

AGENDA
REGULAR MEETING OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, February 12, 2020 – 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. PUBLIC COMMUNICATION a. Oral Comments <i>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.</i> b. Written Correspondence	Lanhee Chen, Board Chair		information 5:32 -5:35
4. QUALITY COMMITTEE REPORT ATTACHMENT 4	Julie Klinger, Quality Committee Chair; Mark Adams, MD, CMO		discussion 5:35 – 5:50
5. FY20 PERIOD 6 FINANCIALS ATTACHMENT 5	Iftikhar Hussain, CFO	<i>public comment</i>	possible motion 5:50 – 6:05
6. ADJOURN TO CLOSED SESSION	Lanhee Chen, Board Chair	<i>public comment</i>	motion required 6:05 – 6:11
7. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Board Chair		information 6:11 – 6:12
8. CONSENT CALENDAR <i>Any Board Member may remove an item for discussion before a motion is made.</i> Approval <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the Hospital Board Meeting (12/11/2019) b. Minutes of the Closed Session of the Executive Compensation Committee (9/19/2019) Information <i>Health & Safety Code Section 32155:</i> c. Enterprise Quality Council Minutes <i>Gov't Code Section 54956.9(d)(2):</i> d. Quarterly ERM Report	Lanhee Chen, Board Chair		motion required 6:12 – 6:14
9. 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 6:14 – 6:29

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
10. <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: - SVMD Update	Bruce Harrison, President, SVMD		discussion 6:29 – 7:14
11. <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: - FY20 Q2 Strategic Plan Metrics	Dan Woods, CEO		discussion 7:14 – 7:44
12. <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation: - CEO Report on Legal Update	Dan Woods, CEO		discussion 7:44 – 7:59
13. Report involving <i>Gov't Code Section 54957.6</i> for conference with labor negotiator Dan Woods: - Proposed FY20 CQO Base Salary and Salary Range	Dan Woods, CEO		discussion 7:59 – 8:14
14. 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 8:14 – 8:19
15. ADJOURN TO OPEN SESSION	Lanhee Chen, Board Chair		motion required 8:19 – 8:20
16. RECONVENE OPEN SESSION/ REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Lanhee Chen, Board Chair		information 8:20 – 8:21
17. CONSENT CALENDAR ITEMS: <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i>	Lanhee Chen, Board Chair	<i>public comment</i>	motion required 8:21 – 8:23
Approval a. Minutes of the Open Session of the Hospital Board Meeting (12/11/2019) b. Minutes of the Open Session of the Hospital Board Meeting (12/16/2019) c. Resolution 2020-01: Approving Stroke Panel On-Call Arrangement with Peter C. Fung, MD d. Appointments to Silicon Valley Medical Development (SVMD), LLC Board of Managers e. Proposed Revised FY20 Committee Appointments f. Draft Revised Executive Compensation Philosophy <i>Reviewed and Recommended for Approval by the Finance Committee</i> g. FY20 Period 5 Financials h. MV Bariatric Surgery Call Panel i. MV Interventional Radiology Panel <i>Reviewed and Recommended for Approval by the Governance Committee</i> j. Proposed Procedure for Delegation of Authority to the Board's Committees			

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
k. Appointment of Community Members to the Governance Committee l. Board Education Plan <i>Reviewed and Recommended for Approval by the Quality, Patient Care and Patient Experience Committee</i> m. Draft Revised Quality Committee Charter <i>Reviewed and Recommended for Approval by the Medical Executive Committee</i> n. Medical Staff Report <i>Information</i> o. Update on Major Capital Projects p. Finance Committee Approvals			
18. PROPOSED FY20 CQO BASE SALARY AND SALARY RANGE	Dan Woods, CEO		information 8:23 – 8:24
19. CEO REPORT ATTACHMENT 19	Dan Woods, CEO		information 8:24 – 8:27
20. BOARD COMMENTS	Lanhee Chen, Board Chair		information 8:27 – 8:29
21. ADJOURNMENT	Lanhee Chen, Board Chair	<i>public comment</i>	motion required 8:29 – 8:30pm

Upcoming Meetings: Regular Meetings: March 11, 2020; April 15, 2020; May 13, 2020; May 26, 2020*; June 10, 2020
 *Joint Meeting with Finance Committee

Education Sessions: April 22, 2020

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Julie Kliger, MPA, BSN, Quality Committee Chair
Mark Adams, MD, CMO
Cheryl Reinking, RN, CNO
Date: February 12, 2020
Subject: Quality, Patient Care and Patient Experience Committee Report

Purpose:

To inform the Board of the work of the Quality Committee. The Committee last met on December 2, 2019 and meets next on March 2, 2020. The Committee is on track to meet its goals for FY20.

Summary:

1. Cheryl Reinking, RN, CNO described the nationally recognized Daisy Award Program, which is now active at El Camino. This program recognizes outstanding nurses and will be awarded once a month.
2. Ms. Reinking provided an update on patient care experience. She described the many strategies that have been actuated including care team coaching, standards of behavior regarding-alignment, leader rounding, commit-to-sit, bedside handoff, and purposeful rounding. There has been significant improvement including “Likelihood to Recommend,” which is now at the 86th percentile nationally.
3. Mark Adams, MD, CMO provided a “deep dive” review of the factors that contribute to the PSI-4 patient safety index measure. Several specific illustrative cases were presented to show the challenges with this measure. Our most recent score for this measure is lower than the previous report and now commensurate with the national Agency for Healthcare Research and Quality (AHRQ) median, but it is still higher than the Premier cohort median. These types of cases are best handled through peer review.
4. Dr. Adams provided a review of PSI-18 and PSI-19, which are defined as trauma with vaginal delivery with instrumentation (18) and trauma with vaginal delivery without instrumentation (19). It was previously reported that we have an increased incidence of both categories. A system-wide task force of physicians, nurses, and administrators was formed to address this. The results of a retrospective analysis of our data was reviewed and presented. This increased incidence of trauma correlates with the high density of certain Asian populations in our service areas. Specific interventions have been identified and implemented to mitigate this adverse risk. The task force has committed to reduce OB trauma with instrumentation (PSI-18) by 15% by July 1, 2020.
5. The Quality Committee was apprised of the most recent CMS Star Ratings release whereby El Camino is now a 5-Star health system. A comparison of our competitors was provided with only Stanford and Sequoia in the 5 Star category. It was also noted that El Camino is listed on the newly created California Patient Safety Honor Roll.
6. The Committee reviewed a proposed new quality and safety dashboard based on the STEEEP construct. This is designed for Board quarterly review and will be part of the Quality Committee report to the Board. Additional feedback from Committee members will be solicited along with Board feedback.

List of Attachments: Proposed new Board Quality Dashboard

Metric	Baseline FY2019	FY2020 Target	Q1 (unless otherwise indicated)	Measure Period
Risk Adjusted Mortality Index	0.97	≤ 0.90	0.64 (Oct 19)	FYTD
Sepsis Mortality Index	1.06	≤ 0.90	0.61 (Oct 19)	FYTD
% of Serious Safety Events (SSEs) Classified	New Program	Establish baseline for SSE rate Proxy Measure: 95% classified in ≤30-days	Begin categorization 12/1/19	FYTD
Surgical Site Infections (SSI)	0.52 37/7167	SIR Goal ≤1.0 NHSN risk-adjusted ratio (not rate)	0.17	FYTD
Catheter Associated Urinary Tract Infection (CAUTI) - HAI	1.09	SIR Goal ≤0.75 NHSN risk-adjusted ratio (not rate)	0.27	FYTD
Central Line Associated Blood Stream Infection (CLABSI) - HAI	0.36	SIR Goal ≤0.50 NHSN risk-adjusted ratio (not rate)	0.37	FYTD
Clostridium Difficile Infection (CDI) - HAI	1.96	SIR Goal: ≤ 0.70	1.58 (MM)	FYTD
Modified PSI-90 CMS HAC Reduction Program	0.714852 Q1 FY 19	1.021817	1.010425	FYTD
Enterprise Patient Throughput – ED Door to Admit Order	FY19 284 min	266 minutes	254 minutes (Oct 19)	FYTD
ED2b – Admit Decision Time to ED Departure Time for Admitted patients	CY18 95 minutes	CY19 <120 minutes	77 minutes (Q1)	CYTD
OP18b – Median Time from ED Arrival to ED Departure for Discharged ED patients	CY18 183 minutes	CY19 <180 minutes	174 minutes (Q1)	CYTD
Risk Adjusted Readmissions Index	0.99	≤ 0.96	0.96	FYTD
CMS SEP-1 Compliance Rate	74%	≤ 80%	82.6	FYTD
PC-01 Elective Delivery Prior to 39 Weeks Gestation	MV: 1.11% (4/360)	0.00%	0%	FYTD
	LG: 0.00% (0/44)		(0/103)	
	ENT: 0.99% (4/404)			
CMS 165: Controlling High Blood Pressure		TBD		
CMS 122: Diabetes: Hemoglobin A1c Poor Control		TBD		
Length of Stay	1		0.96 (Oct 19)	FYTD
Arithmetic Observed LOS Average/Geometric LOS Expected for Medicare Population (ALOS/Expected GMLOS)	0.91		0.86 (Oct 19)	FYTD
OP-8 MRI Lumbar Spine for Low Back Pain	# of Pts 38	National Rate 38.70%	Q3 2017- Q2 2018 = 52.6%	Annual
	# of Pts 1,109	National Rate 8.90%	Q3 2017- Q2 2018 = 4.4%	Annual
OP-10 Abdomen CT Use of Contrast Material	\$21.6m	\$23.0m	\$6.8m	FYTD
Hospital Charity Care Support	\$18k	TBD	\$8.8kk	FYTD
Clinic Charity Care Support	4.60%	<5%	2.90%	FYTD
Language Line Unmet Requests	African American American Indian	None	None	FYTD
Length of Stay Disparity	65.7	≥ 67.1	66.4 (Oct 19)	FYTD
HCAHPS: Staff Responsiveness	86.7	≥ 87.3	86.9 (Oct 19)	FYTD
HCAHPS: Discharge Information	83.5	≥ 84.2	83.2 (Oct 19)	FYTD
HCAHPS: Likelihood to Recommend	66	≥ 69.0	70.6 (Oct 19)	FYTD
Emergency Department (ED) Satisfaction	43 rd %tile	≥ 35 th %tile	45 th %tile	FYTD
OAS CAHPS: Rating 9's & 10's	73 rd %tile	≥ 35 th %tile	72 nd %tile	FYTD
Outpatient Services (CA)				



El Camino Health

Summary of Financial Operations

*Fiscal Year 2020 – Period 6
7/1/2019 to 12/31/2019*

Financial Overview – December Year to Date

Financial Performance

- Strong revenues fueled primarily by outpatient volume growth drove \$5.5M operating margin favorable variance. Despite the higher volumes, expenses continue to remained close to budgeted levels.
 - Operating Revenue favorable to budget by \$13.1M (2.5%)
 - Operating expense is at budget level
 - Supplies are higher than budget due to continued strong procedural volume growth
- Non Operating Income favorable variance due to favorable Investment performance

Hospital Volume

- Adjusted Discharges (AD) continues to be favorable to budget 1,425 ADs (8%) and favorable to prior year by 12%
 - Mountain View: Favorable to budget by 1,005 ADs (7%) and favorable to prior year by 9%
 - Overall procedural volume favorable to budget by 688 cases (5%)
 - Infusion Volumes favorable to budget by 444 encounters (11%) - extended hours and increased productivity
 - Los Gatos: Favorable to budget by 420 ADs (13%) and favorable to prior year by 22%
 - Overall procedural volume favorable to budget by 647 cases (4%)
 - Orthopedics & Spine surgeries favorable to budget by 212 cases (16%) due to high producing ortho/spine surgeons)
 - Op Emergency Room favorable to budget by 543 visits (11%)

Payor Mix

- Payor mix is at budget year to date

Productivity

- Year to date FTEs are in line with targets

Note – This month's report includes analysis of ER volume based discussion at the last Finance Committee meeting

Financial Overview - December

Financial Performance

- Operating Margin favorable variance was \$5.9M (83%). Driven by:
 - Patient Revenue was favorable to budget \$1.2M (1.4%) due to high volume and improved payor mix.
 - Other Operating Revenue was favorable to budget due to \$2M Prime payment delayed from November.
 - Operating Expense was favorable to budget by \$3.2M (3.9%)
- Non Operating Income favorable variance primarily due to positive Investment results

Hospital Volume

- Adjusted Discharges (AD) continue to be favorable to budget for December 176 ADs (5.6%) and favorable to prior year by 11%
 - Mountain View: Favorable to budget by 144 ADs (5.7%) and favorable to prior year by 9.3%
 - Los Gatos: Favorable to budget by 32 ADs (5.5%) and favorable to prior year by 21.2%

Payor Mix

- Payor mix improved in December and was favorable to budget.

Dashboard - as of December 31, 2019

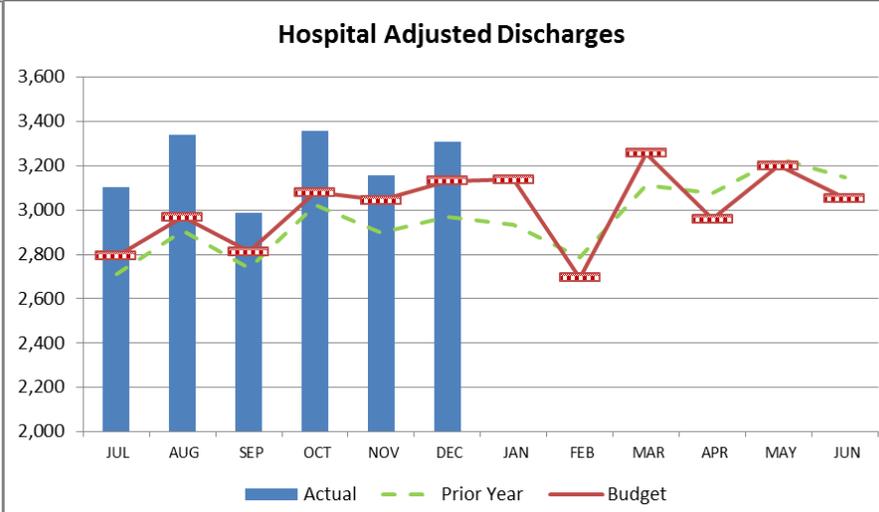
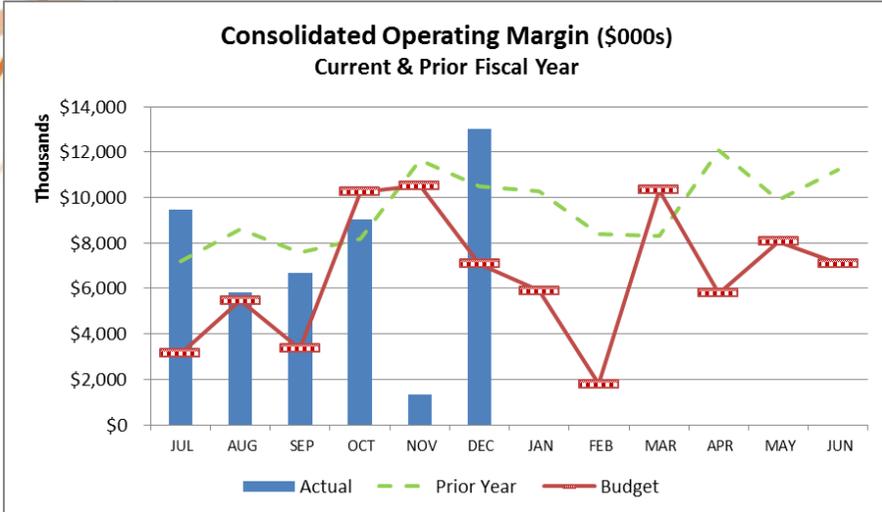
	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Consolidated Financial Perf.								
Total Operating Revenue	80,467	91,764	89,050	2,714	474,916	535,379	522,260	13,119
Operating Margin \$	10,483	12,996	7,086	5,910	53,681	45,295	39,804	5,490
Operating Margin %	13.0%	14.2%	8.0%	6.2%	11.3%	8.5%	7.6%	0.8%
EBIDA %	18.5%	17.2%	13.9%	3.3%	17.2%	13.5%	13.6%	(0.1%)
Hospital Volume								
Licensed Beds	443	443	443	-	443	443	443	-
ADC	242	240	249	(8)	230	227	236	(9)
Utilization MV	67%	66%	68%	(2.2%)	63%	63%	64%	(0.3%)
Utilization LG	30%	30%	32%	(1.3%)	28%	30%	32%	(1.7%)
Utilization Combined	55%	54%	56%	(1.9%)	52%	52%	53%	(0.8%)
Total Discharges (Excl NNB)	1,696	1,792	1,744	48	9,486	10,178	9,752	426
Hospital Payor Mix								
Medicare	46.4%	45.1%	48.2%	(3.1%)	46.8%	48.9%	48.3%	0.6%
Medi-Cal	8.3%	8.0%	8.4%	(0.4%)	8.1%	7.6%	8.0%	(0.4%)
Total Commercial	42.9%	44.2%	41.1%	3.2%	42.7%	41.1%	41.4%	(0.4%)
Other	2.4%	2.7%	2.3%	0.4%	2.4%	2.4%	2.3%	0.1%
Hospital Cost								
Total FTE	2,695.2	2,809.5	2,793.5	(16.0)	2,629.6	2,779.9	2,770.9	(9.0)
Productive Hrs/APD	30.5	30.4	31.5	1.1	30.9	31.3	32.0	0.7
Consolidated Balance Sheet								
Net Days in AR	47.2	48.8	49.0	0.2	47.2	48.8	49.0	0.2
Days Cash	497	467	435	31	497	467	435	31

Consolidated Statement of Operations (\$000s)

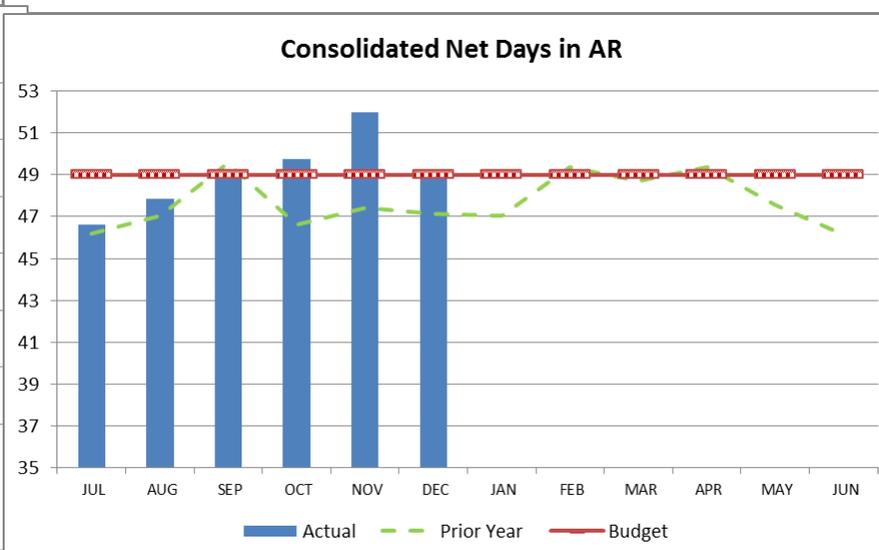
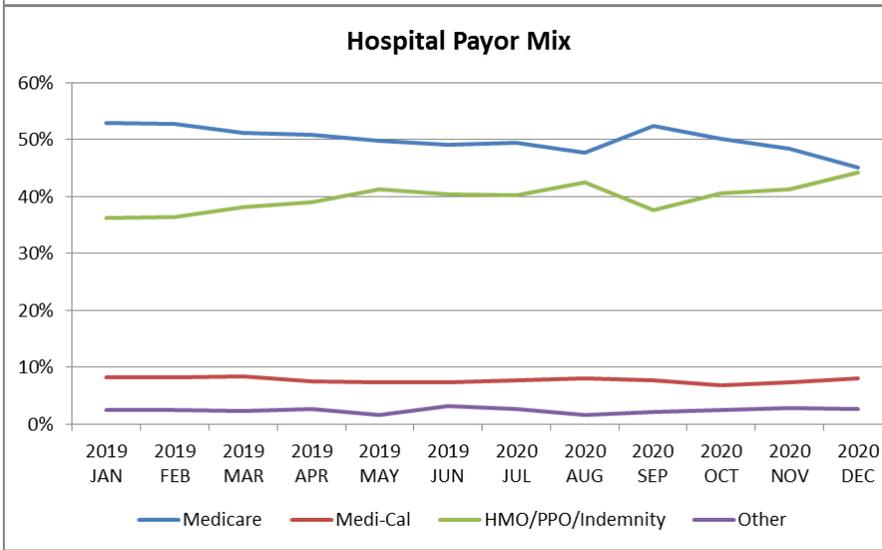
Period ending 12/31/2019

Period 6 FY 2019	Period 6 FY 2020	Period 6 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
285,990	323,501	327,715	(4,214)	(1.3%)	Gross Revenue	1,708,368	1,931,508	1,900,921	30,587	1.6%
(208,675)	(237,496)	(242,882)	5,387	2.2%	Deductions	(1,254,914)	(1,423,935)	(1,405,448)	(18,486)	(1.3%)
77,316	86,005	84,833	1,172	1.4%	Net Patient Revenue	453,454	507,573	495,473	12,101	2.4%
3,152	5,759	4,217	1,542	36.6%	Other Operating Revenue	21,462	27,806	26,787	1,019	3.8%
80,467	91,764	89,050	2,714	3.0%	Total Operating Revenue	474,916	535,379	522,260	13,119	2.5%
					OPERATING EXPENSE					
43,460	46,746	47,146	400	0.8%	Salaries & Wages	250,727	275,279	276,186	908	0.3%
10,202	12,307	12,364	57	0.5%	Supplies	65,560	80,414	72,264	(8,150)	(11.3%)
9,396	12,673	13,103	429	3.3%	Fees & Purchased Services	61,307	84,322	78,390	(5,933)	(7.6%)
2,511	4,271	4,055	(216)	(5.3%)	Other Operating Expense	15,620	22,766	24,432	1,666	6.8%
100	(1,317)	695	2,011	289.4%	Interest	2,228	1,216	3,370	2,153	63.9%
4,315	4,087	4,601	513	11.2%	Depreciation	25,792	26,087	27,814	1,727	6.2%
69,984	78,768	81,964	3,195	3.9%	Total Operating Expense	421,235	490,084	482,455	(7,629)	(1.6%)
10,483	12,996	7,086	5,910	83.4%	Net Operating Margin	53,681	45,295	39,804	5,490	13.8%
(19,695)	14,178	3,279	10,899	332.3%	Non Operating Income	(30,904)	48,375	18,369	30,006	163.3%
(9,211)	27,174	10,366	16,809	162.2%	Net Margin	22,777	93,670	58,174	35,496	61.0%
18.5%	17.2%	13.9%	3.3%		EBITDA	17.2%	13.6%	13.6%	(0.0%)	
13.0%	14.2%	8.0%	6.2%		Operating Margin	11.3%	8.5%	7.6%	0.8%	
-11.4%	29.6%	11.6%	18.0%		Net Margin	4.8%	17.5%	11.1%	6.4%	

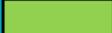
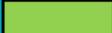
Monthly Financial Trends



Favorable results in December due to strong volume and favorable payor mix.



INVESTMENT SCORECARD AS OF SEPTEMBER 30, 2019

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY19 Year End Budget	Expectation Per Asset Allocation
Investment Performance		3Q 2019		Fiscal Year-to-date		6y 11m Since Inception (annualized)			2019
Surplus cash balance*		\$1,046.2	--	--	--	--	--	\$892.9	--
Surplus cash return		0.8%	0.6%	0.8%	0.6%	5.6%	5.4%	3.2%	5.6%
Cash balance plan balance (millions)		\$278.3	--	--	--	--	--	\$276.9	--
Cash balance plan return		0.2%	0.5%	0.2%	0.5%	7.5%	6.9%	6.0%	6.0%
403(b) plan balance (millions)		\$516.7	--	--	--	--	--	--	--
Risk vs. Return		3-year				6y 11m Since Inception (annualized)			2019
Surplus cash Sharpe ratio		0.92	0.88	--	--	1.01	0.99	--	0.34
Net of fee return		6.4%	6.0%	--	--	5.6%	5.4%	--	5.6%
Standard deviation		5.3%	5.1%	--	--	4.8%	4.7%	--	8.7%
Cash balance Sharpe ratio		0.91	0.87	--	--	1.08	1.04	--	0.32
Net of fee return		7.6%	6.9%	--	--	7.5%	6.9%	--	6.0%
Standard deviation		6.7%	6.1%	--	--	6.2%	5.9%	--	10.3%
Asset Allocation		3Q 2019							
Surplus cash absolute variances to target		10.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		7.7%	< 10%	--	--	--	--	--	--
Manager Compliance		3Q 2019							
Surplus cash manager flags		15	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		20	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$64 mm), District assets (~\$32 mm), and balance sheet cash not in investable portfolio (~\$109 mm). Includes Foundation (~\$35 mm) and Concern (~\$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.

Consolidated Balance Sheet

(in thousands)

ASSETS	Audited		LIABILITIES AND FUND BALANCE	Audited	
	December 31, 2019	June 30, 2019		December 31, 2019	June 30, 2019
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	130,858	124,912	Accounts Payable	59,478	38,390
Short Term Investments	190,448	177,165	Salaries and Related Liabilities	36,071	30,296
Patient Accounts Receivable, net	138,748	132,198	Accrued PTO	25,518	26,502
			Worker's Comp Reserve	2,300	2,300
Other Accounts and Notes Receivable	8,498	5,058	Third Party Settlements	12,262	11,331
Intercompany Receivables	(1,417)	85	Malpractice Reserves	1,800	1,800
			Bonds Payable - Current	8,630	8,630
Inventories and Prepays	68,016	64,093	Bond Interest Payable	9,103	12,775
Total Current Assets	570,294	511,976	Other Liabilities	1,787	14,577
			Total Current Liabilities	192,091	150,966
BOARD DESIGNATED ASSETS					
Foundation Board Designated	18,252	16,895	LONG TERM LIABILITIES		
Plant & Equipment Fund	176,628	171,304	Post Retirement Benefits	30,133	29,480
Women's Hospital Expansion	22,430	15,472	Worker's Comp Reserve	19,389	18,432
Operational Reserve Fund	148,917	139,057	Other L/T Obligation (Asbestos)	4,034	3,975
Community Benefit Fund	18,624	18,260	Other L/T Liabilities (IT/Medl Leases)	-	-
Workers Compensation Reserve Fund	19,389	20,732	Bond Payable	518,514	507,531
			Total Long Term Liabilities	572,070	559,417
Postretirement Health/Life Reserve Fund	30,133	29,480	DEFERRED REVENUE-UNRESTRICTED	1,114	1,113
PTO Liability Fund	25,074	26,149			
Malpractice Reserve Fund	1,838	1,831	DEFERRED INFLOW OF RESOURCES	13,268	13,715
Catastrophic Reserves Fund	21,634	19,678			
Total Board Designated Assets	482,919	458,857			
			FUND BALANCE/CAPITAL ACCOUNTS		
FUNDS HELD BY TRUSTEE	53,028	83,073	Unrestricted	1,753,609	1,389,510
			Board Designated	189,950	458,839
LONG TERM INVESTMENTS	393,535	375,729	Restricted	27,184	24,215
			Capital	-	100
CHARITABLE GIFT ANNUITY INVESTMENTS	600	602	Retained Earnings	-	16,587
			Total Fund Bal & Capital Accts	1,970,744	1,872,563
INVESTMENTS IN AFFILIATES	35,442	38,532	TOTAL LIABILITIES AND FUND BALANCE	2,749,287	2,597,775
PROPERTY AND EQUIPMENT					
Fixed Assets at Cost	1,332,500	1,692,693			
Less: Accumulated Depreciation	(648,961)	(622,877)			
Construction in Progress	468,010	375,094			
Property, Plant & Equipment - Net	1,151,548	1,069,816			
DEFERRED OUTFLOWS	33,501	33,876			
RESTRICTED ASSETS	27,413	24,279			
OTHER ASSETS	1,006	1,036			
TOTAL ASSETS	2,749,287	2,597,775			

APPENDIX

Non Operating Items and Net Margin by Affiliate

\$ in thousands

	Period 6- Month			Period 6- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Operating Margin						
Mountain View	12,019	7,661	4,358	55,530	47,681	7,849
Los Gatos	4,447	2,174	2,272	10,684	9,076	1,608
Sub Total - El Camino Hospital, excl. Affilates	16,466	9,835	6,630	66,214	56,757	9,456
Operating Margin %	18.9%	11.8%		13.0%	11.6%	
El Camino Hospital Non Operating Income						
Sub Total - Non Operating Income	12,035	2,637	9,398	43,101	15,749	27,352
El Camino Hospital Net Margin	28,501	12,472	16,028	109,315	72,507	36,808
ECH Net Margin %	32.6%	14.9%		21.5%	14.8%	
Concern	(138)	287	(425)	125	484	(358)
ECSC	(1)	0	(1)	(29)	2	(31)
Foundation	1,903	135	1,768	3,814	831	2,984
Silicon Valley Medical Development	(3,092)	(2,529)	(563)	(19,556)	(15,649)	(3,907)
Net Margin Hospital Affiliates	(1,327)	(2,107)	780	(15,645)	(14,333)	(1,312)
Total Net Margin Hospital & Affiliates	27,174	10,366	16,809	93,670	58,174	35,496

El Camino Hospital – Mountain View (\$000s)

Period ending 12/31/2019

Period 6 FY 2019	Period 6 FY 2020	Period 6 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
231,745	254,788	256,660	(1,872)	(0.7%)	Gross Revenue	1,398,938	1,534,108	1,501,512	32,595	2.2%
(169,502)	(188,808)	(191,358)	2,550	1.3%	Deductions	(1,026,802)	(1,129,361)	(1,116,251)	(13,110)	(1.2%)
62,243	65,980	65,302	678	1.0%	Net Patient Revenue	372,136	404,746	385,261	19,485	5.1%
1,802	3,207	1,718	1,489	86.7%	Other Operating Revenue	12,908	11,639	12,432	(793)	(6.4%)
64,045	69,186	67,020	2,167	3.2%	Total Operating Revenue	385,044	416,385	397,693	18,692	4.7%
					OPERATING EXPENSE					
35,496	37,066	37,339	273	0.7%	Salaries & Wages	205,687	217,602	218,072	470	0.2%
8,105	9,822	9,279	(543)	(5.9%)	Supplies	52,868	64,286	55,733	(8,553)	(15.3%)
5,477	5,225	5,863	638	10.9%	Fees & Purchased Services	37,696	40,601	35,160	(5,441)	(15.5%)
2,037	3,127	2,615	(512)	(19.6%)	Other Operating Expense	12,624	16,167	15,986	(181)	(1.1%)
100	(1,318)	695	2,013	289.6%	Interest	2,228	1,215	3,370	2,154	63.9%
3,503	3,245	3,568	323	9.1%	Depreciation	21,034	20,985	21,692	707	3.3%
54,717	57,167	59,359	2,191	3.7%	Total Operating Expense	332,137	360,855	350,012	(10,843)	(3.1%)
9,328	12,019	7,661	4,358	56.9%	Net Operating Margin	52,907	55,530	47,681	7,849	16.5%
(20,746)	12,035	2,637	9,398	356.4%	Non Operating Income	(38,016)	43,101	15,749	27,352	173.7%
(11,418)	24,054	10,298	13,756	133.6%	Net Margin	14,891	98,631	63,430	35,201	55.5%
20.2%	20.2%	17.8%	2.4%		EBITDA	19.8%	18.7%	18.3%	0.4%	
14.6%	17.4%	11.4%	5.9%		Operating Margin	13.7%	13.3%	12.0%	1.3%	
-17.8%	34.8%	15.4%	19.4%		Net Margin	3.9%	23.7%	15.9%	7.7%	

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

Period ending 12/31/2019

Period 6 FY 2019	Period 6 FY 2020	Period 6 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
53,410	61,175	62,432	(1,257)	(2.0%)	Gross Revenue	305,137	354,607	346,213	8,394	2.4%
(38,630)	(43,397)	(46,279)	2,883	6.2%	Deductions	(225,366)	(264,419)	(256,787)	(7,632)	(3.0%)
14,780	17,778	16,153	1,625	10.1%	Net Patient Revenue	79,771	90,188	89,427	761	0.9%
279	379	272	107	39.4%	Other Operating Revenue	1,678	2,311	1,627	685	42.1%
15,059	18,157	16,424	1,732	10.5%	Total Operating Revenue	81,449	92,499	91,053	1,446	1.6%
					OPERATING EXPENSE					
7,334	7,632	7,611	(22)	(0.3%)	Salaries & Wages	41,354	44,898	43,858	(1,040)	(2.4%)
2,016	1,921	2,684	763	28.4%	Supplies	12,343	13,482	14,131	649	4.6%
2,601	2,957	2,729	(228)	(8.3%)	Fees & Purchased Services	15,925	16,602	16,444	(158)	(1.0%)
253	411	389	(22)	(5.7%)	Other Operating Expense	1,914	2,056	2,556	500	19.6%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
763	788	837	49	5.8%	Depreciation	4,488	4,777	4,988	211	4.2%
12,966	13,710	14,250	540	3.8%	Total Operating Expense	76,026	81,815	81,977	162	0.2%
2,093	4,447	2,174	2,272	104.5%	Net Operating Margin	5,424	10,684	9,076	1,608	17.7%
0	0	0	0	0.0%	Non Operating Income	0	0	0	0	0.0%
2,093	4,447	2,174	2,272	104.5%	Net Margin	5,424	10,684	9,076	1,608	17.7%
19.0%	28.8%	18.3%	10.5%		EBITDA	12.2%	16.7%	15.4%	1.3%	
13.9%	24.5%	13.2%	11.3%		Operating Margin	6.7%	11.6%	10.0%	1.6%	
13.9%	24.5%	13.2%	11.3%		Net Margin	6.7%	11.6%	10.0%	1.6%	

Silicon Valley Medical Development (\$000s)

Period ending 12/31/2019

Period 6 FY 2019	Period 6 FY 2020	Period 6 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
836	7,539	8,624	(1,085)	(12.6%)	Gross Revenue	4,293	42,793	53,196	(10,402)	(19.6%)
(543)	(5,291)	(5,245)	(46)	(0.9%)	Deductions	(2,745)	(30,154)	(32,410)	2,256	7.0%
293	2,248	3,379	(1,131)	(33.5%)	Net Patient Revenue	1,547	12,639	20,785	(8,146)	(39.2%)
18	1,601	1,465	136	9.3%	Other Operating Revenue	36	9,575	8,154	1,421	17.4%
311	3,849	4,844	(995)	(20.5%)	Total Operating Revenue	1,583	22,214	28,940	(6,725)	(23.2%)
					OPERATING EXPENSE					
159	1,566	1,674	107	6.4%	Salaries & Wages	652	10,037	11,146	1,109	10.0%
74	580	388	(192)	(49.4%)	Supplies	268	2,566	2,324	(242)	(10.4%)
738	4,070	4,137	68	1.6%	Fees & Purchased Services	4,205	24,817	24,537	(280)	(1.1%)
141	672	980	309	31.5%	Other Operating Expense	671	4,040	5,463	1,423	26.0%
0	1	0	(1)	0.0%	Interest	0	0	0	0	0.0%
46	52	193	141	73.2%	Depreciation	248	310	1,119	809	72.3%
1,158	6,940	7,372	432	5.9%	Total Operating Expense	6,044	41,769	44,589	2,819	6.3%
(847)	(3,092)	(2,529)	(563)	22.3%	Net Operating Margin	(4,462)	(19,555)	(15,649)	(3,906)	25.0%
1,500	0	0	0	0.0%	Non Operating Income	5,810	0	0	0	0.0%
653	(3,092)	(2,529)	(563)	22.3%	Net Margin	1,348	(19,555)	(15,649)	(3,906)	25.0%
					EBITDA	-266.2%	-86.6%	-50.2%	(36.4%)	
					Operating Margin	-281.9%	-88.0%	-54.1%	(34.0%)	
					Net Margin	85.2%	-88.0%	-54.1%	(34.0%)	
-257.5%	-79.0%	-48.2%	(30.7%)							
-272.3%	-80.3%	-52.2%	(28.1%)							
209.8%	-80.3%	-52.2%	(28.1%)							

ECH Hospital Operating Margin

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



FY 2020 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>							
Revenue Adjustments	J	A	S	O	N	D	YTD
Mcare Settlmt/Appeal/Tent Settlmt/PIP	129	129	210	137	129	194	929
RAC Release	-	-	(746)	-	-	-	(746)
PRIME Incentive	-	-	-	-	-	1,944	1,944
Various Adjustments under \$250k	9	4	5	-	-	-	18
Total	138	133	(531)	137	129	2,138	2,145

FY 20 Capital Cash Flow Projections

Reformatted to separate active and planned facility projects

Variance analysis on next page

Capital Spending (in 000's)	Actual FY2017	Actual FY2018	Actual FY2019	Cash Flow		
				19-May	19-Dec	Difference
ERP	-	-	5,830	-	-	
IT Hardware / Software Equipment/EPIC	5,414	2,222	7,859	6,000	6,000	-
Medical / Non Medical Equipment	9,556	15,780	12,082	18,000	18,000	-
Facilities Total	82,953	139,434	158,010	268,937	217,782	(51,155)
Active						
Mountain View Campus Master Plan Projects	62,493	114,093	140,000	130,289	107,122	(23,167)
Mountain View Capital Projects	5,535	7,948	9,620	61,375	59,047	(2,328)
Los Gatos Capital Projects	14,780	12,306	6,901	14,387	13,016	(1,370)
Placeholder/Deferred						
Other Strategic Capital Facility Projects	145	5,088	1,489	24,764	12,434	(12,329)
Other Major Projects				38,123	26,162	(11,961)
GRAND TOTAL	97,923	157,435	183,782	292,937	241,782	(51,155)

FY20 Detail Cash Flow Significant Variances from Budget

Significant Variances	May-19	Dec-19	Diff	Notes
Integrated Medical Office Building	64,489,474	72,745,522	8,256,048	Costs pushed from FY19 to FY20 - overall project costs on budget
BHS Replacement	12,799,752	20,203,199	7,403,447	Costs pushed from FY19 to FY20 - overall project costs on budget
Women's Hosp Expansion	33,000,000	9,527,609	(23,472,391)	Delay due to planning revisions to lower project cost
Demo Old Main & Related Site Work	20,000,000	4,645,595	(15,354,405)	Project staged after completion of Taube Pavillion
MV Master Plan	130,289,226	107,121,925	(23,167,301)	
LG Campus Redevelopment	12,122,777	162,210	(11,960,568)	LG planning pushed out
LG MOB	12,400,000	800,000	(11,600,000)	LG planning pushed out
Oher Major & Strategic Projects	24,522,777	962,210	(23,560,568)	
TOTAL	154,812,003	108,084,135	(46,727,868)	
Percent of variance explained			91.3%	

Facilities Cash Flow: Change from FY2020 Budget to FY2020 P6 Update is -\$51.2M. The projects above represent 91.3% of the -\$51.2M projected difference

Enterprise Impact of SVMD

Attribution using common patients. Includes all services not just incremental

As SVMD evolves from the start-up phase, the net enterprise impact will improve.

	YTD thru 12/20
Direct Investment in SVMD operations	19,555
Enterprise margin on services to SVMD patients, excludes Urgent Care patients	11,687
Net Enterprise shortfall	7,868



**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
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 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.	
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	Raina Schwartzberg from SEIU-UHW described the union negotiations with SVMd and commented that the clinic healthcare workers are seeking better pay and benefits.	
4. QUALITY COMMITTEE REPORT	<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>	
5. FY20 PERIOD 4 FINANCIALS	<p>Iftikhar Hussain, CFO, highlighted the following in the Period 4 Financials:</p> <ul style="list-style-type: none"> - 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 	<i>FY20 Period 4 Financials approved</i>

	<p>times in the Emergency Department.</p> <ul style="list-style-type: none"> - Medicare mix has grown 50%, even though net impact of the growth is positive. - 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. <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>Motion: To approve the FY20 Period 4 Financials.</p> <p>Movant: Kalbach Second: Kliger Ayes: Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	
<p>6. EL CAMINO HEALTH ENTERPRISE STRUCTURE</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 & 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 SVMD be renamed “El Camino Health Professional Services.” Ms. Hiranandani described the plans to change the name for SVMD, 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>	

	<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.</p>	
<p>7. REVISED SVMD, LLC OPERATING AGREEMENT</p>	<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>Motion: To approve the Second Amended and Restated Limited Liability Company Operating Agreement incorporating previous recommendations by the Governance Committee and ECH Board.</p> <p>Movant: Kalbach Second: Miller Ayes: Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	<p><i>Second Amended and Restated LLC Operating Agreement</i></p>
<p>8. INVESTMENT COMMITTEE REPORT</p>	<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 & 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>	
<p>9. ADJOURN TO CLOSED SESSION</p>	<p>Motion: 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>	<p><i>Adjourned to closed session at 6:21pm</i></p>

	<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>Movant: Miller Second: Kalbach Ayes: Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	
<p>10. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT</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>11. AGENDA ITEM 18: CONSENT CALENDAR</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>Motion: 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>Movant: Miller Second: Fung Ayes: Chen, Fung, Kalbach, Kliger, Miller, Rebitzer, Watters, Zoglin Noes: None Abstentions: None Absent: Po, Ting Recused: 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"> 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) 2. CMS requirement – National Fire Protection Agency (NFPA) Life Safety Code compliance <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><i>Consent calendar approved</i></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>Motion: To approve the consent calendar: for information: Update on Major Capital Projects.</p> <p>Movant: Miller Second: Kliger Ayes: Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Watters, Zoglin Noes: None Abstentions: None Absent: Ting Recused: None</p>	
<p>12. AGENDA ITEM 19: CEO REPORT</p>	<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>	
<p>13. AGENDA ITEM 20: BOARD COMMENTS</p>	<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.	
14. AGENDA ITEM 21: ADJOURNMENT	Motion: To adjourn at 8:31pm. Movant: Fung Second: Ting Ayes: Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters Noes: None Abstentions: None Absent: Zoglin Recused: None	<i>Meeting adjourned at 8:31pm</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

DRAFT



**Minutes of the Open Session of the
Special Meeting of the
El Camino Hospital Board of Directors
Monday, December 16, 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
 Julia E. Miller, Secretary/Treasurer
 George O. Ting, MD
 Bob Rebitzer**
 Don Watters**
 John Zoglin,** Vice Chair

Board Members Absent

Julie Kliger, MPA, BSN
 Jack Po, MD, PhD

Members Excused

None

**via teleconference

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 5:00pm by Chair Chen. A verbal roll call was taken. Directors Watters and Zoglin participated via teleconference from within the El Camino Healthcare District. Director Rebitzer also participated by phone. Directors Kliger and Po 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. DRAFT REVISED RESOLUTION 2019- 12	<p>Iftikhar Hussain, CFO, reported that some changes to Resolution 2019-12 that the Board approved on November 6, 2019 were required. In response to Director Miller’s questions about specifics, Mr. Hussain explained that the Resolution, as written, specifies the amount of debt, the ceiling on the interest rate at 2%, and authorizes the CEO and CFO to execute the SWAP transaction within a six-month window. Mr. Hussain also commented that he and Dan Woods, CEO, are monitoring interest rates and will execute the SWAP transaction when and if interest rates are favorable.</p> <p>Director Fung left the meeting prior to the vote.</p> <p>Motion: To approve the revised Resolution 2019-12.</p> <p>Movant: Miller Second: Kalbach Ayes: Chen, Kalbach, Miller, Rebitzer, Ting, Watters, Zoglin Noes: None Abstentions: None Absent: Kliger, Po, Fung Recused: None</p>	Resolution 2019-12 approved
4. ADJOURNMENT	<p>Motion: To adjourn at 5:05pm.</p> <p>Movant: Kalbach Second: Ting Ayes: Chen, Kalbach, Miller, Rebitzer, Ting, Watters, Zoglin Noes: None Abstentions: None Absent: Kliger, Po, Fung Recused: None</p>	Meeting adjourned at 5:05pm

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

DRAFT

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Mary Rotunno, General Counsel
Date: February 12, 2020
Subject: Resolution 2020-01

Recommendation:

To approve Resolution 2020-01 finding that Director Fung's Stroke & Neurology ED On-Call Coverage agreement is fair and in ECH's best interest.

Summary:

1. **Situation:** El Camino Health management wishes to extend and/or renew Board Director Peter C. Fung, MD's Stroke and Neurology ED On-Call Agreement, which expires on February 29, 2020. Management believes that the proposed contract is in the best interest of El Camino Health and is fair to its patients. Moreover, the amount to be paid will be no greater than the amounts paid under the same or similar agreements.
2. **Authority:** The agreement must be approved by the Board in order to comply with the California Nonprofit Corporations Act. In addition, although Director Fung's agreement is with El Camino Hospital, not with the District, I recommend that the Board approve Resolution 2020-01 in a manner that would comply with Health and Safety Code Section 32111; if it applied.
3. **Background:** California Government Code Section 1090 generally bars contracts between governmental entities and directors, among others, who are financially interested in certain agreements. California Health and Safety Code Section 32111 provides an exception to contracts involving a member of a medical staff who is subject to Section 1090, where the contract is between the district and the officer for professional services to the district's patients, employees, or medical staff members and their respective dependents, provided that similar contracts exist with other staff members and the amounts payable under the contract are no greater than the amounts payable under similar contracts covering the same or similar services if the following conditions have been satisfied:
 - (i) the officer abstains from any board action regarding the contract;
 - (ii) the officer's relationship to the contract is disclosed to the board and noted in its official records; and
 - (iii) the board finds the contract is fair and in its best interest and authorizes the contract in good faith without the participation by the officer.
4. **Assessment:**

Per Diem Rate: Dr. Fung is compensated at the same rate as the other physicians on the call panel. The per diem rate at the Mountain View campus is \$1,040 per day (7 physicians on the call panel) and at the Los Gatos campus the per diem rate is \$624/day (9 physicians on the call panel). The per diem rate at the Mountain View campus is over 90% based on MD Ranger data for San Francisco Bay Area hospitals (\$1,000 at 90%). The per diem rate for Los Gatos campus is between 50-75% for San Francisco Bay Area (\$600 at 50% and \$850 at 75%).

Resolution 2020-01
February 12, 2020

Call Schedule: The Medical Director for the Stroke program prepares the call schedules for both campuses based on the availability of the call panel physicians. Physicians are not permitted to be on call at both campuses on the same day. A review of Stroke/Neurology call schedules for the past 6 months confirmed that each of the physicians on the Mountain View call panel take call an average of 0.3-9.3 days per month, and the physicians on the Los Gatos call panel, including Dr. Fung, take call an average of 0.2-15 half days per month. Locum physicians provide additional call coverage and take an average of 8 days per month at the Mountain View campus and 12 half days per month at the Los Gatos campus. The physicians who are not on the Mountain View panel are assigned more frequently on the Los Gatos Panel. Dr. Fung participates on both the Mountain View and Los Gatos call panels, however over the last 6 months, Dr. Fung has only participated on the Los Gatos call panel and takes call an average of 11 half days per month.

5. Other Reviews: N/A

6. Outcomes: N/A

List of Attachments:

1. Resolution 2020-01

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

RESOLUTION 2020 – 01
BOARD OF DIRECTORS
EL CAMINO HOSPITAL

WHEREAS, Peter C. Fung, MD (“Dr. Fung”) has provided services as an Emergency Room on-call physician to El Camino Hospital, a California nonprofit corporation, since October 1, 2005;

WHEREAS, Dr. Fung became a member of the Board of Directors of El Camino Hospital on December 9, 2014;

WHEREAS, El Camino Hospital has similar contracts with other members of its Medical Staff;

WHEREAS, El Camino Hospital management has proposed renewing the Emergency Room on-call physician agreement with Dr. Fung with terms, including payments terms, that are similar to those entered into with other physicians;

WHEREAS, El Camino Hospital management has determined that renewing the Emergency Room on-call physician agreement with Dr. Fung is fair and in the interests of El Camino Hospital and El Camino Hospital could not have obtained a more advantageous arrangement; and

WHEREAS, Dr. Fung has recused himself from voting or otherwise participating in this matter;

NOW, THEREFORE, BE IT:

RESOLVED, that the Board of Directors finds that the proposed contract with Dr. Fung is fair and in the interests of El Camino Hospital and El Camino Hospital could not have obtained a more advantageous arrangement; be it further

RESOLVED, that the proposed agreement with Dr. Fung is hereby approved and the President and CEO is authorized to execute and deliver such agreement on behalf of El Camino Hospital.

AYES:

NOES:

ABSTAIN:

RECUSED:

Julia E. Miller, Secretary/Treasurer

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Dan Woods, CEO
Date: February 12, 2020
Subject: Approval of Appointments to Silicon Valley Medical Development, LLC (“SVMD”) Board of Managers

Recommendation:

To approve the following appointments to the SVMD Board of Managers:

- Iftikhar Hussain, ECH CFO (Executive)
- Jim Griffith, ECH COO (Executive)
- Mark Adams, MD, ECH CMO (Executive)
- Peter C. Fung, MD (Community-Based)
- Bob Rebitzer (Community-Based)
- Shabnam Husain, MD (Affiliated Medical Group Practicing Physician)

Summary:

1. **Situation:** On December 11, 2019, this Board approved the Second Amended and Restated Limited Liability Operating Agreement of SVMD (Operating Agreement). As amended, the Operating Agreement provides that the SVMD Board of Managers shall consist of the President of SVMD, and the El Camino Hospital CEO (“CEO”). It also provides that the CEO shall appoint three executives and two community-based individuals, and that the Board of Managers shall appoint two practicing physicians with a medical group affiliated with the Company.
2. **Authority:** Pursuant to Section 6.2 of the Operating Agreement authority to approve appointments to the SVMD Board of Managers is reserved to the El Camino Hospital (“ECH”) Board of Directors
3. **Background:** Dan Woods, CEO, appointed three members of the ECH executive team, Mark Adams, MD, CMO; Jim Griffith, COO and Iftikhar Hussain, CFO to the SVMD Board of Managers. In addition, Mr. Woods appointed Bob Rebitzer and Peter C. Fung, MD as community-based members of the Board of Managers. At its February 3, 2020 meeting, the SVMD Board of Managers appointed Shabnam Husain, MD to the Board of Managers as a practicing physician with an SVMD-affiliated medical group. Dr. Husain is a member of the San Jose Medical Group and specializes in Internal Medicine.
4. **Assessment:** The CEO appointments and the appointment of Dr. Husain to the SVMD Board of Managers are in accordance with Section 6.1 of the Operating Agreement.
5. **Other Reviews:** None.
6. **Outcomes:** Approval of appointments to the SVMD Board of Managers.

List of Attachments: None

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

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Lanhee Chen, Board Chair
Date: February 12, 2020
Subject: Approval of Revisions to the FY20 Advisory Committee Assignments

Recommendation:

To approve Director Jack Po, MD's appointment to the Compliance and Audit Committee.

Summary:

1. **Situation:** As presented in the previous agenda item, Director Bob Rebitzer has accepted an appointment to the SVMD Board of Managers. Due to his professional and other commitments, he will step down from the Compliance and Audit Committee. Director Jack Po, MD has agreed to move from the Investment Committee to the Compliance and Audit Committee.
2. **Authority:** Per the Advisory Committee Charters, (1) Board Members are appointed to the Advisory Committees by the Board Chair, subject to Board approval and (2) each Committee must have at least two (2) Board members.
3. **Background:** N/A
4. **Assessment:** With Director Po's transfer, the Compliance and Audit Committee will continue to have at least two Board members as members (Po and Watters) as will the Investment Committee (Miller and Kalbach).
5. **Other Reviews:** None.
6. **Outcomes:** At least two Board members will be serving on each Advisory Committee.

List of Attachments:

1. FY20 El Camino Hospital Board of Directors Advisory Committee and Liaison Appointments.

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

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
BOARD MEMBERS	Jack Po, MD	Julie Kliger	Gary Kalbach	Gary Kalbach	Julia Miller	Jack Po, MD
	Don Watters	John Zoglin	Don Watters	Bob Rebitzer		Peter C. Fung, MD
		George O. Ting, MD				George O. Ting, MD
COMMUNITY MEMBERS	Lica Hartman	Teri Eyre	Joseph Chow	Christina Lai	Nicola Boone	Terrigal Burn, MD
	Christine Sublett	Jaison Layney	Boyd Faust	Peter Moran	John Conover	Caroline Currie
		Pat Wadors	Richard Juelis		Brooks Nelson	Alyson Falwell
						Krutica Sharma
						Melora Simon

Liaison Appointments

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

LEGEND

- *Board Members
- *Community Members

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Dan Woods, CEO
Date: February 12, 2020
Subject: Executive Compensation Philosophy

Recommendation(s):

To approve the addition of Chief Quality Officer as a participant in the Executive Compensation and Benefit Plans.

Summary:

1. **Situation:** The Chief Quality Officer (CQO) is a new executive position reporting directly to the CEO. The CQO will be a transformational leader working in collaboration with physician and ECH leaders to achieve goals and guide the organization to improve patient safety and quality. The CQO will build strong relationships with key physician leaders in the hospital to advance quality and safety agendas and maintain engagement levels through effective reporting to ECH leadership, medical staff and the Board.

To implement this change, the Board will approve changes to the Executive Compensation Philosophy, which lists the positions eligible for the Plan. While updating the list, note that it also shows Andrew Cope as President of the Foundation.

2. **Authority:** The Board has the authority to approve changes to the executive compensation policies.
3. **Background:** I have reviewed this recommendation with Bob Miller, chair of the Executive Compensation Committee (ECC) who supports adding the CQO as a plan participant. The Board's actions will be reported to the ECC.
4. **Assessment:** N/A
5. **Other Reviews:** N/A
6. **Outcomes:** If the change is approved, the offer to the CQO candidate will include participation in the Executive Performance Incentive Plan and the Executive Benefit Plan.

List of Attachments:

1. Executive Compensation Philosophy

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

EL CAMINO HOSPITAL
BOARD OF DIRECTORS POLICIES AND PROCEDURES
PROPOSED CHANGES 2/12/20

03.01 EXECUTIVE COMPENSATION PHILOSOPHY

A. Coverage:

The Chief Executive Officer (“CEO”) of El Camino Hospital (“the Hospital”) and those executives reporting directly to the CEO and approved participants. Participation in the plan is subject to approval by the Hospital Board of Directors (see Attachment A).

B. Reviewed/Revised:

New: 2/08, 6/09, 12/08/10; 8/10/11, 2/13/13, 6/11/14, 10/12/16, 1/10/18, 2/14/18, 2/13/19

C. Policy Summary:

The compensation philosophy is the official statement of El Camino Hospital’s Board of Directors regarding the guiding principles and objectives upon which executive compensation decisions are based, and the general parameters and components for accomplishing these objectives.

The executive compensation program encompasses both cash compensation (salary, incentive pay, and other cash compensation) and non-cash compensation (employer provided benefit plans and perquisites) which in whole, represent total compensation. The program is governed by the Board of Directors and the Executive Compensation Committee which advises the Board to meet all applicable legal and regulatory requirements as it related to executive compensation and their effectiveness in attracting, retaining, and motivating executives.

The target competitive positioning for executive remuneration is:

- Base Salary – Executive base salaries are targeted on average at the 50th percentile of market data
- Total Cash Compensation - Base Salary plus actual performance incentive payouts targeted on average at the 50th percentile and up to the 75th percentile of market data, dependent upon individual and organizational performance
- Total Remuneration - Total Cash plus the value of benefits targeted on average between the 50th and 75th percentile of market data, dependent upon individual and organizational performance

D. Executive Compensation Philosophy:

The philosophy describes the guiding principles and objectives of the executive compensation program. Executive compensation decisions will be made using the following guiding principles and objectives:

1. Support the Hospital's ability to attract, retain, and motivate a highly-talented executive team with the ability and dedication to manage the Hospital accordingly.
2. Support the Hospital's mission and vision and achievement of strategic goals.
3. Encompass a total compensation perspective in developing and administering cash compensation and benefit programs.
4. Considers the Hospital's financial performance and ability to pay which shall be balanced with the Hospital's ability to attract, retain and motivate executives.
5. Govern the executive compensation programs to comply with state and federal laws.

E. Components:

The three key components of the executive compensation program are base salary, performance incentive compensation, and benefits.

1. Base Salary. Each executive position will be assigned a salary range that is competitive with comparable hospitals and accounts for the higher cost of labor in Silicon Valley.
2. Performance Incentive Compensation. Each executive will be eligible for a goal-based performance incentive compensation program. An executive's performance incentive payout will be based on their performance against pre-defined organizational and individual goals and objectives aligned with the Hospital's mission, vision, and strategic goals.
3. Executive Benefits and Perquisites. The Hospital may provide executives with supplemental benefits as described in the executive benefits policy. It is the Hospital's practice to minimize the use of perquisites in total executive compensation.

F. Roles and Responsibilities:

The Executive Compensation Committee shall recommend and maintain written policies and procedures regarding the administration of each component. The Hospital Board of Directors will approve all policy changes.

G. Definitions

Comparable Hospital – To measure the competitiveness of the executive compensation program, the Hospital will use, in general, compensation information from tax-exempt independent hospitals from across the United States comparable in size and complexity to the Hospital. The hospitals will be comparable in size and complexity based upon net operating revenues.

Competitive Position – A determination of where the Hospital places executive salaries, incentives, and benefits relative to comparable hospitals nationally. El Camino Hospital's competitive position for base salaries is the market median plus a geographic differential for the Silicon Valley area.

Geographic Differential – Recognizes the significantly higher cost-of-labor in Silicon Valley. The Committee will periodically analyze data to ensure the geographic differential is appropriate and accurately projecting the El Camino Hospital median.

El Camino Hospital Median – Reflects the median base pay of the comparable hospitals plus the geographic differential for a particular position. The Hospital increases the data by 25% to calculate the El Camino Hospital median.

Other Cash Compensation – Other cash compensation excludes base salary and incentive pay but includes a hiring and retention bonuses, and relocation reimbursement.

Salary Range - A range established as 20% below to 20% above the salary range midpoint, resulting in a maximum amount that is 150% of the minimum amount.

Salary Range Midpoint - The midpoint of the salary range for each executive position will be set at the El Camino Hospital Median.

Total Cash Compensation – includes base salary plus annual incentive compensation (and other cash) paid to an executive.

Total Compensation – Total cash compensation plus the cost of employee and executive benefit programs.

**ATTACHMENT A:
APPROVED PARTICIPANTS IN EXECUTIVE
COMPENSATION PROGRAM
Effective ~~2/13/2019~~ 2/12/20**

Job Title	Name
Chief Admin Svcs Officer	Kenneth K. King
Chief Executive Officer	Daniel J. Woods
Chief Financial Officer	Iftikhar Hussain
Chief Human Resources Officer	Kathryn M. Fisk
Chief Information Officer	Deborah A. Muro
Chief Medical Officer	Mark C. Adams, MD
Chief Nursing Officer	Cheryl L. Reinking
Chief Operating Officer	James D. Griffith
Chief Strategy Officer	Vacant
General Counsel	Mary Lynn Rotunno
President Foundation	Joanne Royer Barnard <u>Andrew Cope</u>
President, Silicon Valley Medical Development	Bruce A. Harrison
VP Corp & Comm Hlth Svcs	Cecile S. Currier *
VP Payor Relations	Joan M. Kezic*
<u>Chief Quality Officer</u>	<u>Vacant</u>

*These executives are considered grandfathered participants and shall continue to be eligible for the Executive Compensation Program as long as the individual remains in an executive position with El Camino Hospital.

Note: Executives hired on an interim basis are not eligible for the Executive Compensation and Benefits Program.



El Camino Health

Summary of Financial Operations

*Fiscal Year 2020 – Period 5
7/1/2019 to 11/30/2019*

Financial Overview – Year to Date November

Financial Performance

- Net income is \$18.7 M or 39% ahead of target
- Non Operating Revenue driven by favorable Investment Income represents \$19.1 million and operations makes up the remaining -\$0.4 M

Hospital Volume

- Adjusted Discharges 8.4% higher than budget and 12% higher than prior year.
 - Mountain View:
 - Higher than budget by 7.1% and prior year by 9.4%
 - Overall procedural volume favorable to budget by 574 cases (5%)
 - Infusion Volumes favorable to budget by 355 encounters (11%) - extended hours, new Oncologist and increased productivity
 - Ortho/Neuro/Spine cases favorable to budget by 27 cases (6%) due to higher utilization of Mako Robot on both campuses
 - Los Gatos:
 - Higher than budget by 14.6% and prior year by 22.1%
 - Overall procedural volume favorable to budget by 51 cases (2%)
 - Surgeries favorable to budget by 194 cases (21%) – Orthopedics & Spine (high producing ortho/spine surgeons), Ophthalmology (program moved from Willow ASC)
 - Op Infusion volumes budgeted at 216 visits for November. Not realized due to delay in opening of LG Infusion Center

Payor Mix

- Payor mix is unfavorable to budget.

Productivity

- Year to date FTEs are in line with targets.

Financial Overview - November

Financial Performance

- Net income for the November is \$5.7 M or 43% ahead of target
- Non Operating Revenue driven by favorable Investment Income represents \$14.9 million and operations makes up the remaining unfavorable variance of \$9.2 M
- Unfavorable operating margin due to:
 - \$1.4 due to lower outpatient services mix
 - \$2 million PRIME revenue which was budgeted in November but not received until December.
 - \$1.8 million in supplies expense to correct October go-live cut-off in WorkDay.
 - Fees and purchased services mainly related to culture of safety, Lean project and higher repairs and maintenance.

Hospital Volume

- Adjusted Discharges 3.7% higher than budget and 9% higher than prior year.
 - Mountain View:
 - Higher than budget by 3.7% and prior year by 7.5%
 - Los Gatos:
 - Higher than budget by 4% and prior year by 15.4%

Payor Mix

- Payor mix is slightly favorable to budget for both Commercial & Medicare

Productivity

- Year to date FTEs are in line with targets.

Dashboard - as of November 30, 2019

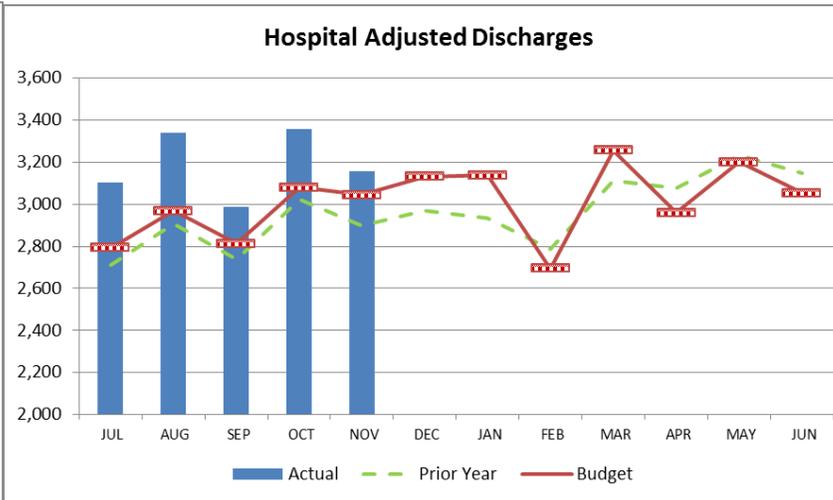
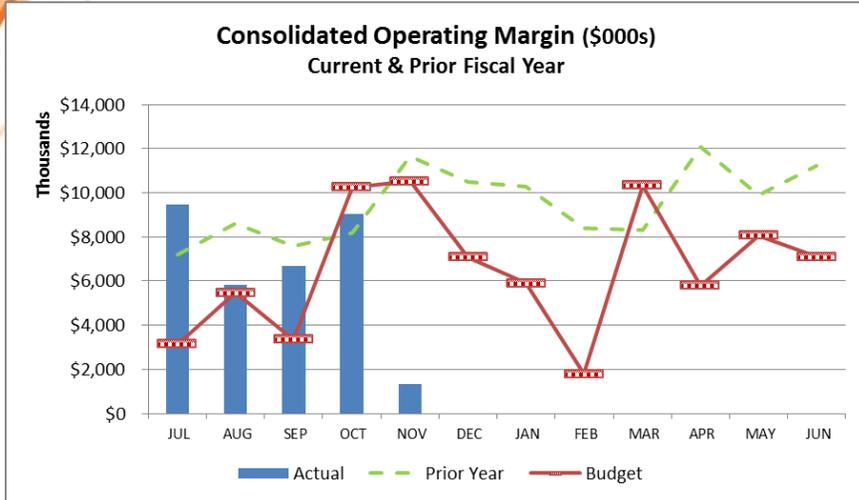
	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Consolidated Financial Perf.								
Total Operating Revenue	84,006	87,971	90,606	(2,635)	394,448	443,615	433,210	10,405
Operating Margin \$	11,642	1,340	10,521	(9,182)	43,198	32,336	32,718	(382)
Operating Margin %	13.9%	1.5%	11.6%	(10.1%)	11.0%	7.3%	7.6%	(0.3%)
EBIDA %	19.5%	6.7%	17.7%	(11.0%)	16.9%	12.8%	13.5%	(0.7%)
Hospital Volume								
Licensed Beds	443	443	443	-	443	443	443	-
ADC	240	243	249	(6)	228	227	233	(7)
Utilization MV	66%	66%	67%	(0.9%)	63%	63%	63%	0.0%
Utilization LG	29%	32%	34%	(2.3%)	28%	30%	32%	(1.8%)
Utilization Combined	54%	55%	56%	(1.3%)	51%	52%	53%	(0.6%)
Total Discharges (Excl NNB)	1,605	1,722	1,648	74	7,790	8,387	8,008	379
Hospital Payor Mix								
Medicare	49.3%	48.5%	48.9%	(0.4%)	46.9%	49.7%	48.3%	1.4%
Medi-Cal	7.9%	7.4%	7.6%	(0.3%)	8.0%	7.5%	7.9%	(0.3%)
Total Commercial	41.3%	41.2%	41.1%	0.1%	42.7%	40.4%	41.5%	(1.1%)
Other	1.6%	2.9%	2.3%	0.6%	2.4%	2.4%	2.3%	0.0%
Hospital Cost								
Total FTE	2,672.3	2,810.9	2,808.0	(2.9)	2,616.4	2,773.9	2,766.3	(7.6)
Productive Hrs/APD	30.5	31.3	30.5	(0.8)	31.0	31.5	32.1	0.6
Consolidated Balance Sheet								
Net Days in AR	47.4	52.0	49.0	(3.0)	47.4	52.0	49.0	(3.0)
Days Cash	500	465	435	30	500	465	435	30

Consolidated Statement of Operations (\$000s)

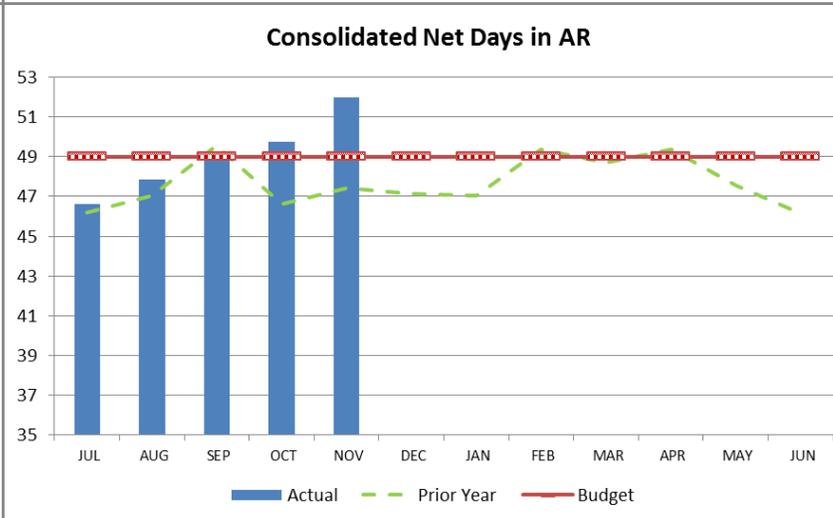
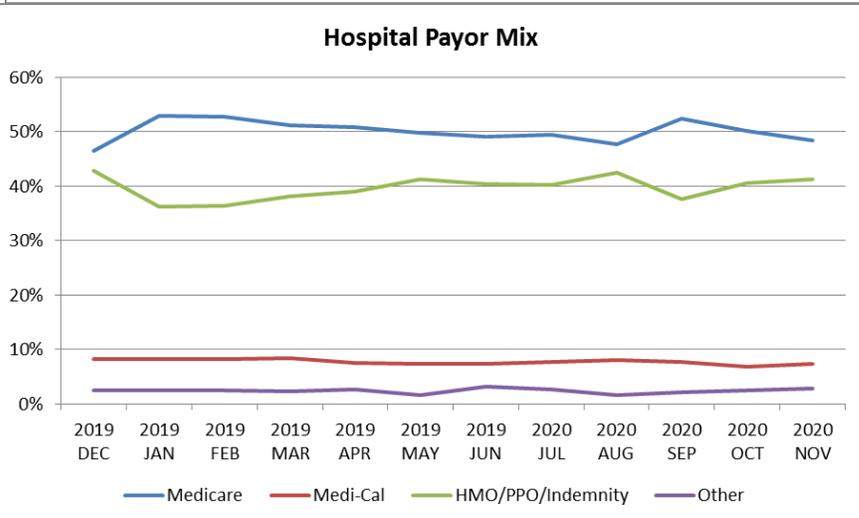
Period ending 11/30/2019

Period 5 FY 2019	Period 5 FY 2020	Period 5 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
298,592	327,143	325,561	1,582	0.5%	Gross Revenue	1,422,377	1,608,007	1,573,206	34,801	2.2%
(220,445)	(244,064)	(241,103)	(2,961)	(1.2%)	Deductions	(1,046,239)	(1,186,439)	(1,162,566)	(23,873)	(2.1%)
78,147	83,078	84,458	(1,380)	(1.6%)	Net Patient Revenue	376,138	421,568	410,640	10,928	2.7%
5,860	4,893	6,148	(1,255)	(20.4%)	Other Operating Revenue	18,310	22,046	22,570	(523)	(2.3%)
84,006	87,971	90,606	(2,635)	(2.9%)	Total Operating Revenue	394,448	443,615	433,210	10,405	2.4%
					OPERATING EXPENSE					
41,916	45,159	45,423	264	0.6%	Salaries & Wages	207,267	228,532	229,040	508	0.2%
11,431	14,869	12,425	(2,445)	(19.7%)	Supplies	55,358	68,077	59,899	(8,178)	(13.7%)
11,543	17,963	12,594	(5,369)	(42.6%)	Fees & Purchased Services	51,911	71,662	65,287	(6,375)	(9.8%)
2,730	4,049	4,126	77	1.9%	Other Operating Expense	13,109	18,474	20,377	1,903	9.3%
438	282	695	413	59.4%	Interest	2,128	2,533	2,675	142	5.3%
4,306	4,308	4,821	513	10.6%	Depreciation	21,477	22,000	23,213	1,214	5.2%
72,365	86,631	80,084	(6,547)	(8.2%)	Total Operating Expense	351,251	411,279	400,491	(10,787)	(2.7%)
11,642	1,340	10,521	(9,182)	(87.3%)	Net Operating Margin	43,198	32,336	32,718	(382)	(1.2%)
2,176	17,925	2,995	14,930	498.5%	Non Operating Income	(11,209)	34,197	15,090	19,107	126.6%
13,818	19,264	13,516	5,748	42.5%	Net Margin	31,989	66,533	47,808	18,725	39.2%
19.5%	6.7%	17.7%	(11.0%)		EBITDA	16.9%	12.8%	13.5%	(0.7%)	
13.9%	1.5%	11.6%	(10.1%)		Operating Margin	11.0%	7.3%	7.6%	(0.3%)	
16.4%	21.9%	14.9%	7.0%		Net Margin	8.1%	15.0%	11.0%	4.0%	

Monthly Financial Trends

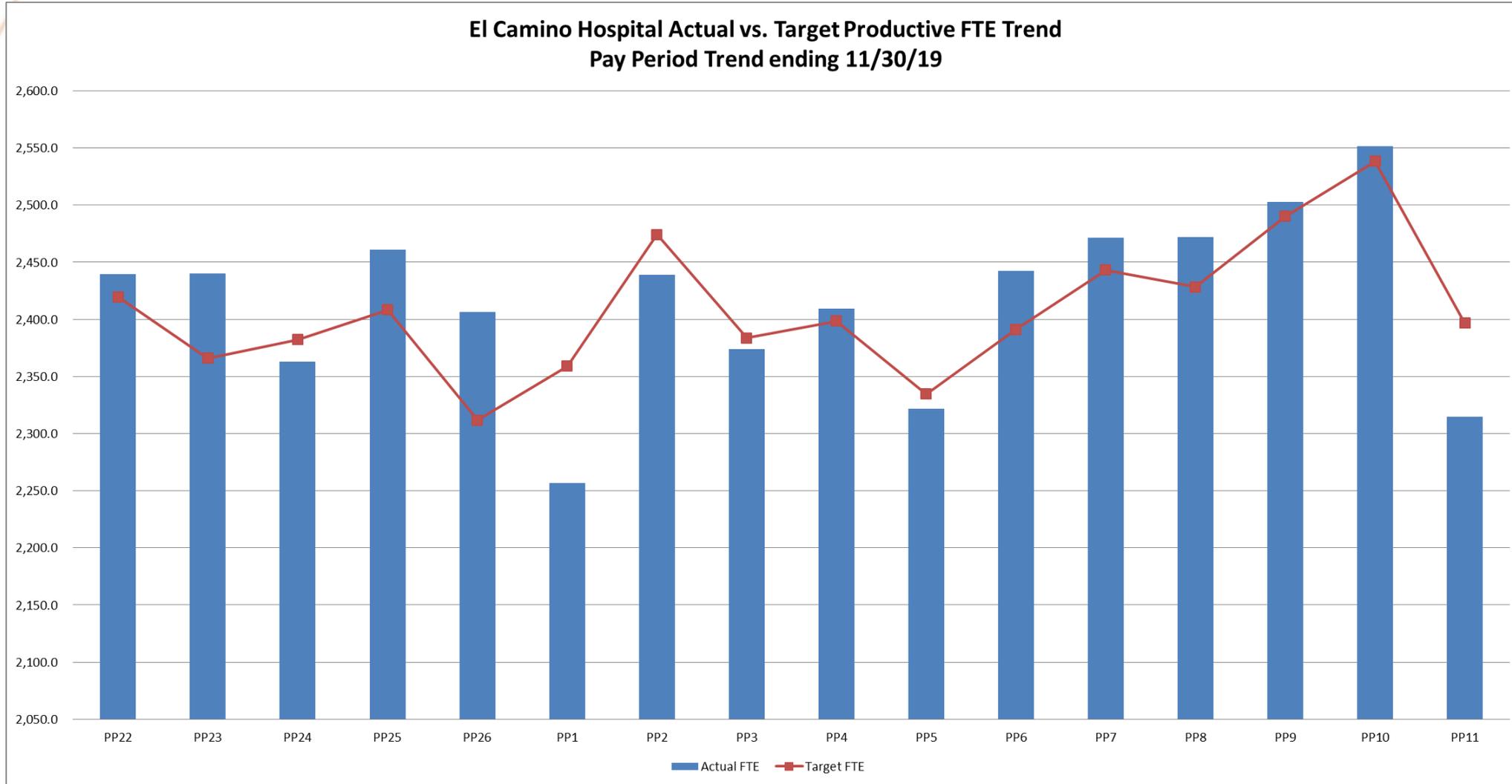


November was the first month with unfavorable operating margin



Hospital Productivity – Rolling Trend

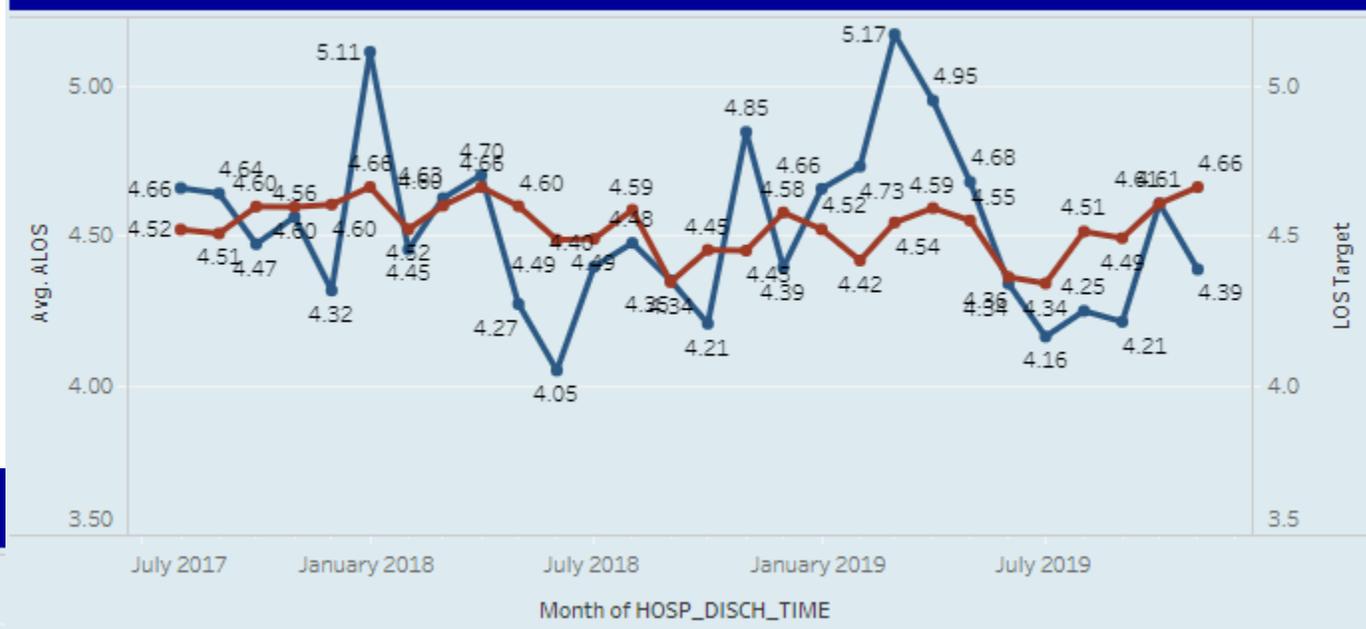
- Productivity is ahead of target. Large favorable variance in PP11 due to low back office FTEs during the Thanksgiving vacations.



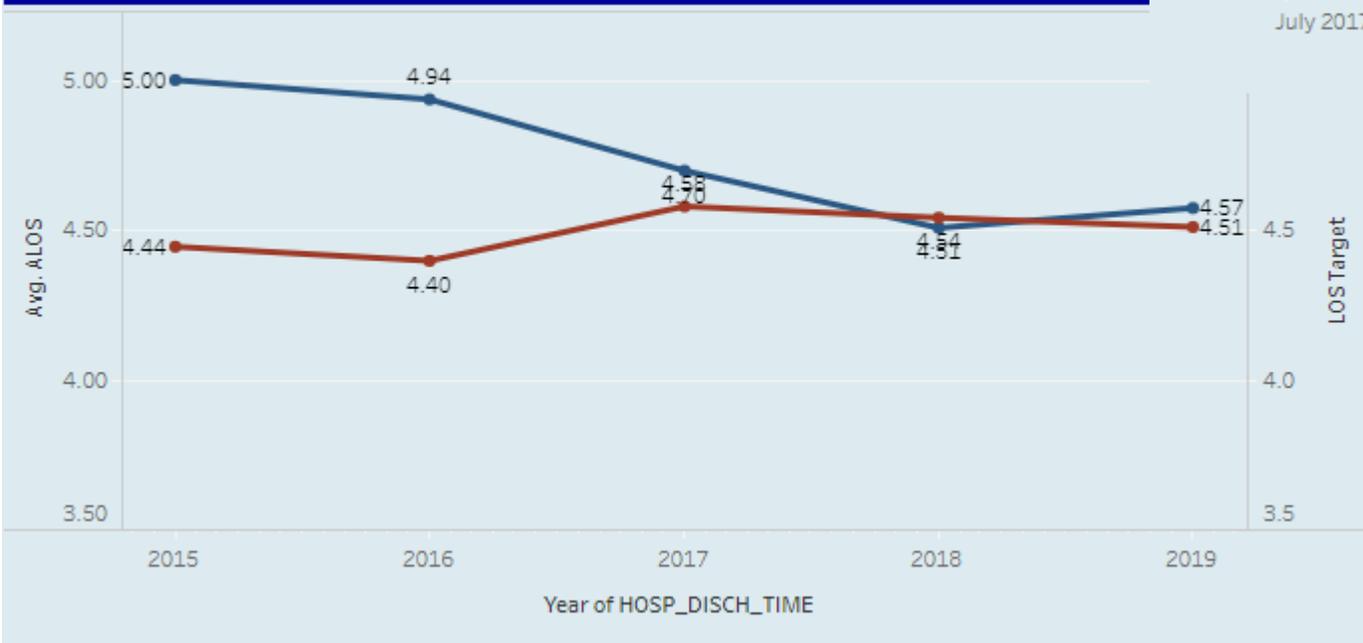
Medicare Length of Stay

ALOS vs Milliman well-managed benchmark (red line). Medicare is our largest book of business and growing due to aging population. Lower length of stay is a key driver for improving the Medicare margin
ALOS continues to be ahead of target

Average Length of Stay Trend by Month/Year



Average Length of Stay Trend by Month/Year



— Actual — Benchmark

ECH Hospital Operating Margin

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



FY 2020 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>						
Revenue Adjustments	J	A	S	O	N	YTD
Mcare Settltmt/Appeal/Tent Settltmt/PIP	129	129	210	137	129	735
RAC Release	-	-	(746)	-	-	(746)
Various Adjustments under \$250k	9	4	5	-	-	18
Total	138	133	(531)	137	129	7

INVESTMENT SCORECARD AS OF SEPTEMBER 30, 2019

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY19 Year End Budget	Expectation Per Asset Allocation
Investment Performance		3Q 2019		Fiscal Year-to-date		6y 11m Since Inception (annualized)			2019
Surplus cash balance*		\$1,046.2	--	--	--	--	--	\$892.9	--
Surplus cash return		0.8%	0.6%	0.8%	0.6%	5.6%	5.4%	3.2%	5.6%
Cash balance plan balance (millions)		\$278.3	--	--	--	--	--	\$276.9	--
Cash balance plan return		0.2%	0.5%	0.2%	0.5%	7.5%	6.9%	6.0%	6.0%
403(b) plan balance (millions)		\$516.7	--	--	--	--	--	--	--
Risk vs. Return		3-year				6y 11m Since Inception (annualized)			2019
Surplus cash Sharpe ratio		0.92	0.88	--	--	1.01	0.99	--	0.34
Net of fee return		6.4%	6.0%	--	--	5.6%	5.4%	--	5.6%
Standard deviation		5.3%	5.1%	--	--	4.8%	4.7%	--	8.7%
Cash balance Sharpe ratio		0.91	0.87	--	--	1.08	1.04	--	0.32
Net of fee return		7.6%	6.9%	--	--	7.5%	6.9%	--	6.0%
Standard deviation		6.7%	6.1%	--	--	6.2%	5.9%	--	10.3%
Asset Allocation		3Q 2019							
Surplus cash absolute variances to target		10.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		7.7%	< 10%	--	--	--	--	--	--
Manager Compliance		3Q 2019							
Surplus cash manager flags		15	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		20	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$64 mm), District assets (~\$32 mm), and balance sheet cash not in investable portfolio (~\$109 mm). Includes Foundation (~\$35 mm) and Concern (~\$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.

Consolidated Balance Sheet

(in thousands)

ASSETS	Unaudited		LIABILITIES AND FUND BALANCE	Unaudited	
	November 30, 2019	June 30, 2019		November 30, 2019	June 30, 2019
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	107,636	124,912	Accounts Payable	77,877	38,390
Short Term Investments	184,815	177,165	Salaries and Related Liabilities	29,207	30,296
Patient Accounts Receivable, net	150,293	132,198	Accrued PTO	26,223	26,502
			Worker's Comp Reserve	2,300	2,300
Other Accounts and Notes Receivable	6,914	5,058	Third Party Settlements	12,223	11,331
Intercompany Receivables	207	85	Malpractice Reserves	1,800	1,800
			Bonds Payable - Current	8,630	8,630
Inventories and Prepays	71,345	64,093	Bond Interest Payable	7,394	12,775
Total Current Assets	549,690	511,976	Other Liabilities	2,085	14,577
			Total Current Liabilities	212,129	150,966
BOARD DESIGNATED ASSETS					
Foundation Board Designated	17,869	16,895	LONG TERM LIABILITIES		
Plant & Equipment Fund	178,479	171,304	Post Retirement Benefits	30,133	29,480
Women's Hospital Expansion	22,430	15,472	Worker's Comp Reserve	19,389	18,432
Operational Reserve Fund	144,294	139,057	Other L/T Obligation (Asbestos)	4,024	3,975
Community Benefit Fund	18,064	18,260	Other L/T Liabilities (IT/Medl Leases)	-	-
Workers Compensation Reserve Fund	19,391	20,732	Bond Payable	519,345	507,531
			Total Long Term Liabilities	572,891	559,417
Postretirement Health/Life Reserve Fund	30,133	29,480	DEFERRED REVENUE-UNRESTRICTED	1,096	1,113
PTO Liability Fund	25,746	26,149			
Malpractice Reserve Fund	1,831	1,831	DEFERRED INFLOW OF RESOURCES	13,268	13,715
Catastrophic Reserves Fund	21,306	19,678			
Total Board Designated Assets	479,543	458,857			
			FUND BALANCE/CAPITAL ACCOUNTS		
FUNDS HELD BY TRUSTEE	55,382	83,073	Unrestricted	1,725,397	1,389,510
			Board Designated	189,794	458,839
LONG TERM INVESTMENTS	389,514	375,729	Restricted	26,957	24,215
			Capital	-	100
CHARITABLE GIFT ANNUITY INVESTMENTS	605	602	Retained Earnings	-	16,587
			Total Fund Bal & Capital Accts	1,942,147	1,872,563
INVESTMENTS IN AFFILIATES	35,698	38,532	TOTAL LIABILITIES AND FUND BALANCE	2,741,531	2,597,775
PROPERTY AND EQUIPMENT					
Fixed Assets at Cost	1,331,138	1,692,693			
Less: Accumulated Depreciation	(644,874)	(622,877)			
Construction in Progress	467,436	375,094			
Property, Plant & Equipment - Net	1,169,612	1,069,816			
DEFERRED OUTFLOWS	33,451	33,876			
RESTRICTED ASSETS	27,020	24,279			
OTHER ASSETS	1,016	1,036			
TOTAL ASSETS	2,741,531	2,597,775			

APPENDIX

Non Operating Items and Net Margin by Affiliate

\$ in thousands

	Period 5- Month			Period 5- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Operating Margin						
Mountain View	4,982	10,882	(5,900)	43,528	40,020	3,508
Los Gatos	249	1,971	(1,722)	6,257	6,902	(645)
Sub Total - El Camino Hospital, excl. Affiliates	5,232	12,853	(7,622)	49,785	46,922	2,863
Operating Margin %	6.3%	15.1%		11.8%	11.6%	
El Camino Hospital Non Operating Income						
Sub Total - Non Operating Income	17,243	2,516	14,727	31,066	13,112	17,954
El Camino Hospital Net Margin	22,474	15,369	7,106	80,851	60,034	20,817
ECH Net Margin %	27.2%	18.0%		19.2%	14.8%	
Concern	(46)	136	(182)	263	197	66
ECSC	(1)	0	(1)	(28)	2	(30)
Foundation	470	134	336	1,911	696	1,215
Silicon Valley Medical Development	(3,633)	(2,123)	(1,510)	(16,464)	(13,120)	(3,344)
Net Margin Hospital Affiliates	(3,210)	(1,852)	(1,358)	(14,318)	(12,226)	(2,092)
Total Net Margin Hospital & Affiliates	19,264	13,516	5,748	66,533	47,808	18,725

El Camino Hospital – Mountain View (\$000s)

Period ending 11/30/2019

Period 5 FY 2019	Period 5 FY 2020	Period 5 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
245,512	259,819	256,681	3,138	1.2%	Gross Revenue	1,167,193	1,279,320	1,244,853	34,467	2.8%
(181,191)	(193,228)	(191,166)	(2,062)	(1.1%)	Deductions	(857,300)	(940,554)	(924,893)	(15,660)	(1.7%)
64,321	66,591	65,515	1,076	1.6%	Net Patient Revenue	309,893	338,766	319,959	18,807	5.9%
4,460	1,846	3,666	(1,821)	(49.7%)	Other Operating Revenue	11,106	8,433	10,714	(2,282)	(21.3%)
68,781	68,436	69,181	(745)	(1.1%)	Total Operating Revenue	320,999	347,199	330,674	16,525	5.0%
					OPERATING EXPENSE					
34,528	35,706	36,107	401	1.1%	Salaries & Wages	170,191	180,536	180,734	197	0.1%
9,392	11,809	9,448	(2,361)	(25.0%)	Supplies	44,763	54,454	46,454	(8,000)	(17.2%)
6,818	9,418	5,605	(3,813)	(68.0%)	Fees & Purchased Services	32,219	35,374	29,296	(6,077)	(20.7%)
2,345	2,776	2,659	(117)	(4.4%)	Other Operating Expense	10,587	13,034	13,372	338	2.5%
438	282	695	413	59.4%	Interest	2,128	2,533	2,675	142	5.3%
3,508	3,463	3,787	323	8.5%	Depreciation	17,532	17,740	18,124	384	2.1%
57,030	63,454	58,300	(5,155)	(8.8%)	Total Operating Expense	277,420	303,671	290,654	(13,018)	(4.5%)
11,752	4,982	10,882	(5,900)	(54.2%)	Net Operating Margin	43,579	43,528	40,020	3,508	8.8%
669	17,243	2,516	14,727	585.4%	Non Operating Income	(17,270)	31,066	13,112	17,954	136.9%
12,421	22,225	13,398	8,828	65.9%	Net Margin	26,309	74,594	53,132	21,462	40.4%
22.8%	12.8%	22.2%	(9.5%)		EBITDA	19.7%	18.4%	18.4%	(0.0%)	
17.1%	7.3%	15.7%	(8.4%)		Operating Margin	13.6%	12.5%	12.1%	0.4%	
18.1%	32.5%	19.4%	13.1%		Net Margin	8.2%	21.5%	16.1%	5.4%	

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

Period ending 11/30/2019

Period 5 FY 2019	Period 5 FY 2020	Period 5 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
52,243	58,656	60,651	(1,995)	(3.3%)	Gross Revenue	251,728	293,433	283,781	9,651	3.4%
(38,738)	(44,740)	(44,932)	192	0.4%	Deductions	(186,736)	(221,022)	(210,507)	(10,515)	(5.0%)
13,505	13,916	15,718	(1,802)	(11.5%)	Net Patient Revenue	64,991	72,410	73,274	(864)	(1.2%)
290	370	271	98	36.3%	Other Operating Revenue	1,399	1,932	1,355	578	42.6%
13,795	14,285	15,989	(1,704)	(10.7%)	Total Operating Revenue	66,390	74,343	74,629	(286)	(0.4%)
					OPERATING EXPENSE					
6,747	7,390	7,295	(95)	(1.3%)	Salaries & Wages	34,021	37,266	36,247	(1,019)	(2.8%)
1,968	2,583	2,609	25	1.0%	Supplies	10,328	11,541	11,447	(94)	(0.8%)
2,774	2,993	2,787	(206)	(7.4%)	Fees & Purchased Services	13,325	13,644	13,715	70	0.5%
192	279	488	209	42.8%	Other Operating Expense	1,662	1,645	2,167	522	24.1%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
749	791	840	49	5.8%	Depreciation	3,725	3,989	4,151	162	3.9%
12,430	14,036	14,018	(18)	(0.1%)	Total Operating Expense	63,060	68,085	67,727	(359)	(0.5%)
1,364	249	1,971	(1,722)	(87.4%)	Net Operating Margin	3,330	6,257	6,902	(645)	(9.3%)
0	0	0	0	0.0%	Non Operating Income	0	0	0	0	0.0%
1,364	249	1,971	(1,722)	(87.4%)	Net Margin	3,330	6,257	6,902	(645)	(9.3%)
15.3%	7.3%	17.6%	(10.3%)		EBITDA	10.6%	13.8%	14.8%	(1.0%)	
9.9%	1.7%	12.3%	(10.6%)		Operating Margin	5.0%	8.4%	9.2%	(0.8%)	
9.9%	1.7%	12.3%	(10.6%)		Net Margin	5.0%	8.4%	9.2%	(0.8%)	

FY 20 Capital Cash Flow Projections

Reformatted to separate active and planned facility projects

Capital Spending (in 000's)	Actual FY2017	Actual FY2018	Actual FY2019	Budget Cash Flow 2020
ERP	-	-	5,830	-
IT Hardware / Software Equipment/EPIC	5,414	2,222	7,859	6,000
Medical / Non Medical Equipment	9,556	15,780	12,082	18,000
Facilities Total	82,953	139,434	158,010	244,665
Active				
Mountain View Campus Master Plan Projects	62,493	114,093	140,000	112,700
Mountain View Capital Projects	5,535	7,948	9,620	66,992
Los Gatos Capital Projects	14,780	12,306	6,901	12,773
Placeholder/Deferred				
Other Strategic Capital Facility Projects	145	5,088	1,489	19,200
Other Major Projects				33,000
GRAND TOTAL	97,923	157,435	183,782	268,665

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Mark Adams, MD, Chief Medical Officer
Date: February 12, 2020
Subject: ED On-Call Bariatric Surgery Call Coverage Panel Renewal - Mountain View Campus

Recommendation(s):

To approve delegating to the CEO the authority to execute a two-year renewal of the Mountain View Bariatric Surgery ED On-Call Coverage Agreement at the existing rate of \$400/day (“Per Diem Rate”) and \$1,000/patient each time physicians respond in person to a call from the ED for unassigned patients (“Per Episode Rate”).

Summary:

1. **Situation:** The Hospital has a Bariatric Call Coverage Panel at the Mountain View campus in which Palo Alto Medical Foundation (“PAMF”) surgeons respond to requests for the consultation and treatment of unassigned patients who present to the Hospital’s Mountain View campus and received Bariatric Surgery at another hospital and do not have an attending surgeon on staff at Hospital.

The current MV Bariatric Call Panel consists of three (3) PAMF physicians who provide bariatric consultations at the existing Per Diem Rate and Per Episode Rate. The Per Episode Rate is over the 75th percentile and below the 90th percentile (75th is \$750; 90th is \$1,400). ECH offered PAMF and physicians a reduced Per Episode Rate of \$750 upon renewal, but the physicians declined to accept the reduced rate.

In order to maintain Bariatric Center of Excellence accreditation, the Hospital must have 24/7/365 Bariatric Call Coverage. The current agreement expires February 29, 2020. Approval is requested to renew the agreement at the existing rates for an additional two years. We are not proposing an increase in either the Per Diem Rate or Per Episode Rate.

2. **Authority:** According to Administrative Policies and Procedures 51.00, Finance Committee review and Board approval is required prior to the Chief Executive Officer signature of physician agreements that exceed the 75th percentile for fair market value.
3. **Background:** Since January 2016, three (3) Palo Alto Medical Foundation (“PAMF”) physicians have provided Bariatric call coverage services at the Mountain View campus at the existing Per Diem Rate and Per Episode Rate.
4. **Fair Market Value Assessment:** The current Per Diem Rate is below 25th percentiles according to the 2019 MD Ranger San Francisco Bay Area Surgical Specialties – All Types Call Coverage Report (25th percentile is \$450). The Per Episode Rate is over the 75th percentile according to 2019 MD Ranger All Facilities Per Episode Payment Rates for Surgical Specialties – All Types Report (75th percentile is \$750/day and 90th percentile is \$1,400).
5. **Other Reviews:** Legal and Compliance will review the final agreement and compensation terms prior to CEO execution. The Finance Committee reviewed and recommended this for approval its January 27, 2020 meeting.

ED On-Call Bariatric Surgery Call Coverage Panel Renewal - Mountain View Campus
February 12, 2020

6. Outcomes: Physicians will participate in the peer review process for consultations related to Bariatric Surgery call.

List of Attachments: None.

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

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Mark Adams, MD, Chief Medical Officer
Date: February 12, 2020
Subject: ED On-Call Interventional Radiology Panel Renewal - Mountain View Campus

Recommendation(s):

To approve delegating to the CEO the authority to execute a two-year renewal of the Mountain View Interventional Radiology ED On-Call Coverage Agreement at an increased rate of \$1,100/day, for a not to exceed total annual compensation of \$401,500.

Summary:

1. **Situation:** The Hospital has separate Interventional Radiology Call Panels at each campus in which Interventional Radiologists respond when needed for emergency evaluations and interventions for patients in the MV emergency department and for inpatient interventional radiology consults. The current MV Interventional Radiology Call Panel consists of five (5) Palo Alto Medical Foundation (“PAMF”) physicians who provide Interventional Radiology call coverage services at the existing rate of \$1,000/day for 24/7/365 coverage. The current agreement expires February 29, 2020.

The physicians requested an increase to \$1,500/day upon renewal stating that the volume has steadily increased approximately 10-15% per year. ECH countered with a 10% increase of \$1,100/day, and the physicians and PAMF accepted the offer.

2. **Authority:** According to Administrative Policies and Procedures 51.00, Finance Committee review and Board approval is required prior to the Chief Executive Officer signature of physician agreements that exceed the 75th percentile for fair market value and are greater than \$250,000 in total annual compensation.
3. **Background:** Since March 2015, PAMF physicians have provided sole Interventional Radiology 24/7/365 call coverage services at the Mountain View campus at the existing rate of \$1,000/day.
4. **Fair Market Value Assessment:** Compensation will be constrained to a not to exceed amount of \$1,100/day, \$401,500 per year, which is over the 75th percentile according to the 2019 MD Ranger All Facilities National Report for Interventional Radiology Call Coverage (75th percentile is \$850/day and 90th percentile is \$1,170/day) and according to 2019 MD Ranger All Facilities National Report for Interventional Radiology Call Coverage for facilities with general acute average daily census from 75 – 200 (75th is \$940 and 90th is \$1,320). A renewal term of two years will be proposed.
5. **Other Reviews:** Legal and Compliance will review the final agreement and compensation terms prior to CEO execution. The Finance Committee reviewed and recommended this for approval at its January 27, 2020 meeting.
6. **Outcomes:** Physicians will participate in the peer review process for consultations related to Interventional Radiology call.

List of Attachments: None.

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

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Mary L. Rotunno, General Counsel
Date: February 12, 2020
Subject: Proposed Procedure for Delegating Specific Authority to Board Advisory Committees

Recommendation(s):

To approve the attached Proposed Procedure for Delegating Specific Authority to Board Advisory Committees.

Summary:

1. **Situation:** There are a number of Board of Directors (the “Board”) Advisory Committees (“Board Advisory Committees”) made up of members of the Board and other individuals. The Board Advisory Committees may advise the Board and make recommendations to the Board, but neither the Board Advisory Committees nor their members can take action on behalf of El Camino Hospital (“ECH”) without a specific delegation of authority by the Board. The proposed procedure would create an efficient Board-approved process to develop proposals for delegation of specific authority to the Board Advisory Committees to take action on behalf of ECH. No such delegation would be effective without Board approval.
2. **Authority:** The Governance Committee is responsible for recommending to the Board procedures related to Board effectiveness.
3. **Background:** Members of the Board have requested documentation of the process and legal requirements for delegation of authority by the Board to a Board Advisory Committee.
4. **Assessment:** The alternative to approval of the procedure is to continue to review proposed delegations of authority on an ad hoc basis, without a consistent process.
5. **Other Reviews:** The proposed procedure has been reviewed by ECH General Counsel and outside counsel. At its February 4, 2020 meeting, the Governance Committee recommended that the Board approve the Proposed Procedure.
6. **Outcomes:** Upon final approval by the Board, going forward, any future proposed delegations of authority will follow this process.

List of Attachments:

1. Proposed Procedure for Delegating Specific Authority to Board Advisory Committees

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

Proposed Procedure for Delegating Specific Authority to Board Advisory Committees

COVERAGE:

El Camino Hospital Board of Directors, El Camino Hospital Board Advisory Committees, All El Camino Hospital Staff

PURPOSE:

The Board Advisory Committees are made up of members of the Board and other individuals. As such, the Board Advisory Committees may advise the Board but cannot take action on behalf of El Camino Hospital without a specific delegation of authority by the Board.

The purpose of this procedure is to ensure efficient and thorough Board-approved procedures for delegating specific authority to the members of the Board Advisory Committees to take action on behalf of El Camino Hospital for the management of certain activities and affairs of El Camino Hospital.

DEFINITIONS:

Board: El Camino Hospital Board of Directors

Board Advisory Committees: The Compliance and Audit Committee, the Executive Compensation Committee, the Finance Committee, the Governance Committee, the Investment Committee, and the Quality, Patient Care and Patient Experience Committee

REFERENCES:

N/A

PROCEDURE:

- A.** Proposals for delegation of authority to a Board Advisory Committee shall originate from a Board member or one of the Board Advisory Committees and must be submitted in writing to the Governance Committee for evaluation.
- B.** Proposed delegations of authority submitted to the Governance Committee by a Board member or Board Advisory Committee for consideration, or submitted to the Board by the Governance Committee for approval, shall contain the following elements:
 - 1.** The proposal shall recommend the specific language and scope of the proposed delegation of authority.
 - 2.** The proposal shall specifically describe the Board's retained authority.
 - 3.** The proposal shall state that persons exercising authority under the delegation are recognized as "agents" of El Camino Hospital for purposes of such person's right to indemnification by El Camino Hospital.

- 4.** The proposal shall state that any proposed action outside the scope of the Board's approved delegation of authority shall require further Board approval.
- C.** The Governance Committee shall obtain advice of legal counsel to confirm whether the specific delegation of authority is consistent with California Law.
- D.** The Governance Committee shall consider whether the proposed delegation of authority is consistent with the mission and activities described by the applicable Board Advisory Committee's Charter and whether to recommend the proposed delegation of authority to the Board for approval.
- E.** If the Governance Committee recommends that the Board approve a proposed delegation of authority to a Board Advisory Committee, the Board shall consider approval of the proposed delegation of authority.
- F.** Resolutions of the Board approving a delegation of authority to a Board Advisory Committee shall be in writing and shall contain the following elements:
 - 1.** The resolution shall specifically define the delegation of authority and the scope of the delegation of authority.
 - 2.** The resolution shall specifically describe the Board's retained authority.
 - 3.** The resolution shall state that persons exercising authority under the delegation are recognized as "agents" of El Camino Hospital for purposes of such person's right to indemnification by El Camino Hospital.
 - 4.** The resolution shall state that any proposed action outside the scope of the Board's approved delegation of authority shall require further Board approval.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Cindy Murphy, Director of Governance Services
Date: February 12, 2020
Subject: Appointment of Community Members to the Governance Committee

Recommendation(s):

To approve the appointment Ken Alvarez and Mike Kasperzak to the Governance Committee.

Summary:

1. **Situation:** The Governance Committee appointed Committee Chair Peter C. Fung MD and Committee Member Pete Moran to an Ad Hoc Committee tasked with bringing forward candidates for the full Committee's consideration.
2. **Authority:** Per the Committee's Charter, the Committee may appoint new Community members of the Committee subject to Board approval.
3. **Background:** The Ad Hoc Committee, supported by staff members Dan Woods, CEO, and Cindy Murphy, Director of Governance Services, developed a position description and questionnaire and sought candidates through the Board and Committee network, the executive leadership team, and advertising in local print media. The Ad Hoc Committee, Mr. Woods, and Ms. Murphy interviewed three candidates, the fourth candidate having withdrawn from consideration prior to a scheduled interview. Following the interviews, the Ad Hoc Committee invited two of the candidates, Mike Kasperzak and Ken Alvares, to interview as finalists with the full Committee.

The candidates briefly present their qualifications for and reasons for interest in joining the Committee. The Committee members had an opportunity to ask the finalists questions.

4. **Assessment:** N/A
5. **Other Reviews:** At their February 4, 2020 meeting, the Governance Committee recommended that the Board approve the appointment of both candidates to the Committee.
6. **Outcomes:** Enhanced competencies and new governance perspectives on the Committee

List of Attachments:

1. Position Description
2. Ken Alvares – Candidate Profile
3. Mike Kasperzak – Candidate Profile

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



**EL CAMINO HOSPITAL BOARD OF DIRECTORS
Governance Committee
Position Description**

Revised 9/19/2019

Committee Charter and Responsibilities

See attached.

Committee Membership Requirements

The purpose of the Governance Committee (“Committee”) is to advise 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 and succession planning for the Board. The Governance Committee ensures the Board and its Advisory committees are functioning at the highest level of governance standards. This Committee typically meets on Tuesdays five times throughout the year at 5:30 p.m. The Committee position is non-compensated, (*i.e.* volunteer) and has a one-year renewable term. We are seeking to fill one to two positions with individuals meeting the qualifications noted below.

Professional Experience/Competencies

Candidates possessing significant experience in one or more of the following prioritized areas:

- Board Governance
 - Effectiveness
 - Efficiency
 - Board and Management Relationships
- Organizational Leadership Skill
- Healthcare Executive Leadership

Education/Credentials

An advanced degree is preferred, but not required.

Work Style and Personal Traits

- Able to focus comments and participate in effective governance of a hospital
- Inquisitive and thoughtful
- Patient-Centered Orientation
- High integrity
- Mission-driven and caring
- Able to drive change
- Results-oriented
- High energy, possessing a sense of urgency
- Collaborative nature
- Flexibility (healthcare reform is a moving target)
- Clear communicator
- Creative, imaginative, an innovator
- Possessing a sense of humor

KENNETH M. ALVARES

1275 Windimer Dr. Los Altos, Ca. 94024 (650) 799 7449

kalvares@apexgp.com

EDUCATION

UNIVERSITY OF ILLINOIS, Champaign/Urbana, IL Ph.D., Industrial/Organizational Psychology Dissertation Topic: Two Explanations of Temporal Changes in Ability-Skill Relationships: A Test of Civilian and Military Pilots	1970
M.A., Industrial/Organizational Psychology	1970
INDIANA UNIVERSITY, Bloomington, IN B.S., Honors in Psychology	1966

EXPERIENCE

APEX ADVISORY GROUP, Los Altos, CA Apex Advisory Group was created to provide advice and counsel to senior executives of startups and rapidly growing small organizations. The client base consisted of companies in high tech, aviation, real estate, higher education, finance and health care. Founder and CEO	2002 – PRESENT
SUN MICROSYSTEMS, Inc., Palo Alto, CA Sun Microsystems, Inc. is a leading provider of hardware, software and services for establishing enterprise-wide intranets and expanding the power of the internet. With more than \$7 billion in annual revenues, Sun can be found in more than 150 countries worldwide. Executive Vice President & Corporate Officer Responsible for all aspects of Human Resource management, manages Sun's Real Estate Portfolio, leads the Facilities/Workplace Management Group. Heads "Jakarta," a startup business focused on low end Java systems.	1992-2000
NICHOLS INSTITUTE, San Juan Capistrano, CA Nichols Institute provides esoteric diagnostic testing to clients nationwide in the fields of endocrinology, genetics, immunology, microbiology, molecular biology, oncology, serology, special chemistries, toxicology and virology. Vice President, Human Resources As a member of the Corporate Executive Team, I was responsible for all aspects of Human Resource management.	1990-1992
FRITO-LAY, INC., Dallas, TX A \$3 billion consumer products division of PepsiCo, employing 26,000 people in 1,500 locations throughout the United States. Vice President of Personnel	1984-1990 1987-1990

Director, Human Resources 1984-1987

Responsible for the development of all exempt employees and the career management of the top 100 executives. Supervised 12 management development specialists.

BOWLING GREEN STATE UNIVERSITY, Bowling Green, OH 1971-1984

A state university of 15,000 undergraduate and 2,500 graduate students.

Vice Chairman, Psychology Department 1976-1981

Administered the graduate program including curricula design, student evaluation, assistantship/fellowship administration and faculty evaluation.

Director, Institute for Organizational Research and Development 1981-1984

Founded the Institute, an organization bridging academic and corporate environments, and directed its growth into a model program for departments throughout the University.

PERSONNEL DEVELOPMENT, INC., Bowling Green, OH 1975-1984

A management consulting firm specializing in organizational/individual assessment and development.

President

Founded the company and managed its expansion into one of the most respected small management consulting firms in the country with a \$500,000 a year consulting practice and a staff of eight.

UNIVERSITY OF ILLIOIS, Champaign, IL 1970-1971

Aviation Research Scientist

Led the growth of the lab into one of the most respected facilities in the nation. Generated \$7 million in research and supported 35 faculty and students.

BOARD MEMBERSHIPS

Board of Directors, Neighborhood Youth Services, Plano, Texas

Board of Directors, Sea Legs, Inc.

Board of Directors, Texas Foundation for Human Services

Board of Trustees, HCA Willow Park Hospital

Board Member, Collin County Mental Health/Mental Retardation

PROFESSIONAL ASSOCIATIONS

American Psychological Association

American Psychological Society

International Personnel Management Association

American Management Association

Response to Candidate questionnaire: (Ken Alvares)
El Camino Hospital Board of Directors Governance Committee

1. **Governance:** My experience with board governance has spanned multiple industries and decades. As part of my early academic career I owned and operated a consulting firm that provided services to a wide variety of organizations. Hospitals and medical services companies were some of our most long-term clients. Our objectives varied from hospital to hospital, but most of our work was with board chairmen who were concerned about the make-up and effectiveness of their boards. On certain occasions we were involved with board member selection but most of our work involved the creation and implementation of board development strategy and programs. We did some training when appropriate but most of our work involved providing the board chair with ideas about how to increase the effectiveness of his/her board.

Some of our work branched out into more operational areas. In one instance, we assisted the board in investigating the possibility that the CEO of a religious hospital was engaged in activities that might be construed as having “conflict of interest.” In another instance, we worked with the board chairman and the CEO in identifying reasons for some interdepartmental conflict that was disruptive of the hospital’s effectiveness.

I have also worked internally with boards. While I was the Executive Vice President of Sun Microsystems, I served on the compensation committee of the board. Additionally, I also acted on the behalf of the board when serving as the Senior Vice President of Human Resources at Nichols Institute. Nichols Institute was a national esoteric laboratory located in southern California. After my departure, they were acquired by MetPath which was eventually absorbed within Quest diagnostics.

2. **Organizational Leadership skill:** My belief is that the creation of outcome-oriented dashboards, annual Planning (both operational and financial) and performance monitoring systems are central to any senior executive position. I was responsible for a staff of 20 at Nichols Institute so I created dashboards and plans for our group. Additionally, we served in an advisory role to the other divisions in the company as they prepared these critical management tools. Where I learned the most about dashboard, planning and performance monitoring was at Sun Microsystems. I was responsible for an HR group of 600 individuals worldwide. Additionally, I had responsibility for the management of Sun’s \$4 billion investment in the construction of 4 campuses nationwide. In addition to these responsibilities, I oversaw the purchase and operation of the companies aviation fleet. With this diversity of responsibility, it was critical to create and use effective tools like dashboards, annual plans and performance monitoring. Without tools like these, my job would have been impossible.
3. My experience within health care systems, as an employee was, of course, my time with Nichols institute. During my tenure with this diagnostic laboratory, we grew the revenue of the business from \$30 million to \$300 million. Most of this growth was

through acquisitions so I learned, firsthand, about the complexity of mergers and acquisitions. I was on the team that evaluated potential purchases and headed up the team that focused on the integration of acquired entities into the Nichols Corporate structure. We acquired 38 labs in a 24-month period so to say that this was a “complex health care system” would be an understatement.

As I have indicated above, I have worked in a variety of industries. I have worked in one of the most political industries that exists, namely academia. In addition to the 14 years that I spent in the academic world as both a faculty member and as an administrator, I most recently spent 3 years consulting to The University of the Pacific in Stockton. My work there was enmeshed in the political struggles (governance) between the president of the university, the deans and the faculty. Additionally, I have held positions in the consumer industry, the high-tech industry as well and the health care industry.

In addition to my board experience in the private sector, I have also served on the boards of several not for profit companies. These are summarized on my CV but they include, Neighborhood youth services in Texas, Sea Legs, in Southern California, The Texas Foundations for Human Services, Willow Park Hospital, The Collin County Mental Health/Mental retardation organization and the Fran Joswick Therapeutic Riding Center. Once we moved to Northern California, my wife and I served a three-year term on the board of the local chapter of the American Heart Association.

It has been some time since I was required to understand the legal and regulatory issues affecting governance. While at Nichols, I was the point for this kind of information, but I am sure that the regulations have changed significantly since I was immersed in governance regulations. This, as well as an understanding of “Healthcare Districts” would be an area of development for me.

4. **My interest in this position:** There are two reasons why I am interested in a position on this committee.

First, I have grown to respect the work that is being done at El Camino. I have been a patient and I have learned about the work that is being done in the mental health area. Each of these exposures convinced me of the quality of this organization and the people who work here. I would like to, in a tangential way, be a part of that excellence.

Additionally, I have a personal need to make a contribution to the community within which I live. I think that this opportunity would allow me to use my past experiences and the things that I have learned over the years in a way that would benefit this community.

5. **My background:** There are no civil, employment-related or criminal incidents that would disqualify me for this position

6. **Do I have the time necessary for this position?** Yes, I am retired and have a desire to increase my activity level. A position like this would be a perfect way for me to feel both engaged and productive

7. **Conflict of interest:** I do not see any way that a position on this committee would conflict with any of my other commitments.

R. Michael Kasperzak Jr.

1172 Morton Court, Mountain View, California 94040
home: (650) 941-2479 cell: (650) 823-4860 work: (650) 948-5340
email: mkasperzak@gmail.com

Educational Background

Lewis & Clark College, BA 1976
■ *Majors: Economics, Business Administration*

Professional Training

Hastings College of the Law, JD 1982
■ *Hastings Law Journal, Senior Associate Editor*

Commercial Mediation, (40 hour Certified Florida Circuit Court Program), ADRA,
October 1991

U.S. District Court Mediation Training, (16 hours) United States District Court, N. Dist.
Cal., September 1993

Bankruptcy Dispute Resolution Program Training, (6 hours), United States Bankruptcy
Court, N. Dist. Cal., July 25, 1994

Advanced Mediation, (16 hours), ADRA, October 14, 1994

Federal Arbitration Training, (4 hours), United States District Court, N. Dist. Cal.,
December 2, 1994

Partners in Organizational Leadership, John F. Kennedy School of Government,
Harvard University, April 1999

Group Facilitation Methods, Institute for Cultural Affairs, July 16, 1999

Licenses

State Bar of California
■ *Inactive Status* 01/16
■ *Admitted to practice December 3, 1982*

Federal Aviation Administration
■ *Commercial Pilots License*

Professional History

Dispute Resolution Specialists 3/93—2016
*Principal/Mediator: Commercial mediation and alternative dispute
resolution services provider.*

Bronson, Bronson & McKinnon <i>Partner: Practice focused on, but not limited to aviation industry defense litigation, arbitration and mediation.</i>	9/82—2/93
Elect Air Tool <i>Sales, purchasing and shipping.</i>	9/76—4/79

ADR Experience

EEOC ■ <i>Mediator</i>	4/01—Present
United States District Court ■ <i>Mediator</i> ■ <i>Arbitrator</i>	9/93—Present 9/93—12/02
Santa Clara County ■ <i>Office of Human Relations: Mediator</i> ■ <i>Training Institute for Mediation: Trainer</i>	4/93—Present 3/94—Present
Stanford University School of Law ■ <i>Mediation Trainer</i>	1/97—Present
California Department of Insurance, Earthquake Mediation Program ■ <i>Mediator</i>	7/96—Present

Professional Affiliations

State Bar of California ■ <i>Inactive Status</i>	
Santa Clara County Bar Association ■ <i>Board of Trustees</i>	1/95—12/96
California Dispute Resolution Council ■ <i>Board of Directors</i>	1993—2004 1/98—12/99
Mountain View Chamber of Commerce ■ <i>Chairman</i> ■ <i>Vice-President Government Division</i> ■ <i>Board of Directors</i> ■ <i>Diversity Forum Mountain View</i> — <i>Co-Chairman</i>	7/97—6/98 12/96—7/97 6/94—12/99 1/97—2008 6/99—2006

Civic & Non-Profit Activities

City of Mountain View ■ <i>Mayor</i>	1/03 — 1/04 1/12 — 1/13
■ <i>Councilmember</i>	1/99 — 1/07 1/09 — 1/17

■ Vice Mayor 1/02 – 1/03
1/11 – 1/12

–Leadership Assignments

Chairman-Finance Committee
Delegate-League of California Cities General Assembly
Chairman-Procedures Committee
County Expressway Planning Study Policy Advisory Board
South Bay Military Affairs Council
Santa Clara County Cities Association
Chairman-Appointments Review Committee
Chairman-Neighborhood Committee
Chairman-Northwest Flood Zone Advisory Board
Chairman-Transportation Committee
Chairman-Caltrain Policy Advisory Committee
Chairman-Council Technology Committee

■ Environmental Planning Commission

– Commissioner 1/97 – 12/31/99

■ Parks and Recreation Commission

– Commissioner 1/94 – 12/96

– Vice-Chair 1/96 – 12/96

Bay Area Water Supply & Conservation Agency

■ Board Member 06/03 – Present

San Francisco Bay Area Regional Water System Financing Authority

■ Vice Chair 05/03 – 06/07

■ Board Member 05/03 – Present

National League of Cities

■ Board Member 11/12 – 11/16

■ Finance Administrative & Intergovernmental
Relations Steering Committee 12/02 – 12/12

■ Transportation & Infrastructure Policy Committee 9/01 – 12/02

League of California Cities

■ President 10/11 – 10/12

■ Board Member 11/09 – 11/16

■ Revenue & Taxation Policy Committee 9/00 – 9/10

–Vice Chair 11/02 – 11/03

■ Mayors & Councilmembers Academy

– Steering Committee 6/01 – 06

– Graduate –Levels I & II

American Red Cross

National Headquarters

■ First Alternate Nominee, Board of Governors May, 2001

■ Chair, Leadership Institutes 6/03 – 2008

- *Member, 1995 National Convention Resolutions Committee* 5/95
- Palo Alto Area Chapter*
- *Chairman of the Board* 7/92—6/94
- *Development Chair* 7/95—7/97
- *Board Member* 7/85—2012

Lewis & Clark College

- *Board of Trustees*
- *Trustee* 6/98—6/00
- *Alumni Association*
- *President* 6/98—6/00
- *Board Member* 7/95—2006

Honors and Awards

Lewis & Clark College

- *2000 Donald G. Balmer Citation for Outstanding Voluntary Service to the College, November 9, 2000*

Nonprofit Development Center

- *1997 Board Leadership Award, Nominee, April 8, 1997*

Santa Clara County Human Relations Commission

- *Award of Special Merit, February 29, 1996*

American Red Cross, Palo Alto Area Chapter

- *Clara Barton Award For Outstanding Volunteer Leadership, June 1994*

Hastings College of the Law

- *Thurston Society (Top 5% First Year Class Rank), May 1980*

Lewis and Clark College

- *Cum Laude, June 1976*
- *Delta Mu Delta, National Business Honor Society*

**Candidate Questionnaire
El Camino Hospital Board of Directors
Governance Committee
Submitted by R. Michael Kasperzak, Jr.**

1. Governance – Please describe how your professional background demonstrates your knowledge and experience monitoring and strengthening Board policies and procedures related to:

- Board development
- Board efficiency
- Board effectiveness
- Board composition
- Committee Functioning

Having served in local government for over 20 years, I have a keen understanding of Governance principals and how they relate to the governance/management dichotomy. During that period I was actively engaged in developing and facilitating courses and programs on High Performing Boards which covered all of these areas. As a board member of the Institute for Local Government, and as an elected official, I am intimately familiar with the Brown Act and the requirements that it places upon public bodies.

I also did similar work during 30 years spent with the American Red Cross, and developed and taught several high level governance training programs for Chapter Chairman and Executive Directors.

Finally, as an active non-profit board member, I have a wealth of experience in non-profit governance.

2. Organizational Leadership Skill- Please describe how your professional background demonstrates your knowledge and experience in:

- Dashboards
- Annual planning
- Performance monitoring

Both my public service and non-profit experience have afforded me the opportunity to hone my skills in organizational leadership. I have recently been actively engaged in leading strategic planning efforts and am also engaged in an executive search.

3. Hospital or health system executive management – - Please describe how your professional background demonstrates your knowledge and experience in:
 - Governance of a complex healthcare system
 - Governance in a variety of industries
 - Board Experience (for profit or not for profit)
 - Knowledge of legal or regulatory issues affecting governance
 - Understanding of Healthcare Districts

I have no real experience in health systems, though I have had several years of volunteer experience with El Camino Hospital Foundation during the development of the new hospital and was actively involved on several foundation committees. I have also been a candidate for the District board on two occasion, though was unsuccessful in both elections.

4. Why are you interested in being considered as a member of El Camino Hospital's Governance Committee?

As a 40+ resident of Mountain View, and as a volunteer and long time supporter of the hospital, I would like to continue to serve the hospital in some capacity. I have strong governance skills and knowledge and believe serving on the Governance Committee would be the best use of my skills.

5. Are there any civil, employment-related or criminal incidents in your background that we may uncover in a reference or background check?

No.

6. Are you able to make the necessary time commitment?

Yes.

7. Would this position create a conflict of interest with any of your other commitments?

Not to my knowledge.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Dan Woods, CEO
Cindy Murphy, Director of Governance Services
Date: February 12, 2020
Subject: Board Education

Recommendation(s):

To adopt the proposed Board Education Plan for the remainder of FY20 and the first half of FY21.

Summary:

1. **Situation:** In the first quarter of FY20, the Board participated in a self-assessment that included one-on-one interviews with Via Healthcare Consulting and responding to survey questions. As a result of the survey and with the help of the Governance Committee, the Board adopted an action plan that included (1) development of a board education plan, (2) focus on governance of quality and (3) focus on improving meeting effectiveness.
2. **Authority:** The Governance Committee is responsible for recommending board education to the Board.
3. **Background:** With the assistance of the Governance Institute (TGI), staff has put together a proposed education plan tailored to help the Board complete its action plan. As reviewed and recommended by the Governance Committee, the education plan has five components:
 - A. Timing TBD: Board Retreat – Quality (led by CMO and Interim CQO)
 - B. April 22, 2020: Joint Board and Committee Education Session – Management vs. Governance. Also recommended is a brief update by the CEO on the Strategic Plan Metrics as well as the Committee Roundtables
 - C. August 2020: Strategic Discussion
 - D. September 2020 – Meeting Effectiveness
 - E. October 2020: Culture and Performance Evaluation

As proposed, the education plan relies on individual “pre-learning” utilizing a variety of TGI resources including publications, webinars, and e-learning followed by group discussion at Board meetings. On average, the webinars and e-learning modules are 25-35 minutes in duration. Participation in these “pre-learning” activities would be highly recommended, as the material will be discussed at Board meetings, but not mandatory. There is also optional attendance at TGI’s April Leadership Conference, which has a focused quality governance track (*see* attached agenda).

4. **Assessment:** The proposal will assist the Board in completing its Action Plan. The schedule of topics and events was structured with the Board’s Pacing Plan in mind, adjusting for the busier times of year (i.e., less in May-June, as that time is often packed with approvals at the end of the fiscal year).

Dan Woods, CEO, and Mark Adams, MD, CMO, described the difficulty in scheduling the desired type of speaker for the February Board Retreat. The Governance Committee

Board Education
February 12, 2020

recommended that the Board Retreat focused on quality and the corresponding quality webinars and e-learnings be deferred until the purpose of the retreat is solidified and an ideal speaker/facilitator can be scheduled.

5. Other Reviews: At its February 4, 2020 meeting, the Governance Committee recommended the Plan for approval, including postponing the Board Retreat on Quality and the other corresponding quality-related education to later in year.
6. Outcomes: Upon final approval by the Board, staff will work to implement the Plan.

List of Attachments:

1. Board Action Plan
2. Proposed Board Education Plan (note: there are hyperlinks to proposed materials throughout the document) – The “Quality” topic will be scheduled later, at a time to be determined.
3. TGI April Leadership Conference Agenda

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

Board Action Plan

	What	Who	By When	Current Status
Quality Oversight				
	<p>Adopt a customized, actionable approach to effective quality.</p> <ul style="list-style-type: none"> Review and discuss available approaches to quality oversight. Frameworks to consider might include IHI Framework for Governance of Health System Quality, AHRQ High Reliability Organizations, and LEAN Six Sigma among others. Identify and incorporate aspects from the different frameworks to create a customized approach to quality oversight at ECH. 	Quality Committee Chair, CMO	End Q1 2020	
	<p>Hold an educational meeting or series of meetings focused on quality oversight. These sessions will provide:</p> <ul style="list-style-type: none"> Additional education on the board's role in quality oversight including information on quality goals, indicators and how to interpret data. An opportunity to discuss how ECH defines quality and what the organization's approach should be. 	Quality Committee Chair, CMO	Scheduled for October 23, 2019	
Meeting Effectiveness				
	Restructure board meeting presentations to improve focus and promote dialogue.	CEO, Dir Gov Services	December 2019	
	Implement a board meeting evaluation to assess quality of materials, mechanics and results of the meeting.	Board Chair, CEO	September 2019	
Ongoing Governance Education/Training				
	Develop an intentional, multi-year strategy for ongoing board education. The intent would be to identify topics and modalities that would enhance the governance competencies and engagement of the ECH Hospital Board.	Governance Committee	December 2019	
Enhancing Board Culture				
	Convene board members outside the typical board meeting structure to facilitate greater cohesiveness and teamwork on a quarterly or bi-annual basis.	Board Chair, CEO, Dir Gov Services	Ongoing	

The Governance Institute's
EDUCATION CALENDAR
—— • —— 2020 —— • ——

J A N

Timing TBD

M A R

Quality

—— • ——

—— • ——

—— • ——

A P R

M A Y

J U N

Achieving Optimal Governance

—— • ——

—— • ——

—— • ——

J U L

A U G

S E P

Strategic Discussion

Meeting Effectiveness

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—— • ——

—— • ——

O C T

N O V

D E C

Culture & Performance
Evaluation

The Governance Institute's annual education calendar is the perfect resource to help incorporate consistent and meaningful education in to your board calendar. You can take the topics and adjust them as it makes sense for your board, or, as your Account Manager, I am happy to help customize education to more closely align with your governance goals and priorities.

This calendar is a compilation of some of my favorite resources that align with many of the topics on which boards are focusing. You will also find different ways you can access our content in order to help make education more engaging and interactive. You can find many other resources on our website by visiting www.governanceinstitute.com.

Enjoy!

Sincerely,



Kelly Honke

khonke@governanceinstitute.com

877.712.8778

Timing TBD: Quality

Publications:

- The Board's Role in Quality and Patient Safety Performance Measurement

Webinar:

- Board Excellence in Safety and Quality
- Board Oversight of Credentialing

E-Learning Course (visit our website to access courses):

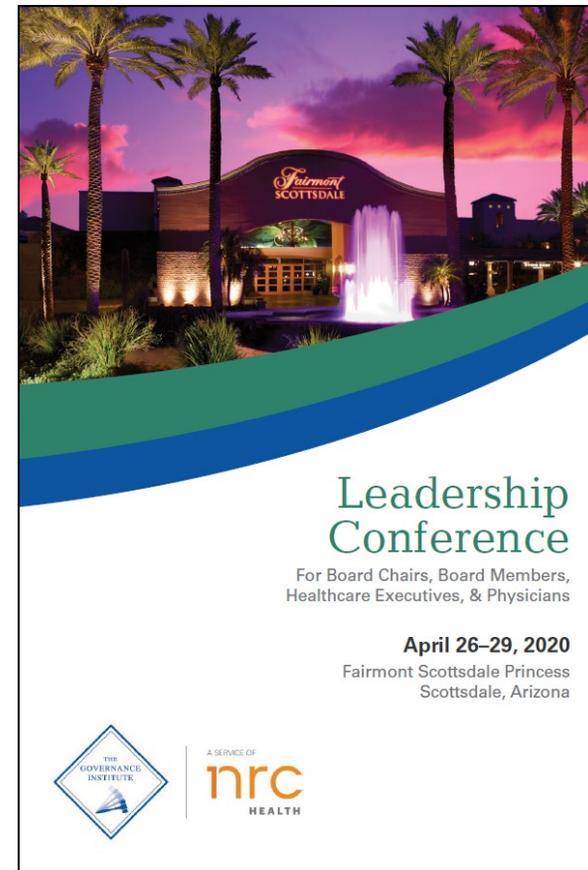
- The Board's Role in Quality

Event (visit our website for event details):

- Leadership Conference

Governance Support Tools:

- Getting at the Right Questions: Quality Committee
- Quality Committee Charter
- Quality Committee Meeting Agenda
- Board and Executive Quality Dashboard
- Sample Strategic Quality and Safety Plan Dashboard



April: Achieving Optimal Governance

E-Learning Course (visit our website to access courses):

- Management vs. Governance

Governance Support Tools:

- Board Calendar: Essential Activities for Good Governance



August: Strategic Discussion

Publications:

- Making Time for Strategic Discussions
- Practical Tips for Better Board Meetings

Governance Support Tools:

- Board Meeting Agenda with Framing Questions

Practical Tips for Better Board Meetings

By Marian C. Jennings and Jennifer Swartz, M. Jennings Consulting

Have you ever attended a board meeting that seemed to drain members of their energy, become mired in endless detail, needlessly repeat materials from previous meetings, or run out of time just when the most important discussions had begun? What about the opposite—a meeting that left members energized and confident about the future, empowered them to contribute, and served to strengthen the organization?

Fortunately, ensuring the latter is largely within your control. With the proper annual board work plan, pre-meeting preparation, effective materials, a well-prepared chair, and board members who understand and are ready to perform their roles and responsibilities, meetings can help the board navigate the turbulent healthcare industry waters and potentially even transform an organization.

This article provides eight practical tips to enhance the effectiveness and efficiency of your board meetings, including opportunities to reduce the frequency of meetings while increasing the time devoted to strategic discussion. In addition, it provides actionable advice about how best to deploy board chairs, the management team, governance support professionals, and board members to facilitate the best possible board performance. Our recommendations build

on The Governance Institute's wealth of in-depth resources on board meeting effectiveness and other governance topics, which are referenced at the end of this article.

Tip #1: "Less Can Be More"—Consider Moving to Six Board Meetings Per Year

"Fewer but somewhat longer meetings" is a succinct way to describe current best practices about the number and frequency of hospital/health system board meetings. As Governance Institute Advisor Guy Masters, M.P.A., says, "The point of longer meetings is not to allow extra time listening to managers present endless details about the business, but rather to allow more time for open questioning and intellectual give-and-take on key issues."

Is your board still regularly meeting 10 or more times per year? According to The Governance Institute's 2019 Biennial Survey of Hospitals and Healthcare Systems, this is true for more than 75 percent of independent hospitals, but only 32 percent of health systems.¹ If it is the case for your board, consider moving to a bimonthly schedule; one we believe is more synchronized with

Key Board Takeaways

To improve the efficiency and effectiveness of board meetings, leaders should:

- If you have not already done so, strongly consider moving to bimonthly board meetings.
- Devote more time to board chair/CEO meeting preparation and structure the agenda so that adequate time can be devoted to discussion of strategic issues.
- Insist that board members come to meetings prepared, enforce agreed-upon "ground rules," encourage active participation in meetings, and close each meeting with a process check.
- Be clear with management about what kind of meeting background information—in what format—will best enable board members to exercise their responsibilities both efficiently and effectively.

the key roles of the board: providing oversight and setting strategic direction. Advantages of this schedule include:

- Allows for committees to meet in the "off months," which facilitates earlier and more synthesized advance board meeting materials with concise, meaningful committee meeting minutes and reports. This, in turn, can allow questions that may arise to be addressed prior to the board meeting itself, freeing up time for more strategic discussions.
- Allows for thoughtful board meeting agenda preparation two or more weeks before the meeting.
- May attract great future board members unable to commit to monthly meetings.
- Provides enough time for the board to see the results—or lack thereof—of a corrective plan of action implemented after the last meeting.
- Allows time for some issues to "resolve themselves" simply given the passage of time.

Data from the 2019 Biennial Survey shows that currently the majority of respondents of all types of organizations meet between two and four hours. Only 30 percent of health systems meet four hours or more. Some leaders, concerned that holding fewer board meetings means just that each meeting



will be twice as long, ask, "Why are we doing this if we are not saving time?" Remember, even if the duration for routine reporting stays the same, you could devote all or nearly all of an additional meeting hour to strategic discussions.

Finally, especially if an organization moves to six meetings per year, we recommend that it use its executive committee to conduct time-sensitive business between meetings, within clearly articulated authorities delegated by the full board. Ideally, the executive committee would include all committee chairs and would help identify key agenda items for the upcoming meeting.

"The point of longer meetings is not to allow extra time listening to managers present endless details about the business, but rather to allow more time for open questioning and intellectual give-and-take on key issues."

—Guy M. Masters, M.P.A.,
Principal, Premier, Inc. and
Governance Institute Advisor

Tip #2: Use an Annual Board Work Plan/Calendar

We recommend using an annual board work plan/calendar, administered by your governance support personnel. This calendar typically is organized around either the six core board responsibilities (quality oversight,

financial oversight, strategic oversight, board self-assessment and development, management oversight, and community benefit and advocacy), high-priority issues/topics for the upcoming year, or the goals in your strategic plan.

Of course, flexibility is required. If an unexpected issue or opportunity arises, the work plan would be modified. Additionally, should a special board meeting be necessary, we recommend that its agenda focus exclusively on the topic at hand and exclude all routine board reporting.

Tip #3: Prepare, Prepare, and Then Prepare Some More

Preparation by the board chair, working collaboratively with the CEO and management team, is critical to the success of any meeting. As outlined in tips five and seven, a productive meeting also, of course, requires that board members arrive fully prepared to participate.

The success or failure of any board meeting begins with the board chair. The Governance Institute describes the board chair as the "first among equals" who is tasked with streamlining the functioning of the board and enhancing board effectiveness. A capable board chair, working productively with management, can lighten the burden of work on the board.

Ultimately, the board chair is responsible for allotting time for presentations and discussion at each meeting. Like most governance experts, we recommend that the chair collaborate with the CEO to develop the agenda, rather than assume sole responsibility or hand the responsibility over completely.

A bimonthly meeting schedule allows the chair to think carefully through each agenda item

at least two weeks before the meeting, leaving time for the management team to gather and develop board-appropriate materials. Then, the board chair and CEO should set a regular time to review the final agenda and agree on how to handle individual items. Another reason for discussing the agenda with the CEO beforehand is that it prevents any "surprises"—items that may catch the CEO or chair off guard—during the meeting.



Tip #4: Don't Let Reporting Crowd Out Strategic Discussions

Ensuring that a board spends half of its meeting time on future-oriented strategic discussions (as recommended by The Governance Institute) requires thoughtful preparation. Using a consent agenda is essential to this effort. According to The Governance Institute's 2019 Biennial Survey, "This year's analysis shows that there is a relationship between using a consent agenda and boards that generally spend more than half of meeting time discussing strategic issues."²

While crafting agendas may seem mundane, it is a critical preparation step for every meeting that can have a profound impact. One helpful tip in preparing the meeting agenda is to allocate board time around four categories of board work: routine, scheduled, emergent, and strategic. Routine items appear on the agenda at every meeting



September: Meeting Effectiveness

Publications:

- Elevating Board Meetings through Intentional Planning and Board Packets
- Effective Board Meetings, 2nd Edition (optional)

Governance Support Tools:

- Board Calendar: Essential Activities for Good Governance
- Timed Board Meeting Agenda
- Worksheet: Committee Meetings

Event (visit our website for event details):

- Governance Support Forum (for staff to attend)



October: Board Culture and Performance

Publications:

- Enhancing Communication Between the Board and Management

E-Learning Course (visit our website to access courses):

- Board Culture and Effectiveness

Board Culture & Effectiveness

Please visit the topic links below.

You have completed 0 of 3 lessons.



Agenda | TGI Leadership Conference | April 26-29, 2020

April 26, 2020

- **Registration** 11:00 AM-6:00 PM

 - **The Changing Demands of Physician Leadership in Evolving Health Systems** 1:00 PM-2:15 PM
Physician Leader Track

Todd Sagin, M.D., J.D. | National Medical Director, Sagin Healthcare Consulting, LLC

 - **Catalyzing Digital Transformation in Healthcare** 2:30 PM-4:00 PM
Concurrent Session

Ryan Bertram & Royce Cheng | Principals, Chartis Digital; The Chartis Group

 - **To Thrive, Survive or Implode: Whether & How Local Hospitals Make It** 2:30 PM-4:00 PM
Concurrent Session

Denise Burke | Partner, Waller Lansden Dortch & Davis, LLP
Independent Cohort

 - **Learning as a Strategic Asset: Building a Coaching Culture** 2:30 PM-4:00 PM
Concurrent Session

Lawrence McEvoy II, M.D. | President & CEO, Epidemic Leadership
Physician Leader Track

 - **Healthcare Reboot: Megatrends** 4:15 PM-6:00 PM
Keynote Address

Michael Dowling | President & CEO, Northwell Health

 - **Networking Reception** 6:00 PM-7:00 PM
-

Agenda | TGI Leadership Conference | April 26-29, 2020

April 27, 2020

➤ **Networking Breakfast** 7:30 AM-8:30 AM

➤ **Through the Consumer's Eyes: Healthcare in the Post-Era** 8:30 AM-9:30 AM
General Session

Ryan Donohue | Director, Program Development, NRC Health

The call for price transparency has reached a deafening roar. Media reports of 'surprise billing', strict mandates from the federal government, and provider reluctance to deal with the time, effort and red tape required to be more price transparent. It's a tough issue that has been woven together by many different stakeholders in healthcare into the massive mess it is now. In this cacophony it can be easy to drown out one voice in particular: the consumer. Long before they put on a gown, and long after they leave, the healthcare consumer is deeply concerned with understanding the prices they'll pay. We will study this perspective and apply it to the larger issue of price transparency in healthcare with aim to better understand the call to share prices. Along the way we'll discuss the role of hospitals and health systems in this important industry issue.

➤ **Enterprise Risk: Understanding, Measuring, & Taking Action** 9:45 AM-10:45 AM
General Session

Marian C. Jennings, M.B.A. | President, M. Jennings Consulting, Inc.

➤ **The Digital Front Door** 11:00 AM-12:00 PM
General Session

Rulon Stacey, Ph.D., FACHE | Managing Director, Navigant Leadership Institute

➤ **Networking Lunch** 12:00 PM-1:00 PM

➤ **Building a Reliable Culture of Safety or Reducing Variations:
What is the Board's Role?** 1:00 PM-2:30 PM
Concurrent Session

Denise Murphy, RN, M.P.H., CIC, CPPS, FAAN | Vice President for Patient Care Systems & Senior Nurse Executive,
BJC HealthCare
Quality Track

Agenda | TGI Leadership Conference | April 26-29, 2020

April 27, 2020 (continued)

- Evolution of System Governance Structure in the U.S. 1:00 PM-2:30 PM
Concurrent Session

Lindsay Laug | Strategic Advisor, The Governance Institute

- **Designing the High-Performance Physician Team in the Era of Physician Burnout** 1:00 PM-2:30 PM
Concurrent Session

Lawrence McEvoy II, M.D. | President & CEO, Epidemic Leadership
Todd Sagin, M.D., J.D. | National Medical Director, Sagin Healthcare Consulting, LLC
Physician Leader Track

- **Governance Learning Cohort Networking Discussion** 2:45 PM-3:45 PM

Speaker to be determined

April 28, 2020

- **Networking Breakfast** 7:30 AM-8:30 AM

- **How the Reshaping of Consolidation Is Remaking Healthcare** 8:30 AM-9:30 AM
General Session

Anu Singh | Managing Director, Kaufman, Hall & Associates, LLC

The core characteristics of healthcare partnership strategies are evolving as hospitals and health systems across the country turn to consolidation to help transform their organizations in the face of new competition and rising industry pressures. The overall strategic focus of partnerships is shifting from aggregation and scale to building coordinated channels of care through sustainable, vertical integration of revenues, expenses, and growth. Ultimately, legacy providers seek to expand and reshape their business models to ensure they remain indispensable to the communities they serve. This session will present the latest data on healthcare consolidation trends, and how partnerships are being used to transform organizations and healthcare overall.

Agenda | TGI Leadership Conference | April 26-29, 2020

- **Healthcare Bond Ratings** 9:45 AM-10:45 AM
General Session

Kevin Holloran | Senior Director, Fitch Ratings

- **Intentional Governance: Board's & Quality** 11:00 AM-12:30 PM
Concurrent Session

Michael Pugh | President, MdP Associates, LLC

Quality Track

Michael Pugh is a national expert on quality and safety in health care delivery systems and focuses much of his consulting practice on helping Boards and Senior Leaders improve their quality management practices and systems. In this interactive workshop, Mr. Pugh will share current thinking on best practices for governing boards and engage participants in thinking about how to effectively and efficiently perform their fiduciary duty for delivering high quality and safe care in their organizations.

- **Why & How Trustees Own the Leadership Culture of the Institutions They Govern** 11:00 AM-12:30 PM
Concurrent Session

Daniel K. Zismer, Ph.D. | Co-Founder & Managing Director, Castling Partners

Systems Cohort

- **Board Oversight of the Hospital Medical Staff: More Important & More Challenging Than Ever!** 11:00 AM-12:30 PM
Concurrent Session

Todd Sagin, M.D., J.D. | National Medical Director, Sagin Healthcare Consulting, LLC

- **Chair/CEO Lunch (Invitation Only)** 12:45 PM-1:45 PM
Special Session

Speaker to be determined

Agenda | TGI Leadership Conference | April 26-29, 2020

April 29, 2020

- **Networking Breakfast** 7:30 AM-8:30 AM
- **Next Generation Healthcare: Using Innovation to Disrupt the Disruptors** 8:30 AM-9:30 AM
General Session

Brian J. Silverstein, M.D. | Director, The Chartis Group
- **Measuring & Moving What Matters: Advancing Well-Being in the Nation** 9:45 AM-11:00 AM
General Session

Somava Saha, M.D., M.S.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Mark Adams, MD, CMO
Date: February 12, 2020
Subject: Draft Revised Quality, Patient Care and Patient Experience Committee Charter (“Committee Charter”)

Recommendation:

To approve revising the Quality, Patient Care and Patient Experience Committee (“Quality Committee”) Charter to include the Chiefs of the Medical Staff as *ex officio* voting members of the Committee, the Enterprise Vice Chief of Staff or the Los Gatos Vice Chief of Staff shall serve as alternate voting members of the Committee and replace, respectively the Enterprise Chief of Staff or the Los Gatos Chief of Staff if such person is absent from a Committee meeting, and to add “Review the MEC’s monthly credentialing and privileging reports and make recommendations to the Board” to the Committee’s chartered responsibilities.

Summary:

1. **Situation:** As we move toward a high reliability and high performing quality organization, it is vital that our medical staff is aligned with that effort.
2. **Authority:** The Committee Charter establishes the authority and responsibility of the Committee.
3. **Background:** The organized medical staff’s primary responsibility is to assure that the highest quality of clinical care is delivered to our patients. This assurance depends on the triad of administration, medical staff, and board of directors functioning in a cohesive and collaborative manner. From a regulatory and historical basis, the organized medical staff and the board of directors must share in this responsibility. Many other healthcare organizations or systems recognize this relationship by including representatives of the organized medical staff on their respective board quality committees. Additionally, since medical staff credentialing and privileging directly impacts the quality of care delivered to our patients, standard Board practice is to engage their quality committees to review medical staff credentialing and privileging.
4. **Assessment:** In keeping with current standards and expectations for Board performance to oversee quality and safety, it would be prudent for the Board to include as voting members of the Quality Committee the Chief of the Medical Staff at the Mountain View and Los Gatos campuses and delegate the initial review of the medical staff credentialing and privileging activities to the Quality Committee of the Board.

The Governance Institute survey of health systems showed that 56% of Board quality committees have between one to four medical staff voting members. In a specific communication to El Camino, The Governance Institute reported the following: “We commonly do see that the Chief of the Medical Staff would be a voting member of the quality committee.”

Feedback from the Enterprise Chief of Staff: “I believe in the three-legged stool model of governance of the Hospital. In this model, the medical staff is an equal custodian of ensuring the quality of care and in my opinion the most important entity that actually delivers care to the patients. Therefore, I think Medical Staff leaders should be part of the Quality Committee. If we are asked to attend, then we should be voting members.”

Revised Quality, Patient Care and Patient Experience Committee Charter
February 12, 2020

American Hospital Association standards for a health system board quality committee include:
“Reviewing and acting on medical staff recommendations to grant medical staff appointments, reappointments, and clinical privileges.”

5. Other Reviews: At its February 3, 2020 meeting, the Quality Committee discussed and unanimously voted to recommend Board approval of the revised Committee Charter.
6. Outcomes: Improve the quality and safety performance of El Camino Health System.

List of Attachments:

1. Draft Revised Quality, Patient Care and Patient Experience Charter
2. Article: Physicians in the Boardroom: Contemporary Considerations for a Common Practice
3. Excerpt: 2019 Governance Institute Biennial Survey: The Quality Committee
4. Article: Maximizing the Effectiveness of the Board’s Quality Committee

Suggested Board Discussion Questions: None, this is a consent item.

El Camino Hospital Board of Directors Quality, Patient Care and Patient Experience Committee Charter

Draft Revised 2-3-2020

Purpose

The purpose of the Quality, Patient Care and Patient Experience Committee (“Quality Committee” or the “Committee”) is to advise and assist the El Camino Hospital Board of Directors (“Board”) in constantly enhancing and enabling a culture of quality and safety at El Camino Hospital and its affiliated entities where ECH is the sole corporate member (“the Organization”). The Committee will work to ensure that the staff, medical staff and management team are aligned in operationalizing the tenets described in the Organization’s strategic plan related to delivering high quality healthcare to all patients. High quality care is defined as care that is: safe, timely, effective, efficient, equitable, and person-centered.

The Organization will provide to the Committee standardized quality metrics with appropriate benchmarks so that the Committee can adequately assess the level of quality care being provided.

Authority

All governing authority for the Organization resides with the Hospital Board for ECH and with the boards of the affiliated entities except that which may be lawfully delegated to a specific board committee. The Committee will report to the Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on issues related to clinical quality, safety, patient care and experience, risk prevention/risk management, and quality improvement. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee, ex-officio members and alternates and external (non-director) members appointed to the Committee.

Membership

- The Committee shall be comprised of two (2) or more Hospital Board members. The Chair of the Committee shall be appointed by the Board Chair, subject to approval by the Board. All members of the Committee shall be eligible to serve as Chair of the Committee.
- The Committee shall also include the Enterprise Chief of the Medical Staff and the Los Gatos Campus Chief of Staff as ex-officio voting members of the Committee. The Enterprise Vice Chief of Staff or the Los Gatos Vice Chief of Staff shall serve as alternate voting members of the Committee and replace, respectively the Enterprise Chief of Staff or the Los Gatos Chief of Staff if such person is absent from a Committee meeting. A Vice Chief of Staff may vote in the absence of the Chief of Staff from the corresponding campus.



- The Quality Committee may also include 1) no more than nine (9) Community members¹ with expertise in assessing quality indicators, quality processes (e.g., LEAN), patient safety, care integration, payor industry issues, customer service issues, population health management, alignment of goals and incentives, or medical staff members, and members who have previously held executive positions in other hospital institutions (e.g., CNO, CMO, HR) and 2) no more than two (2) patient advocate members who have had significant exposure to ECH as a patient and/or family member of a patient. Approval of the full Board is required if more than nine Community members are recommended to serve on this Committee.
- All Committee members, with the exception of new Community members, ex-officio members and alternates, shall be appointed by the Board Chair, subject to approval by the Board. New Community members shall be appointed by the Committee, subject to approval of the Board. All Committee appointments shall be for a term of one year expiring on June 30th each year, renewable annually.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice Chair from among the members of the Committee. If the Chair of the Committee is not a Hospital Board Director, the Vice Chair of the Committee shall be a Hospital Board Director.

Staff Support and Participation

The Chief Medical Officer (CMO) shall serve as the primary staff support to the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair's consideration. Additional clinical representatives as well as members of the executive team may participate in the Committee meetings upon the recommendation of the CMO and subsequent approval from both the CEO and Committee Chair. ~~This may include the Chief/Vice Chief of the Medical Staff.~~

General Responsibilities

The Committee's primary role is to develop a deep understanding of the Organizational strategic plan, the quality plan, and associated risk management/prevention and performance improvement strategies and to advise the management team and the Board on these matters. With input from the Committee and other key stakeholders, the management team shall develop dashboard metrics that will be used to measure and track quality of care and outcomes, and patient satisfaction for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make recommendations to the Board. The Committee is responsible for 1) ensuring that performance metrics meet the Board's expectations; 2) align those metrics and associated process improvements to the quality plan, strategic plan, organizational goals; and 3) ensuring that communication to the Board and external constituents is well executed.

Specific Duties

The specific duties of the Committee include the following:

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors or ex-officio members or alternates.

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- Oversee management’s development of a multi-year strategic quality plan (PaCT).
- Review and approve an annual “Quality Dashboard” for tracking purposes.
- Oversee management’s development of the Organization’s goals encompassing the measurement and improvement of safety, risk, efficiency, patient-centeredness, patient satisfaction, and the scope of continuum of care services.
- Review reports related to Organization-wide quality and patient safety initiatives in order to monitor and oversee the quality of patient care and service provided. Reports will be provided in the following areas:
 - Organization-wide performance regarding the quality care initiatives and goals highlighted in the strategic plan.
 - Organization-wide patient safety goals and hospital performance relative to patient safety targets.
 - Organization-wide patient safety surveys (including the culture of safety survey), sentinel event and red alert reports, and risk management reports.
 - Organization-wide LEAN management activities and cultural transformation work.
 - Organization-wide patient satisfaction and patient experience surveys.
 - Organization-wide physician satisfaction surveys.
- Ensure the organization demonstrates proficiency through full compliance with regulatory requirements, to including, but limited to, The Joint Commission (TJC), Department of Health and Human Services (HHS), California Department of Public Health (CDPH), and Office of Civil Rights (OCR).
- In cooperation with the Compliance Committee, review results of regulatory and accrediting body reviews and monitor compliance and any relevant corrective actions with accreditation and licensing requirements.
- Review Sentinel Events (SE), Seriously Safety Events (SSE), and red alerts as per the hospital and board policy.
- Oversee organizational quality and safety performance improvement for both the Organization’s and medical staff activities.
- Ensure that the Organization’s scope of service and community activities and resources are responsive to community need.
- Review the Medical Executive Committee’s monthly credentialing and privileging reports and make recommendations to the Board.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and the Organization’s strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board. Committee members shall be responsible for keeping



themselves up to date with respect to drivers of change in healthcare and their impact on quality activities and plans.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board or the Committee Chair. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
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: February 12, 2020
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 January 23, 2020.
2. Background: MEC received the following informational reports.
 - a) Quality Council – The Quality Council met on December 4, 2019 and January 8, 2020. Reports and performance dashboards were reviewed and approved from the following ECH Departments/Service Lines:
 - i. Spine Service Line – December 4, 2019
 - ii. Sleep Medicine – December 4, 2019
 - iii. Urology Service Line – December 4, 2019
 - iv. Respiratory Care Service Line – December 4, 2019
 - v. Patient Experience – January 8, 2020
 - vi. Rehab Service Line – January 8, 2020
 - vii. Behavioral Health – January 8, 2020
 - viii. Environmental Services – January 8, 2020
 - ix. Core Measures – January 8, 2020
 - b) Leadership Council – Leadership Council met on January 14, 2020:
 - i. Quality Council core membership was discussed considering the recent merger of the Hospital and Medical Staff quality committees. A decision had been made to review the membership and attendance, and to have the membership be one based upon active interest.
 - ii. The Conflict Resolution and Chain of Command policy was reviewed and discussed. The policy’s main purpose is to meet needs that arise during nights and weekends when staffing is at a minimum and to have a means by which to resolve issues should they arise.
 - iii. New Peer Review Workflow process was reviewed and compared with the existing operational format. The new committee, Practitioner Excellence Committee, had its first meeting January 7, 2020.
 - iv. The reporting structure and function of Quality, Patient Safety and Risk Management was discussed. No minutes taken as the discussion involved positions and reporting structure of the Medical Staff Services Department.
 - c) CEO Report – The CEO Report was provided and included the following updates:

- i. Sobrato Pavilion and the Los Gatos Cancer Center are somewhat delayed in their openings and expected to be open in the near future.
 - ii. CMS 5-Star Rating awarded to El Camino Health
 - d) CMO Report –
 - i. The FY 20 Quality Dashboard performance through November was reviewed and provided in the meeting packet for MEC members. Mortality Index and Surgical Site Infection rates were noted as improving. HCAHPS were discussed and noted that they were trending up; especially noted uptrend with patient experience. CDPH reportable events were reviewed and discussed.

3. Other Review: The MEC approved the Policies and Scopes of Service.

List of Attachments: None

Suggested Board Discussion Questions: None; this is a consent item

**POLICIES AND PROCEDURES
 For Board Approval
 February, 2020**

Department	Policy Name	Type of Change (New/Minor/ Major)	Type of Doc.	Notes
Service Line Operations	1. Scope of Service Advanced Care and Diagnostic Center	New	Scope of Service	
Health Library	1. Scope of Service - Health Library & Resource Center	Minor	Scope of Service	Updated name to El Camino Health, Updates to staffing, Removed RoadRunners and Lifeline Services since these services take place at RoadRunners, added HLRC LG hours
Endoscopy	1. Scope of Service - Endoscopy Department Los Gatos	Minor	Scope of Service	Changed competencies
Finance	1. Scope of Service - Managed Care Contracting Department	Minor	Scope of Service	Updated department name, scope of service and staffing/skill mix.
Clinical Engineering	1. FY-20 Medical Equipment Management Plan	Minor	Plan	Updated with the 2020 Performance Measure
Patient Care Services	1. 4B Medical Surgical Oncology - MV	Minor	Scope	Added medical in the types of patients served. Added ACM to the appropriateness of services sections
Emergency Management	1. Environment of Care Performance Improvement Plan	None	Plan	1. Annual Review
	2. Injury and Illness Prevention Plan (IIPP) – Safety Program Crosswalk	None	Plan	2. Updated links to referenced documents no change to content
	3. Hazardous Materials Management Plan	Minor	Plan	3. This plan was approved by Central Safety in September with the other management plans, but did not make the transition to PolicyStat.
Spiritual Care	1. Scope of Service Spiritual Care	None	Scope	
Clinical Research	1. Research: Clinical Research	Minor	Policy	Updated policy to reflect the newly revised Research & Quality Improvement procedure for ECH staff, as well as the newly revised Publications procedure



Current Status: *Pending*

PolicyStat ID: 7173673



Origination: N/A
Effective: *Upon Approval*
Last Approved: N/A
Last Revised: N/A
Next Review: *3 years after approval*
Owner: *Viet Tran: Manager Service
Line Ops*
Area: *Scopes of Service*
Document Types:

Scope of Service - Advanced Care and Diagnostic Center

Scope

The Advanced Care and Diagnostic Center Scope of Service is provided by ECH to ensure that all patients treated will receive high quality care in an expedient and professional manner. Performance standards and quality initiatives are in place to measure outcomes and meet patient and clinician needs. Patient reports and exam records can be accessed upon request and are stored indefinitely as part of the patient's Electronic Health Record (EHR). The center provides comprehensive and coordinated care to outpatient adults, eighteen years of age and older. The Advanced Care and Diagnostic Center focuses on risk factor assessment and treatment of patients through consultation and care plans. Patients will be consulted by a licensed clinician, either a Physician or Nurse Practitioner (NP). In addition to consultation services, the center has diagnostic services to support EEG, EKG, and Echocardiography.

Patient Types

Consultation and diagnostic exams are performed on outpatient patients. Patient age groups served are adults 18 years and older.

Diagnostic studies are performed upon receipt of a written or electronic request from a physician or licensed independent practitioner.

Scope and Complexity of Services Offered

The Advanced Care and Diagnostic Center is located at 2500 Grant Road, Sobrato Center, Suite 1F, Mountain View, California. The Center's operating hours are Monday – Friday from 8am to 5pm. The Center is not open on weekends or holidays recognized by El Camino Hospital. Physicians are not available after the Center's operating hours and patients are instructed to contact their primary MD if needed during those hours or to go to the Emergency Room if in need of urgent attention.

The Advanced Care and Diagnostic Center has exam rooms for clinical examinations (no procedures are performed). The clinical schedule and patient records are maintained in an electronic health record by trained staff.

The following services are provided:

- Patient education

- Prescribing oral medications
- Referral for diagnostic testing and procedures when appropriate

Diagnostic Modalities provided at the center are:

- Echocardiography
- ECG
- EEG

ECG, EEG, Echocardiography Specifics

Muscles in the heart carry electrical charges which change as the heart beats. These changes are recorded as an Electrocardiogram. The terms EKG and ECG are synonymous and are often used interchangeably, though ECG is the newer and preferred term.

EEGs record brain-wave activity through electrodes attached to the scalp and transcribes electrical activity in the brain.

Echocardiography utilizes ultrasound waves to visualize the functional or non-functional movements of the heart.

Services Available:

- Routine Outpatient ECGs
- Routine Outpatient EEGs
- Routine Outpatient Transthoracic Echocardiography

Patient care is given as directed and prescribed by the Physician or Nurse Practitioner. The medical staff working in the Advanced Care and Diagnostic Center will have hospital privileges on file in the El Camino Hospital Medical Staff Office. Staff communicates specific patient needs and coordinates treatment and plan of care with referring and consultative physicians. Services provided according to ECH policies and procedures.

Staffing/Skill Mix

A Clinical Manager (RN) oversees the clinical operations of the Advanced Care and Diagnostic Center. Physicians and a Nurse Practitioner provide direct care and assessment.

The Service Line Manager of Neurosciences oversees the Diagnostic Services Operations. The Manager is supported by the Clinical Manager, Director of HVI, and Director of Neurosciences. The daily work of each modality is organized by the Charge Technologist in each modality and/or shift.

The competency of the staff is evaluated through observation and performance and skills competency validation. Staff education and training is provided to assist in the achievement of performance standards.

Requirements for Staff

- All staff must complete specific orientation
- All staff must review annual Healthstream safety series as well as Safety/Emergency policies and procedures for ECH
- All clinical staff members are required to be Basic Life Support certified.
- All clinical staff will be licensed according to ECH policies and procedures and by the State of California.

Level of Service Provide

The level of service is consistent with ambulatory outpatient clinic. The Advanced Care and Diagnostic Center is designed to advocate for preventive health and treatment of various cardiac/neurovascular diseases, and to support the attainment of optimal, patient-centered outcomes that are defined by a care planning process driven by a caring and enduring partnership between the care team, patients and the patient's family.

Standards of Practice

The Advanced Care and Diagnostic Center is governed by state regulations as outlined in Title 22, the Center for Medicare/Medicaid Services.

NOTE: Printed copies of this document are uncontrolled. In the case of a conflict between printed and electronic versions of this document, the electronic version prevails.

Attachments:

Approval Signatures

Step Description	Approver	Date
BOD	Sarah Rosenberg: Contracts Admin Gov Svcs EA	pending
MEC	Catherine Carson: Senior Director Quality [JH]	01/2020
ePolicy Committee	Jeanne Hanley: Projects Coordinator	12/2019
	Viet Tran: Manager Service Line Ops	12/2019

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: Ken King, CASO
Date: February 12, 2020
Subject: Major Projects Update

Purpose:

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

Summary:

1. **Situation: Taube Pavilion** (aka BHS) construction is substantially complete with only a few punch list items that remain, however in early December we were directed by OSHPD to make substantial modifications to our completed construction due to what has been described as a plan review and approval error. In an effort to dispute this interpretation we discovered that our new building is not in full compliance with NFPA 101 Life Safety Code Standard which is required for Joint Commission Accreditation. Corrective modifications need to be made in order for us to be in compliance with the Life Safety Code.

Several experts have been enlisted to assist us in the evaluation and determination of what it will take to resolve these issues. A meeting with Senior OSHPD Staff is scheduled for the week of January 27th where we hope to reach agreement on a path forward. Until we have agreement with OSHPD our occupancy of the building is delayed.

We are in the process of negotiating the contract close out change order requests and we expect to complete the project within the approved budget.

Sobrato Pavilion (aka IMOB) construction is substantially complete with only a few punch list items that remain, however the approval to occupy the building has been delayed due to an issue with the Engineered Smoke Control Report that needed to be resolved before occupancy could be granted. The issue was resolved on January 17th and we expect to have final inspections completed and occupancy approval by the end of the month.

The move-in of various hospital department functions and tenants will begin in late February and will be completed over several weeks. The hospital's patient care functions require CDPH Licensing approval which is anticipated no later than the end of March 2020.

The Grant Road right turn lane has been delayed due to additional requirements by the Public Works department. The timeline to complete this work is now estimated to be May 2020.

This project is forecasted to be completed with the approved budget.

Women's Hospital construction documents were submitted to OSPHD for plan review and permitting in late May. The first back check set of plans are scheduled to be re-submitted to OSHPD in mid-February. Some elements of the project that OSPHD reviewers deemed necessary have been challenged by the design team and agreement on several key elements will

reduce the complexity of the project. We anticipate at least one and possibly two more rounds of plan review with OSHPD, pushing our permit date target to July 2020.

As we contemplate that current cost estimates received by the major subcontractors we continue to evaluate qualified sub-contractors to bid on the project. The still hot construction market in the Bay Area along with the complexity of an OSHPD permitted project in an occupied hospital building is not very appealing to the sub-contractors who prefer projects with less risk. We are working with the Construction Manager/General Contractor on strategies for obtaining competitive bids from qualified contractors.

M.V. Campus Completion Project (Phases 1 and 2) received approval from both the Hospital Board and the District Board. Both Phase 1 and Phase 2 plans have been submitted to OSHPD and are currently under review. The target date for obtaining the Phase 1 permit and beginning the initial demolition has been pushed to May 2020 due to the delays in obtaining occupancy in the new buildings.

Phase 3 development options are under development and we expect to present the options to the Finance Committee in March 2020.

2. Authority: 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.
3. Background:

The Board of Directors approved the Mountain View Campus Development Projects which consist of the following:

<u>Step I:</u>	<u>Status</u>
North Parking Garage Expansion -	Complete
Behavioral Health Services Building -	Substantially Complete – Not Occupied
Integrated Medical Office Building -	Substantially Complete – Not Occupied
Central Plant Upgrades -	Complete

<u>Step II:</u>	
Women’s Hospital Expansion -	Plan Review/Permit
Demolition of Old Main Hospital -	Plan Review/Permit Phases 1&2

4. Assessment: 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: The Finance Committee reviewed this update at its January 27, 2020 meeting.
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: None.

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

Finance Committee Approvals Report to the Board – February 12, 2020

In accordance with the Corporate Compliance: Physician Financial Arrangements Policy, the following agreement was approved by the Finance Committee at its January 27, 2020 meeting.

Clinical Area	Campus	Agreement Type	Hourly or Per Diem Rate	Hours/Month	Not-to-Exceed	FMV Assessment	Statement of Need
Urology	Los Gatos	On Call Agreement Renewal	\$930/day	N/A	Not to exceed \$339, 450.00 annually	Below 75 th percentile per 2019 MD Ranger San Francisco Bay Area	Response when needed for emergency evaluations and surgical interventions for patients in the emergency departments and for inpatient urology consults.

**OPEN SESSION CEO Report
February 12, 2020
Dan Woods, CEO Report**

Quality and Safety

I am very proud to announce that El Camino has been awarded a Five Star-Rating from the Centers for Medicare and Medicaid (CMS)!

The CMS Hospital Compare overall hospital rating summarizes a variety of measures across 7 areas of quality into a single star rating (1 to 5, five being the best) for each hospital. Once reporting thresholds are met, a hospital's overall hospital rating is calculated using only those measures for which data are available. This may include as few as 9 or as many as 51 measures. The average is about 37 measures. The 7 groups of measures are:

1. Mortality
2. Safety of Care
3. Readmission
4. Patient Experience
5. Effectiveness of Care
6. Timeliness of Care
7. Efficient Use of Medical Imaging

In addition, the California Health and Human Services Agency (CHHS) recognized both El Camino Hospital Mountain View and El Camino Hospital Los Gatos with the 2019 Patient Safety Honor Roll Award. This award recognizes 77 adult, acute care hospitals with high safety profiles in comparison to other hospitals. This Honor Roll offers Californians a rigorously evaluated list of hospitals that have consistently demonstrated a strong culture of safety across multiple departments and offers hospitals yet another valuable tool to evaluate and celebrate their own performance in comparison to others. The 77 hospitals represent 24% of the 327 adult, acute care hospitals considered for the Honor Roll.

As well, CHHS recognized El Camino Hospital Los Gatos with the 2019 Maternity Honor Roll Award. This award recognizes hospitals that achieve a Cesarean section rate of 23.9% or less for low-risk, first birth deliveries and have a high patient safety profile in comparison to other hospitals across a variety of domains. For 2019, 134 hospitals of all 235 hospitals that offer maternity services in California received the award.

As we continue to solidify ourselves as a well-recognized program in the field of interventional pulmonology, I am pleased to report that Dr. Ganesh Krishna, interventional pulmonologist, co-authored a manuscript entitled "Standardized Bleeding Definitions After Trans Bronchial Lung Biopsy," which was accepted for publication by



CHEST, a tier 1 journal for pulmonology and the official publication for American College of Chest Physicians (ACCP).

Operations

The Nursing Division submitted our supplemental application materials for Magnet Designation and we expect a decision in the next 6-8 weeks.

We have developed and implemented a performance improvement/LEAN nursing fellowship program to further enhance patient care processes at our two hospital campuses. We assigned two clinical nurses to the performance improvement department where they will be mentored by performance improvement experts for 6 months, after which they will return to their previous positions. After they return to their positions, we will expect them to lead performance improvement/LEAN activities within the organization and we will assess whether they have measurable impact on patient flow.

Workforce

We launched our new SOS (Support Our Staff) Program, which we created to provide targeted support after a traumatic event such as an unanticipated patient death, medical error, or workplace violence event. The SOS team is a group of ECH employees trained in crisis support and stress management. This peer support team is available to employees who need support and guidance while experiencing a reaction to a stressful event or adverse outcome 7 days/week and 24 hours/day.

Over 300 employees attended the 53rd Annual Employee Service awards on the evening of January 30, 2020. At the event, we recognized employees with between 15 and 45 years for service-a combined total of 4,110 years of service! In addition, the 2019 Employees of the Month, Excellence in Action, Excellence in Nursing, Leadership in Action and Teamwork in Action awards were presented.

We also began our "Storytellers" initiative on February 3, 2020. This new interactive engagement program is centered on a bi-weekly video – a story about ECH's mission, culture, or values, which will inspire discussion and debate. Employee insights and engagement are the keys to strengthening our organization and ensuring we raise the bar every day. A short (less than 5 minute) ECH Storyteller video will be sent out every other week throughout 2020 that will allow employees, physicians, and others to see, share, and reflect on a variety of stories that describe who we are as an organization. By sharing our own stories, and learning from the stories of others, we will help create and sustain an environment where teams are aligned and empowered with trust and purpose.

Corporate and Community Health Services

Community Benefit grantees (97) submitted their midterm reports, which includes narratives on progress, and metric performance against targets. Staff is in the process of reviewing and assessing the reports and will address any areas of concern with the grantees. We also released our online FY21 Community Benefit grant applications and grant guidebook on the ECH and ECHD websites. Applications are due February 28, 2029. Broad notification to the community accompanied the release. Community Benefit staff also visited 18 of our grant programs with a focus on cementing partnerships with staff.

The South Asian Heart Center Initiated corporate outreach to Deserve Corporation and on boarded 50 employees to AIM to Prevent Diabetes program, recruited a new Health Education Coordinator and began new monthly Diabetes Prevention Program group that includes El Camino Health employees.

The Chinese Health Initiative (CHI) collaborated with (1) 99 Ranch Market in Mountain View to hold the first grocery tour conducted by registered dietitian for CHI's diabetes prevention program participants and (2) Cupertino and Saratoga Library to host in-person Ask-A-Dietitian workshops for 45 participants. CHI also conducted its first Ask-a-Dietitian webinar to promote healthy eating for diabetes prevention and held an annual volunteer appreciation event honoring 30 of our 70-80 volunteers that help with CHI's community outreach & education efforts each year.

Marketing and Communications

Gentry Magazine, which has print circulation of 102,700 and a digital version online, published an article on the Taube Pavilion. The Mountain View Voice recently covered the flu and mental health peer support, speaking with Dan Shin, MD and Michael Fitzgerald, respectively.

El Camino Health's corporate brand awareness advertising full integrated campaign launched across TV, digital, radio and print on January 13. The announcement campaign will run through June. On Monday, January 13, the urgent care sites powered by Carbon Health were updated onsite and online to reflect the El Camino Health brand. The El Camino Health website homepage was updated to reflect new language about emergency room process, helping set expectations for patients and families and supporting the patient experience.

Information Services

Eighty four percent of our patients adopt Emergency Department texting. This service provides secure texts to patients in the ED to keep them informed of status and next steps with the impact of improving the patient experience. These text messages communicate timing, physician orders, when results will be ready, notice of discharge, and a thank you for trusting us with their care. Survey feedback from July to December



2019 demonstrated 134 patient comments with 49% stating the texting was helpful. As this was early in the implementation phase, we expect the percent to trend higher each quarter.

Twenty nine percent of our patients have adopted MyChart, which provides patient access to their personal medical record, bill pay and online scheduling. It also provides leading edge technology such as a welcome Kiosk that greets patients when they arrive to the clinic, notice to patient that an earlier appointment is now available (Fastpass) and the ability to prepare for their visit by completing pre-visit questionnaires etc. We are adding new features on an ongoing basis to increase patient use. Improving adoption and use of MyChart impacts patient experience, patient loyalty and stickiness with our organization.

Philanthropy

During Periods 5 and 6 of FY20, El Camino Health Foundation secured \$3,638,315, bringing the total raised through December to \$5,520,580, which is 72% of the annual goal. Further fundraising details are in the attached report.

Auxiliary

The Auxiliary contributed 4,601 volunteer hours in December 2019 and 6,113 volunteer hours in January 2020.

El Camino Hospital Auxiliary
Membership Report to the Hospital Board
Meeting of January 8, 2020

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

Membership Data:

Senior Members

Active Members	288	-4 Net change compared to previous month
Dues Paid Inactive	7	(Includes Associates & Patrons)
Leave of Absence	4	
Subtotal	299	

Resigned in Month	3
Deceased in Month	0

Junior Members

Active Members	253	No Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	0	
Subtotal	253	

Total Active Members	541
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Total Membership	552
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Combined Auxiliary Hours from Inception (to December 31, 2019): 6,021,143
Combined Auxiliary Hours for FY2019 (to December 31, 2019): 35,948
Combined Auxiliary Hours for December 31, 2019: 4,601

El Camino Hospital Auxiliary
Membership Report to the Hospital Board
Meeting of February 12, 2020

Combined Data as of January 31, 2020 for Mountain View and Los Gatos Campuses

Membership Data:

Senior Members

Active Members	289	+1 Net change compared to previous month
Dues Paid Inactive	78	(Includes Associates & Patrons)
Leave of Absence	18	
Subtotal	385	

Resigned in Month	1
Deceased in Month	1

Junior Members

Active Members	245	-8 Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	5	
Subtotal	250	

Total Active Members	534
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Total Membership	635
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Combined Auxiliary Hours from Inception (to January 31, 2020): 6,028,258
Combined Auxiliary Hours for FY2019 (to January 31, 2020): 43,063
Combined Auxiliary Hours for January 31, 2020: 6,113

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
BOARD MEETING COVER MEMO**

To: El Camino Hospital Board of Directors
From: John Conover, Chair, El Camino Health Foundation Board of Directors
Andrew Cope, President, El Camino Health Foundation
Date: January 29, 2020
Subject: Report on El Camino Health Foundation Activities FY20 Periods 5 and 6

Purpose: For information.

Summary:

1. **Situation:** During periods 5 and 6 of fiscal year 2020, El Camino Health Foundation secured \$3,638,315, bringing the total raised through December to \$5,520,580, which is 72% of the annual goal.
2. **Authority:** N/A
3. **Background:**

Major & Planned Gifts

In December, the foundation received more than \$3 million in planned gifts, including an additional \$2,089,563.25 from the Melchor estate, \$815,413.50 from the estate of Mabel Mayhood, and ticket sales and sponsorships for the Allied Professionals Seminar. We also received an unrestricted \$100,000 end-of-year gift from a long-time donor as well as major gifts restricted to mental health & addiction services, ASPIRE, cardiac-pulmonary wellness, and the Melchor Nursing Scholarship Endowment. In November, the Foundation received \$30,130 in major and planned gifts. These include two unrestricted \$10,000 gifts and a \$10,000 donation to underwrite the 2020 annual Maternal Outreach Mood Disorders symposium. Planned Giving gifts include ticket purchases to the Allied Professionals Seminar.

Fundraising Events

➤ **Golf Tournament**

In November and December, the Foundation collected nearly \$150,000 in outstanding sponsorship and fund-in-need appeal commitments to the October 2019 golf tournament. That brought total golf tournament revenue through period 6 to \$316,277. Additional sponsorships and fund-in-need appeal payments will be reflected in future fundraising reports. We expect the event to exceed goal.

➤ **Norma's Literary Luncheon**

In December the foundation received \$23,750 in sponsorships and ticket sales for Norma's Literary Luncheon bringing the total raised for this event through the end of 2019 to \$144,700, 72% of goal. Invitations were mailed in January and 200 guests are expected to attend.

Annual Giving

In November and December the foundation raised \$168,753 in annual gifts from the October direct mail and end-of-year follow-up appeals, Healthy Giving Newsletter, Hope to Health memberships, online donations, Employee Giving Campaign, Circle of Caring grateful patient program, and personal solicitations.

Upcoming Events

- *Norma's Literary Luncheon* – February 6, 2020, 11:30 a.m.-2 p.m. at Sharon Heights Golf & Country Club benefiting the Cardio-Oncology Center. Lisa See will be the featured author.
- *Allied Professionals Seminar* – February 12, 2020, 7:30 a.m. – 10 a.m. at Palo Alto Hills Golf & Country Club, featuring Christopher Hoyt discussing planning for the end of the inherited stretch IRA
- *Spring Gala – Taking Wing*, May 16, 2020, 5:30 p.m. – 11 p.m. at Los Altos Golf & Country Club, benefiting the Women's Hospital renovation
- *Chinese Health Initiative 10th Anniversary Celebration* (replacing the South Asian Heart Center gala) date and location in September 2020 TBD



FOUNDATION PERFORMANCE

FY20 Fundraising Report through 11/30/19 - Period 5					
ACTIVITY	FY20 YTD (7/1/19 - 11/30/19)	FY20 Goals	FY20 % of Goal	Difference Period 4 & 5	FY19 YTD (7/1/18 - 11/30/18)
Major & Planned Gifts	\$820,827	\$5,500,000	15%	\$30,130	\$1,230,916
Special Events	Spring Event	\$22,500	6%	\$0	\$500
	Golf	\$292,452	90%	\$124,125	\$297,855
	* SAHC / CHI Events	\$12,045	6%	\$0	\$14,000
	Norma's Literary Luncheon	\$120,950	60%	\$0	\$13,000
Annual Gifts	\$149,734	\$600,000	25%	\$27,917	\$152,860
Investment Income	\$731,499	\$500,000	146%	\$85,570	\$654,812
TOTALS	\$2,150,007	\$7,675,000	28%	\$267,742	\$2,363,943

* Support transitioning from South Asian Heart Center to Chinese Health Initiative in FY20

Highlighted Assets through 11/30/19 - Period 5

Board Designated Allocations	\$688,277
Donor Endowments	\$6,855,254
Operational Endowments	\$14,305,176
Pledge Receivables	\$4,607,579
Restricted Donations	\$14,901,912
Unrestricted Donations	\$1,269,894



FOUNDATION PERFORMANCE

FY20 Fundraising Report through 12/31/19 - Period 6					
ACTIVITY	FY20 YTD (7/1/19 - 12/31/19)	FY20 Goals	FY20 % of Goal	Difference Period 5 & 6	FY19 YTD (7/1/18 - 12/31/18)
Major & Planned Gifts	\$3,878,800	\$5,500,000	71%	\$3,057,973	\$6,353,978
Special Events	Spring Event	\$22,500	6%	\$0	\$500
	Golf	\$316,277	97%	\$23,825	\$318,081
	* SAHC / CHI Events	\$12,045	6%	\$0	\$29,061
	Norma's Literary Luncheon	\$144,700	72%	\$23,750	\$43,850
Annual Gifts	\$290,570	\$600,000	48%	\$140,836	\$329,813
Investment Income	\$855,688	\$500,000	171%	\$124,189	\$840,220
TOTALS	\$5,520,580	\$7,675,000	72%	\$3,370,573	\$7,915,503

* Support transitioning from South Asian Heart Center to Chinese Health Initiative in FY20

Highlighted Assets through 12/31/19 - Period 6

Board Designated Allocations	\$844,461
Donor Endowments	\$6,887,733
Operational Endowments	\$14,398,909
Pledge Receivables	\$4,607,579
Restricted Donations	
Unrestricted Donations	