Department.</p> <ul style="list-style-type: none"> <li>- Medicare mix has grown 50%, even though net impact of the growth is positive.</li> <li>- Costs are at target, revenue cycle operations continue to go well, and there are good processes in place to identify denials and underpayments in a timely manner.</li> </ul> <p>Mr. Hussain also reviewed monthly trends.</p> <p>In response to Director Zoglin's question, Mr. Hussain noted that there will be an update on the capital budget/spend at the next meeting. Director Zoglin commented that the Finance Committee will also be reviewing the Emergency Department case mix.</p> <p><b>Motion:</b> To approve the FY20 Period 4 Financials.</p> <p><b>Movant:</b> Kalbach <b>Second:</b> Kliger <b>Ayes:</b> Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Fung <b>Recused:</b> None</p>	
<p><b>6. EL CAMINO HEALTH ENTERPRISE STRUCTURE</b></p>	<p>Mary Rotunno, General Counsel, reviewed the legal structure of El Camino Hospital doing business as El Camino Health and the related legal entities where ECH is the sole corporate member.</p> <p>Vineeta Hiranandani, VP Marketing &amp; Communications, outlined the masterbrand for El Camino Health, a single brand that all entities use. She noted that it is important to build a consistent name, experience, and recognition in the market. Across sites of care (hospitals, clinics, urgent care, and affiliates), consumers see "El Camino Health." Ms. Hiranandani explained that CONCERN:EAP does not link back to the masterbrand.</p> <p>The Board and staff discussed the branding and the legal structure, including 1) that El Camino Health is a fictitious business name, not a legal entity, 2) confusion in the marketplace, and 3) whether or not to formally change the legal name to match the brand. Dan Woods, CEO and Ms. Rotunno explained that staff will need to assess a full legal name change.</p> <p>In response to Director Zoglin's questions, Ms. Hiranandani described the timeline for transitioning San Jose Medical Group office branding to "El Camino Health," with signage on urgent care sites by the beginning of January 2020 and all other sites by April 2020. She noted that for a time there may be two identities out the marketplace. Ms. Rotunno explained that San Jose Medical Group, the professional corporation, still exists as a legal entity, even with the name change.</p> <p>Director Ting suggested that SVMMD be renamed "El Camino Health Professional Services." Ms. Hiranandani described the plans to change the name for SVMMD, which should attract physicians for employment and tie back to the masterbrand.</p> <p>In response to Board questions, Ms. Hiranandani, Ms. Rotunno, and the Board discussed branding and legal structures for other organizations and health systems in the area. The Board requested additional information on other marketing and legal structures, including governance structures for ambulatory care facilities.</p> <p>Board members voiced support of the masterbrand and some suggested</p>	



	that El Camino Health could be a legal entity. Chair Chen noted that with the current structure and branding, the Board's governance responsibilities have not changed. He commented that the bigger question is whether or not there needs to be a more dramatic change in the future to reflect the reality of the organization.	
<b>7. REVISED SVMD, LLC OPERATING AGREEMENT</b>	<p>Ms. Rotunno explained that the proposed agreement incorporates recommendations from both the Governance Committee and the Board.</p> <p>There were no comments or questions from the Board.</p> <p><b>Motion:</b> To approve the Second Amended and Restated Limited Liability Company Operating Agreement incorporating previous recommendations by the Governance Committee and ECH Board.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Miller  <b>Ayes:</b> Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<i>Second Amended and Restated LLC Operating Agreement</i>
<b>8. INVESTMENT COMMITTEE REPORT</b>	<p>Director Kalbach, Investment Committee Chair, explained that the Investment Committee is looking for direction about whether or not to screen investments with companies that manufacture, distribute, and/or sell opioids.</p> <p>Director Kalbach explained that the investment consultants, reviewed ECH's portfolio, and described the percentage of ECH's investments related to companies involved in the manufacture, distribution, or retail sale of opioids (1.5% of the \$422 million Surplus Cash Total Equity Composite as of 6/30/2019).</p> <p>The Board discussed 1) bad actors marketing opioids, 2) concerns about setting a screen on this area: opioids, when managed effectively, have a role to play in the treatment of pain and reservations about "chasing" issues, 3) whether or not to develop more general criteria about investments in areas related to public health and the challenges of putting together that kind of broad philosophy, 4) reliance on the good judgment of the investment advisors, 5) historical considerations of the investment policy that had focused more on fiduciary duty, and 6) the proportion of the investment portfolio that would be affected by the proposed screen (including for businesses like Johnson &amp; Johnson and CVS Health Corp).</p> <p>Director Kalbach commented that there is currently no recommendation from the investment advisor or the Investment Committee.</p> <p>The Board did not take any action on this matter.</p>	
<b>9. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 6:21pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (11/6/2019); pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets; Revised FY20 Executive Individual Goals; 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: Enterprise Quality Council Minutes; 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</p>	<i>Adjourned to closed session at 6:21pm</i>

	<p>report and discussion involving health care facility trade secrets: Los Gatos Campus Plan Update; 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: CEO Report on Quality Update; and pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	
<p><b>10. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Open session was reconvened at 8:06pm by Chair Chen. Agenda items 10-16 were addressed in closed session. Director Fung arrived during the closed session. Directors Po and Ting were absent when the open session reconvened.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (11/6/2019) 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, Rebitzer, Ting, Watters, and Zoglin). Director Fung was absent.</p>	
<p><b>11. AGENDA ITEM 18: CONSENT CALENDAR</b></p>	<p>Chair Chen asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Chen pulled Item 18g: Update on Major Capital Projects for discussion.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (11/6/2019); Minutes of the Open Session of the Executive Compensation Committee Meeting (9/19/2019); Letters of Rebuttable Presumption of Reasonableness; FY20 Period 3 Financials; Tele-psych Services Agreement; Medical Staff Report; and for information: Finance Committee Approvals; Report on Educational Activity.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Fung  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Rebitzer, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Po, Ting  <b>Recused:</b> None</p> <p>Director Po rejoined the meeting during the discussion described below.</p> <p>Ken King, CASO, reported on two issues with the Taube Pavilion building related to fire and life safety construction and facility operations:</p> <ol style="list-style-type: none"> <li>1. Office of Statewide Health Planning and Development (OSPHD) California Building Code occupancy classification (I-2 for healthcare and I-3 for detention/locked facility)</li> <li>2. CMS requirement – National Fire Protection Agency (NFPA) Life Safety Code compliance</li> </ol> <p>Mr. King described the meetings with and design submissions to OSPHD and the notifications of re-evaluation of I-3 Occupancy and non-compliance. He explained that there are areas related to life safety code</p>	<p><b>Consent calendar approved</b></p>



	<p>compliance that must be corrected for accreditation and CMS deemed status: 1) oversized smoke zones, 2) insufficient rate construction of storage and utility rooms, and 3) operation sequencing of security/fire alarm systems. He commented that addressing the life safety code compliance issues will help resolve the OSHPD occupancy issue.</p> <p>Mr. King reported that ECH is finalizing the scope of work with the architect to complete this work (including at least updating six rooms and wall installation) and has engaged an independent fire and life safety consultant to provide independent evaluation and support through this review and approval. Next steps also include meetings with senior OSHPD officials and OSHPD's expedited review of Alternative Construction Documents (ACD).</p> <p>Mr. King noted that there is not a definitive timeline or cost impact at this time, but estimated that this will take approximately 10-12 weeks and potentially \$200k-\$300k to resolve.</p> <p>In response to questions from the Board, Mr. King further described the updates to the building code, support from local officials, life safety code compliance, partnering with OSHPD going forward, and financial responsibility for corrections. Mr. King also explained that the quality of patient care has not been interrupted and there is a patient safety officer present 24/7 to mitigate risks.</p> <p><b>Motion:</b> To approve the consent calendar: for information: Update on Major Capital Projects.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Kliger  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Ting  <b>Recused:</b> None</p>	
<b>12. AGENDA ITEM 19: CEO REPORT</b>	<p>Dan Woods, CEO, described the proposed bond SWAP to take advantage of historically low interest rates in the market, noting that an approval will be brought to the Board in the coming week. He highlighted upcoming participation in Medicare's Bundled Payments for Care Improvement (BPCI) program, the openings of the Sobrato Pavilion and @First clinic, Lifestyle Medicine programming, and the Hospital's designation as "Most Wired" for the third year in a row.</p> <p>Mr. Woods reported that Hospital buildings on both campuses (two in Mountain View and eight in Los Gatos) listed in the packet require updates to ensure that they all will be seismically compliant by January 1, 2030.</p> <p>He thanked the recent donors to the El Camino Health Foundation and the Auxiliary for their continued service and wished all a happy and healthy holiday season.</p> <p>Director Zoglin left the meeting.</p>	
<b>13. AGENDA ITEM 20: BOARD COMMENTS</b>	<p>In response to Director Kalbach's questions, Mr. Hussain explained that the original Resolution 2019-12 related to the bond SWAP that was reviewed and approved by the Finance Committee and the Board had a few flaws that need to be corrected. A proposed revised Resolution 2019-12 has been reviewed by the Finance Committee and will be brought to the Board for approval.</p> <p>In response to Director Kliger's question, Mr. Woods reported that the six</p>	

	areas that ECH will be focusing on in the BPCI program include COPD, CHF, pneumonia, sepsis, UTI, and AMI.	
<b>14. AGENDA ITEM 21: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 8:31pm. <b>Movant:</b> Fung <b>Second:</b> Ting <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Zoglin <b>Recused:</b> None	<b>Meeting adjourned at 8:31pm</b>

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

  
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Lanhee Chen  
Chair, ECH Board of Directors

  
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Julia E. Miller  
Secretary, ECH Board of Directors

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