



**Minutes of the Open Session of the
Finance Committee of the
El Camino Hospital Board of Directors
Tuesday, August 25, 2020**

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

Members Present

John Zoglin, Chair**
Joseph Chow**
Boyd Faust**
Gary Kalbach**
Don Watters**
Richard Juelis**

Members Absent

**via teleconference

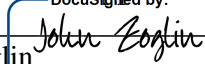
Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:30pm by Chair John Zoglin. A verbal roll call was taken. All members were present and participated telephonically. 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. POTENTIAL CONFLICT OF INTEREST	Chair Zoglin asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Zoglin asked if any member of the Committee wished to remove an item from the consent calendar. None were noted.</p> <p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of the Joint Finance and ECHB meeting (07/27/20) and (b) Minutes of the Open Session of the Finance Committee Meetings (07/27/20 and 08/17/20), and for information: (c) FY21 Committee Pacing Plan.</p> <p>Movant: Kalbach Second: Watters Ayes: Chow, Faust, Juelis, Kalbach, Watters, and Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent Calendar was approved.</i>
5. FY21 PERIOD 1 FINANCIALS	Michael Moody, Interim CFO, reported the FY21 Period 1 Financials. He stated that volume recovery and the recovery plan was very successful. Adjusted patient days at the hospital for were 18% higher than budget and more so in procedural cases. Mr. Moody stated that El Camino Health Medical Network (ECHMN) visits were up 14% with urgent care being the biggest driver. In terms of operating expenses, they are up 4.8% greater than budgeted. Mr. Moody stated the actual volume in July, and especially in Mountain View, was much greater than what was forecasted. For inpatient, Los Gatos has fully recovered and Mountain View is still not back to pre-COVID level but is growing. In addition, Mr. Moody stated that the organization is still waiting for Medicare to request payback for the funds that were provided to the hospital.	<i>FY21 Period 1 Financials were approved.</i>

	<p>In response to committee members' questions, Mr. Griffith explained that there have been no further restrictions on surgeries at the Los Gatos Campus. He also stated that the organization has worked through 70% of the backlog of scheduled surgeries. In addition, Mr. Moody stated that the organization slowed down capital spending starting in March and management will need to go back and re-review the rolling forecast. In addition, in regards to ECHMN total visits being 14% favorable to budget, which included urgent care visits. Mr. Moody also stated that net patient revenue included patients seen in the clinic and the other operating revenue is primarily related to the contract with the Santa Clara County.</p> <p>Motion: To approve the FY21 Period 1 Financials and recommend to the board.</p> <p>Movant: Kalbach Second: Chow Ayes: Chow, Faust, Juelis, Kalbach, Watters, and Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>6. POST IMPLEMENTATION REVIEW</p>	<p>Ken King, CASO, presented the Post Implementation Review for the Los Gatos Cancer Center Project and the Mountain View Waste Water Storage Project. He noted that there were a series of jurisdictional issues related to opening the Los Gatos Cancer Center. In addition, Mr. King stated that the time it took to negotiate with several entities caused the delay for the Mountain View Waster Water Storage Project.</p>	
<p>7. ECHMN FINANCIAL REPORT</p>	<p>Bruce Harrison, President, ECHMN, presented the ECHMN Financial Report. As presented in the materials, the report has been updated through June. Prior to beginning of FY20 ECHMN brought in San Jose Medical Group (SJMG). There were several budget misses that were caused by unanticipated disruptions. Mr. Harrison stated that issues included payors that declined assignment of contract that resulted in renegotiations. Management also did not anticipate some of the lease agreement issues at a few clinic sites. In addition, when they looked at the SJMG infrastructure, ECHMN brought on about 75 physicians to EPIC which resulted in productivity reduction of approximately 20%. Mr. Harrison also stated that as a result of COVID, there was a reduction in visit volumes by 33%. In addition, the respiratory clinic just opened and from March through June the leadership team has implemented an aggressive plan to include tele-health services that went live within a week. ECHMN was able to recover volumes by 60% which would have been lost otherwise. He stated that in June volumes recovered.</p> <p>David Neapolitan, VP of Finance, SVMD, reported on the revenues and expenses of ECHMN. Operating expenses came under budget due to a hiring freeze, labor management, and not filling positions that were included in the budget. Mr. Neapolitan also stated that metrics included in the packet show financial performance by division. He also reminded the committee that productivity visits are based on the schedule and work RVU's are based on posted charges.</p> <p>Mr. Harrison responded to committee members' questions. He stated that SVMD is the legal business name and the 'dba' is El Camino Health Medical Network. Mr. Neapolitan explained that one of the factors that caused some of the delay was when SJMG came on board, they were still</p>	

	using a different electronic health record, Allscripts, and we had to manually transfer all information from Allscripts to Epic. Mr. Harrison stated he can provide specific locations in the next presentation on where ECHMN has seen growth.	
8. APPOINTMENT OF FINANCE COMMITTEE MEMBER(S)	<p>Chair Zoglin commented that he recommends appointing just one member to recommend to the committee at this time. The other committee members agreed by unanimous vote for Wayne Doiguchi as the new member of the Finance Committee.</p> <p>In addition, Richard Juelis is stepping down from the Finance Committee and expressed his interest in the Investment Committee.</p> <p>Motion: To approve appointment of Wayne Doiguchi as the new member of the Finance Committee and to recommend approval to the board.</p> <p>Movant: Kalbach Second: Faust Ayes: Chow, Faust, Juelis, Kalbach, Watters, and Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Appointment of Wayne Doiguchi as the new member of the Finance Committee.</i>
9. REVIEW AND DISCUSS COMMITTEE SELF-ASSESSMENT RESULTS	<p>Chair Zoglin reviewed the Committee Self-Assessment Results. He opened up the discussion on how the committee is spending its time. Mr. Faust stated that he is not amenable for doing longer meetings. Gary Kalbach questioned having the physician contracts be brought to the Finance Committee. Cindy Murphy, Director, Governance Services, stated that there is a policy that requires the Finance Committee to review certain things which included physician contracts. She suggested that this topic could be a part of the consent calendar and not be discussed as a separate topic. Mr. Kalbach also questioned the Service Line reports that are never approved and just for information being presented to the committee. He believes this topic can be cut down on specific Service Lines to be reviewed at the Finance Committee. Mr. Faust suggested for Services Lines to have less presentation and more on discussion.</p>	
10. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 7:32pm.</p> <p>Movant: Kalbach Second: Chow Ayes: Chow, Faust, Juelis, Kalbach, Watters, and Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Adjourned to closed session at 7:32pm.</i>
11. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	<p>The open session reconvened at 9:20 pm. Agenda Items 11-14 were covered in closed session. During the closed session, the Committee approved Meeting Minutes of the Closed Session of the Joint Finance and ECHB meeting (07/27/20) and Meeting Minutes of the Closed Session of the Finance Committee (07/27/20) by a unanimous vote of all members present (Chow, Faust, Juelis, Kalbach, Watters, and Zoglin).</p>	
12. AGENDA ITEM 16: CLOSING COMMENTS	<p>There were no closing comments.</p>	

13. AGENDA ITEM 21: ADJOURNMENT	Motion: To adjourn at 7:52pm Movant: Kalbach Second: Chow Ayes: Chow, Faust, Juelis, Kalbach, Watters, and Zoglin Noes: None Abstentions: None Absent: None Recused: None	Meeting adjourned at 7:52pm
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Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:

DocuSigned by:


John Zoglin
Chair, Finance Committee