

**AGENDA**  
**REGULAR MEETING OF THE**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**

**Wednesday, May 20, 2020 – 5:30pm**

El Camino Hospital | 2500 Grant Road Mountain View, CA 94040

PURSUANT TO STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 DATED MARCH 18, 2020, EL CAMINO HEALTH **WILL NOT BE PROVIDING A PHYSICAL LOCATION FOR THIS MEETING**. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

**1-669-900-9128, MEETING CODE: 369-007-4917#. No participant code. Just press #.**

**MISSION:** To heal, relieve suffering, and advance wellness as your publicly accountable health partner.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<b>1. CALL TO ORDER/ROLL CALL</b>	Lanhee Chen, Board Chair		<b>5:30 – 5:31pm</b>
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Lanhee Chen, Board Chair		<b>information 5:31 – 5:32</b>
<b>3. PUBLIC COMMUNICATION</b> 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		<b>information 5:32 -5:35</b>
<b>4. BOARD RECOGNITION</b> <i>Resolution 2020-04</i> <a href="#">ATTACHMENT 4</a>	Kathryn Fisk, CHRO	<i>public comment</i>	<b>motion required 5:35 – 5:40</b>
<b>5. BOARD RECOGNITION</b> <i>Resolution 2020-05</i> <a href="#">ATTACHMENT 5</a>	Cheryl Reinking, RN, CNO	<i>public comment</i>	<b>motion required 5:40 – 5:55</b>
<b>6. QUALITY COMMITTEE REPORT</b> <a href="#">ATTACHMENT 6</a>	Julie Klinger, Quality Committee Chair; Mark Adams, MD, CMO	<i>public comment</i>	<b>possible motion 5:55 – 6:10</b>
<b>7. FY20 PERIOD 9 FINANCIALS</b> <a href="#">ATTACHMENT 7</a>	Michael Moody, Interim CFO	<i>public comment</i>	<b>possible motion 6:10 – 6:25</b>
<b>8. ADJOURN TO CLOSED SESSION</b>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 6:25 – 6:31</b>
<b>9. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Lanhee Chen, Board Chair		<b>information 6:31 – 6:32</b>
<b>10. CONSENT CALENDAR</b> <i>Any Board Member may remove an item for discussion before a motion is made.</i> <b>Approval</b> <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the Hospital Board Meeting (4/15/2020) b. Minutes of the Closed Session of the Executive Compensation Committee Meeting (4/2/2020)	Lanhee Chen, Board Chair		<b>motion required 6:32 – 6:34</b>

A copy of the agenda for the Regular Board Meeting will be posted and distributed at least seventy two (72) hours prior to the meeting.

In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<p><b>Information</b>  <i>Health &amp; Safety Code Section 32155:</i>                      c. Enterprise Quality Council Minutes</p>			
<p><b>11.</b> <i>Health &amp; Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters:                      - Medical Staff Report</p>	Imtiaz Qureshi, MD, Enterprise Chief of Staff; Linda Teagle, MD, Los Gatos Chief of Staff		<p><b>motion required</b>  <b>6:34 – 6:44</b></p>
<p><b>12.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets:                      - FY20 Strategic Plan Metrics Update</p>	Dan Woods, CEO		<p><b>discussion</b>  <b>6:44– 7:04</b></p>
<p><b>13.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets and <i>Health &amp; Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters:                      - COVID-19 Response, Recovery Plan, and Proposed FY21 Strategic Plan Metrics</p>	Dan Woods, CEO Jim Griffith, COO		<p><b>discussion</b>  <b>7:04 – 8:04</b></p>
<p><b>14.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets:                      - LG Campus Planning</p>	Dan Woods, CEO Jim Griffith, COO		<p><b>discussion</b>  <b>8:04 – 8:24</b></p>
<p><b>15.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets; Report involving <i>Gov’t Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management:                      - CEO Report on New Programs</p>	Dan Woods, CEO		<p><b>discussion</b>  <b>8:24 – 8:29</b></p>
<p><b>16.</b> Report involving <i>Gov’t Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management:                      - Executive Session</p>	Lanhee Chen, Board Chair		<p><b>discussion</b>  <b>8:29 – 8:49</b></p>
<p><b>17. ADJOURN TO OPEN SESSION</b></p>	Lanhee Chen, Board Chair		<p><b>motion required</b>  <b>8:49 – 8:50</b></p>
<p><b>18. RECONVENE OPEN SESSION/                      REPORT OUT</b>                      To report any required disclosures regarding permissible actions taken during Closed Session.</p>	Lanhee Chen, Board Chair		<p><b>information</b>  <b>8:50 – 8:51</b></p>
<p><b>19. CONSENT CALENDAR ITEMS:</b>  <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i></p>	Lanhee Chen, Board Chair	<i>public comment</i>	<p><b>motion required</b>  <b>8:51 – 8:53</b></p>
<p><b>Approval</b>                      a. <a href="#">Minutes of the Open Session of the Hospital Board Meeting (4/15/2020)</a>                      b. <a href="#">Approval of Imaging Equipment Service Agreements</a></p>			

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<p><i>Reviewed and Recommended for Approval by the Executive Compensation Committee</i>                      c. <a href="#">Minutes of the Open Session of the Executive Compensation Committee Meeting (4/2/2020)</a></p> <p><i>Reviewed and Recommended for Approval by the Investment Committee</i>                      d. <a href="#">Revised Investment Policy</a></p> <p><i>Reviewed and Recommended for Approval by the Medical Executive Committee</i>                      e. <a href="#">Medical Staff Report</a></p>			
<p><b>20. CEO REPORT</b>  <a href="#">ATTACHMENT 20</a></p>	Dan Woods, CEO		<p><b>information</b>  <b>8:53 – 8:58</b></p>
<p><b>21. BOARD COMMENTS</b></p>	Lanhee Chen, Board Chair		<p><b>information</b>  <b>8:58 – 8:59</b></p>
<p><b>22. ADJOURNMENT</b></p>	Lanhee Chen, Board Chair	<p><i>public comment</i></p>	<p><b>motion required</b>  <b>8:59 – 9:00pm</b></p>

**Upcoming Regular Meetings:** June 10, 2020

# EL CAMINO HOSPITAL BOARD

RESOLUTION 2020 - 04

## RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY

**WHEREAS**, the Board of Directors of El Camino Hospital values and wishes to recognize on an ongoing basis the contribution of individuals who enhance the experience of the hospital's patients, their families, the community and the staff, as well as individuals who in their efforts exemplify El Camino Hospital's mission and values.

**WHEREAS**, the Board wishes to honor and acknowledge the employees who implemented the SOS (Support Our Staff) Program to provide targeted support to staff members after a traumatic event such as an unanticipated patient or employee death, medical error, or workplace violence event.

The SOS Peer Support team is a group of El Camino Hospital employees trained in crisis support and stress management. The team is available to employees and medical staff members who need support and guidance while experiencing a reaction to a stressful event or adverse outcome.

Peer supporters are available 7 days/week and 24 hours a day to provide:

- "Emotional first aid"
- Support to explore the staff member's normal reactions and feelings that often occur after a stressful or traumatic event.
- A "safe zone" to express thoughts and reactions to enhance coping with an assurance of strict confidentiality
- Assistance to access ongoing and/or higher level resources as needed

Recently, committee members delivered "resilience baskets" to employees and physicians dealing with the COVID pandemic crisis on all units and on all shifts.

**WHEREAS**, the Board would like to commend the SOS Peer Support Team for their commitment to providing care for our employees and medical staff impacted by emotionally challenging events.

**NOW THEREFORE BE IT RESOLVED** that the Board does formally and unanimously pay tribute to:

### SOS Peer Support Team

**IN WITNESS THEREOF**, I have here unto set my hand this **20TH DAY OF MAY, 2020**.

#### EL CAMINO HOSPITAL BOARD OF DIRECTORS:

Lanhee Chen, JD, PhD  
Peter C. Fung, MD  
Gary Kalbach

Julie Kliger  
Julia E. Miller  
Bob Rebitzer  
Jack Po, MD, PhD

George O. Ting, MD  
Don Watters  
John Zoglin

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**JULIA E. MILLER**  
SECRETARY/TREASURER,  
EL CAMINO HOSPITAL BOARD OF DIRECTORS



# EL CAMINO HOSPITAL BOARD

RESOLUTION 2020 - 05

## RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY

**WHEREAS**, the Board of Directors of El Camino Hospital values and wishes to recognize on an ongoing basis the contribution of individuals who enhance the experience of the hospital's patients, their families, the community and the staff, as well as individuals who in their efforts exemplify El Camino Hospital's mission and values.

**WHEREAS**, the Board wishes to honor and acknowledge the nurses who work on 4B for performing an act of kindness that showed their peers how much they support, value and care about each other. Their generosity inspired others to reach out to their comrades and let them know they too are cared for and supported.

Near the beginning of the novel coronavirus (COVID-19) pandemic, certain nursing units in the hospital were impacted more than others and were facing the challenges of the changing dynamics of the situation. Knowing this, nurses from 4B came together to have pizza ordered and delivered to an impacted unit. The individuals working on the unit were extremely grateful.

Other nursing units heard about this act of kindness and were inspired to have pizza ordered and delivered to other impacted units as well. It was a wonderful peer support effort that spanned across units and specialties. It demonstrates how nurses come together to rise to the situation and provide high quality, personalized care to the community and support one another.

**WHEREAS**, the Board would like to commend the 4B nursing team for supporting their peers during a challenging time.

**NOW THEREFORE BE IT RESOLVED** that the Board does formally and unanimously pay tribute to:

### 4B Nursing Team

**IN WITNESS THEREOF**, I have here unto set my hand this **20TH DAY OF MAY, 2020**.

#### EL CAMINO HOSPITAL BOARD OF DIRECTORS:

Lanhee Chen, JD, PhD  
Peter C. Fung, MD  
Gary Kalbach

Julie Kliger  
Julia E. Miller  
Bob Rebitzer  
Jack Po, MD, PhD

George O. Ting, MD  
Don Watters  
John Zoglin

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**JULIA E. MILLER**  
**SECRETARY/TREASURER,**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**



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

**To:** El Camino Hospital Board of Directors  
**From:** Julie Kliger, RN, Quality Committee Chair  
Mark Adams, MD, CMO  
**Date:** May 20, 2020  
**Subject:** Quality, Patient Care and Patient Experience Committee Report

**Purpose:**

To inform the Board of the work of the Quality Committee.

**Proposed Motion:** To approve the Board Quality Dashboard to be provided to the Board on a quarterly basis.

**Summary:**

1. The Chair relayed a very positive patient story as did Cheryl Reinking, RN, CNO.
2. A revised Board quality dashboard was presented and reviewed. This was accompanied by a thorough explanation of each category and associated metric. Several Committee members were very interested in the “equity” category which is part of STEEEP. The Committee had suggestions regarding how to measure this in the future. Overall, the Committee was satisfied with the dashboard and recommended that it be presented to the Board on a quarterly basis.
3. Mark Adams, MD, CMO, provided an overview of the El Camino Clinical Documentation Integrity (CDI) program. Several key performance indicators (KPI) were presented. Inquiries are directed to the treating physicians to help clarify the clinical status of patients to determine the precise co-morbidities which, in turn, drive the accuracy of the documentation. This accuracy impacts our quality metrics as well as our revenue capture. The physician response rate is at 100% and, more significantly, the agreement rate is over 80%.
4. Dr. Adams presented an update on our CMS Core Measures. This included both Hospital-based Inpatient Psychiatric Services (HBIPS) and non-HBIPS measures. With the exception of tobacco use perfect care, all of the HBIPS measures are improving. With the exception of exclusive breast feeding, all obstetric and newborn measures are better than benchmark. ED throughput times continue to be well above benchmark (lower is better). Core measures are used in Value Based Purchasing and CMS Star Ratings.
5. The Quality Committee previously recommended the following organizational goals for FY21: Reduction of Serious Safety Events Rate (SSER), Reduction of Readmissions, Improvement in HEDIS Composite, and Improvement in Likelihood to Recommend (LTR). The methodology to set the goal metric targets was reviewed with the committee as a follow up. The baselines will not be available to apply the methodology until the end of FY20. The Committee will have an opportunity at its June meeting to recommend approval of these goals to the Board.

**Attachments:**

1. FY20 Quality Committee Dashboard
2. Proposed Board Quality Dashboard.

Quality	FY20 Performance		Baseline FY19 Actual	FY 20 Target	Trend <i>(showing at least the last 24 months of available data)</i>	Rolling 12 Months Average
	Latest month	FYTD				
<p><b>* Organizational Goal Mortality Index Observed/Expected</b> Premier Standard Risk Calculation Mode Date Period: March 2020</p>	0.92 (2.27%/2.46%)	0.73 (1.45%/1.99%)	0.97	0.90		
<p><b>*Organizational Goal Readmission Index (All Patient All Cause Readmit) Observed/Expected</b> Premier Standard Risk Calculation Mode Index month: February 2020</p>	0.83 (7.09%/8.50%)	0.98 (7.86%/7.99%)	0.99	0.96		
<p><b>Patient Throughput-Median Time from Arrival to ED Departure</b> <i>(excludes psychiatric patients, patients expired in the ED and Newborns)</i> Date Period: March 2020</p>	MV: 300 min LG: 235 min Enterprise: 268 min	MV: 289 min LG: 230 min Enterprise: 260 min	MV: 304 min LG: 263 min Enterprise: 284 min	266 min (5% improvement from last year's target, 280)		

## Definitions and Additional Information

Measure Name	Comments	Definition Owner	FY 2020 Definition	Source
<b>Mortality Index (Observed/Expected)</b>	The number of deaths increased in February, the observed was still less than expected. Better physician documentation on the patient's major and co-morbid conditions increases the index expected value. FYTD we are well below target @ 0.69.	Catherine Carson	Updated 7/1/19(JC)- Selection Criteria revised: new criteria include cases with Patient Type=Inpatient and exclude cases with Patient Type=Rehab, Psych & Hospice. For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average. <i>LCL is set to '0' if value is less than or equal to zero.</i>	Premier Quality Advisor
<b>Readmission Index - All Patient All Cause Readmit (Observed/Expected)</b>	Readmissions were reduced in January, and with the use of the Conversa Chat box for the Pneumonia population, in February, we hope to see a continued reduction. .	Catherine Carson	Using Premier All-Cause Hospital-Wide 30 Day Readmission Methodology v.4.0. (Patients with an unplanned readmission for any cause to ECH acute inpatient within 30 days of discharge, CareScience Risk Adjusted). For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average. <i>LCL is set to '0' if value is less than or equal to zero.</i>	Premier Quality Advisor
<b>Patient Throughput-Average Minutes from ED Door to Patient Admitted (excludes Behavioral Health Inpatients and Newborns)</b>	In March, both the ED's experienced a significant drop in their census given Shelter in Place orders due to COVID-19 pandemic. In addition, both locations went live with creating dedicated areas for separately caring for COVID-19 PUIs (persons under investigation) within the hospital premises as well as setting up ED tents in the ECH parking lots/drive-ways. Given these changes, some of the front-end processes are taking slightly longer time than usual. However, overall the throughput goal is very close to target performance for the month of March despite these unique challenges. We had to pause any earlier process improvements that were going on in March as the ED had to focus on getting the tents set up and new workflows designed for COVID-19.	Cheryl Reinking, Melinda Hrynewycz	This measure definition is changed in Feb. 2020 regarding the end point. New definition is "Arrival to ED Departure", and is the same as CMS ED Measure (ED 1b) ED Arrival to ED Departure for Admitted pts. Population: Includes inpatients, outpatients, observation patients, and Hospital Outpatient Surgery Patients who arrive via the ED. It excludes psychiatric patients, patients who expired in the ED, and newborns. Arrival: Patient Arrived in ED Head in Bed: Patient admitted in unit  <i>LCL is set to '0' if value is less than or equal to zero.</i>	iCare Report: ECH ED Arrival to Floor

March 2020 (Unless otherwise specified)

		FY20 Performance		Baseline FY19 Actual	FY20 Target	Trend	Rolling 12 Months Average
Service	Latest month	FYTD					
<p><b>* Organizational Goal</b>  <b>HCAHPS Discharge Information</b>                      Top Box Rating of Always                      Date Period: March 2020</p>	86.5	87.6	86.7	87.3			
<p><b>* Organizational Goal</b>  <b>HCAHPS Responsiveness of Staff Domain</b>                      Top Box Rating of Always                      Date Period: March 2020</p>	63.9	66.0	65.7	67.1			
<p><b>* Organizational Goal</b>  <b>HCAHPS Likelihood to Recommend</b>                      Top Box Rating of Always                      Date Period: March 2020</p>	83.2	83.3	83.5	84.2			

## Definitions and Additional Information

Measure Name	Comments	Definition Owner	FY 2020 Definition	Source
<p style="text-align: center;"><b>HCAHPS Discharge Information Domain Top Box Rating of Always</b></p>	<ul style="list-style-type: none"> <li>Discharge Information – Although, this metric dipped in March, it is still above target for the quarter and year to date. Inpatient / Mother baby continue to perform above the goal especially in Los Gatos. We believe that post Discharge phone calls implemented towards the end of the March utilizing labor pool staff will increase this metric. Callers are making sure that discharge instructions are understood and help patients with questions and resources as needed. “Help at Home” signs are up on all units in order to help foster the discharge discussion. Leadership continues to work with low scoring nursing units on how to improve their discharge process and communication.</li> </ul>	<p>Yvette Million Cheryl Reinking</p>	<p>For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average.</p> <p><i>LCL is set to '0' if value is less than or equal to zero..</i></p>	<p>Press Ganey Tool</p>
<p style="text-align: center;"><b>HCAHPS Responsiveness of Staff Domain Top Box Rating of Always, based on Received Date, Adjusted Samples</b></p>	<ul style="list-style-type: none"> <li>Staff Responsiveness – this metric is below target for the quarter and year to date. There was slight increase from the previous month. Mother/Baby ‘commit to sit’ where nurses commit to sit daily in order to make a connection and/or address concerns has seen an improvement in Responsiveness scores for MV MCH. Call light system malfunctions continue to be reported to facilities and repaired and a proposal for replacement of call system has been submitted. Working with Admin Support (AS) to assure best practices, “words that work”, and call light escalation/response structure is in place and utilized. Hourly rounding /purposeful rounding program is being reviewed in order to improve its efficacy. Communication training for the non-clinical staff has been placed on Hold.</li> </ul>	<p>Yvette Million Cheryl Reinking</p>	<p>For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average.</p> <p><i>LCL is set to '0' if value is less than or equal to zero.</i></p>	<p>Press Ganey Tool</p>
<p style="text-align: center;"><b>HCAHPS Likelihood to Recommend Top Box</b></p>	<ul style="list-style-type: none"> <li>HCAHPS: Likelihood to Recommend – Likelihood to Recommend is our loyalty score and the industry standard of measuring experience. Although not quite at target, ECH continues to have strong LTR scores and high percentile (88th%tile) compared with others in the nation. During Covid-19, leader rounding has been curtailed and we have initiated virtual rounding with utilization of labor, beginning in April, to check-in on patients. This virtual round consists of a phone call into each patient checking in on them and offering to help where needed. We have created our new Service Standards Launch Team to meet and discuss update and refresh of Standards. Rollout of our new Service Standards is planned for beginning of FY21 and will contribute highly to this metric.</li> </ul>	<p>Yvette Million Cheryl Reinking</p>	<p>For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average.</p> <p><i>LCL is set to '0' if value is less than or equal to zero.</i></p>	<p>Press Ganey Tool</p>

March 2020 (Unless otherwise specified)

		FY20 Performance		Baseline FY19 Actual	FY 20 Target	Trend	
Quality		Latest month	FYTD				
7	<b>Hospital Acquired Infections Catheter Associated Urinary Tract Infection (CAUTI)</b> per 1,000 urinary catheter days Date Period: March 2020	0.00 (0/1131)	0.44 (5/11479)	1.09	SIR Goal: ≤ 0.75		
8	<b>Hospital Acquired Infections Central Line Associated Blood Stream Infection (CLABSI)</b> per 1,000 central line days Date Period: March 2020	0.00 (0/912)	0.23 (2/8554)	0.36	SIR Goal: ≤ 0.50		
9	<b>Hospital Acquired Infections Clostridium Difficile Infection (CDI)</b> per 10,000 patient days Date Period: March 2020	0.00 (0/7533)	1.45 (11/75907)	1.96	SIR Goal: ≤ 0.70		

## Definitions and Additional Information

Measure Name	Comments	Definition Owner	FY 2020 Definition	Source
Hospital Acquired Infection (SIR Rate) CAUTI (Catheter-acquired Urinary Tract Infection)	Zero CAUTIs in February and March. In FY 20 we have had 5 months with Zero.	Catherine Carson/Catherine Nalesnik	For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average.  <i>LCL is not visible if value is less than or equal to zero.</i>	CDC NHSN data base - Inf. Control
Hospital Acquired Infection (SIR Rate) CLABSI (Central line associated blood stream infection)	Zero CLABIs in February and March. In DY 20, we have had 7 months with zero.	Catherine Carson/Catherine Nalesnik	For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average.  <i>LCL is set to '0' if value is less than or equal to zero.</i>	CDC NHSN data base - Inf. Control
Hospital Acquired Infection (SIR Rate) C. Diff (Clostridium Difficile Infection)	Zero C.Diff infections in March.	Catherine Carson/Catherine Nalesnik	For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average.  <i>LCL is set to '0' if value is less than or equal to zero.</i>	CDC NHSN data base - Inf. Control

	FY20 Performance		Baseline FY19 Actual	FY20 Target	Trend	Rolling 12 Months Average
	Latest month	FYTD				
<p><b>Organizational Goal</b></p> <p><b>10 Surgical Site Infections (SSI)- Enterprise</b>                      SSI Rate = Number of SSI / Total surgical procedures x 100                      Date period: March 2020</p>	0.37 (1/267)	0.32 (16/5068)	0.22 (37/7167)	SIR Goal: ≤1.0 CDC NHSN Risk Adjusted Ratio (not an infection rate)		
<p><b>11 Sepsis Mortality Index, based on ICD 10 codes (Observed over Expected)</b>                      Date Period: March 2020</p>	0.96 (11.81%/12.29%)	0.91 (10.04%/10.98%)	1.06	0.90		
<p><b>12 PC-01: Elective Delivery Prior to 39 weeks gestation (lower = better)</b>                      Date period: February 2020</p>	MV: 0.0% (0/21) LG: 0.0% (0/5) ENT: 0.0% (0/26)	MV: 1.35% (3/222) LG: 0.00% (0/34) ENT: 1.17% (3/256)	MV: 1.11% (4/360) LG: 0.00% (0/44) ENT: 0.99% (4/404)	0.0%		
<p><b>13 PC-02: Cesarean Birth (lower = better)</b>                      Date period: February 2020</p>	MV: 21.85% (26/119) LG: 28.57% (4/14) ENT: 22.56% (30/133)	MV: 23.91% (270/1129) LG: 14.97% (22/147) ENT: 22.88% (292/1276)	MV: 26.28% (425/1617) LG: 14.29% (30/210) ENT: 24.90% (455/1827)	<23.9%		

## Definitions and Additional Information

Measure Name	Comments	Definition Owner	FY 2020 Definition	Source
<b>Surgical Site Infections (SSI) - Enterprise SSI Rate = Number of SSI / Total Surgical Procedures x 100</b>	One SSI in March: 56 Y/o male had Spinal fusion in March, readmitted in April for wound revision and complex closure of thoracic spine. Noting that elective surgery was stopped on March 18th. FY to date for 2020 ECH has 15 SSIs, while for FY19, ECH had 37. Quality Council receives a quarterly report on SSIs to sustain improvements made in FY 19. ERAS (enhanced recovery after surgery) will be rolling out enterprise-wide for all surgeries as elective surgery returns in May and June.		The standardized infection ratio (SIR) is a summary measure used to track HAIs over time at a national, state, local level. This is a summary statistic that compares the actual number of HAIs reported with the baseline US experience (NHSN aggregate data are used as the standard population), adjusting for several risk factors that are significantly associated with differences in infection incidence. An SIR greater than 1.0 indicates that more HAIs were observed than predicted, accounting for differences in types of patients followed, a SIR less than 1.0 indicates fewer HAIs were observed than predicted. <i>Upper Control Limit and Lower Control Limit are 2+/- the Standard Deviation from the Average. Lower Control Limit is not visible if it is less than or equal to zero.</i>	CDC NHSN data base - Inf. Control
<b>Sepsis Mortality Index Observed over Expected, based on ICD 10 codes</b>	Sepsis Quality Committee focusing on individual measures in the bundle through manager chart review to find which pieces of the bundle need most improvement; timing of antibiotic administration (1 hr vs 3 hrs), meeting MAP goal of > 65 mmHg w/ 6hrs of TOP, and have the most impact on mortality. Sepsis alert process is being modified from an "alert" to a Sepsis Code for aggressive treatment for severe sepsis. Education to Flex/RRT nurses.	Jessica Harkey, Catherine Carson	Effective 01/24/20: The original definition for Sepsis (used in this dashboard) 1) evaluated only the Principal diagnosis, & 2) excluded cases assigned the patient type of Rehabilitation or Other (Hospice). The definition has now been aligned with CMS' to 1) evaluate both principal AND secondary diagnoses, & 2) excludes: patients < 18 years, LOS => 120 days, or Transfers from Another Acute Hospital, as well as the Patient Type of Rehabilitation or Other (Hospice). This was reviewed with & approved by Jessica Harkey, Sepsis Manager and Catherine Carson Sr. Director Quality.  <i>For the Trends graph: UCL and LCL are 2+/- the Standard Deviation of 1 from the Average. LCL is set to '0' if value is less than or equal to zero.</i>	Premier Quality Advisor
<b>PC-01: Elective Delivery Patients with elective vaginal deliveries or elective cesarean births at &gt;= 37 and &lt; 39 weeks of gestation completed</b>	Zero occurrence of an early elective delivery prior to 39 weeks gestation.	TJC	Numerator: Patients with elective deliveries Denominator: Patients delivering newborns with >= 37 and < 39 weeks of gestation completed  <i>LCL is set to '0' if value is less than or equal to zero.</i>	IBM CareDiscovery Quality Measures
<b>PC-02: Cesarean Birth Nulliparous women with a term, singleton baby in a vertex position delivered by cesarean birth</b>	3rd consecutive month with Primary C/S rate below the target of 23.9%.	TJC	Numerator Statement: Patients with cesarean births Denominator Statement: Nulliparous patients delivered of a live term singleton newborn in vertex presentation  <i>LCL is set to '0' if value is less than or equal to zero.</i>	IBM CareDiscovery Quality Measures

	Metric	Baseline	FY2020 Target	Q1	Q2	Q3	Q4
		FY2019		(unless otherwise indicated)			
Safe Care	Risk Adjusted Mortality Index	0.97	≤ 0.90	0.64 (Oct 19)			
	Sepsis Mortality Index	1.06	≤ 0.90	0.61 (Oct 19)			
	% of Serious Safety Events (SSEs) Classified	New Program	Establish baseline for SSE rate 95% classified in ≤30-days	Begin categorization 12/1/19			
	Surgical Site Infections (SSI)	0.52	SIR ≤1.0 NHSN ratio	0.17			
		37/7167					
	Catheter Associated Urinary Tract Infection (CAUTI) - HAI	1.09	SIR ≤0.75 NHSN ratio	0.27			
	Central Line Associated Blood Stream Infection (CLABSI) - HAI	0.36	SIR ≤0.50 NHSN ratio	0.37			
	Clostridium Difficile Infection (CDI) - HAI	1.96	SIR Goal: ≤ 0.70	1.58			
Modified PSI-90 CMS HAC Reduction Program	0.714852	1.021817	1.010425				
Timely	Enterprise Patient Throughput – ED Door to Admit Order	FY19 284 min	266 minutes	254 minutes (Oct 19)			
	ED2b – Admit Decision Time to ED Departure Time for Admitted patients	CY18 95 minutes	CY19 <120 minutes	77 minutes (Q1)			
	OP18b – Median Time from ED Arrival to ED Departure for Discharged ED patients	CY18 183 minutes	CY19 <180 minutes	174 minutes (Q1)			
	3rd Next Available Appointment		TBD				
Effective	Risk Adjusted Readmissions Index	0.99	≤ 0.96	0.96			
	CMS SEP-1 Compliance Rate	74%	≥ 80%	82.6			
		ENT: 0.99%	0.00%	0%			
	PC-01 Elective Delivery Prior to 39 Weeks Gestation	(4/404)		(0/103)			
	NTSV C-Section	ENT: 24.9%	≤ 23.9%				
	CMS 165: Controlling High Blood Pressure		TBD				
CMS 122: Diabetes: Hemoglobin A1c Poor Control		TBD					
Efficient	ALOS/Expected GMLOS	0.91		0.86 (Oct 19)			
	OP-8 MRI Lumbar Spine for Low Back Pain	# of Pts 38	National Rate 38.70%	Q3 2017- Q2 2018 = 52.6%			
	OP-10 Abdomen CT Use of Contrast Material	# of Pts 1,109	National Rate 8.90%	Q3 2017- Q2 2018 = 4.4%			
Equitable	Hospital Charity Care Support	\$21.6m	\$23.0m	\$6.8m			
	Clinic Charity Care Support	\$18k	TBD	\$8.8kk			
	Language Line Unmet Requests	4.60%	<5%	2.90%			
	Length of Stay Disparity	African American Asian American	None	None			
Patient-centered	HCAHPS: Staff Responsiveness	65.7	≥ 67.1	66.4 (Oct 19)			
	HCAHPS: Discharge Information	86.7	≥ 87.3	86.9 (Oct 19.)			
	HCAHPS: Likelihood to Recommend	83.5	≥ 84.2	83.2 (Oct 19)			
	Emergency Department (ED) Satisfaction	66	≥ 69.0	70.6 (Oct 19)			
	OAS CAHPS: Rating 9's & 10's	43 <sup>rd</sup> %tile	≥ 35 <sup>th</sup> %tile	45 <sup>th</sup> %tile			
	CG-CAHPS Provider Communication		TBD				



# El Camino Health

## Summary of Financial Operations

*Fiscal Year 2020 – Period 9  
7/1/2019 to 3/31/2020*

## The Story of March

- March 2020 with the introduction of the COVID 19 pandemic was truly a Black Swan event
  - The sudden reduction in volumes, almost instantaneously, is a once in a career event
  - Management focused, very appropriately, on the clinical/medical response in serving the community and it's needs
  - The organization, like all other healthcare organizations, is now reacting to the current economic reality and planning for the economics of a prolonged recovery on a longer-term basis

# Consolidated Statement of Operations (\$000s)

Period ending 03/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
316,524	281,723	353,329	(71,606)	(20.3%)	<b>Gross Revenue</b>	2,616,803	2,885,575	2,874,368	11,207	0.4%
(234,939)	(208,618)	(261,619)	53,001	20.3%	<b>Deductions</b>	(1,925,606)	(2,128,482)	(2,126,336)	(2,146)	(0.1%)
<b>81,585</b>	<b>73,105</b>	<b>91,710</b>	<b>(18,605)</b>	<b>(20.3%)</b>	<b>Net Patient Revenue</b>	<b>691,196</b>	<b>757,093</b>	<b>748,032</b>	<b>9,062</b>	<b>1.2%</b>
3,126	4,240	4,483	(244)	(5.4%)	<b>Other Operating Revenue</b>	30,569	41,082	40,173	909	2.3%
<b>84,711</b>	<b>77,345</b>	<b>96,194</b>	<b>(18,849)</b>	<b>(19.6%)</b>	<b>Total Operating Revenue</b>	<b>721,766</b>	<b>798,176</b>	<b>788,205</b>	<b>9,971</b>	<b>1.3%</b>
					<b>OPERATING EXPENSE</b>					
44,680	48,720	48,625	(95)	(0.2%)	<b>Salaries &amp; Wages</b>	380,905	418,542	416,922	(1,620)	(0.4%)
12,259	14,730	13,411	(1,319)	(9.8%)	<b>Supplies</b>	100,134	120,970	109,269	(11,700)	(10.7%)
11,565	13,704	13,427	(276)	(2.1%)	<b>Fees &amp; Purchased Services</b>	93,582	126,788	117,544	(9,244)	(7.9%)
2,906	4,042	3,698	(344)	(9.3%)	<b>Other Operating Expense</b>	23,972	34,132	35,244	1,112	3.2%
575	992	1,428	437	30.6%	<b>Interest</b>	3,541	5,218	7,654	2,436	31.8%
4,415	4,817	5,283	467	8.8%	<b>Depreciation</b>	38,968	40,744	43,767	3,023	6.9%
<b>76,399</b>	<b>87,003</b>	<b>85,872</b>	<b>(1,131)</b>	<b>(1.3%)</b>	<b>Total Operating Expense</b>	<b>641,101</b>	<b>746,394</b>	<b>730,400</b>	<b>(15,994)</b>	<b>(2.2%)</b>
<b>8,312</b>	<b>(9,658)</b>	<b>10,322</b>	<b>(19,980)</b>	<b>(193.6%)</b>	<b>Net Operating Margin</b>	<b>80,665</b>	<b>51,782</b>	<b>57,805</b>	<b>(6,023)</b>	<b>(10.4%)</b>
16,044	(71,812)	3,300	(75,112)	(2276.2%)	<b>Non Operating Income</b>	25,572	(47,351)	28,296	(75,647)	(267.3%)
<b>24,356</b>	<b>(81,470)</b>	<b>13,622</b>	<b>(95,092)</b>	<b>(698.1%)</b>	<b>Net Margin</b>	<b>106,237</b>	<b>4,430</b>	<b>86,101</b>	<b>(81,670)</b>	<b>(94.9%)</b>
15.7%	-5.0%	17.7%	(22.7%)		<b>EBITDA</b>	17.1%	12.2%	13.9%	(1.6%)	
9.8%	-12.5%	10.7%	(23.2%)		<b>Operating Margin</b>	11.2%	6.5%	7.3%	(0.8%)	
28.8%	-105.3%	14.2%	(119.5%)		<b>Net Margin</b>	14.7%	0.6%	10.9%	(10.4%)	

# Financial Overview - March

## Financial Performance

- Operating Loss was \$9.7M, which is \$20M lower than budget. Driven by:
  - The Shelter In Place and CDC order cancelling all elective procedures effective March 16<sup>th</sup>.
  - This caused a precipitous reduction in Volumes and Revenues
    - Patient Revenue is \$18.6M (-20%) lower than the budget
  - Operating Expense was unfavorable to budget by \$1.1M (1%)
    - Operating Expense per CMI Adjusted Discharge was 26% greater than the budget
- Non Operating Income includes a mark-to-market adjustment of approximately \$70M due to unrealized losses in equity and fixed income positions.

## Hospital Patient Volume

- Adjusted Discharges (AD) unfavorable to budget 672 ADs (20.6%) and unfavorable to prior year by 17%
  - Mountain View: Unfavorable to budget by 569 ADs (21.6%) and unfavorable to prior year by 18%
  - Los Gatos: Unfavorable to budget by 103 ADs (16.4%) and unfavorable to prior year by 13%

## Silicon Valley Medical Group Volume

Visits per day decreased by 22% in the month of March which on a full month basis would be 44%

# Financial Overview – Year to Date March

## Financial Performance

- Operating Margin, with the inclusion of March's loss, is \$6M unfavorable to budget. Driven by:
  - Patient Revenue remains slightly favorable to budget \$9.1M (1.2%)
  - Operating Expenses are now unfavorable to budget by \$16M (-2.2%)
    - Operating Expense per CMI Adjusted Discharge remains favorable to budget by 2%
- Non Operating Income is unfavorable due to the material mark-to-market adjustment for the investment portfolio in March.

## Hospital Patient Volume

- Adjusted Discharges (AD) favorable to budget 1,244 ADs (4.6%) and favorable to prior year by 8%
  - Mountain View: Favorable to budget by 796 ADs (3.7%) and favorable to prior year by 6%
  - Los Gatos: Favorable to budget by 448 ADs (9%) and favorable to prior year by 16%

## Silicon Valley Medical Group

- The YTD Operating Loss is approximately \$30 million dollars reflecting lower revenues due to lower volumes and a higher fixed cost base due to lack of economies of scale

## Payor Mix

- Commercial payor mix was at budget level

# Consolidated Balance Sheet

(in thousands)

## ASSETS

	Audited	
	March 31, 2020	June 30, 2019
<b>CURRENT ASSETS</b>		
Cash	110,170	124,912
Short Term Investments	150,928	177,165
Patient Accounts Receivable, net	136,253	132,198
Other Accounts and Notes Receivable	9,530	5,058
Intercompany Receivables	50,162	8,549
Inventories and Prepaids	68,160	64,093
<b>Total Current Assets</b>	<b>525,202</b>	<b>511,976</b>
<b>BOARD DESIGNATED ASSETS</b>		
Foundation Board Designated	13,631	16,895
Plant & Equipment Fund	175,652	171,304
Women's Hospital Expansion	22,430	15,472
Operational Reserve Fund	148,917	139,057
Community Benefit Fund	17,959	18,260
Workers Compensation Reserve Fund	19,972	20,732
Postretirement Health/Life Reserve Fund	30,204	29,480
PTO Liability Fund	26,338	26,149
Malpractice Reserve Fund	1,891	1,831
Catastrophic Reserves Fund	14,978	19,678
<b>Total Board Designated Assets</b>	<b>471,973</b>	<b>458,857</b>
<b>FUNDS HELD BY TRUSTEE</b>	<b>29,914</b>	<b>83,073</b>
<b>LONG TERM INVESTMENTS</b>	<b>354,525</b>	<b>375,729</b>
<b>CHARITABLE GIFT ANNUITY INVESTMENTS</b>	<b>517</b>	<b>602</b>
<b>INVESTMENTS IN AFFILIATES</b>	<b>29,980</b>	<b>38,532</b>
<b>PROPERTY AND EQUIPMENT</b>		
Fixed Assets at Cost	1,337,917	1,692,693
Less: Accumulated Depreciation	(663,658)	(622,877)
<b>Property, Plant &amp; Equipment - Net</b>	<b>1,154,328</b>	<b>1,069,816</b>
<b>DEFERRED OUTFLOWS</b>	<b>33,351</b>	<b>33,876</b>
<b>RESTRICTED ASSETS</b>	<b>29,415</b>	<b>24,279</b>
<b>OTHER ASSETS</b>	<b>3,467</b>	<b>1,036</b>
<b>TOTAL ASSETS</b>	<b>2,632,671</b>	<b>2,597,775</b>

## LIABILITIES AND FUND BALANCE

	Audited	
	March 31, 2020	June 30, 2019
<b>CURRENT LIABILITIES</b>		
( Accounts Payable	43,011	38,390
Salaries and Related Liabilities	22,290	30,296
Accrued PTO	26,855	26,502
Third Party Settlements	10,209	11,331
Intercompany Payables	50,564	8,464
Bonds Payable - Current	9,128	8,630
Bond Interest Payable	3,385	12,775
Other Liabilities	894	14,577
<b>Total Current Liabilities</b>	<b>170,436</b>	<b>150,966</b>
<b>LONG TERM LIABILITIES</b>		
Post Retirement Benefits	30,295	29,480
Worker's Comp Reserve	17,972	18,432
Other L/T Obligation (Asbestos)	4,064	3,975
Bond Payable	511,551	507,531
<b>Total Long Term Liabilities</b>	<b>563,881</b>	<b>559,417</b>
<b>DEFERRED REVENUE-UNRESTRICTED</b>	<b>1,312</b>	<b>1,113</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>13,268</b>	<b>13,715</b>
<b>FUND BALANCE/CAPITAL ACCOUNTS</b>		
Unrestricted	1,666,827	1,389,510
Board Designated	188,693	458,839
Restricted	28,255	24,215
<b>Total Fund Bal &amp; Capital Accts</b>	<b>1,883,774</b>	<b>1,872,563</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>2,632,671</b>	<b>2,597,775</b>

# Investment Portfolio

- The investment portfolio balance at March 31, 2020 is \$979 million and the portfolio had a 9.9% loss in the quarter
- As of April 24<sup>th</sup> the portfolio balance was slightly greater than \$1 billion
- For the quarter performance was as follows:
  - Equities were down 21.7%
  - Fixed Income were down 0.1%
  - Alternatives were down 4.9%
- The portfolio is within the asset allocation ranges as of March
- The Investment Committee will be evaluating the current asset classes in the Investment policy for opportunities at the May meeting

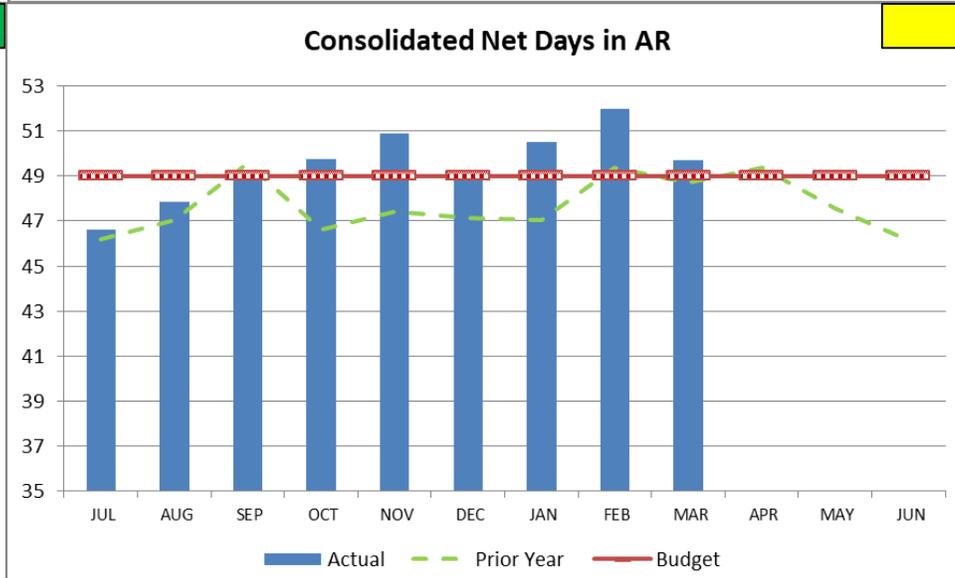
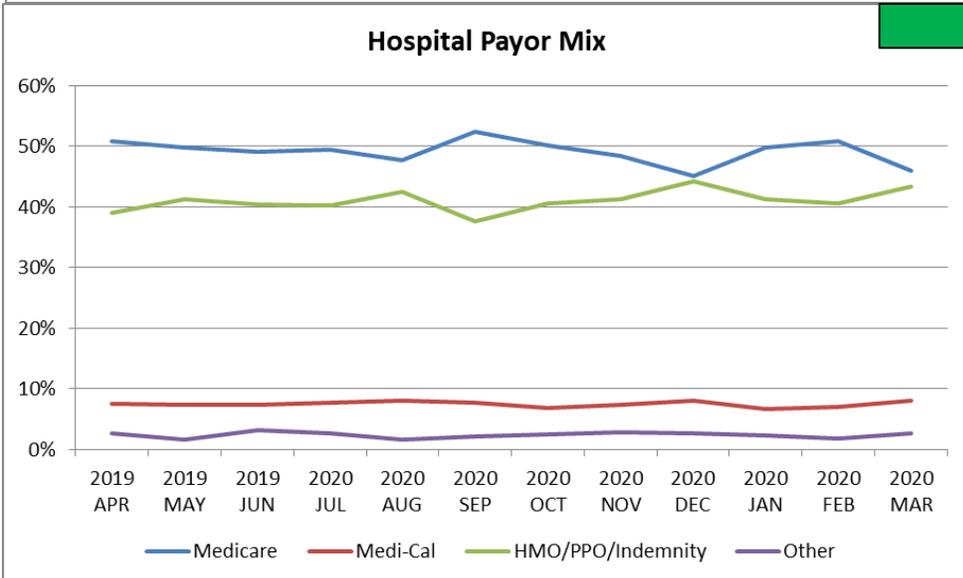
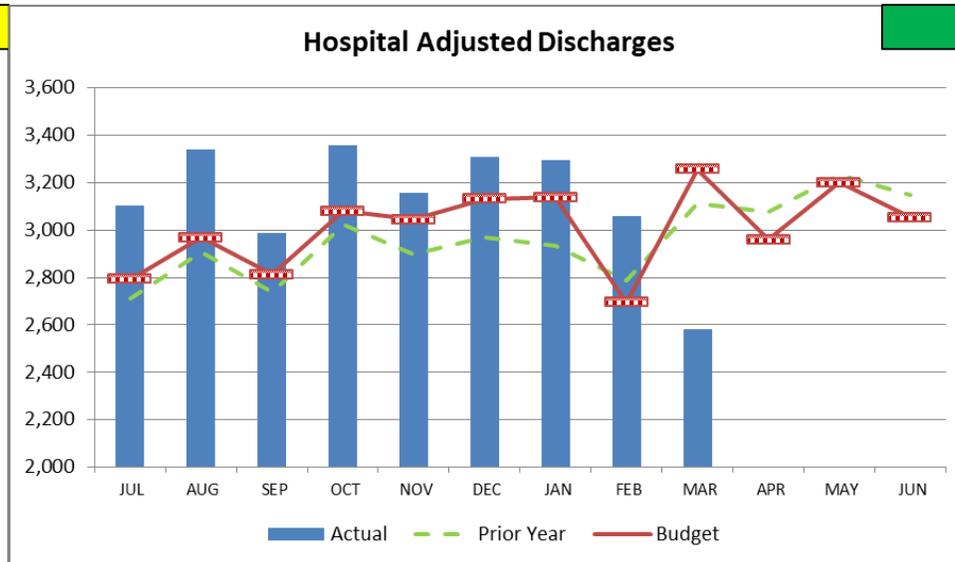
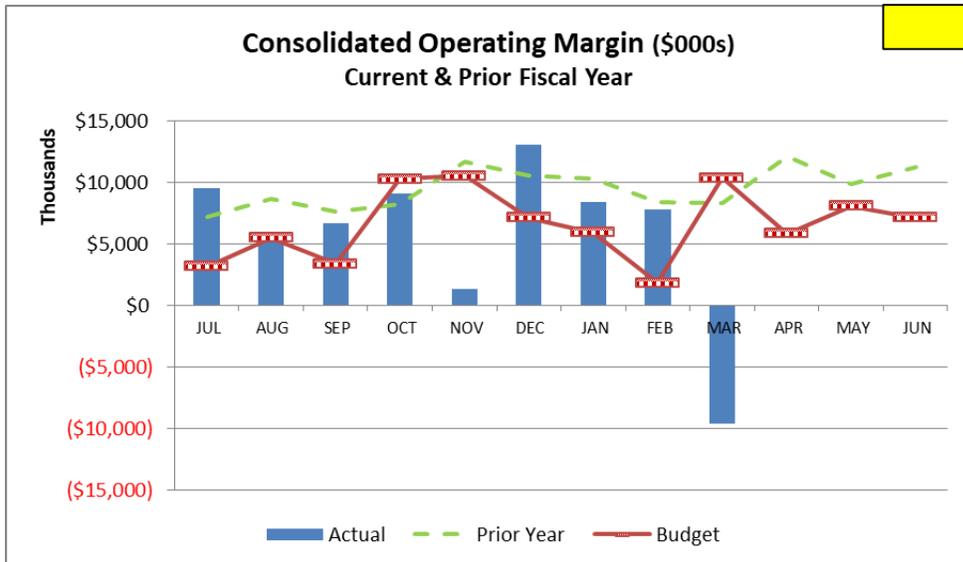
# APPENDIX

## Dashboard - as of March 31, 2020

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
<b>Consolidated Financial Perf.</b>								
Total Operating Revenue	84,711	77,345	96,194	(18,849)	721,766	798,176	788,205	9,971
Operating Expenses	76,399	87,003	85,872	(1,131)	641,101	746,394	730,400	(15,994)
Operating Margin \$	8,312	(9,658)	10,322	(19,980)	80,665	51,782	57,805	(6,023)
Operating Margin %	9.8%	(12.5%)	10.7%	(23.2%)	11.2%	6.5%	7.3%	(0.8%)
EBIDA \$	13,302	(3,850)	17,034	(20,884)	123,173	97,744	109,226	(11,482)
EBIDA %	15.7%	(5.0%)	17.7%	(22.7%)	17.1%	11.9%	13.9%	(1.9%)
<b>Hospital Volume</b>								
<b>Licensed Beds</b>	443	443	443	-	443	443	443	-
ADC	263	218	262	(44)	240	240	241	(1)
Utilization MV	73%	59%	72%	(13.0%)	66%	65%	65%	(0.3%)
Utilization LG	31%	30%	33%	(3.5%)	29%	30%	32%	(1.7%)
Utilization Combined	59%	49%	59%	(9.9%)	54%	54%	54%	(0.7%)
Adjusted Discharges	3,114	2,584	3,256	(672)	26,080	28,187	26,914	1,273
Total Discharges (Excl NNB)	1,770	1,490	1,791	(301)	14,512	15,057	14,793	264
Total Discharges	2,113	1,810	2,118	(308)	17,522	18,158	17,841	317
<b>Inpatient Cases</b>								
MS Discharges	1,266	1,014	1,259	(245)	10,095	10,455	10,138	317
Deliveries	365	332	353	(21)	3,193	3,277	3,214	63
BHS	93	100	134	(34)	846	918	1,002	(84)
Rehab	46	44	45	(1)	378	407	438	(31)
<b>Outpatient Cases</b>	13,223	10,332	14,232	(3,900)	111,598	120,744	117,008	3,736
ED	4,590	3,015	4,195	(1,180)	35,983	36,023	35,820	203
Procedural Cases				-				-
OP Surg	438	273	479	(206)	3,737	3,982	3,794	188
Endo	247	148	256	(108)	1,962	1,957	2,099	(142)
Interventional	187	148	206	(58)	1,627	1,589	1,697	(108)
All Other	7,761	6,748	9,096	(2,348)	68,289	77,193	73,597	3,596
<b>Hospital Payor Mix</b>								
Medicare	51.2%	46.0%	49.0%	(3.0%)	48.6%	48.9%	48.6%	0.3%
Medi-Cal	8.4%	8.0%	8.1%	(0.1%)	8.1%	7.5%	8.1%	(0.6%)
Commercial IP	18.5%	23.8%	20.3%	3.4%	20.1%	19.8%	20.5%	(0.8%)
Commercial OP	19.7%	19.6%	20.3%	(0.7%)	20.7%	21.5%	20.5%	1.1%
Total Commercial	38.1%	43.4%	40.6%	2.7%	40.8%	41.3%	41.0%	0.3%
Other	2.2%	2.6%	2.2%	0.4%	2.4%	2.3%	2.3%	0.0%
<b>Hospital Cost</b>								
Total FTE	2,751.8	2,825.4	2,675.6	(149.8)	2,660.1	2,804.0	2,782.7	(21.3)
Productive Hrs/APD	30.7	38.1	30.0	(8.1)	30.6	31.5	31.7	0.2
<b>Consolidated Balance Sheet</b>								
Net Days in AR	48.7	49.7	49.0	(0.7)	48.7	49.7	49.0	(0.7)
Days Cash	500	432	435	(4)	500	432	435	(4)

\*Beginning with the June FY 19 report, the Dashboard and the financial report has been updated to show the ECH consolidated results instead of just the Hospitals. The descriptions of the metrics indicate whether the data is hospital only.

# Monthly Financial Trends



# INVESTMENT SCORECARD AS OF MARCH 31, 2020

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY20 Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		<b>1Q 2020</b>		<b>Fiscal Year-to-date</b>		<b>7y 5m Since Inception (annualized)</b>		<b>FY 2020</b>	<b>2019</b>
Surplus cash balance*		\$977.6	--	--	--	--	--	--	--
Surplus cash return		-10.2%	-9.4%	-5.9%	-5.0%	4.2%	4.2%	4.0%	5.6%
Cash balance plan balance (millions)		\$256.5	--	--	--	--	--	--	--
Cash balance plan return		-12.9%	-11.7%	-8.0%	-6.6%	5.8%	5.3%	6.0%	6.0%
403(b) plan balance (millions)		\$474.6	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		<b>3-year</b>				<b>7y 5m Since Inception (annualized)</b>			<b>2019</b>
Surplus cash Sharpe ratio		0.17	0.18	--	--	0.61	0.63	--	0.34
Net of fee return		2.9%	2.8%	--	--	4.2%	4.2%	--	5.6%
Standard deviation		7.2%	6.8%	--	--	5.6%	5.4%	--	8.7%
Cash balance Sharpe ratio		0.19	0.16	--	--	0.70	0.68	--	0.32
Net of fee return		3.2%	2.8%	--	--	5.8%	5.3%	--	6.0%
Standard deviation		9.0%	8.2%	--	--	7.2%	6.7%	--	10.3%
<b>Asset Allocation</b>		<b>1Q 2020</b>							
Surplus cash absolute variances to target		13.0%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		9.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
<b>Manager Compliance</b>		<b>1Q 2020</b>							
Surplus cash manager flags		29	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		35	< 27 Green < 34 Yellow	--	--	--	--	--	--

\*Excludes debt reserve funds (~\$30 mm), District assets (~\$39 mm), and balance sheet cash not in investable portfolio (\$118 mm). Includes Foundation (~\$34 mm) and Concern (~\$14 mm) assets.

# Non Operating Items and Net Margin by Affiliate

\$ in thousands

	Period 9- Month			Period 9- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>El Camino Hospital Operating Margin</b>						
Mountain View	(4,995)	9,988	(14,983)	71,927	67,061	4,866
Los Gatos	(629)	2,703	(3,332)	11,674	14,461	(2,786)
<b>Sub Total - El Camino Hospital, excl. Affilates</b>	<b>(5,624)</b>	<b>12,692</b>	<b>(18,315)</b>	<b>83,601</b>	<b>81,521</b>	<b>2,080</b>
<b>Operating Margin %</b>	<b>-7.7%</b>	<b>14.1%</b>		<b>11.0%</b>	<b>11.1%</b>	
<b>El Camino Hospital Non Operating Income</b>						
<b>Sub Total - Non Operating Income</b>	<b>(67,835)</b>	<b>2,860</b>	<b>(70,696)</b>	<b>(48,412)</b>	<b>24,357</b>	<b>(72,770)</b>
<b>El Camino Hospital Net Margin</b>	<b>(73,459)</b>	<b>15,552</b>	<b>(89,011)</b>	<b>35,189</b>	<b>105,879</b>	<b>(70,690)</b>
<b>ECH Net Margin %</b>	<b>-100.6%</b>	<b>17.3%</b>		<b>4.6%</b>	<b>14.4%</b>	
Concern	(369)	75	(444)	487	735	(248)
ECSC	(1,017)	0	(1,018)	(68)	3	(71)
Foundation	(2,977)	162	(3,139)	(1,198)	1,286	(2,484)
Silicon Valley Medical Development	(3,648)	(2,167)	(1,481)	(29,979)	(21,802)	(8,177)
<b>Net Margin Hospital Affiliates</b>	<b>(8,011)</b>	<b>(1,930)</b>	<b>(6,081)</b>	<b>(30,758)</b>	<b>(19,778)</b>	<b>(10,980)</b>
<b>Total Net Margin Hospital &amp; Affiliates</b>	<b>(81,470)</b>	<b>13,622</b>	<b>(95,092)</b>	<b>4,430</b>	<b>86,101</b>	<b>(81,670)</b>

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

Period ending 3/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
259,896	221,188	277,549	(56,360)	(20.3%)	<b>Gross Revenue</b>	2,143,900	2,291,235	2,266,286	24,949	1.1%
(192,610)	(163,466)	(206,791)	43,325	21.0%	<b>Deductions</b>	(1,575,870)	(1,684,539)	(1,686,243)	1,704	0.1%
<b>67,286</b>	<b>57,722</b>	<b>70,757</b>	<b>(13,035)</b>	<b>(18.4%)</b>	<b>Net Patient Revenue</b>	<b>568,030</b>	<b>606,696</b>	<b>580,044</b>	<b>26,653</b>	<b>4.6%</b>
1,613	1,437	1,783	(346)	(19.4%)	<b>Other Operating Revenue</b>	17,609	16,016	17,771	(1,755)	(9.9%)
<b>68,899</b>	<b>59,159</b>	<b>72,540</b>	<b>(13,381)</b>	<b>(18.4%)</b>	<b>Total Operating Revenue</b>	<b>585,639</b>	<b>622,713</b>	<b>597,815</b>	<b>24,898</b>	<b>4.2%</b>
					<b>OPERATING EXPENSE</b>					
36,645	38,559	38,529	(30)	(0.1%)	<b>Salaries &amp; Wages</b>	312,698	331,353	329,814	(1,539)	(0.5%)
10,054	11,579	10,146	(1,433)	(14.1%)	<b>Supplies</b>	81,272	96,102	83,656	(12,445)	(14.9%)
6,649	6,641	5,918	(723)	(12.2%)	<b>Fees &amp; Purchased Services</b>	56,664	61,634	52,540	(9,094)	(17.3%)
2,343	2,930	2,257	(673)	(29.8%)	<b>Other Operating Expense</b>	19,284	24,090	22,489	(1,601)	(7.1%)
575	992	1,428	437	30.6%	<b>Interest</b>	3,541	5,218	7,654	2,436	31.8%
3,556	3,453	4,273	820	19.2%	<b>Depreciation</b>	31,650	32,389	34,601	2,212	6.4%
<b>59,822</b>	<b>64,154</b>	<b>62,551</b>	<b>(1,603)</b>	<b>(2.6%)</b>	<b>Total Operating Expense</b>	<b>505,108</b>	<b>550,786</b>	<b>530,754</b>	<b>(20,032)</b>	<b>(3.8%)</b>
<b>9,077</b>	<b>(4,995)</b>	<b>9,988</b>	<b>(14,983)</b>	<b>(150.0%)</b>	<b>Net Operating Margin</b>	<b>80,530</b>	<b>71,927</b>	<b>67,061</b>	<b>4,866</b>	<b>7.3%</b>
12,023	(67,835)	2,860	(70,696)	(2471.5%)	<b>Non Operating Income</b>	10,346	(48,412)	24,357	(72,770)	(298.8%)
<b>21,100</b>	<b>(72,830)</b>	<b>12,849</b>	<b>(85,679)</b>	<b>(666.8%)</b>	<b>Net Margin</b>	<b>90,876</b>	<b>23,514</b>	<b>91,418</b>	<b>(67,904)</b>	<b>(74.3%)</b>
19.2%	-0.9%	21.6%	(22.6%)		<b>EBITDA</b>	19.8%	17.6%	18.3%	(0.7%)	
13.2%	-8.4%	13.8%	(22.2%)		<b>Operating Margin</b>	13.8%	11.6%	11.2%	0.3%	
30.6%	-123.1%	17.7%	(140.8%)		<b>Net Margin</b>	15.5%	3.8%	15.3%	(11.5%)	

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

Period ending 3/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
54,863	53,647	65,774	(12,127)	(18.4%)	<b>OPERATING REVENUE</b>					
(41,144)	(40,173)	(48,756)	8,583	17.6%	<b>Gross Revenue</b>	464,109	528,940	526,752	2,188	0.4%
<b>13,719</b>	<b>13,474</b>	<b>17,018</b>	<b>(3,544)</b>	<b>(20.8%)</b>	<b>Deductions</b>	(343,900)	(397,079)	(390,602)	(6,477)	(1.7%)
386	370	273	97	35.7%	<b>Net Patient Revenue</b>	<b>120,209</b>	<b>131,861</b>	<b>136,150</b>	<b>(4,289)</b>	<b>(3.2%)</b>
<b>14,105</b>	<b>13,844</b>	<b>17,291</b>	<b>(3,447)</b>	<b>(19.9%)</b>	<b>Other Operating Revenue</b>	2,728	3,433	2,443	990	40.5%
					<b>Total Operating Revenue</b>	<b>122,938</b>	<b>135,294</b>	<b>138,593</b>	<b>(3,299)</b>	<b>(2.4%)</b>
					<b>OPERATING EXPENSE</b>					
7,318	7,870	7,809	(62)	(0.8%)	<b>Salaries &amp; Wages</b>	62,480	67,845	66,345	(1,500)	(2.3%)
2,155	2,736	2,848	112	3.9%	<b>Supplies</b>	18,379	20,996	22,027	1,030	4.7%
3,015	2,738	2,728	(10)	(0.4%)	<b>Fees &amp; Purchased Services</b>	24,297	24,623	24,603	(20)	(0.1%)
395	353	389	36	9.1%	<b>Other Operating Expense</b>	2,889	3,054	3,711	657	17.7%
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
804	776	815	39	4.8%	<b>Depreciation</b>	6,886	7,102	7,446	344	4.6%
<b>13,688</b>	<b>14,474</b>	<b>14,588</b>	<b>115</b>	<b>0.8%</b>	<b>Total Operating Expense</b>	<b>114,931</b>	<b>123,620</b>	<b>124,132</b>	<b>512</b>	<b>0.4%</b>
<b>416</b>	<b>(629)</b>	<b>2,703</b>	<b>(3,332)</b>	<b>(123.3%)</b>	<b>Net Operating Margin</b>	<b>8,007</b>	<b>11,674</b>	<b>14,461</b>	<b>(2,786)</b>	<b>(19.3%)</b>
0	0	0	0	0.0%	<b>Non Operating Income</b>	0	0	0	0	0.0%
<b>416</b>	<b>(629)</b>	<b>2,703</b>	<b>(3,332)</b>	<b>(123.3%)</b>	<b>Net Margin</b>	<b>8,007</b>	<b>11,674</b>	<b>14,461</b>	<b>(2,786)</b>	<b>(19.3%)</b>
8.7%	1.1%	20.3%	(19.3%)		<b>EBITDA</b>	12.1%	13.9%	15.8%	(1.9%)	
3.0%	-4.5%	15.6%	(20.2%)		<b>Operating Margin</b>	6.5%	8.6%	10.4%	(1.8%)	
3.0%	-4.5%	15.6%	(20.2%)		<b>Net Margin</b>	6.5%	8.6%	10.4%	(1.8%)	

# Silicon Valley Medical Development (\$000s)

Period ending 3/31/2020

Period 9 FY 2019	Period 9 FY 2020	Period 9 Budget 2020	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2019	YTD FY 2020	YTD Budget 2020	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
1,764	6,888	10,006	(3,119)	(31.2%)	<b>Gross Revenue</b>	8,793	65,401	81,330	(15,929)	(19.6%)
(1,184)	(4,979)	(6,071)	1,092	18.0%	<b>Deductions</b>	(5,836)	(46,865)	(49,492)	2,627	5.3%
<b>580</b>	<b>1,909</b>	<b>3,935</b>	<b>(2,026)</b>	<b>(51.5%)</b>	<b>Net Patient Revenue</b>	<b>2,957</b>	<b>18,536</b>	<b>31,838</b>	<b>(13,302)</b>	<b>(41.8%)</b>
12	1,775	1,665	110	6.6%	<b>Other Operating Revenue</b>	51	15,241	13,099	2,142	16.4%
<b>592</b>	<b>3,684</b>	<b>5,601</b>	<b>(1,916)</b>	<b>(34.2%)</b>	<b>Total Operating Revenue</b>	<b>3,008</b>	<b>33,777</b>	<b>44,937</b>	<b>(11,160)</b>	<b>(24.8%)</b>
					<b>OPERATING EXPENSE</b>					
184	1,784	1,753	(30)	(1.7%)	<b>Salaries &amp; Wages</b>	1,186	15,222	16,087	865	5.4%
34	409	405	(5)	(1.2%)	<b>Supplies</b>	374	3,782	3,473	(309)	(8.9%)
1,253	3,911	4,437	526	11.9%	<b>Fees &amp; Purchased Services</b>	7,535	37,238	37,078	(160)	(0.4%)
111	644	980	337	34.3%	<b>Other Operating Expense</b>	1,146	6,284	8,404	2,120	25.2%
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
51	585	193	(392)	(203.4%)	<b>Depreciation</b>	401	1,231	1,698	467	27.5%
<b>1,633</b>	<b>7,332</b>	<b>7,768</b>	<b>436</b>	<b>5.6%</b>	<b>Total Operating Expense</b>	<b>10,643</b>	<b>63,756</b>	<b>66,740</b>	<b>2,983</b>	<b>4.5%</b>
<b>(1,042)</b>	<b>(3,648)</b>	<b>(2,167)</b>	<b>(1,481)</b>	<b>68.3%</b>	<b>Net Operating Margin</b>	<b>(7,635)</b>	<b>(29,979)</b>	<b>(21,802)</b>	<b>(8,177)</b>	<b>37.5%</b>
3,000	0	0	0	0.0%	<b>Non Operating Income</b>	10,810	0	0	0	0.0%
<b>1,958</b>	<b>(3,648)</b>	<b>(2,167)</b>	<b>(1,481)</b>	<b>68.3%</b>	<b>Net Margin</b>	<b>3,175</b>	<b>(29,979)</b>	<b>(21,802)</b>	<b>(8,177)</b>	<b>37.5%</b>
					<b>EBITDA</b>	-240.4%	-85.1%	-44.7%	(40.4%)	
					<b>Operating Margin</b>	-253.8%	-88.8%	-48.5%	(40.2%)	
					<b>Net Margin</b>	105.6%	-88.8%	-48.5%	(40.2%)	

# ECH Hospital Operating Margin

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



	Actual										Actual FY 2020	
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
Proforma Items:												
CR Settlement											164	164
MIP				(358)	(300)	(90)	(96)	(100)	(88)			(1,032)
Hospital fee										3,256		3,256
Depreciation SVMD									(91)	(392)		(483)
ECSC				(358)					900	(900)		(358)
ECSC - Goodwill										(392)		(392)
Benefits										500		500
Total Proformas	-	-	-	(716)	(300)	(90)	(96)	709	2,148			1,655



## **FY21 Budget & Financial Forecast Update**

*El Camino Health Board of Directors*

*Michael Moody, Interim CFO*

*May 20, 2020*

# Objectives

- Present a revised approach and timeline for the FY21 budget
- Discuss management's recommendation to defer the joint Board & Finance Committee meeting to review the FY21 budget in light of the revised approach
  - Was originally scheduled for May 26<sup>th</sup>

# Background

- As a result of the COVID 19 pandemic the budgeting process has been revisited and changed
  - With the change in demand for services management has been forced to reevaluate projected volumes for the rest of FY20 and FY21
- The development of a fixed or static budget is not an efficient process to set organizational targets or goals in the near term
- Finance is developing a “rolling” forecast that will be updated monthly based on trends
  - This was endorsed by the Finance Committee at their April 27<sup>th</sup> meeting

# The Proposed Budget Timeline

- May 26<sup>th</sup> Finance Committee – Review the revised timeline and key assumptions for the rolling forecast and development of a FY21 budget (September 1<sup>st</sup> deadline for the District)
- June 10<sup>th</sup> Board – Review the first rolling forecast output and recovery plan tactics
- July 27<sup>th</sup> Finance Committee – **Joint Board and Finance Committee** meeting to review an updated forecast and FY21 budget for ECH derived from the forecast
- August 19<sup>th</sup> (ECHB) – Review and approve the FY21 budget and latest rolling forecast
- August 19<sup>th</sup> (ECHD) – Review and approve the FY21 budget

## Current State

- The initial forecast model has been completed and the assumptions are being revisited along with testing the model outputs
  - Most critical assumption is the demand or volume
- Goal is to have a first draft for the Finance Committee on May 26<sup>th</sup>
  - This is aggressive
- Activity is beginning to ramp back up

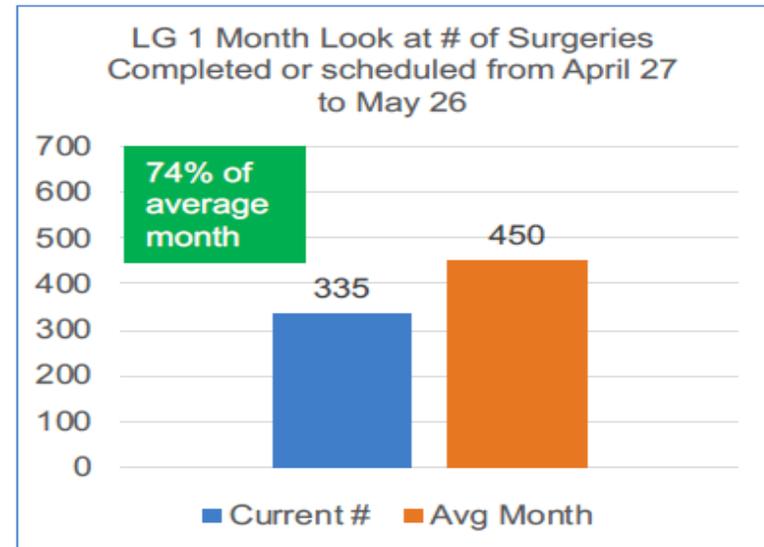
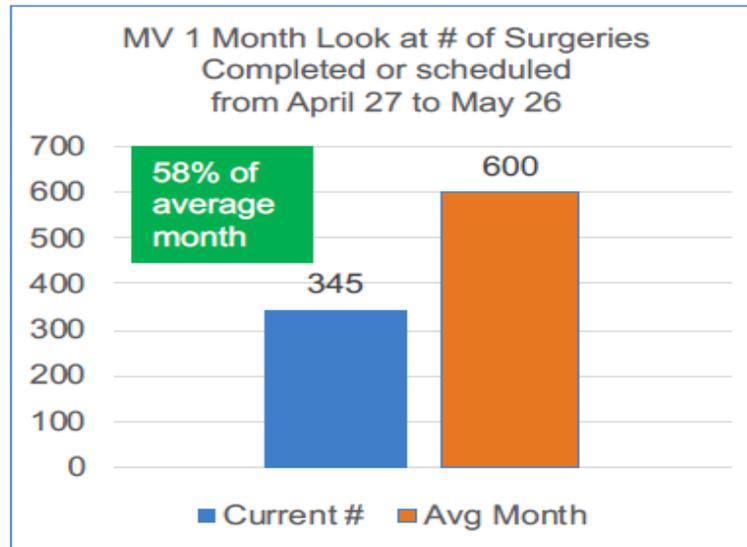
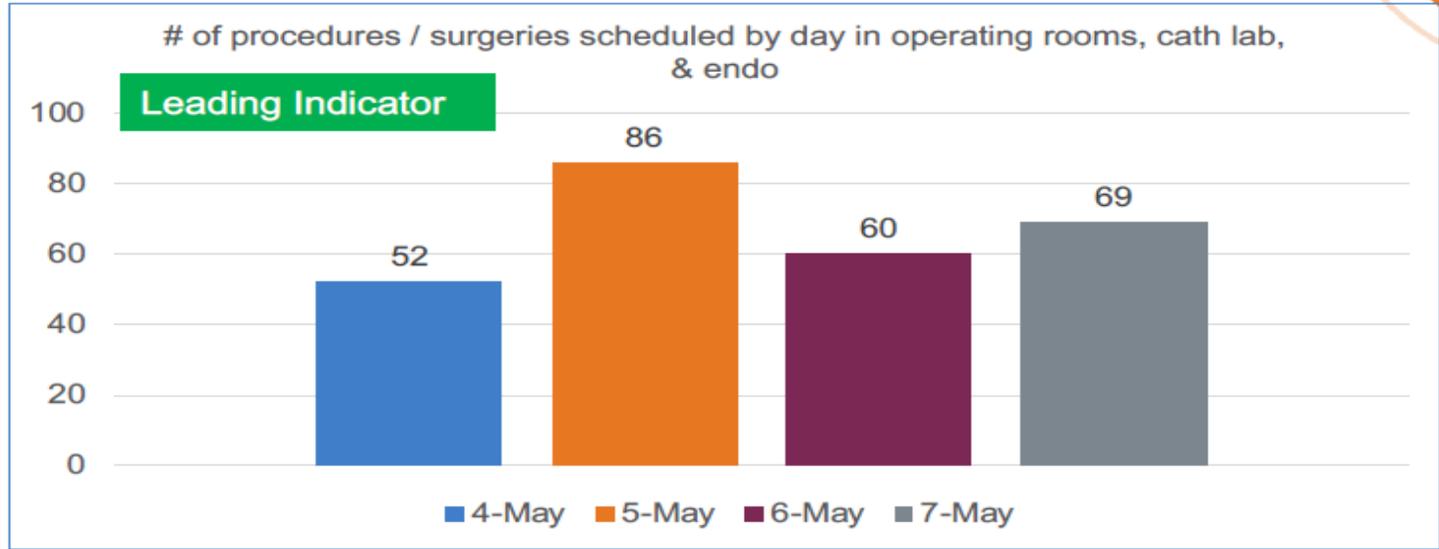
# ECH volumes starting to gain momentum

## Surgery Count Tracker

*ECH restarted elective surgeries on April 27 with a soft launch. This week, May 4<sup>th</sup> was the official start. These graphs track the numbers of surgery and offer a leading indicator. A pre-covid typical month's surgery volume in MV was 600 and in LG, 450. Our goal is to safely and expeditiously return to our surgical potential for the benefits of our patients and surgeons.*

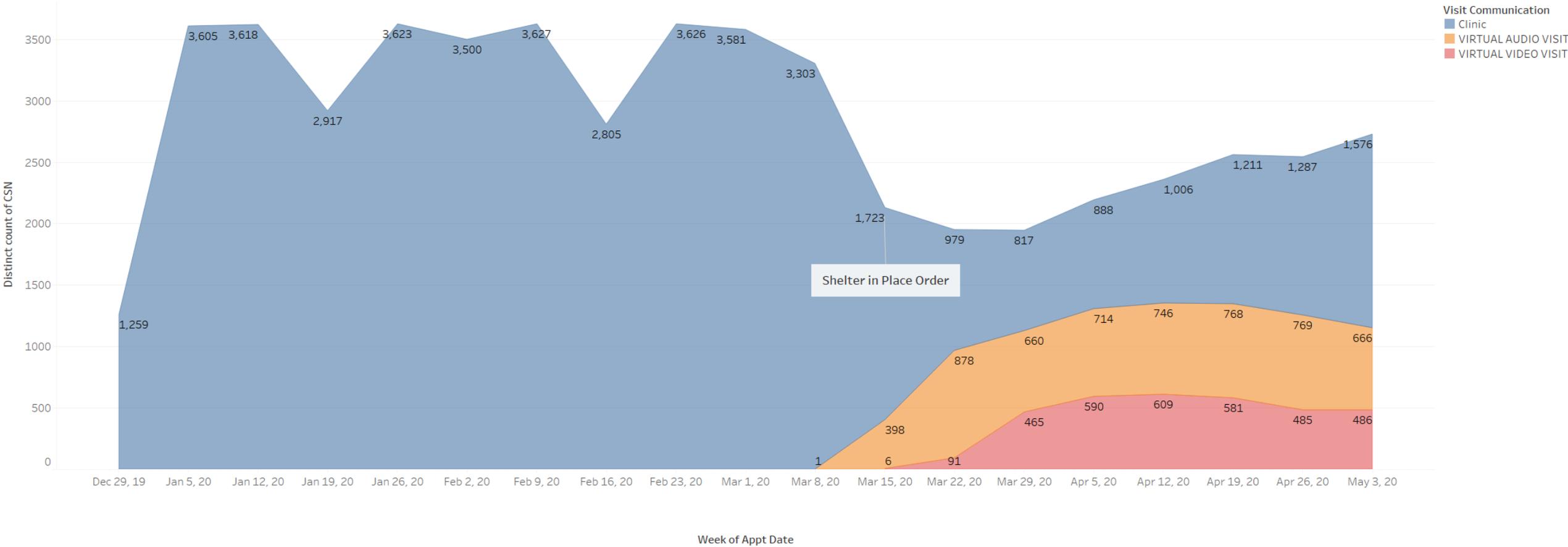
*The time period of the bottom two graphs are April 27 to May 26. Number of procedures will increase due to daily add-ons and new cases being scheduled.*

*Goal is to measure how quickly we will restore volume to pre-covid levels.*



# SVMD Pivots to TeleHealth, visits starting to pick back up

2020 SVMD Weekly Completed Visits by Type



The plot of distinct count of CSN for Appt Date Week. Color shows details about Visit Communication.

# Management Recommendation

- Board approval of the new forecast methodology and budget timeline as presented.



**Minutes of the Open Session of the  
El Camino Hospital Board of Directors  
Wednesday, April 15, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

**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**

None  
 \*\*via teleconference

**Members Excused**

None

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Board of Directors of El Camino Hospital (the “Board”) was called to order at 5:30pm by Chair Chen. A verbal roll call was taken. A verbal roll call was taken. Chair Chen reviewed the logistics for the meeting. Director Ting participated with staff onsite at El Camino Hospital. All other Board members were present and participated via teleconference and videoconference pursuant to Santa Clara County’s shelter in place order. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
<b>2. POTENTIAL CONFLICTS OF INTEREST DISCLOSURES</b>	Chair Chen asked if any Board members may have a conflict of interest with any of the items on the agenda. Director Fung reported conflicts with Agenda Items 12 (Closed Session – Physician Contracts), 19 (Physician Contracts), and 20 (Resolution 2020-03) in the second open session. Director Ting reported that he is listed as Medical Director, in the Summary of Physician Financial Arrangements in the closed session material, but he does not perform those duties or receive any funds.	
<b>3. PUBLIC COMMUNICATION</b>	None.	
<b>4. AGENDA ITEM 4: QUALITY COMMITTEE REPORT</b>	Director Kliger, Quality Committee Chair, highlighted the following from the Quality Committee’s discussion at its April 2, 2020 meeting: <ul style="list-style-type: none"> <li>- In CMS’ annual Value-Based Purchasing Program, ECH will experience a penalty of approximately \$200,000. This is an improvement over last year. ECH scored well in clinical care, average in safety and patient experience, and poorly in efficiency, which is Medicare beneficiary per-year spending.</li> <li>- Management proposed the following quality, safety, and patient experience-related organizational goals for FY21: reducing 1) the readmission index and 2) rate of serious safety events (SSEs), improving 3) HEDIS score (an outpatient measurement set) and 4) the HCAHPS score for “likelihood to recommend.” The Committee will be discussing methodology at its May meeting.</li> <li>- The Board-level quality dashboard has been finalized and the Committee will be discussing how often the Board will review this document and criteria to identify and flag topics for discussion at</li> </ul>	<b><i>QAPI approved</i></b>

	<p>the Board level.</p> <p>Mark Adams, MD, CMO, described the Quality/Performance Improvement and Patient Safety Plan (QAPI), which requires Board approval to meet CMS and The Joint Commission requirements. He explained that it is comprehensive plan, includes the introduction of high reliability (HRO) and the STEEEP framework, and was reviewed and recommended for approval by the Quality Committee.</p> <p><b>Motion:</b> To approve the QAPI (the Quality/Performance Improvement and Patient Safety Plan).</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Miller  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<p><b>5. AGENDA ITEM 5:                  FY20 PERIOD 8                  FINANCIALS</b></p>	<p>Michael Moody, Interim CFO, provided an overview of the FY20 Period 8 Financials and highlighted the following:</p> <ul style="list-style-type: none"> <li>- Mr. Moody commended the management team for level of growth in first 8 months in FY20. February 2020 volume was strong, which led to a favorable variance of almost \$11 million.</li> <li>- There was an operating gain of \$7.8 million versus budget of \$1.8 million for February. Year-to-date, ECH is \$14 million ahead (29%) ahead of plan, which has been driven by growth.</li> <li>- For non-operating income, there was a loss in February; the markets began to turn due to COVID-19. Even with that loss in February, ECH was still on budget in this area. However, March, took a toll on the investment portfolio.</li> </ul> <p>Director Kalbach further described ECH’s investment income as of March 31, 2020, which has not been reviewed by the Investment Committee yet. He reported that the decline in the quarter resulted in a 13% loss (\$37 million in cash account, the defined benefit pension fund and \$114 million in the surplus cash account). Director Kalbach noted that this loss is still within the asset allocation set by the Board, so there is no immediate need to talk about rebalancing. At the Investment Committee meeting in May 2020, the Committee will discuss and consider alternative investments and bring forward any proposed changes to the Board for review and approval.</p> <p>Director Miller suggested moving the Investment Committee meeting earlier. Director Kalbach commented that in consultation with the investment advisors, the scheduled May meeting will work.</p> <p>Mr. Moody described additional funding for the Hospital, including:</p> <ul style="list-style-type: none"> <li>- Medicare Advance funding, an interest-free loan for services that will be provided later in the year (\$40 million).</li> <li>- CARES Act Provider Fund, \$100 billion allocated for healthcare providers for expenses and lost revenue; this is a direct grant, and the first \$30 billion was released and distributed to all Medicare providers. ECH received \$13.7 million and is currently completing attestations and paperwork.</li> <li>- FEMA, whether or not the organization will apply for this funding</li> </ul>	<p><b><i>FY20 Period                  8 Financials                  approved</i></b></p>

	<p>is currently being assessed.</p> <p>In response to Director Rebitzer’s question, Dr. Adams explained that ECH is communicating with independent physician practices and providing information on how they can access funds, including loans and grants from the Small Business Administration (SBA) like disaster loan programs and payroll protection plans.</p> <p><b>Motion:</b> To approve the FY20 Period 8 Financials.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Miller  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<p><b>6. AGENDA ITEM 6:                  RESOLUTION 2020-02: DECLARING A LOCAL EMERGENCY</b></p>	<p>Mary Rotunno, General Counsel, explained that the purpose of declaring an emergency on behalf of the Hospital corporation is to support any potential application for Federal Emergency Management Agency (FEMA) funding to recover costs associated with COVID-19. There were no questions from the Board.</p> <p><b>Motion:</b> To approve Resolution 2020-02.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b>Resolution 2020-02 approved</b></p>
<p><b>7. AGENDA ITEM 3:                  PUBLIC COMMUNICATION</b></p>	<p>Cindy Murphy, Director of Governance Services, read a written communication from Kathleen King, CEO of the Healthier Kids Foundation Santa Clara County, a recipient of a Community Benefit sponsorship. The letter detailed gratitude from families who have received care packages and assistance during this stressful time.</p>	
<p><b>8. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 6:04pm pursuant to <i>Gov’t Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (3/11/2020) and Minutes of the Closed Session of the Executive Compensation Committee Meeting (11/7/2019); pursuant to <i>Health and Safety Code Section 32155</i>: Enterprise Quality Council Minutes; pursuant to <i>Gov’t Code Section 54956.9(d)(2)</i>: Summary of Physician Financial Arrangements; pursuant to <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets and <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: COVID-19 – Impact on Organizational Prioritization; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Physician Contracts (Enterprise Telestroke Agreement and Neurology Inpatient Consult Panel); pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care</p>	<p><b>Adjourned to closed session at 6:04pm</b></p>

	<p>facility trade secrets and <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation: SVM Update; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets and <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: CEO Report on New Programs; and pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<p><b>9. AGENDA ITEM 17:                  RECONVENE                  OPEN SESSION/                  REPORT OUT</b></p>	<p>Open session was reconvened at 9:30pm by Chair Chen. Agenda Items 8-16 were addressed in closed session. Director Miller was absent at the beginning of the second open session and rejoined the meeting via teleconference during Agenda Item 20 (Resolution 2020-03).</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (3/11/2020), Minutes of the Closed Session of the Executive Compensation Committee Meeting (11/7/2019) and the Medical Staff Report, including the credentials and privileges report, by a unanimous vote in favor of all members participating in the meeting (Directors Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, and Zoglin).</p>	
<p><b>10. AGENDA ITEM 18:                  CONSENT                  CALENDAR</b></p>	<p>Chair Chen asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (3/11/2020); Medical Staff Report; Proposed Revised Medical Staff Bylaws; Proposed Revised Policies (Executive Compensation Philosophy, Base Salary Administration Policy, Executive Performance Incentive Plan Policy); Minutes of the Open Session of the Executive Compensation Committee Meeting (11/7/2019); FY20 Period 7 Financials; Urology On-Call Panel (MV); Urology On-Call Panel (LG); Infection Control Medical Director Hours Increase; Proposed FY20 Board and Committee Self-Assessment Tools; and for information: Progress on FY20 Board Action Plan; Update on Major Capital Projects in Progress; and Finance Committee Approvals.</p> <p><b>Movant:</b> Zoglin  <b>Second:</b> Kliger  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Miller  <b>Recused:</b> None</p>	<p><i>Consent calendar approved</i></p>
<p><b>11. AGENDA ITEM 19:                  PHYSICIAN                  CONTRACTS</b></p>	<p>Director Fung recused himself from this topic.</p> <p>Jim Griffith, COO, asked for approval of two physician contract arrangements: 1) an enterprise telestroke agreement and 2) neurology inpatient consult panel agreements.</p>	<p><i>Physician contracts approved</i></p>

	<p><b>Motion:</b> To approve delegating to the CEO the authority to execute a two-year enterprise Neurology Telemedicine Services Agreement and two-year enterprise neurology inpatient consultation non-emergency coverage agreements as further outlined in the memo in the Board packet.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Po  <b>Ayes:</b> Chen, Kalbach, Kliger, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Miller  <b>Recused:</b> Fung</p>	
<p><b>12. AGENDA ITEM 20:                  RESOLUTION                  2020-03</b></p>	<p>Director Miller rejoined the meeting. Director Fung recused himself from this topic.</p> <p><b>Motion:</b> To approve Resolution 2020-03: Approving Neurology Inpatient Consult Panel Agreement for Peter C. Fung, MD.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Watters  <b>Ayes:</b> Chen, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> Fung</p>	<p><i>Resolution                  2020-03                  approved</i></p>
<p><b>13. AGENDA ITEM 21:                  CEO REPORT</b></p>	<p>Dan Woods, CEO, described the census of COVID-19 patients and the universal masking and no visitor policies, noting that any and all patients coming to the hospital receive safe and quality care. He reported that the organization is prepared for a surge and is constantly monitoring community statistics and internal supply levels; there is an adequate supply of personal protective equipment (PPE) on hand. He further described various testing platforms available to ECH and the inventory and utilization of test kits, which is monitored daily.</p> <p>Mr. Woods reported that ECH has partnered with YMCA for Kids Camps to provide care for children of healthcare workers.</p> <p>Mr. Woods recognized Erika Richards, a volunteer at the medical and patient libraries at ECH for over 20 years, and the \$50,000 donation to the Health Library in her memory.</p> <p>The latest information updates on COVID-19 is available on the El Camino Health website.</p> <p>He thanked ECH’s neighbors and the community for their overwhelming support and reported that the Foundation has received in excess of \$2 million as well as in-kind donations. He commended the Auxiliary for their service in February and March, noting that volunteers have been asked to stay home during the shelter in place order.</p>	
<p><b>14. AGENDA ITEM 23:                  BOARD                  COMMENTS</b></p>	<p>Director Miller thanked the Foundation for their work facilitating the donations from the community.</p>	
<p><b>15. AGENDA ITEM 22:                  ADJOURNMENT</b></p>	<p><b>Motion:</b> To adjourn at 9:45pm.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Miller  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin</p>	<p><i>Meeting                  adjourned at                  6:01pm</i></p>

	<b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None	
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**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 Administrator/Governance Services EA

DRAFT

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

**To:** El Camino Hospital Board of Directors  
**From:** Deb Muro, CIO  
 Ken King, CAO  
**Date:** May 20, 2020  
**Subject:** Siemens Imaging Equipment – Service Agreements

**Recommendation(s):**

To approve the renewal of the five (5) year Siemens Integrated Service Agreement for existing equipment along with a new seven (7) year beyond warranty service agreement for the New Replacement Imaging Equipment once it is installed at a total cost not to exceed \$12.6 million for services to be provided over the next nine (9) years.

**Summary:**

- Situation:** There are two operating expense agreements that both provide for routine maintenance and repair coverage for all Siemens imaging equipment and various software packages. There are currently 36 Equipment Items throughout all ECH locations. Over the life of the agreements the number of Equipment Items will increase, decrease and/or be eliminated.

The current five (5) year Siemens Integrated Service Agreement for existing imaging equipment expires on May 30, 2020 and needs to be renewed. Note that as equipment is replaced by equipment from a different manufacturer, the equipment item comes off the Siemens Integrated Service Agreement.

The Replacement Equipment Service Agreement will go into effect on a room by room basis as the replacement of existing equipment occurs. Once the new room is in place there will be a one (1) year no cost warranty period and then a new seven (7) year service agreement for each new room. These new rooms will then be blended into the Integrated Service Agreement which will be renewed at the end of the five (5) year term.

Equipment List Summary	Years									Siemens Agreement Term
	1	2	3	4	5	6	7	8	9	
14 Items - Existing										5 years only
12 Items - Replaced with New										Existing until New then 1 yr warranty + 7 yrs
10 Items - Replaced with Different Manf.										Existing until replaced then cancelled.
	Five (5) Year Integrated Service Agreement 06/01/20 - 05/31/25					Service Agreement 12 New Items Only				Total Cost Commitment for Both Agreements
Annual Cost in \$000,000	2	0.8	1.7	1.7	1.7	1.2	1.2	1.2	1.2	

- Authority:** The total cost commitment over the life of the agreements requires Board Approval.
- Background:** An agreement for the maintenance and repair coverage for imaging equipment is a standard practice for healthcare providers and has always been in place at ECH. Modifications to

the standard terms and conditions have been negotiated to ensure improved system performance guarantees and security measures.

4. Assessment: Consistent with standards in the hospital industry; we have had the Original Equipment Manufacturer (OEM) provide maintenance and repair services for our imaging equipment for the past thirty years. The costs of these services are based on each specific room, its configuration and software. The agreements were negotiated to benefit our use and needs as the new replacement equipment is installed.

The costs of these agreements have been reviewed by ECRI, a subscription service that provides us with cost proposal evaluations. The total cost proposed is at or below average of agreements signed by other hospitals across the country, despite the higher wages paid to California-based technicians. The costs of the agreements are included in the annual operating budget each year and are necessary to ensure that our imaging equipment is properly maintained.

The overall value of these new agreements is that that they come with much improved terms and conditions that provide a System Performance Guarantee, a Response Time Guarantee, and an Uptime Guarantee that provides discounts for not maintaining Guaranteed Uptime. These discounts are calculated on a quarterly uptime calculation, where a standard agreement is based on an annual calculation.

5. Other Reviews: This agreement has been thoroughly reviewed by management and legal counsel; however, due to unforeseen circumstances related to the COVID-19 pandemic, these agreements have not been reviewed with the Finance Committee in accordance with standard practice. The information provided herein will be provided to the Finance Committee for information at their upcoming meeting.
6. Outcomes: The equipment and software covered by this agreement can be adjusted as items are added, deleted or replaced. The costs are adjusted accordingly. The anticipated outcome is that our imaging equipment will perform at the levels established in the guarantees provided in the agreements.

**List of Attachments**: None

**Suggested Board Discussion Questions**: None; this is be a consent calendar item.



**Minutes of the Open Session of the  
Executive Compensation Committee  
of the El Camino Hospital Board of Directors  
Thursday, April 2, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

**Members Present**

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

**Members Absent**

None  
\*\*via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. <b>CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the “ <u>Committee</u> ”) was called to order at 4:00pm by Chair Bob Miller. A verbal roll call was taken. All Committee members were present and participated via teleconference and videoconference pursuant to Santa Clara County’s shelter in place order. Pat Wadors joined the meeting at 4:01pm during Agenda Item 2: Potential Conflict of Interest Disclosures. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. <b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Miller asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. <b>PUBLIC COMMUNICATION</b>	None.	
4. <b>CONSENT CALENDAR</b>	<p>Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (11/7/2019); and for information: Progress Against FY20 ECC Goals; Board Approvals: Chief Quality Officer.</p> <p><b>Movant:</b> Ting <b>Second:</b> Wadors <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	<i>Consent calendar approved</i>
5. <b>REPORT ON BOARD ACTIONS</b>	Chair Miller referred to the recent Board approvals as further detailed in the packet, including 1) a base salary for a Chief Quality Officer and the addition of the position to the Executive Performance Incentive Plan and 2) a process for the Board to delegate authority to its advisory committees.	
6. <b>REVIEW EXECUTIVE COMPENSATION POLICIES</b>	Chair Miller noted that these policies include the revisions requested by the Committee at its last meeting.	<i>Revised policies recommended for approval</i>

	<p>Mr. Layney requested the following changes:</p> <p><b>Executive Compensation Philosophy</b></p> <ol style="list-style-type: none"> <li>Page 1, <u>Section C - Definition for Base Salary</u>: targeted at 50% of market data – add “for a specific position plus the geographic differential.”</li> <li>Page 2, <u>Section E(1)</u>: refer to “San Francisco Bay Area” rather than Silicon Valley to be consistent throughout the document</li> </ol> <p>In response to Mr. Layney’s question, Julie Johnston, Director, Total Rewards, explained that retention and hiring bonuses are included in what is reported under Total Rewards and reported in the Letters of Rebuttable Presumption of Reasonableness.</p> <p><b>Salary Administration Policy</b></p> <ol style="list-style-type: none"> <li>Page 1, <u>Section D(1)(a)</u>: Move the sentence that “The Committee may elect not to adjust salary ranges...” to Section D(1)(c).</li> </ol> <p>Chair Miller clarified that the Committee can make recommendations for salaries outside of the range, which then must be approved by the Hospital Board.</p> <p>Ms. Eyre commented that the sample calculations in the Executive Performance Incentive Plan policy were very helpful and requested that any materials on this topic presented to the Committee also include examples.</p> <p>Chair Miller commented that some items for the Committee’s review have been deferred, but the intent for reviewing the policy changes at this time is to put the new formulas in effect for the next performance year.</p> <p><b>Motion:</b> To recommend that the Board approve the proposed revisions to the Executive Compensation Philosophy, revised as noted above, Salary Administration Policy, revised as noted above, and Executive Performance Incentive Plan policies.</p> <p><b>Movant:</b> Layney  <b>Second:</b> Eyre  <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Wadors, Ting, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<p><b>7. FY21 PLANNING</b></p>	<p>The Committee discussed potentially developing new goals with different measures of success rather than task-oriented goals measured by deadlines; Chair Miller suggested that Committee members bring suggestions and feedback and requested that the proposed goals be paced for the Committee’s review at its May 2020 meeting.</p> <p>Lisa Stella from Mercer commented that other committees use self-assessments to evaluate their performance. The Committee conducts a self-assessment every other year and will be conducted later in 2020.</p> <p><b>Motion:</b> To approve the proposed FY21 meeting dates.</p> <p><b>Movant:</b> Eyre  <b>Second:</b> Wadors  <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Wadors, Ting, Zoglin  <b>Noes:</b> None</p>	<p><b><i>FY21                  Committee                  goals to be                  paced for May                  2020 meeting</i></b></p> <p><b><i>FY21 dates                  approved</i></b></p>

	<p><b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<p><b>8. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 4:22pm.  <b>Movant:</b> Eyre  <b>Second:</b> Layney  <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Wadors, Ting, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>Adjourned to closed session at 4:22pm</i></p>
<p><b>9. AGENDA ITEM 14: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Open session was reconvened at 5:36pm. Agenda items 9-13 were addressed in closed session.                  During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting (11/7/2019) by a unanimous vote in favor of all members present by teleconference (Eyre, Kliger, Layney, Miller, Wadors, Ting, Zoglin).</p>	
<p><b>10. AGENDA ITEM 15: FY20 PACING PLAN</b></p>	<p>Chair Miller commented that it would be ideal if the Committees reviewing goal subject matter (Quality and Finance) and structure (Executive Compensation) review the organizational goals before they go to the Board.</p>	
<p><b>11. AGENDA ITEM 16: CLOSING COMMENTS</b></p>	<p>Chair Miller thanked the Committee for their patience and participation.</p>	
<p><b>12. AGENDA ITEM 17: ADJOURNMENT</b></p>	<p><b>Motion:</b> To adjourn at 5:38pm.  <b>Movant:</b> Wadors  <b>Second:</b> Eyre  <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Wadors, Ting, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>Meeting adjourned at 5:38pm</i></p>

**Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and the Board of Directors of El Camino Hospital.**

\_\_\_\_\_  
 Bob Miller  
 Chair, Executive Compensation Committee

\_\_\_\_\_  
 Julia E. Miller  
 Secretary, ECH Board of Directors

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



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

**To:** El Camino Hospital Board of Directors  
**From:** Michael Moody, Interim CFO  
**Date:** May 20, 2020  
**Subject:** Revised Investment Policy Recommendations

**Recommendation:**

To approve the Proposed Revised Cash Balance Pension Investments Policy and the Proposed Revised Surplus Cash Investment Policy to permit private equity and private debt investments.

**Summary:**

1. Situation: Recent market volatility may result in unique and attractive investment opportunities. Pavilion and El Camino Hospital management have begun due diligence on a private opportunistic debt fund for a potential investment. This type of strategy is prohibited in the current Surplus Cash and Cash Balance Plan investment policies. The recommended changes do not mandate that an investment in private assets take place, but provide flexibility should an attractive opportunity present itself.
2. Authority: It is within the Investment Committee's Charter to make recommendations to the ECH Board regarding revisions to the Investment Policies. Ultimately, the Board needs to approve any revisions.
3. Background: N/A
4. Assessment: N/A
5. Other Reviews: At its May 11, 2020 meeting, the Investment Committee voted to recommend approval of the Cash Balance Pension Investments Policy and the Proposed Revised Surplus Cash Investment Policy.
6. Outcomes: N/A

**List of Attachments:**

1. Finance: Cash Balance Pension Investments Policy (redline)
2. Finance: Surplus Cash Investment Policy (redline)

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



**POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments**

**CATEGORY: Administrative**

**LAST APPROVAL DATE: 01/2016**

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**SUB-CATEGORY: Finance**

**ORIGINAL DATE: 5/90**

**COVERAGE:**

All El Camino Hospital staff

**PURPOSE:**

This policy has been developed to provide a prudent framework for the management and oversight of the assets of the Cash Balance pension plan (the "Plan"). The overall goal of the Plan's investment program is to achieve the highest possible investment return, and the resulting positive impact on asset values, funded status, contributions and benefits, without exceeding a prudent level of risk. The structure of the Plan's investment program was developed after evaluating the implications of increased investment return versus increased variability of return for a number of potential asset allocations with varying commitments to equity, fixed income, alternative and cash equivalent investments.

**STATEMENT:**

The El Camino Hospital Cash Balance Plan ("Plan") seeks to provide post-retirement benefits to the covered employees of El Camino Hospital ("Sponsor"). The Plan's overall goal is to pay benefits as promised by the Plan in such a way that the cost (defined as contributions) and risk (defined as Funded Status volatility) are manageable for the Sponsor. The purpose of this Investment Policy Statement ("Statement") is to establish guidelines for the Plan's investment portfolio ("Portfolio"). The Statement also incorporates standards that will be used to monitor the progress of the Portfolio's investment program and to evaluate the contributions of the manager(s) hired on behalf of the Plan and its beneficiaries.

**POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments**

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**PROCEDURE:**

1. Objectives and Purpose

- a. The policy will be to invest Plan assets in a diversified investment portfolio that targets capital appreciation without assuming undue risk to principal. The primary objectives of the retirement Plan shall be:

- (1) The preservation of capital in real terms with a focus on meeting future benefit payments.
- (2) Obtaining the maximum return within reasonable and acceptable levels of risk.

2. Delegation of Responsibility

- a. Within the financial activities of the organization, it is necessary to provide a prudent framework for the regular supervision of the management of invested funds. A hospital board Investment Committee (the “Committee”) has been established to review and monitor investment performance of the Cash Balance Plan. The Committee bears primary responsibility as detailed in section 2.e. below for oversight of the independent Investment Consultant and the overall Plan investment program. In addition, a Retirement Plan Administrative Committee (the “RPAC”) administers the Hospital's pension plan including employee communication and education, eligibility, and distributions.
- b. The members of the Investment Committee are appointed by the hospital board of directors. The RPAC shall be composed of the Chief Financial Officer, Controller, Chief Human Resources Officer, Director Compensation and Benefits, and others appointed by the Chief Executive Officer,
- c. Management (“Management”) shall be defined as the Chief Executive Officer, Chief Financial Officer and Controller. The Plan Administrator (“Plan Administrator”) shall be defined as any one of the following: Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, Controller or Director Compensation and Benefits.
- d. Those authorized to execute investment and financial transactions include the Chief Executive Officer, Chief Financial Officer, Controller, and investment advisor(s) approved by the Committee.
- e. **Responsibilities of the board Investment Committee**

**POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments**

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- (1) Establish and recommend revisions to the investment policy, as appropriate.
- (2) Review compliance with policy.
- (3) Determine allocations across investment styles and investment managers that are consistent with this investment policy.
- (4) Assure that implementation of each investment program is consistent with its overall investment objectives and risk tolerances.
- (5) Monitor and evaluate the performance of investment managers through reports provided by the Investment Consultant no less frequently than annually.

**f. Responsibilities of Investment Management**

- (1) Select, contract with, and when appropriate, terminate investment managers who manage the investment programs' assets.
- (2) Select, contract with, and when appropriate, terminate custodian banks/brokers that are responsible for the custody of the Plan's assets.
- (3) Select, contract with, and when appropriate, terminate an investment consultant.
- (4) Evaluate on a regular basis the investment performance objectives of each of the investment programs' investment managers.
- (5) Provide each investment manager with specific investment objectives and guidelines consistent with overall objectives.
- (6) Implement allocations across investment styles and investment managers that are consistent with this investment policy.
- (7) Oversee the operational investment activities of the funds subject to this investment policy.
- (8) Work with the independent, external Investment Consultant in developing and/or reviewing investment recommendations for presentation to the Committee and Board.
- (9) Review the projected cash flow requirements of the Plan at least annually.

**POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments**

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**g. Responsibilities of the Retirement Plan Administrative Committee**

- (1) Review compliance testing. Receive annual compliance update from plan consultants. Engage and select legal advisers and consultants.
- (2) Oversee processes used to determine employee eligibility, vesting, and benefits. Receive annual contribution report.
- (3) Review annual budget regarding plan administrative and benefit costs. Review 403(b) fee policy annually. Recommend changes to policy. Ensure Hospital complies with Fee Disclosure regulations to participants.
- (4) Purchase and maintain appropriate fidelity bond. Ensure that RPAC members sign fiduciary acknowledgment and conflict of interest forms annually.
- (5) Review annual budgets including projected funding. Ensure that annual funding notices are sent to participants.
- (6) Retain, evaluate, and remove record-keepers, non-investment advisers and consultants.
- (7) Approve non-material plan changes related to administrative and regulatory changes. Review draft resolutions. Ensure implementation of plan document changes.
- (8) Review human resources and administrative policies on retirement annually. Update and recommend policy changes based on input from investment committee, plan consultants, and regulatory changes.
- (9) Each management member of the RPAC will be authorized to act as a plan administrator to effectively administrate the plan. Such authority will be documented in writing by at least two members of the RPAC.

**h. Responsibilities of the independent Investment Consultant**

- (1) Review the Plan's investment policies and objectives and suggest appropriate changes.
- (2) Monitor long-term capital market trends and recommend appropriate asset allocation strategies to the Committee.
- (3) Provide Management and the Committee with ongoing asset allocation, investment manager allocation recommendations, and total portfolio

**POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments**

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context.

- (4) Provide assistance concerning the allocation of new contributions as well as periodic asset allocation rebalancing.
  - (5) On an annual basis, provide to the Plan's Investment Managers a list of securities that are prohibited by the Plan's investment policy under section 10.b.
  - (6) Recommend which investment management firms should receive increased or decreased allocations and, when warranted, recommend firms that should be dismissed.
  - (7) Research and recommend investment management firms and custodian(s) appropriate to implement the Plan's investment policies and objectives.
  - (8) Measure, evaluate, and report each investment manager's performance on a quarterly basis.
  - (9) Monitor adherence of each investment manager to its stated investment philosophy and style.
  - (10) Monitor each investment manager's adherence to the guidelines and investment policies contained in this Investment Policy and specific manager guidelines, if applicable.
  - (11) Maintain contact with and report to Management and the Committee on changes within each investment manager's organization including but not limited to investment professional turnover and ownership changes.
  - (12) Communicate promptly with Management and the Committee regarding significant changes in the Investment Consultant's ownership, organizational structure, and professional staffing.
  - (13) Communicate promptly to the Committee any financial arrangements between the Investment Consultant and money management firms.
- i. **Responsibilities of the Custodian Bank as directed by a Plan Administrator**
- (1) Provide complete and accurate accounting records and prompt monthly reports to reflect all transactions, cash flows, and assets held.

**POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments**

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- (2) Disburse and receive cash flows and investments as directed by investment managers to the extent of their authority or authorized by a Plan Administrator.
- (3) Issue monthly reports of holdings and transactions priced in accordance with industry standards.
- (4) Provide monthly reports showing individual asset holdings with sufficient descriptive detail to include units, unit price cost, market value, CUSIP number (where available) and any other information requested by the direction of a Plan Administrator . Principal cash transactions, including dividends, interest and principal payments received, deposits and withdrawals, securities purchased, sold, and matured, and fee payments will also be listed.
- (5) Expeditiously transfer funds into and out of specified accounts.
- (6) Promptly forward all proxy materials received to the appropriate investment manager or a Plan Administrator.

**j. Responsibilities of the Investment Managers**

- (1) Manage the portfolio's assets with full discretion, in accordance with the investment objectives and guidelines stated in this Investment Policy and specific investment manager guidelines.
- (2) Communicate promptly with Management and the Investment Consultant regarding all significant matters such as:
  - major changes in the investment manager's investment outlook and strategy,
  - shifts in portfolio construction (asset mix, sector emphasis, etc.),
  - changes in the investment manager's ownership, organizational structure, or professional staffing (additions and departures), and
  - other changes of a substantive nature.
- (3) Comply with all laws and regulations that involve the Plan as they pertain to the investment manager's duties, functions, and responsibilities as a fiduciary.
- (4) Vote the proxies on the securities held in the investment manager's portfolio in accordance with the manager's fiduciary duties and professional judgment.
- (5) Provide Management and the Investment Consultant with monthly performance and organizational updates and other information as

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requested.

(6) Provide periodic presentations to the Committee and RPAC as requested.

3. Reporting and Evaluation Process:

- a. The achievement of investment objectives will be reviewed by the Committee annually and recommended to the Board of Directors for approval. This review will focus on the continued feasibility of achieving the objectives and the continued appropriateness of the investment policy.
- b. The Investment Consultant will be responsible for reporting the status of investments to the Committee and Management no less frequently than annually.
- c. On a quarterly basis, the Investment Consultant will provide a summary of the Plan's investment performance to the Committee and CFO. The following will be reviewed:
  - (1) The Plan's asset allocation relative to the target asset allocation.
  - (2) The total fund, segment and investment manager returns relative to the stated investment objectives.
  - (3) Other items pertaining to the Plan.
- d. All major liability assumptions regarding workforce, benefit levels and actuarial assumptions will be subject to, at a minimum, an annual review by the RPAC. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.
- e. Management will report the Plan's projected cash flow requirements to the Committee on an annual basis.

4. Review and/or Modification of Policy:

The Committee as assisted by Management and the Investment Consultant will be responsible for reviewing and modifying investment guidelines as conditions warrant, subject to approval by the Board of Directors.

5. Return and Risk Parameters:

The Committee has established the following return and risk parameters that will guide the investment of the Plan assets.

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- a. The Committee will review the risk tolerance and asset allocation of the Plan within the context of the expected cash flow needs and benefit obligations of the Plan.
  - b. The Plan will be actively invested to achieve growth of capital through appreciation of securities held and through the accumulation and reinvestment of dividend and interest income.
  - c. The Plan will be strategically allocated among asset classes and investment styles in order to enhance investment returns and diversify correlating risk factors. This strategic allocation must at all times be within investment policy allocation ranges.
  - d. The Plan is to be sufficiently diversified in order to reduce volatility.
  - e. Diversification of assets may be achieved by:
    - allocating assets to multiple asset classes,
    - allocating assets among various investment styles, and
    - retaining multiple investment management firms with complementary investment philosophies, styles, and approaches.
  - f. The time horizon for evaluating total fund investment performance shall be long-term, which is understood generally to be ten-year periods. The time frame for evaluating the performance of investment managers generally will be rolling five-year periods.
6. Target Asset Allocation
- a. The Target Asset Allocation represents the Plan's normal risk/reward orientation. This orientation has been determined by the Plan's ability to assume risk, the Plan's expected cash needs and the Committee's risk preferences.
  - b. The Target Asset Allocation and individual asset class allocation ranges are outlined in the following table:

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<u>ASSET CLASS</u>	<u>ASSET ALLOCATION</u>	
	<u>Neutral</u>	
Domestic Equities	32%	27% to 37%
International Equities	18%	15% to 21%
Alternatives	20%	17% to 23%
Broad Fixed Income	25%	20% to 30%
Cash	5%	0% to 8%
Total Fund	100%	---

- c. The Plan's allocations may be allowed to be outside of the Rebalancing Ranges specified above until the plan is rebalanced, which will take place at least quarterly, if necessary, and in the following circumstances on a temporary basis:
- (1) The Plan is in the process of implementing new investments within asset classes specified above to which asset classes the Plan does not currently have exposure.
  - (2) The Plan experiences significant inflows or outflows over a short time frame or is expected to experience significant inflows or outflows over a specified time frame.
- d. Investments within "Alternatives" may include the following investments:
- (1) Open-ended and closed-ended real estate investment vehicles and core, value-added and opportunistic real estate investments.
  - (2) Hedge fund of funds strategies that are of institutional quality and are managed by highly skilled investment professionals with robust risk management and operational due diligence processes in place. The following contractual terms are required for hedge fund of funds investments:
    - A. Maximum lockup – 2 years
    - B. Minimum liquidity/redemption period – annually after initial lock-up
    - C. Frequency of valuation – monthly

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(3) Private equity and private debt investment strategies. Permissible vehicles include fund of funds and direct investments in open-ended and closed-ended funds, including secondary market opportunities. Permissible strategies may include buyout, growth, venture, secondaries, direct lending, mezzanine, opportunistic, special situations, and distressed.

7. Rebalancing Procedure

- a. Plan assets will be monitored by Management to keep the asset allocation in line with the target asset allocations outlined in Section 6.
- b. The Investment Consultant will provide rebalancing recommendations to Management and the Committee on a quarterly basis, at minimum.
- c. In circumstances specified under section D.6.c. where Management and the Investment Consultant believe it to be necessary for the Plan's allocations to be temporarily outside of the Rebalancing Ranges, Management will provide a written recommendation to the Investment Committee detailing the requested deviation from the Rebalancing Ranges and the reasons for the deviation.

8. Investment Manager Selection

- a. As stated under Delegation of Responsibilities, Management appoints investment managers who will manage, acquire or dispose of the Plan assets. In selecting an investment manager, Management will use appropriate methods to exercise due diligence and to evaluate the appropriateness and merits of the investment manager. The Committee has delegated to the Investment Consultant the task of researching and recommending investment managers.
- b. In investigating potential managers, the Investment Consultant must, at a minimum, use the following procedures:
  - (1) Identify a range of possible investment manager candidates.
  - (2) Obtain relevant information about the investment manager's experience, qualifications and investment approach.
  - (3) Evaluate experience, qualifications and investment approach. Included in this evaluation will be an analysis of past performance, risk characteristics, and investment management fees.
  - (4) Document the selection process.

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**9. Investment Objectives**

Investment objectives are necessary to properly measure and evaluate the success of the Plan's investment program.

Total return for the Plan's assets and the investment managers, is defined as interest and/or dividends plus (or minus) realized and unrealized capital gains (or losses) minus investment management fees.

a. The investment objectives of the Total Plan are as follows:

(1) Outperform the Composite Benchmark over rolling five-year periods.

A. The Composite Benchmark shall be composed of relevant indices combined in a proportion reflective of the underlying target asset allocation.

(2) Outperform the median of a composite fund manager universe over five-year periods.

b. The investment objectives of the Investment Managers are as follows:

(1) Outperform a passive, style-specific index over rolling five-year periods.

(2) Outperform the median of a style-specific peer group over rolling five-year periods if available.

(3) Assume a level of risk no greater than is appropriate for the investment manager's specific investment mandate.

**10. Investment Restrictions**

a. This section details the investment restrictions for separate account investment managers. In the case of pooled investment vehicles (mutual funds, commingled funds and limited partnerships), the investment guidelines and restrictions defined and detailed by the vehicle will apply. Management and the Investment Consultant are responsible for the review of such guidelines and restrictions prior to investment.

b. The purchase of the securities of companies described below is prohibited; however, as specified in section 10.a. this prohibition is waived in the case of pooled investment vehicles. For the purposes of this section, Investment Managers are expected to rely upon a list of companies engaged in such activities as provided by the Investment Consultant, who will provide such a list on a best efforts basis. In instances where companies that engage in

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the activities below are inadvertently purchased or held by an Investment Manager, the Investment Manager will divest of the security within 90 days of being made aware of the violation unless the Investment Manager receives a written exception to this section of the investment policy from the Investment Committee.

- (1) Companies whose major product is tobacco (greater than 50% of company revenues).
- (2) Companies who engage in the manufacture of firearms that are illegal for sale to or possession by civilians in the state of California.

**c. Equity Manager Guidelines**

- (1) The domestic and international equity segments may be diversified across a spectrum of market capitalizations by allowing investments in small-, medium-, and large-capitalization stocks.
- (2) Unless specified otherwise in writing, equity holdings should be readily marketable and diversified by issuer, industry, and sector.
- (3) An individual security position may not exceed 10% of an equity manager's portfolio market value.
- (4) Investments in money market instruments and bonds, as a surrogate for cash reserves, are allowed subject to a maximum of 10% of total allocation.
- (5) Investments in options, futures and other derivatives are allowed only for hedging purposes or as a substitute for actual securities in cases where the derivative instrument is a more efficient means of gaining exposure to the underlying securities. Derivatives may not be used in a speculative manner or to leverage the portfolios.

**d. Fixed Income Manager Guidelines**

- (1) Fixed income holdings should be readily marketable and diversified by issuer, sector, coupon and quality.
- (2) No more than 5% of the Investment Manager's bond portfolio at the time of purchase shall be invested in the securities of any one issuer. There shall, however, be no such limit on U.S. Government securities, U.S. Agency securities, or government sponsored entities, U.S Agency mortgage backed securities, or other sovereign issues rated "AAA" or "Aaa".

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- (3) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, up to 20% of the portfolio's market value at the time of purchase may be invested in high yield debt. For split-rated securities, the higher rating will be used in determining compliance with these guidelines.
- (4) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, emerging markets debt shall be limited to no more than 15% of the portfolio's market value at the time of purchase.
- (5) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, exposure to non-U.S. dollar assets shall be limited to no more than 20% of the portfolio's market value at the time of purchase.
- (6) The portfolio's weighted average effective duration determines a bond portfolio's sensitivity to interest rate changes. A manager's market value weighted effective duration, adjusted for expected life and call provision, cannot be more than +/- 30% of the benchmark's effective duration.
- (7) Permissible Holdings include the following:
  - A. Debt securities issued or guaranteed by the United States or U.S. government sponsored entities (including U.S. Government sponsored Agency mortgage backed securities, and inflation linked bonds).
  - B. Non-agency and commercial mortgage-backed securities, including collateralized mortgage obligations and whole loans.
  - C. Corporate bonds, debentures and other forms of corporate debt obligations, including equipment trust certificates, Eurobonds, Insurance Surplus Notes, and Capital Securities.
  - D. Municipal securities (up to 20% of the portfolio).
  - E. Asset-backed securities.
  - F. Indexed notes, floaters, and other variable rate obligations.
  - G. 144A securities without registration rights (up to 20% of the portfolio).
  - H. Bank collective funds.

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- I. Certificates of deposit (“CD’s”) and other money market instruments from banks also issuing bankers acceptances and with current commercial paper ratings of at least A 1 (by Standard & Poor's) or P 1 (by Moody's Investors Service).
  - J. Mutual funds or commingled pools.
  - K. U.S. dollar-denominated sovereign, supranational, provincial, and municipal securities issued by foreign entities.
  - L. Non-U.S. dollar-denominated sovereign securities.
  - M. On a temporary basis, securities received in exchange offers or other similar situations (subject to approval by the Committee after notification by the investment manager of the receipt of such securities).
  - N. Hedging with futures contracts and options on futures contracts are permitted to offset price risks (which include interest rates, currency fluctuations and the general price level of certain financial markets) incidental to the portfolio’s principal mandate. Transactions in futures contracts and options on futures contracts are restricted to those contracts that are substitutes for assets that the portfolio could own, and that are economically appropriate to the reduction of risks in the conduct/management of the portfolio. In no way will futures or options on futures be used to leverage the portfolio.
- e. Exceptions to these restrictions may only be made upon prior approval of the Committee.

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f.

<b>APPROVAL</b>	<b>APPROVAL DATES</b>
Originating Committee or UPC Committee:	
_____ Medical Committee (if applicable):	
ePolicy Committee:	10/2015
Pharmacy and Therapeutics (if applicable):	
Finance Committee:	11/2015
Board of Directors:	01/2016

Historical Approvals:

5/90, 5/03, 03/05, 11/06, 5/07, 5/12, 6/13

## EL CAMINO HOSPITAL ADMINISTRATIVE POLICIES AND PROCEDURES

### **16.00 SURPLUS CASH INVESTMENT POLICY**

A. **Coverage:**

El Camino Hospital Surplus Cash

B. **Reviewed/Revised**

6/98, 11/00, 6/01, 9/02, 1/04, 3/05, 5/06, 06/09, 05/12, 06/13, 2/15, 3/19, 5/20

C. **Policy Summary**

It is the policy of the El Camino Hospital Board of Directors that cash funds of El Camino Hospital, El Camino Hospital Foundation, CONCERN: EAP, and other affiliates be prudently invested with a focus on preserving the liquidity and principal necessary to meet known and reasonably unforeseen operational and capital needs. Funds will be invested in a diversified portfolio that balances the need for liquidity with a long-term investment focus in order to improve investment returns and the organization's financial strength.

D. **Policy**

1. **Objectives and Purpose**

- a. The policy will be to invest the Surplus Cash assets in a diversified investment portfolio that targets capital appreciation without assuming undue risk to principal. The primary objectives of the overall Surplus Cash pool shall be (1) preservation of capital, (2) capital growth, (3) maintenance of liquidity, and (4) avoidance of inappropriate concentration of investments.
- b. The assets subject to this Investment Policy include the commingled funds of the Hospital, Foundation, CONCERN, and the El Camino Hospital Foundation Gift Annuity Fund.
- c. The El Camino Hospital Foundation Gift Annuity Fund is also managed according to the following restrictions: investments shall be managed in a diversified and prudent manner and in compliance with and subject to the criteria set forth under California Insurance Code Section (CICS) 1192.9, including Section 11521.2 to 11521.3.

2. Delegation of Responsibility

- a. Within the financial activities of the organization, it is necessary to provide a prudent framework for the regular supervision of the management of invested funds. The Board of Directors ("the Board") has the overall fiduciary responsibility for the Surplus Cash assets. The Board shall appoint an Investment Committee ("the Committee") that bears primary responsibility as detailed in section 2.d. below for oversight of El Camino Hospital management ("Management"), the independent Investment Consultant, and the overall Surplus Cash investment program. The Board shall delegate the specific management of the Surplus Cash pool's investments to Management as detailed in section 2.e. below.
- b. Management shall be defined as the Chief Executive Officer, the Chief Financial Officer, Controller, and Finance Director.
- c. Those authorized to execute transactions include the Chief Executive Officer, Chief Financial Officer, Controller, and investment advisor(s) approved by Management.

**d. Responsibilities of the Investment Committee**

- (1) Establish and recommend revisions to the investment policy, as appropriate.
- (2) Review compliance with policy.
- (3) Approve allocations across investment styles and investment managers that are consistent with this investment policy.
- (4) Assure that implementation of each investment program is consistent with its overall investment objectives and risk tolerances.
- (5) Monitor performance of investment managers through reports provided by the Investment Consultant.

**e. Responsibilities of Management**

- (1) Select, contract with, and when appropriate, terminate investment managers who manage the investment programs' assets.
- (2) Evaluate the investment performance objectives of each of the investment programs' investment managers.
- (3) Select, contract with, and when appropriate, terminate custodian banks/brokers that are responsible for the custody of the investment programs' assets.

- (4) Select, contract with, and when appropriate, terminate an investment consultant.
- (5) Provide each investment manager with specific investment objectives and guidelines consistent with overall objectives.
- (6) Determine and implement allocations across investment styles and investment managers that are consistent with this investment policy.
- (7) Oversee the operational investment activities of the funds subject to this investment policy and other operating procedures and policies of El Camino Hospital.
- (8) Work with the independent, external Investment Consultant in developing and/or reviewing investment recommendations for presentation to the Committee and Board.

**f. Responsibilities of the independent Investment Consultant**

- (1) Review the Surplus Cash pool's investment policies and objectives and suggest appropriate changes.
- (2) Monitor long-term capital market trends and recommend appropriate asset allocation strategies to Management and the Committee.
- (3) Provide Management and the Committee with ongoing asset allocation, investment manager allocation recommendations, and total portfolio context.
- (4) Provide assistance concerning the allocation of new contributions as well as periodic asset allocation rebalancing.
- (5) On an annual basis, provide to the Surplus Cash pool's Investment Managers a list of securities that are prohibited by the Surplus Cash pool's investment policy under section 10.b.
- (6) Recommend which investment management firms should receive increased or decreased allocations and, when warranted, recommend firms that should be dismissed.
- (7) Research and recommend investment management firms and custodian(s) appropriate to implement the Surplus Cash pool's investment policies and objectives.
- (8) Measure, evaluate, and report each investment manager's performance on a quarterly basis.
- (9) Monitor adherence of each investment manager to its stated investment

philosophy and style.

- (10) Monitor each investment manager's adherence to the guidelines and investment policies contained in this Investment Policy and specific manager guidelines, if applicable.
- (11) Maintain contact with and report to Management and the Committee on changes within each investment manager's organization including but not limited to investment professional turnover and ownership changes.
- (12) Communicate promptly with the Management and the Committee regarding significant changes in the Investment Consultant's ownership, organizational structure, and professional staffing.
- (13) Communicate promptly to the Committee any financial arrangements between the Investment Consultant and money management firms.

**g. Responsibilities of the Custodian Bank as directed by Management**

- (1) Provide complete and accurate accounting records and prompt monthly reports to reflect all transactions, cash flows, and assets held.
- (2) Disburse and receive cash flows and investments as directed by investment managers to the extent of their authority or by authorized Management.
- (3) Issue monthly reports of holdings and transactions priced in accordance with industry standards.
- (4) Provide monthly reports showing individual asset holdings with sufficient descriptive detail to include units, unit price cost, market value, CUSIP number (where available) and any other information requested by the direction of Management. Principal cash transactions, including dividends, interest and principal payments received, deposits and withdrawals, securities purchased, sold, and matured, and fee payments will also be listed.
- (5) Expeditiously transfer funds into and out of specified accounts.
- (6) Promptly forward all proxy materials received to the appropriate investment manager or Management.

**h. Responsibilities of the Investment Managers**

- (1) Manage the portfolio's assets with full discretion, in accordance with the investment objectives and guidelines stated in this Investment Policy and specific investment manager guidelines.
- (2) Communicate promptly with Management and the Investment

Consultant regarding all significant matters such as:

- major changes in the investment manager's investment outlook and strategy,
- shifts in portfolio construction (asset mix, sector emphasis, etc.),
- changes in the investment manager's ownership, organizational structure, or professional staffing (additions and departures), and
- other changes of a substantive nature.

- (3) Comply with all laws and regulations that involve the Surplus Cash pool as they pertain to the investment manager's duties, functions, and responsibilities as a fiduciary.
- (4) Vote the proxies on the securities held in the investment manager's portfolio in accordance with the manager's fiduciary duties and professional judgment.
- (5) Provide Management and the Investment Consultant with monthly performance and organizational updates and other information as requested.
- (6) Provide periodic presentations to the Investment Committee as requested.

3. Reporting and Evaluation Process:

- a. Management and the Investment Consultant will be responsible for reporting the status of investments to the Committee on a regular basis.
- b. Annual reports by Management should include a complete listing of securities held and must be verified (audited) by the District's auditors.
- c. On a quarterly basis, the Committee will evaluate investment performance. The following will be reviewed:
  - (1) The Surplus Cash pool's asset allocation relative to the target asset allocation.
  - (2) The total fund, segment and investment manager returns relative to the stated investment objectives.
  - (3) Other items pertaining to Surplus Cash pool.
  - (4) Management will provide minutes of each meeting to the Committee.

4. Review and/or Modification of Policy:

- a. The Committee as assisted by Management and the Investment Consultant will be responsible for reviewing and modifying investment guidelines as conditions warrant, subject to approval by the Board of Directors.

b A copy of this policy will be rendered to the Board of Directors annually.

5. Return and Risk Parameters:

The Committee has established the following return and risk parameters that will guide the investment of the Surplus Cash assets.

- (1) The Committee will review the risk tolerance of the Surplus Cash pool's assets within the context of El Camino's long-term financial plan.
- (2) The Surplus Cash pool will be actively invested to achieve growth of capital through appreciation of securities held and through the accumulation and reinvestment of dividend and interest income.
- (3) The Surplus Cash pool will be strategically allocated among asset classes and investment styles in order to enhance investment returns and diversify correlating risk factors. This strategic allocation must at all times be within investment policy allocation ranges.
- (4) The Surplus Cash pool is to be sufficiently diversified in order to reduce volatility.
- (5) Diversification of assets may be achieved by:
  - allocating assets to multiple asset classes,
  - allocating assets among various investment styles, and
  - retaining multiple investment management firms with complementary investment philosophies, styles, and approaches.
- (6) The time horizon for evaluating total fund investment performance shall be long-term. The time frame for evaluating the performance of investment managers generally will be rolling five-year periods.

6. Target Asset Allocation

- a. The Target Asset Allocation represents the Surplus Cash pool's normal risk/reward orientation. This orientation has been determined by the Surplus Cash pool's ability to assume risk and the Committee's risk preferences.
- b. The Target Asset Allocation and individual asset class allocation ranges are outlined in the following table:

<u>ASSET CLASS</u>	<u>ASSET ALLOCATION</u>	
	<u>Neutral</u>	<u>Range</u>
Domestic Equities	25%	20% to 30%
International Equities	15%	10% to 20%
Alternatives	20%	17% to 23%
Broad Fixed Income	30%	0% to 35%
Short Term Fixed Income	10%	8% to 40%
Total Fund	100%	---

- c. The Plan's allocations may be allowed to be outside of the Rebalancing Ranges specified above until the Plan is rebalanced, which will take place at least quarterly, if necessary, and in the following circumstances on a temporary basis:
- (1) The Plan is in the process of implementing new investments within asset classes specified above to which asset classes the Plan does not currently have exposure.
  - (2) The Plan experiences significant inflows or outflows over a short time frame or is expected to experience significant inflows or outflows over a specified time frame.
- d. Investments within "Alternatives" may include the following investments:
- (1) Open-ended and closed-ended real estate investment vehicles and core, value-added and opportunistic real estate investments.
  - (2) Hedge fund of funds and diversified pools of direct hedge fund strategies that are of institutional quality and are managed by highly skilled investment professionals with robust risk management and operational due diligence processes in place. The following contractual terms are required for hedge fund of funds investments:
    - A. Maximum lockup – 2 years
    - B. Minimum liquidity/redemption period – annually after initial lock-up
    - C. Frequency of valuation – monthly
    - D. No more than 15% of hedge fund pool can be allocated to a single direct hedge fund at time of purchase

(3) Private equity and private debt investment strategies. Permissible vehicles include fund of funds and direct investments in open-ended and closed-ended funds, including secondary market opportunities. Permissible strategies may include buyout, growth, venture, secondaries, direct lending, mezzanine, opportunistic, special situations, and distressed.

7. Rebalancing Procedure

- a. Surplus Cash pool assets will be monitored by Management to keep the asset allocation in line with the target asset allocations outlined in Section 6.
- b. The Investment Consultant will provide rebalancing recommendations to Management and the Committee on a quarterly basis, at minimum.
- c. In circumstances specified under section D.6.c. where Management and the Investment Consultant believe it to be necessary for the Plan's allocations to be temporarily outside of the Rebalancing Ranges, Management will provide a written recommendation to the Investment Sub-Committee detailing the requested deviation from the Rebalancing Ranges and the reasons for the deviation.

8. Investment Manager Selection

- a. As stated under Delegation of Responsibilities, Management appoints investment managers who will manage, acquire or dispose of the Surplus Cash assets. In selecting an investment manager, Management will use appropriate methods to exercise due diligence and to evaluate the appropriateness and merits of the investment manager. Management has delegated to the Investment Consultant the task of researching and recommending investment managers.
- b. In investigating potential managers, the Investment Consultant must, at a minimum, use the following procedures:
  - (1) Identify a range of possible investment manager candidates.
  - (2) Obtain relevant information about the investment manager's experience, qualifications and investment approach.
  - (3) Evaluate experience, qualifications and investment approach. Included in this evaluation will be an analysis of past performance, risk characteristics, and investment management fees.
  - (4) Document the selection process.

9. Investment Objectives

Investment objectives are necessary to properly measure and evaluate the

success of the Surplus Cash pool's investment program.

Total return for the Surplus Cash pool's assets and the investment managers, is defined as interest and/or dividends plus (or minus) realized and unrealized capital gains (or losses) minus investment management fees.

a. The investment objectives of the Total Surplus Cash Pool are as follows:

(1) Outperform the Composite Benchmark over rolling five-year periods.

A. The Composite Benchmark shall be composed of relevant indices combined in a proportion reflective of the underlying target asset allocation.

(2) Outperform the median of a composite fund manager universe over five-year periods.

b. The investment objectives of the Investment Managers are as follows:

(1) Outperform a passive, style-specific index over rolling five-year periods.

(2) Outperform the median of a style-specific peer group over rolling five-year periods if available.

(3) Assume a level of risk no greater than is appropriate for the investment manager's specific investment mandate.

#### 10. Investment Restrictions

a. This section details the investment restrictions for separate account investment managers. In the case of pooled investment vehicles (mutual funds, commingled funds and limited partnerships), the investment guidelines and restrictions defined and detailed by the vehicle will apply. Management and the Investment Consultant are responsible for the review of such guidelines and restrictions prior to investment.

b. The purchase of the securities of companies described below is prohibited; however, as specified in section 10.a., this prohibition is waived in the case of pooled investment vehicles. For the purposes of this section, Investment Managers are expected to rely upon a list of companies engaged in such activities as provided by the Investment Consultant, who will provide such a list on a best efforts basis. In instances where companies that engage in the activities below are inadvertently purchased or held by an Investment Manager, the Investment Manager will divest of the security within 90 days of being made aware of the violation unless the Investment Manager receives a written exception to this section of the investment policy from the Investment Committee.

(1) Companies whose major product is tobacco (greater than 50% of

company revenues).

- (2) Companies who engage in the manufacture of firearms that are illegal for sale to or possession by civilians in the state of California.

#### **e.c. Equity Manager Guidelines**

- (1) The domestic and international equity segments may be diversified across a spectrum of market capitalizations by allowing investments in small-, medium-, and large-capitalization stocks.
- (2) Unless specified otherwise in writing, equity holdings should be readily marketable and diversified by issuer, industry, and sector.
- (3) An individual security position may not exceed 10% of an equity manager's portfolio market value.
- (4) Investments in money market instruments and bonds, as a surrogate for cash reserves, are allowed subject to a maximum of 10% of total allocation.
- (5) Investments in options, futures and other derivatives are allowed only for hedging purposes or as a substitute for actual securities in cases where the derivative instrument is a more efficient means of gaining exposure to the underlying securities. Derivatives may not be used in a speculative manner or to leverage the portfolios.

#### **e.d. Fixed Income Manager Guidelines**

- (1) Fixed income holdings should be readily marketable and diversified by issuer, sector, coupon and quality.
- (2) No more than 5% of the Investment Manager's bond portfolio at the time of purchase shall be invested in the securities of any one issuer. There shall, however, be no such limit on U.S. Government securities, U.S. Agency securities, or government sponsored entities, U.S Agency mortgage backed securities, or other sovereign issues rated "AAA" or "Aaa".
- (3) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, the average credit quality of the fixed income portfolio shall be "A-" or higher. Up to 15% of the portfolio's market value at the time of purchase may be invested in high yield debt. For split-rated securities, the higher rating will be used in determining compliance with these guidelines.
- (4) For managers benchmarked against the Barclays Capital U.S. Aggregate

Bond Index, emerging markets debt shall be limited to no more than 15% of the portfolio's market value at the time of purchase.

- (5) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, exposure to non-U.S. dollar assets shall be limited to no more than 20% of the portfolio's market value at the time of purchase.
- (6) The portfolio's weighted average effective duration determines a bond portfolio's sensitivity to interest rate changes. A manager's market value weighted effective duration, adjusted for expected life and call provision, cannot be more than +/- 30% of the benchmark's effective duration.
- (7) Permissible Holdings include the following:
  - A. Debt securities issued or guaranteed by the United States or U.S. government sponsored entities (including U.S. Government sponsored Agency mortgage backed securities, and inflation linked bonds).
  - B. Non-agency and commercial mortgage-backed securities, including collateralized mortgage obligations and whole loans.
  - C. Corporate bonds, debentures and other forms of corporate debt obligations, including equipment trust certificates, Eurobonds, Insurance Surplus Notes, and Capital Securities.
  - D. Municipal securities (up to 20% of the portfolio).
  - E. Asset-backed securities.
  - F. Indexed notes, floaters, and other variable rate obligations.
  - G. 144A securities without registration rights (up to 20% of the portfolio).
  - H. Bank collective funds.
  - I. Certificates of deposit ("CD's") and other money market instruments from banks also issuing bankers acceptances and with current commercial paper ratings of at least A 1 (by Standard & Poor's) or P 1 (by Moody's Investors Service).
  - J. Mutual funds or commingled pools.
  - K. U.S. dollar-denominated sovereign, supranational, provincial, and municipal securities issued by foreign entities.
  - L. Non-U.S. dollar-denominated sovereign securities.

- M. Hedging with futures contracts and options on futures contracts are permitted to offset price risks (which include interest rates, currency fluctuations and the general price level of certain financial markets) incidental to the portfolio's principal mandate. Transactions in futures contracts and options on futures contracts are restricted to those contracts that are substitutes for assets that the portfolio could own, and that are economically appropriate to the reduction of risks in the conduct/management of the portfolio. In no way will futures or options on futures be used to leverage the portfolio.
- (8) Exceptions to these restrictions may only be made upon prior approval of the Committee.

**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:** May 20, 2020  
**Subject:** Medical Staff Report – Open Session

**Recommendation:**

To approve the Medical Staff Report, including the Cancer Center Clinic Scope of Service.

**Summary:**

1. **Situation:** The Medical Executive Committee met on April 23, 2020.
2. **Background:** MEC received the following informational reports.
  - a) Quality Council – The Quality Council met in April 2020. Reports and performance dashboards were reviewed and approved from the following ECH Departments/Service Lines:
    - i. Direct Clinical Care Contract Evaluation
    - ii. ED Physician Service Contract Evaluation
    - iii. Imaging Services
    - iv. Sterile Processing
    - v. Regulatory Update
  - b) Leadership Council – The Leadership Council did not meet in April
  - c) The CEO Report was provided and included the following updates:
    - i. Interim CFO is in place
    - ii. Search for a CQO has commenced once again
    - iii. Los Gatos Infusion Center opens April 27, 2020
    - iv. Elective Surgeries and Procedures are scheduled to reopen at both campuses beginning April 27, 2020
    - v. MyChart is live on six units
    - vi. New PET/CT scanner is live on the Los Gatos campus
  - d) CMO Report was provided and included the following updates:
    - i. A comprehensive update was presented regarding COVID-19 including the symptoms, how these symptoms compare to the common cold, allergies and the flu and the recommended preventions
    - ii. Reviewed and discussed the current El Camino’s experience as compared to the country as a whole
3. **Other Review:**
  - a) The MEC approved the Cancer Center Scope of Service

**List of Attachments:** Cancer Center Clinic Scope of Service

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



**Origination:** 08/2015  
**Effective:** Upon Approval  
**Last Approved:** N/A  
**Last Revised:** 04/2020  
**Next Review:** 3 years after approval  
**Owner:** Diego Rodriguez: Clinical Manager  
**Area:** Scopes of Service  
**Document Types:** Scope of Service/ADT

## Scope of Service - Cancer Center Clinic

### Types and Ages of Patient Served

The Cancer Center (CC) is an outpatient department of El Camino Hospital. The CC provides comprehensive and coordinated care to outpatient adults with an Oncology/Hematology diagnosis. Services focus on the coordination and treatment throughout the trajectory of care for an Oncology or Hematology diagnosis. Types of patients served are described in the scope and complexity of services offered section.

### Assessment Methods

Patient assessment and care is provided by multiple professionals including physicians, nurse practitioner, registered nurses, social workers, nutritionists, and other healthcare professionals, as appropriate and according to the scope and dictates of their professional practice.

### Scope and Complexity of Services Offered

The Mountain View Cancer Center is located at 2505 Hospital Drive, First Floor, Mountain View, California. The CC facility is equipped to provide service for the anticipated healthcare needs of the population served. Routine operating hours for the CC will be posted within the facility. Physicians will be available after CC operating hours as per the physician call schedule. The CC facility is not open on weekends or holidays recognized by El Camino Hospital.

The Los Gatos Cancer Center is located at 815 Pollard Ave., Los Gatos, California. The CC facility is equipped to provide service for the anticipated healthcare needs of the population served. Routine operating hours for the CC will be posted within the facility. Physicians will be available after CC operating hours as per the physician call schedule. The CC facility is not open on weekends or holidays recognized by El Camino Hospital.

The following services are provided: Oncology/Hematology disease management, treatment, episodic care for symptom management, nutritional assessments and education, social & psychological evaluations and counseling, and care coordination. Services and treatments provided according to department specific procedures and guidelines and ECH policies and procedures.

Care is given as directed and prescribed by the physician and care team. The medical staff working in the Cancer Center will have hospital privileges on file. Staff communicates patient needs, in addition to coordinating treatments and a plan of care with all ancillary departments and referring physicians.

# Appropriateness, Necessity and Timeliness of Services

The CC Physicians, NP, and/or Clinical Manager assess the appropriateness, necessity and timeliness of service, according to department specific guidelines and ECH policies and procedures.

## Staffing/Staff Mix

A Clinical Manager oversees the clinical operations of the Cancer Center and reports to the Practice Director and the Director of Medical Surgical Nursing. CC staffing will be determined by patient volume and patient needs.

Physicians and care team members provide direct patient care and assessment with the assistance of a certified medical assistant. The medical assistant performs the technical aspects of patient care within a defined scope of practice upon authorization and supervision of a physician.

**Other clinical and support staff providing services to patients in this area may include, but are not limited to:**

Nurse Practitioner  
Registered Nurse(s)  
Community Outreach Coordinator  
Licensed Social Worker  
Registered Dietician

The competency of the staff is evaluated through observation of 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 hospital and department specific orientation.
- Safety/Emergency policies and procedures are reviewed annually by all staff.
- All staff members are required to be BLS certified.
- All Clinical Staff will be licensed/certified according to El Camino Hospital Policies and Procedures.
- MAs must have completed a training program and be currently certified/registered by an agency approved by the Medical Board of California.

## Level of Service Provided

The level of service is consistent with ambulatory health care and treatment. The department is designed to advocate and 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.

Patient's progress is evaluated by the physician and members of the care team, as well as by the patient and family.

## Standards of Practice

The Cancer Center is governed by state regulations as outlined in Title 22, standards established by The Joint Commission, and 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

No Attachments

## Approval Signatures

Step Description	Approver	Date
BOD	Sarah Rosenberg: Contracts Admin Gov Svcs EA	pending
MEC	Catherine Carson: Senior Director Quality [JH]	04/2020
ePolicy Committee	Jeanne Hanley: Projects Coordinator	04/2020
	Diego Rodriguez: Clinical Manager	03/2020

COPY

**OPEN SESSION CEO Report**  
**May 20, 2020**  
**Dan Woods, CEO Report**

**Operations**

ECH is one of the first hospitals in the US participating in the TRILUMINATE clinical research study, sponsored by Abbott. The primary purpose of this study is to evaluate safety and effectiveness of the Tricuspid Valve Repair System (TVRS) for treating symptomatic moderate or greater tricuspid regurgitation (TR) in patients currently on medical management and who are deemed appropriate for percutaneous transcatheter intervention.

We began our extracorporeal membrane oxygenation (ECMO) program as a bridge to receiving a transplant, in the last 45 days. ECMO is a life support machine for patients with a severe and life-threatening illness that stops their heart or lungs from working properly. Patients needing an organ transplant can be placed on ECMO here at ECH and then transferred to a facility that performs transplants.

The Los Gatos Infusion Center opened on April 27<sup>th</sup>.

Our COVID-19 Incident Command Center is now closed and all duties have been distributed within our operations. We will continue to monitor COVID-19 cases in our community and reopen should the need arise.

**Facilities**

New move-in dates have been established for moving clinical departments into our new Mountain View campus buildings. Clinical departments will move into the Taube Pavilion on June 10<sup>th</sup> and into the Sobrato Pavilion on June 24<sup>th</sup>.

**Workforce**

ECH will continue to fund “kids camps” at the Mountain View and Saratoga YMCAs for children ages 3-12 to support our essential staff members through what would have been the end of the normal school year. We also launched an assistance program (funded by \$150,000 in donations to the ECH Foundation) to assist our employees who may be struggling financially due to the COVID-19 pandemic.

Since May 12, 2020 would have marked Florence Nightingale’s 200<sup>th</sup> birthday, 2020 is the year of the nurse! We are very proud of Chief Nursing Officer Cheryl Reinking, RN, MSN, NEA-BC who is currently working on her Doctor of Nursing Practice (DNP) at the University of San Francisco. Cheryl’s article, one aspect of her work towards her DNP, “*Nurses Transforming Systems of Care: The Bicentennial of Florence Nightingale’s Legacy*,” was published in the May 2020 issue of Nursing Management.



Wednesday May 6<sup>th</sup> marked the beginning of the annual Nurse Week. Due to shelter in place orders, we were unable to celebrate with our original plans for the week; however, we were still able to recognize our staff.

The police and fire departments from jurisdictions throughout the El Camino Healthcare District arrived at the Mountain View campus at 3:30pm on May 6<sup>th</sup> with lights blazing and created a recognition "parade route" at the main entrance for all of our staff. Nurse week culminated on Tuesday, May 12<sup>th</sup> with roving cupcake carts delivered to all departments.

### **Corporate and Community Health Services**

CONCERN EAP provided 15 webinars attended by 2,000 participants on topics including (1) Managing Anxiety and Stress and (2) Strategies for Remote Workers. Our Community Benefit staff administered a survey questionnaire to FY21 grant applicants to gather supplemental information as it relates to COVID-19 response efforts and engaged in discussions with current grant partners about new and changing community health needs related to the COVID-19 pandemic. We learned that our partners are rapidly pivoting the way they provide grant funded services to their clients and the community.

The South Asian Heart Center is providing virtual programs including TECH (Tuesday Evening Community Huddles) weekly on lifestyle topics, a nutrition workshop for the Aga Khan community (Ismaili branch of Shiite Islam) and a diabetes prevention program.

The Chinese Health Initiative ("CHI") staff coordinated with the ECH Foundation and Chinese community organizations for donations to the COVID-19 Emergency Response Fund. CHI initiated 2 weekly webinar series: (1) Healthy Lifestyle (diet, exercise, lifestyle medicine and emotional health), conducted by registered dietitians, a Lifestyle Medicine physician and a clinical psychologist and (2) a bilingual Qigong demo promoting physical activity.

RoadRunners is still drastically reducing their normal everyday rides to only medical appointments and grocery store runs due to the COVID-19 pandemic. We are still using Lyft for Behavioral Health clients who live out of service area. In March, RoadRunners/Lyft completed 544 rides, but only 157 rides in April.

The Health Library and Resource Center is closed to the public. We are however, taking consultation appointments by telephone for Eldercare, Medicare, Advance Healthcare Directive Assistance, Dietitian, and Pharmacist appointments.

## **Marketing and Communications**

We launched an external interim COVID-19 campaign to patients and the community. This weekly e-newsletter featured articles and resources designed to help patients and the larger community during this challenging time. In April, we deployed three, each reaching: 57,000 El Camino Hospital patients, 12,000 SVMD patients, and 40,000 inactive patients (patients who have not had an encounter with us for at least 3 years). Staff continues email communications to SVMD and hospital patients informing them of the availability of virtual doctor visits, drive-thru testing, our enhanced safety precautions, and our respiratory clinic.

The El Camino Health Website has an updated COVID-19 page design with updated FAQs system, quick links, and clearer informational alerts. We also published 21 blog articles supporting HealthPerks and COVID-19 efforts, covering topics such as mental health, at-home activities, primary care services and general health tips.

Our team proactively facilitated several media stories including:

- [NBC-11: Live interview with Dr. Lisa Packard on childbirth and COVID-19](#)
- NBC-11: Interview with Brandi Fitzsimmons about grocery offerings in Café for employees (not yet aired)
- MV Voice: Interview with Mark Adams about the resumption of elective surgery (not yet published)
- Los Altos Town Crier: Interview with Kathryn Fisk about the YMCA Child Care Program and support for ECH workers (not yet published)

## **Philanthropy**

During period 9 of fiscal year 2020, El Camino Health Foundation secured \$2,494,585, bringing the total raised by end of March to \$8,778,274, which is 114% of the annual goal. The majority of the period 9 gifts were to the rapidly launched El Camino Health COVID-19 Emergency Response Fund. More detail follows in the attached report including a very long list of donors who donated meals for ECH employees.

## **Auxiliary**

Sadly, our Auxillians are still sheltering in place. However, we appreciate them helping us flatten the curve and we look forward to their return!

## Restaurants and Donors to El Camino Health

Romina and Kelly Ahuja  
Alotta's Deli and Restaurant  
Amber India Restaurant  
Amici's Pizza  
arm Technologies  
Blue Line Pizza  
Boy Scouts of America  
Chef Chu's  
Chocotoo  
CVS Health  
Din Tai Fung  
Dohatsuten  
Ed Han  
Katie Hoover  
ECH Auxiliary  
ECH Retirees  
Facebook, Inc.  
Fidelity Investments  
Girl Scouts of America  
Julia Miller  
Dianne Leo  
Hyatt Centric Mountain View  
Jake's of Saratoga  
Jalsa Catering & Events  
Joe's Waffle  
Kentucky Fried Chicken  
Legends Pizza  
LinkedIn  
Los Altos Taqueria  
Marina Food  
Mary Kay Inc.  
Mercado La Torre  
Addepar, Inc.  
Parsley Sage Rosemary & Thyme  
Pizza Guys  
Red Pepper Bar & Grill  
Red Rock Coffee  
Re:THINK Ice Cream

Saratoga Federated Church  
Sand Hill Construction  
A Slice of New York - Meals  
Starbird Chicken  
Starbucks Corporation  
Sunshine Olive Oil  
Colton and Hayden Sweatt  
Pamela and Edward Taft  
Topsy Nail Salon Los Gatos  
Tommy Thai  
Tootsie's at the Stanford Barn  
Trader Joe's  
Urfa Bistro

**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:** May 20, 2020  
**Subject:** Report on El Camino Health Foundation Activities FY20 Period 9  
**Purpose:** For information.

**Summary:**

1. **Situation:** During period 9 of fiscal year 2020, El Camino Health Foundation secured \$2,494,585, bringing the total raised by end of March to \$8,778,274, which is 114% of the annual goal. The majority of the period 9 gifts were to the rapidly launched El Camino Health COVID-19 Emergency Response Fund. Since March 18, 2020:
  - 52% of all donors have been first-time donors
  - 47% of all money received has been from first-time donors
  - 61% of all online donation have been from first-time donors
  - 78% of first time donors have used the COVID-19 donation page

2. **Authority:** N/A

3. **Background:**

**Major & Planned Gifts**

In March, the Foundation received \$2,216,470 in major and planned gifts. All but a \$2,000 planned gift were designated for the El Camino Health COVID-19 Emergency Response Fund. This includes two \$1M donations, one from a longtime donor, the other from a new donor, who wishes to remain anonymous.

**Fundraising Events**

- *Norma's Literary Luncheon*

In March, the foundation received \$14,150 in sponsorships, donations, and ticket sales for Norma's Literary Luncheon, bringing the event to 103% of its fundraising goal. The event took place on February 6.

- *Spring Event*

In light of COVID-19 the foundation has cancelled this year's gala and has set a new date of May 1, 2021. The beneficiary will remain the Women's Hospital renovation. A gala postponement letter announcing the next year's event has been mailed to all save the date recipients.

### **Annual Giving**

In March, the foundation raised \$115,366 in annual gifts, primarily designated for the El Camino Health COVID-19 Emergency Response Fund. Most of these gifts were made online, some in response to the spring direct mail appeal, some due to personal solicitation, and some were completely unsolicited. Other annual donations came from the October direct mail and end-of-year follow-up appeals, Circle of Caring grateful patient program, Hope to Health membership, and matching gifts. This brings annual giving to 109% of goal for fiscal year 2020.

### **In-kind Donations**

The Foundation has received pallet-loads of material donations, including thousands of N-95 masks, gloves, gowns and other personal protective equipment, as well as restaurant meals and food gift cards that are being distributed to staff.

### **Upcoming Events**

- *Chinese Health Initiative 10<sup>th</sup> Anniversary Celebration* (replacing the South Asian Heart Center gala), Saturday, September 26, 2020 at Chef Chu's in Los Altos
- *El Camino Heritage Golf Tournament*, Monday, October 26, 2020 at Sharon Heights Golf & Country Club
- *Norma's Literary Luncheon*, Thursday, February 4, 2021, featuring Cathy comic strip artist and author Cathy Guisewite
- *Taking Wing*, a gala benefit to benefit the Women's Hospital renovation, Saturday, May 1, 2021 at Los Altos Golf and Country Club



**FOUNDATION PERFORMANCE**

**FY20 Fundraising Report through 3/31/20 - Period 9**

ACTIVITY		FY20 YTD	FY20	FY20	Difference	FY19 YTD
		(7/1/19 - 3/31/20)	Goals	% of Goal	Period 8 & 9	(7/1/18 - 3/31/19)
<b>Major &amp; Planned Gifts</b>		\$6,202,728	\$5,500,000	113%	\$2,216,470	\$15,668,021
<b>Special Events</b>	Spring Event	\$22,500	\$350,000	6%	\$0	\$500
	Golf	\$353,277	\$325,000	109%	\$0	\$338,080
	* SAHC / CHI Events	\$14,826	\$200,000	7%	\$0	\$124,186
	Norma's Literary Luncheon	\$206,865	\$200,000	103%	\$14,150	\$131,505
<b>Annual Gifts</b>		\$651,814	\$600,000	109%	\$115,366	\$561,708
<b>Investment Income</b>		\$1,326,264	\$500,000	265%	\$148,599	\$1,406,426
<b>TOTALS</b>		<b>\$8,778,274</b>	<b>\$7,675,000</b>	<b>114%</b>	<b>\$2,494,585</b>	<b>\$18,230,426</b>

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

**Highlighted Assets through 3/31/20 - Period 9**

<b>Board Designated Allocations</b>	\$651,757
<b>Donor Endowments</b>	\$6,857,185
<b>Operational Endowments</b>	\$14,008,950
<b>Pledge Receivables</b>	\$4,638,951
<b>Restricted Donations</b>	\$16,002,021
<b>Unrestricted Donations</b>	\$2,027,940