

**AGENDA**  
**EXECUTIVE COMPENSATION COMMITTEE OF THE**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**

**Thursday, May 27, 2021 – 4:00pm**

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: 963 4941 3869#. No participant code. Just press #.**

**PURPOSE:** To assist the El Camino Hospital (ECH) Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Executive Compensation Committee shall advise the Board to meet all applicable legal and regulatory requirements as it relates to executive compensation.

| AGENDA ITEM   | PRESENTED BY  |                       | ESTIMATED TIMES                                 |
|---|---|-----------------------|---|
| <b>1. CALL TO ORDER/ROLL CALL</b>   | Bob Miller, Chair   |                       | <b>4:00-4:01pm</b>                              |
| <b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>  | Bob Miller, Chair   |                       | <b>4:01 – 4:02</b>                              |
| <b>3. PUBLIC COMMUNICATION</b><br>a. Oral Comments<br><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><br>b. Written Correspondence  | Bob Miller, Chair   |                       | <b>information</b><br><b>4:02 – 4:05</b>        |
| <b>4. CONSENT CALENDAR</b><br><i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i><br><br><b>Approval</b><br>a. <a href="#">Minutes of the Open Session of the ECC Meeting (3/4/2021)</a><br><br><b>Information</b><br>b. <a href="#">Progress Against FY21 Committee Goals</a> | Bob Miller, Chair   | <i>public comment</i> | <b>motion required</b><br><b>4:05 – 4:06</b>    |
| <b>5. <u>REPORT ON BOARD ACTIONS</u></b>  | Bob Miller, Chair;<br>Julie Kliger and George Ting, MD, Board Members |                       | <b>information</b><br><b>4:06 – 4:11</b>        |
| <b>6. COMMITTEE PLANNING</b><br>a. <a href="#">Proposed FY22 Committee Goals</a><br>b. <a href="#">Proposed FY22 Committee Dates</a><br>c. <a href="#">Appointment of Ad Hoc Search Committee</a>   | Bob Miller, Chair   | <i>public comment</i> | <b>possible motion(s)</b><br><b>4:11 – 4:16</b> |
| <b>7. <u>PROPOSED FY22 EXECUTIVE PERFORMANCE INCENTIVE PLAN ORGANIZATIONAL GOALS</u></b>  | Dan Woods, CEO  | <i>public comment</i> | <b>possible motion</b><br><b>4:16 – 4:26</b>    |
| <b>8. ADJOURN TO CLOSED SESSION</b>   | Bob Miller, Chair   |                       | <b>motion required</b><br><b>4:26 – 4:22</b>    |
| <b>9. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>  | Bob Miller, Chair   |                       | <b>information</b><br><b>4:22 – 4:23</b>        |

| AGENDA ITEM  | PRESENTED BY          |                       | ESTIMATED TIMES                                |
|--|-----------------------|-----------------------|--|
| <b>10. CONSENT CALENDAR</b><br><i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i><br><br><b>Approval</b><br><i>Gov't Code Section 54957.2:</i><br>a. Minutes of the Closed Session of the ECC Meeting (3/4/2021) | Bob Miller, Chair     |                       | <b>motion required</b><br><b>4:23 – 4:24</b>   |
| <b>11.</b> <i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i><br>Executive Performance Incentive and Benefits Plan Review   | Heidi O'Brien, Mercer |                       | <b>discussion</b><br><b>4:24 – 4:54</b>        |
| <b>12.</b> <i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i><br>Proposed FY22 Individual Executive Performance Incentive Plan Goals  | Dan Woods, CEO        |                       | <b>possible motion</b><br><b>4:54 – 5:14</b>   |
| <b>13.</b> <i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters and labor negotiations:</i><br>Potential Amendment to CEO's Employment Agreement   | Bob Miller            |                       | <b>possible motion</b><br><b>5:14 – 5:29</b>   |
| <b>14.</b> <i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i><br>Committee Charter  | Heidi O'Brien, Mercer |                       | <b>possible motion</b><br><b>5:29 – 5:34</b>   |
| <b>15. ADJOURN TO OPEN SESSION</b>   | Bob Miller, Chair     |                       | <b>motion required</b><br><b>5:34 – 5:35</b>   |
| <b>16. RECONVENE OPEN SESSION/ REPORT OUT</b><br>To report any required disclosures regarding permissible actions taken during Closed Session.   | Bob Miller, Chair     |                       | <b>information</b><br><b>5:36 – 5:37</b>       |
| <b>17. EXECUTIVE BENEFITS PLAN POLICY</b>  | Bob Miller, Chair     | <i>public comment</i> | <b>possible motion</b><br><b>5:27 – 5:41</b>   |
| <b>18. EXECUTIVE PERFORMANCE INCENTIVE PLAN POLICY</b>   | Bob Miller, Chair     | <i>public comment</i> | <b>possible motion</b><br><b>5:41 – 5:46</b>   |
| <b>19. COMMITTEE CHARTER</b>   | Bob Miller, Chair     | <i>public comment</i> | <b>possible motion</b><br><b>5:46 – 5:51</b>   |
| <b>20. EFFECTIVENESS OF EXECUTIVE COMPENSATION CONSULTANT</b>  | Bob Miller, Chair     |                       | <b>discussion</b><br><b>5:51-5:56</b>          |
| <b>21. CLOSING COMMENTS</b>  | Bob Miller, Chair     |                       | <b>discussion</b><br><b>5:56 – 5:58</b>        |
| <b>22. ADJOURNMENT</b>   | Bob Miller, Chair     | <i>public comment</i> | <b>motion required</b><br><b>5:58 – 6:00pm</b> |

**Upcoming Meetings:** September 16, 2021, November 4, 2021, March 3, 2022, and May 18, 2022.



**Minutes of the Open Session of the  
Executive Compensation Committee  
of the El Camino Hospital Board of Directors  
Thursday, March 4, 2021**

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\*\*

**Members Absent**

None  
\*\*via teleconference

| Agenda Item  | Comments/Discussion   | Approvals/<br>Action                                       |
|--|---|--|
| 1. <b>CALL TO ORDER/<br/>ROLL CALL</b>                           | <p>The open session meeting of the Executive Compensation Committee of El Camino Hospital (the "Committee") was called to order at 4:04 pm 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.</p> <p>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.</p>  |  |
| 2. <b>POTENTIAL<br/>CONFLICT OF<br/>INTEREST<br/>DISCLOSURES</b> | <p>Chair Miller asked if any Committee members had a conflict of interest with any of the agenda items. No conflicts were noted.</p>  |  |
| 3. <b>PUBLIC<br/>COMMUNICATION</b>                               | <p>None.</p>  |  |
| 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. No items were removed.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (11/5/2020); and for information: Progress Against FY21 Committee Goals; Article of Interest.</p> <p><b>Movant:</b> Eyre<br/><b>Second:</b> Layney<br/><b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors<br/><b>Noes:</b> None<br/><b>Abstentions:</b> None<br/><b>Absent:</b> None<br/><b>Recused:</b> None</p> | <p><i>Consent calendar approved</i></p>                    |
| 5. <b>REPORT ON BOARD<br/>ACTIONS</b>                            | <p>Chair Miller asked the Committee for any question or feedback on the Report on the Board Actions as further detailed in the packet.</p> <p>None were noted.</p>  |  |
| 6. <b>COMMITTEE<br/>PLANNING</b>                                 | <p>Chair Miller reviewed the proposed FY22 committee goals and dates noted the February/March outlier date and Mercer's recommendation to combine the committee goals and pacing plan into one document.</p> <p><b>Motion:</b> To approve the proposed FY22 committee goals and dates.</p> <p><b>Movant:</b> Kliger<br/><b>Second:</b> Ting</p>   | <p><i>FY22 Committee Goals and Dates were approved</i></p> |

|   |   |  |
|---|---|--|
|   | <p><b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors<br/> <b>Noes:</b> None<br/> <b>Abstentions:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p>  |  |
| <p><b>7. LETTER OF REBUTTABLE PRESUMPTION OF REASONABLENESS</b></p>                 | <p>Ms. Heidi O'Brien from Mercer provided an overview of the letter of presumption of reasonableness as further detailed in the submitted materials. She reported the executive compensation levels are reasonable, and noted that reasonableness opinion letter formal approval seems redundant, and recommended this item be removed as a requirement for approval and be addressed as informational for future agenda items.</p> <p>The Committee's consensus was to distribute a summarized letter as informational.</p> <p><b>Motion:</b> To accept the Letter of Reasonableness for outside Board Counsel review and submission for Board acceptance per IRS Section 4958.</p> <p><b>Movant:</b> Layney<br/> <b>Second:</b> Eyre<br/> <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors<br/> <b>Noes:</b> None<br/> <b>Abstentions:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p> |  |
| <p><b>8. ADJOURN TO CLOSED SESSION</b></p>  | <p><b>Motion:</b> To adjourn to closed session at 4:18 pm.</p> <p><b>Movant:</b> Layney<br/> <b>Second:</b> Wadors<br/> <b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors<br/> <b>Noes:</b> None<br/> <b>Abstentions:</b> None<br/> <b>Absent:</b> None<br/> <b>Recused:</b> None</p>   | <p><i>Adjourned to closed session at 4:18 pm</i></p> |
| <p><b>9. AGENDA ITEM 14: RECONVENE OPEN SESSION/ REPORT OUT</b></p>                 | <p>The open session was reconvened at 5:56 pm.</p> <p>Agenda items 9-13 were addressed in the closed session.</p> <p>During the closed session, the Committee approved the Closed Session minutes of the 11/5/2020 ECC Meeting by unanimous vote in favor of all members present by teleconference (Eyre, Kliger, Layney, Miller, Ting, Wadors).</p>  |  |
| <p><b>10. AGENDA ITEM 15: APPOINTMENT OF AD HOC COMMITTEE MEMBER RECRUITING</b></p> | <p>Chair Miller announced Pat Wadors' last meeting of attendance and thanked her for her service on the Committee. He further noted that her vacancy would be filled by an AdHoc Committee and asked those committee members interested in the AdHoc Committee appointment to respond via email or at the May meeting.</p>  |  |
| <p><b>11. AGENDA ITEM 16: FY21 PACING PLAN</b></p>                                  | <p>Chair Miller noted that the CEO Contract Renewal should be paced for the May 27 meeting.</p>   |  |
| <p><b>12. AGENDA ITEM 17: CLOSING COMMENTS</b></p>                                  | <p>There were no additional comments from the Committee.</p>  |  |
| <p><b>13. AGENDA ITEM 18: ADJOURNMENT</b></p>                                       | <p><b>Motion:</b> To adjourn at 6:23 pm.</p>  | <p><i>Meeting adjourned at</i></p>                   |

|  |   |                |
|--|---|----------------|
|  | <b>Movant:</b> Wadors<br><b>Second:</b> Ting<br><b>Ayes:</b> Eyre, Kliger, Layney, Miller, Ting, Wadors<br><b>Noes:</b> None<br><b>Abstentions:</b> None<br><b>Absent:</b> None<br><b>Recused:</b> None | <b>6:23 pm</b> |
|--|---|----------------|

**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: Stephanie Iljin, Supervisor of Executive Administration

DRAFT



## FY21 COMMITTEE GOALS

### Executive Compensation Committee

#### Update for 5-27-21 Meeting

The purpose of the Executive Compensation Committee (the "Committee") is to assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in its responsibilities related to the Hospital's executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

**STAFF:**        **Kathryn Fisk**, Chief Human Resources Officer (Executive Sponsor); **Julie Johnston**, Director, Total Rewards

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration and for developing and disseminating in a timely manner management's recommendations to the Committee and appropriate supporting information to facilitate the Committee's deliberations and exercise of its responsibilities. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing their individual compensation.

| GOALS   | TIMELINE | METRICS  |
|---|----------|--|
| 1. Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design | Q1       | <ul style="list-style-type: none"> <li>- Review and approve FY21 executive base salaries (not including the CEO) - completed</li> <li>- Review and recommend FY20 Organizational Incentive Score- completed</li> <li>- Approve FY20 individual executive payout amounts (pending Board approval of incentive score) - completed</li> </ul> |
|   | Q3       | <ul style="list-style-type: none"> <li>- Review and recommend approval of letter of reasonableness – completed</li> </ul>  |
|   | Q4       | <ul style="list-style-type: none"> <li>- Review and recommend proposed FY22 organizational incentive goals – on May agenda</li> <li>- Review and approve FY22 individual executive incentive goals – on May agenda</li> </ul>  |
| 2. Review executive benefits design   | Q4       | <ul style="list-style-type: none"> <li>- Review (November 2020) and recommend benefit policy changes to the Board – on May agenda</li> </ul>   |
| 3. Evaluate the effectiveness of the independent compensation consultant  | Q2/Q4    | <ul style="list-style-type: none"> <li>- Conduct semi-annual evaluation of ECC consultant – Q2 completed</li> </ul>  |
|   | Q1 – Q4  | <ul style="list-style-type: none"> <li>- Appoint an Ad Hoc Committee (if desired) - completed</li> <li>- Conduct Interviews - completed</li> <li>- Interview finalists with the whole Committee - completed</li> <li>- Select consultant and sign contract - completed</li> </ul>  |
| 4. Review Executive Leadership Development Plan/Succession Planning   | Q3       | <ul style="list-style-type: none"> <li>- Presentation in March 2021 – completed</li> </ul>   |
| 5. Evaluate the effectiveness of the Committee  | Q1       | <ul style="list-style-type: none"> <li>- Complete Committee Self-Assessment – completed</li> </ul>   |

**SUBMITTED BY:** Chair: Bob Miller | **Executive Sponsor:** Kathryn Fisk

Approved by the ECH Board of Directors 6/10/2020

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

**To:** Executive Compensation Committee  
**From:** Stephanie Iljin, Supervisor of Executive Administration  
**Date:** May 27, 2021  
**Subject:** Report on Board Actions

**Purpose:** To keep the Committee informed regarding actions taken by the El Camino Hospital and El Camino Healthcare District Boards.

**Summary:**

- Situation:** It is essential to keep the Committees informed about Board activity to provide context for Committee work. The list below is not meant to be exhaustive; still, it includes agenda items the Board voted on that are most likely to be of interest to or pertinent to the work of El Camino Hospital's Board Advisory Committees.
- Authority:** This is being brought to the Committees at the request of the Board and the Committees.
- Background:** Since the last time we provided this report to the Executive Compensation Committee, the Hospital Board has met three times, and the District Board has met four times. In addition, since the Board has delegated specific authority to the Executive Compensation Committee, the Compliance and Audit Committee, and the Finance Committee, those approvals are also noted in this report.

| <b>Board/Committee</b> | <b>Meeting Date</b>                 | <b>Actions (Approvals unless otherwise noted)</b>   |
|------------------------|-------------------------------------|---|
| <b>ECH Board</b>       | May 12, 2021                        | <ul style="list-style-type: none"> <li>- Board Officer Nomination and Selection Procedures</li> <li>- Medical Staff Credentials and Privileges Report</li> <li>- Quality Council Minutes</li> <li>- FY21 Period 8 Financials</li> <li>- Medical Staff Report</li> </ul>   |
|                        | April 28, 2021<br>Education Session | N/A   |
|                        | April 24, 2021<br>Education Session | N/A   |
|                        | April 7, 2021                       | <ul style="list-style-type: none"> <li>- Resolution 2021-03: Board Recognition of the COVID-19 Vaccination Program Team</li> <li>- Quality Committee Report</li> <li>- FY21 Period 7 and 8 Financials</li> <li>- Resolution 2021-04: Temporary Suspension of El Camino Hospital Bylaws Article VIII. Section 8.3</li> <li>- Revised Board Officer Nomination &amp; Selection Procedures</li> <li>- Closed Session Quality Committee Report including Credentials and Privileges Report &amp; Quality Council Minutes</li> <li>- Annual Summary of Physician Financial Arrangements</li> <li>- Closed Session Minutes of the Hospital Board Meeting (3/10/2021)</li> </ul> |

Report on Board Actions  
May 27, 2021

| Board/Committee                         | Meeting Date   | Actions (Approvals unless otherwise noted)   |
|---|----------------|--|
|   |                | <ul style="list-style-type: none"> <li>- Executive Compensation Committee Closed Session Minutes (11/05/20)</li> <li>- Medical Staff Report</li> <li>- Open Session of the Hospital Board Meeting (3/10/2021)</li> <li>- Revised FY21 Advisory Committee Assignments</li> <li>- Letters of Reasonableness</li> <li>- Executive Compensation Open Session Meeting Minutes (11/5/2020)</li> <li>- Urology Call Panel</li> <li>- Acute Rehab Professional Services Agreement and Community Benefit Grant</li> </ul>                                       |
|   | March 10, 2021 | <ul style="list-style-type: none"> <li>- Appointment to Pathways Home Health and Hospice Board of Directors</li> <li>- PBX Operator Scope of Service</li> <li>- Enterprise Mental Health and Addiction Aspire Program Physician Psychiatric Contract with SVM D</li> <li>- Medical Staff Credentials and Privileges Report</li> <li>- Quality Council Minutes</li> <li>- Medical Staff Report</li> <li>- Education: Medical Staff Office Function</li> <li>- FY21 Period 7 Financials</li> <li>- Executive Compensation Committee Approvals</li> </ul> |
| <b>ECHD Board</b>                       | May 18, 2021   | <ul style="list-style-type: none"> <li>- FY22 Community Benefit Plan Study Session</li> <li>- Confirm Process: June District Board Officer Elections</li> </ul>  |
|   | April 7, 2021  | <ul style="list-style-type: none"> <li>- Resolution 2021-06: Temporary Suspension of El Camino Hospital Bylaws Article VIII. Section 8.3</li> </ul>  |
|   | March 16, 2021 | <ul style="list-style-type: none"> <li>- Community Benefit Sponsorship Report</li> <li>- Community Benefit Spotlight - Resolution 2021-02</li> <li>- ECHD YTD Financials</li> <li>- COVID-19 Community Testing and Vaccination Program</li> <li>- ECHD Ad Hoc Committee</li> </ul>   |
| <b>Executive Compensation Committee</b> | N/A            |  |
| <b>Compliance Committee</b>             | March 18, 2021 | <ul style="list-style-type: none"> <li>- Proposed FY22 Committee Goals</li> <li>- Proposed FY22 Committee Dates</li> <li>- KPI Scorecard and Trends</li> <li>- Activity Log January &amp; February 2021</li> <li>- Internal Audit Work Plan</li> <li>- Internal Audit Follow Up Table</li> <li>- Committee Pacing Plan</li> </ul>  |
| <b>Finance Committee</b>                | March 29, 2021 | <ul style="list-style-type: none"> <li>- FY21 Period 7 and 8 Financial Report</li> <li>- FY22 Committee Meeting Dates</li> <li>- Progress Against FY21 Committee Goals</li> <li>- FY21 Community Benefit Grant</li> <li>- LG Urology Call Panel Renewal</li> </ul>   |

Report on Board Actions  
May 27, 2021

| Board/Committee | Meeting Date   | Actions (Approvals unless otherwise noted)   |
|-----------------|----------------|--|
|                 |                | - LG Acute Rehab Professional Services Agreement Renewal   |
|                 | April 26, 2021 | - Progress Against FY21 Committee Goals<br>- Major Capital Projects in Process<br>- FY21 Period 9 Financials |

**List of Attachments:** None.

**Suggested Committee Discussion Questions:** None.

## FY22 COMMITTEE GOALS

### Executive Compensation Committee

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**STAFF:**      **Kathryn Fisk**, Chief Human Resources Officer (Executive Sponsor); Director, Total Rewards

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration and for developing and disseminating in a timely manner management's recommendations to the Committee and appropriate supporting information to facilitate the Committee's deliberations and exercise of its responsibilities. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing their individual compensation.

| GOALS  | TIMELINE | METRICS/PACING PLAN  |
|--|----------|--|
| <b>1.</b> Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design | Q1       | <ul style="list-style-type: none"> <li>- Review and approve FY22 executive base salaries</li> <li>- Review and recommend FY21 Organizational Incentive Score</li> <li>- Review and approve FY21 individual incentive scores</li> <li>- Review and approve FY21 executive payout amounts (pending Board approval of incentive score)</li> </ul> |
|  | Q2       | <ul style="list-style-type: none"> <li>- Review and approve of letter of reasonableness (<i>ECC's future role to be determined</i>)</li> </ul>   |
|  | Q3       | <ul style="list-style-type: none"> <li>- Recommend FY23 Committee goals</li> <li>- Receive update leadership development</li> <li>- Receive update on strategic plan</li> <li>- Review potential policy changes</li> </ul>   |
|  | Q4       | <ul style="list-style-type: none"> <li>- Review and recommend proposed FY23 organizational incentive goals</li> <li>- Review and approve FY23 individual executive incentive goals</li> </ul>  |
| <b>2.</b> Evaluate the effectiveness of the independent compensation consultant  | Q2/Q4    | <ul style="list-style-type: none"> <li>- Conduct semi-annual evaluation of ECC consultant</li> </ul>   |

**SUBMITTED BY:** Chair: Bob Miller | **Executive Sponsor:** Kathryn Fisk

Recommendations to be made to the El Camino Hospital Board of Directors

Last revised: 5-10-21

## Executive Compensation Committee Meetings Proposed FY22 Dates

| RECOMMENDED ECC DATE         | CORRESPONDING HOSPITAL BOARD DATE |
|------------------------------|-----------------------------------|
| Thursday, September 16, 2021 | Wednesday, October 13, 2021       |
| Thursday, November 4, 2021   | Wednesday, December 8, 2021       |
| Thursday, March 3, 2022      | Wednesday, April 13, 2022         |
| Wednesday, May 18, 2022      | Wednesday, June 8, 2022           |

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

**To:** Executive Compensation Committee  
**From:** Bob Miller, Chair  
**Date:** May 27, 2021  
**Subject:** Appointment of Ad Hoc Search Committee

**Recommendation(s):** (Possible Motion)

To approve the creation on an ad-hoc Committee/Team to facilitate the search for a new community member of the Executive Compensation Committee

**Summary:**

1. **Situation:** Pat Wadors recently resigned from the Committee. Per the Board's Charter, the Executive Compensation Committee shall be comprised of two (2) or more Hospital Board members. The Committee may also include 2-4 Community<sup>1</sup> members with knowledge of executive compensation practices, executive leadership and/or corporate human resource management.
2. **Authority:** Per the Charter, new Community members shall be appointed by the Committee, subject to approval of the Board. All Committee appointments shall be for a term of one year expiring on June 30 renewable annually.
3. **Background:** The Ad-hoc committee will partner with leadership to post the opening and search for qualified candidates.
4. **Assessment:** Per past practice, all qualified applicants will be interviewed by the Committee
5. **Other Reviews:** N/A
6. **Outcomes:** After the Committee selects the new member, the Committee will recommend the candidate for Board approval

**List of Attachments:**

1. Sample Candidate Questionnaire
2. Advisory Board Member Nomination and Selection Policy

**Suggested Committee Discussion Questions:**

- 1) What are the most important considerations in recruiting prospective candidates?
- 2) What are the Committee's expectations of the sub-committee?

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<sup>1</sup> Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.

## **Candidate Questionnaire**

- I. Please describe how your professional background demonstrates your knowledge and experience with the following:
  - A. Executive Compensation and Benefit Plans
    1. Compensation philosophy and policies
    2. Executive incentive plans
    3. Supplemental executive benefit plans and perquisites including severance
    4. Salary ranges and base salaries
    5. Making recommendations to the Board on CEO compensation and benefits
  - B. Enhancing Organizational and Executive Performance
    1. Developing organizational and/or individual executive goals and metrics that support strategic initiatives
    2. Making decisions on performance achievement and incentive payouts
    3. Providing input into the methods and tools to foster strong executive team performance
    4. Role supporting leadership development planning
  - C. Board experience
    1. On what other Board or Board committees have you served?
    2. What was your role?
- II. Why are you interested in being considered for an Executive Compensation Committee Member with El Camino Hospital?
- III. Are there any civil, employment-related or criminal incidents in your background that we may uncover in a reference or background check? Have you ever been involved in a government investigation for business related issues (e.g. SEC)? (Note: Disclosure of a civil, employment-related, criminal incident(s) or government investigation will not necessarily disqualify you from appointment. The nature and timeframe will be taken into consideration.)

- IV. The Committee meets 4-6 times year for approximately two hours. Are you able to make the necessary time commitment?
  
- V. Would this position create a conflict of interest with any of your other commitments?
  
- VI. The El Camino Hospital Executive Compensation Committee Member position is non-compensated, (i.e., volunteer) and has one-year renewable terms. Is this acceptable?

**EL CAMINO HOSPITAL  
HOSPITAL BOARD ADVISORY COMMITTEE MEMBER NOMINATION AND  
SELECTION POLICY**

**XX.XX HOSPITAL BOARD ADVISORY COMMITTEE COMMUNITY MEMBER  
NOMINATION AND SELECTION POLICY**

A. Coverage:

El Camino Hospital Board Advisory Committees

B. Adopted:

June 12, 2013;

C. Policy:

It is the policy of ECH that appointment of Hospital Board Advisory Committee Community Members to vacant or newly created positions follow the procedure set forth in the attached Document entitled:

**Hospital Board Advisory Committee Community Member Nomination and Selection Procedure**

1. Length of Service and Term Limits for Committee Members

As provided in the Committee Charters, Committee Community Members will serve a term of one (1) year, renewable annually.

D. Reviewed:

Governance Committee March 31, 2015; October 13, 2020  
ECH Board Approved April 8, 2015, November 11, 2020

**EL CAMINO HOSPITAL  
HOSPITAL BOARD ADVISORY COMMITTEE COMMUNITY MEMBER  
NOMINATION AND SELECTION PROCEDURES**

Adopted February 12, 2014

Revised (Approved) April 8, 2015; November 11, 2020

**01.07 HOSPITAL BOARD ADVISORY COMMITTEE COMMUNITY MEMBER  
NOMINATION AND SELECTION PROCEDURES**

A. Coverage: El Camino Hospital Board Advisory Committees

B. Adopted: 2/12/2014

C. Procedure Summary:

The nomination and selection of each Hospital Board Advisory Committee (Advisory Committee) member (Member) shall follow the procedures below.

D. Procedure for Nominating and Appointing an Advisory Committee Community Member:

**1. Eligibility and Qualifications**

Each Advisory Committee shall determine minimum qualifications and competencies for its Members. In addition, the Governance Committee will periodically conduct a strategic assessment of the respective Advisory Committee's membership needs and ensure that it evolves with the Hospital's strategy.

**2. Nomination and Declaration**

- a. Nominations for Advisory Committee Community Membership may be received from any source.
- b. The Director, Governance Services will notify the Board, the Advisory Committee members, the Executive Leadership Team and the public of all vacancies for which new Advisory Committee Community Members are being recruited.
- c. A candidate shall submit an application to the Director, Governance Services that includes reason(s) the candidate wishes to serve, the candidate's relevant experience and qualifications, potential conflicts of interest including any personal or professional connections to ECH, a release to permit ECH Human Resources to conduct a background check, and specifies which Advisory Committees that the candidate wishes to be considered for.
- d. If the interested candidate is currently serving on another Advisory Committee at ECH, the candidate shall notify the Chair(s) of the Advisory Committee with a vacancy and the Advisory Committee on which they are serving. The interested candidate shall also notify the Director, Governance Services, provide all application materials, and be subject to all other requirements of this procedure.

- e. All candidates will be considered in the candidate due diligence process.
- f. In the event that no qualified candidates can be found through the routine recruitment procedures of the Hospital, the Committee may, in its discretion, obtain the services of a recruiting firm to identify qualified candidates.

**3. Review of Candidates and Selection of New Members.**

- a. Any committee recruiting new members shall appoint an Ad Hoc Committee comprised of two members to recruit new members. The Committee Chair shall be given first right of refusal to serve as a member of the Ad hoc Committee,
- b. The Director, Governance Services will forward the names and resumes of all applicants to the Executive Sponsor and the members of the Ad hoc Committee for review.
- c. The Ad hoc Committee, in consultation with the Executive Sponsor, shall (1) select and interview first round candidates and (2) select finalists for interview by the full Committee.
- d. The Committee will interview finalists and recommend appointments to the Board for approval
- e. The Board shall appoint the Advisory Committee Members in accordance with the Hospital Bylaws.

**4. Obtaining Approval to Increase the number of Community Members of an Advisory Committee**

- a. If an Advisory Committee Chair proposes to increase the number of Community Members of such Chair's Advisory Committee, then the Advisory Committee Chair must submit a brief description of the need (e.g., gap in skill-set) for an increase in membership to the Governance Committee.
- b. Upon review of the request, the Governance Committee shall make a recommendation to the Board whether the Community membership of such Advisory Committee should be increased.

**EL CAMINO HOSPITAL  
COMMITTEE MEETING COVER MEMO**

**To:** Executive Compensation Committee  
**From:** Dan Woods, CEO and Kathryn Fisk, Chief HR Officer  
**Date:** May 27, 2021  
**Subject:** Proposed FY 2022 Organizational Goals

**Recommendation(s):**

To recommend that the Board of Directors approve the proposed FY 2022 organizational goals for the Executive Performance Incentive Plan.

**Summary:**

1. Situation: Each year the Committee along with the other Board Committees review leadership's proposed organizational goals. The Committee will review and recommend that the Board approve the organizational goals as part of the Executive Performance Incentive Plan.
2. Authority: The Committee will review and recommend that the Board approve the organizational goals as part of the Executive Performance Incentive Plan.
3. Background: The leadership team has worked over the past few months to develop and recommend the FY22 organizational goals
4. Assessment: N/A
5. Other Reviews: The Quality Committee reviewed and supports approval of the Service and Quality & Safety goals and metrics. The Finance Committee has had a preview of the FY 22 financials and will be reviewing the financial threshold and financial goal at the May 24, 2021 meeting.
6. Outcomes: The organizational goals approved by the Board of Directors will be used for the management performance incentive plan and employee engagement and recognition program as well as for executive performance incentive plan.

**List of Attachments:**

1. Proposed FY22 Organizational Goals

**Suggested Committee Discussion Questions:**

1. Does the Committee have any questions about the goals, benchmarks, or measurements?
2. Does the Committee propose any modifications to leadership's recommended measurements?

# Proposed Fiscal Year 2022 Organizational Performance Goals – Draft 5/18/21

| True North Pillar         | Weight | GOAL  | OBJECTIVES/OUTCOMES   | Benchmark  |  | Measurement Defined                          |                                |  | Measurement Period |
|---------------------------|--------|---|---|--|--|--|--------------------------------|--|--------------------|
|                           |        |   |   | Internal Benchmarks  | External Benchmark                                       | Minimum                                      | Target                         | Stretch                                |                    |
| <b>Threshold</b>          |        | Operating EBIDA Margin                      | Maintain positive EBIDA Margin  | FY2019: 16.9%<br>FY2020: 12.7%<br>FY2021 through April: 13.2%<br>Draft Budget FY2022: 13.7%  | Moody's: Median for 'A1': 9.7%<br>Median for 'Aa3': 8.9% | ≥ 11% Operating EBIDA Margin (80% of budget) |                                |  | FY2022             |
| <b>Quality and Safety</b> | 45.0%  | Zero Preventable Harm                       | Serious Safety Event (SSEs) Rate  | FY2021 SSER  | External Baseline – best practice is to reduce to zero   | Maintain Baseline                            | Improve by 1/10K adj. pt. days | Additional 10% improvement over target | FY2022             |
|                           |        |   | Risk-Adjusted Readmission Index   | FY2021 Internal Calculation June 2022  | Premier top 15%  | 0.93   | 90% of top performers          | Top performers                         | FY2022             |
|                           |        |   | Healthcare Effectiveness Data and Information Set (HEDIS) Composite Score | FY2021 composite score system  | Internal Calculation; limited external benchmarks        | Maintain baseline (3.3)                      | 3.6                            | 4.0                                    | FY2022             |
| <b>Service</b>            | 45.0%  | Exceptional Personalized Experience, Always | Likelihood to Recommend (LTR) – Inpatient                                 | FY2020: 82.8<br>FY2021 through April : 79.9  | Press Ganey  | Maintain FY21 baseline                       | 50% of improvers               | 30% of improvers                       | FY2022             |
|                           |        |   | LTR – El Camino Health Medical Network                                    | FY2020 73.2<br>FY2021 through April: 76.1  | NRC Net Promoter or change to Press Ganey                | Maintain FY21 baseline                       | 50% of improvers               | 30% of improvers                       | FY2022             |
| <b>Finance</b>            | 10.0%  | Sustainable Strength and Vitality           | Operating EBIDA Margin  | Actual FY2019-20: 16.9% and 12.7%<br>Actual FY2021 through April: 13.2%<br>Budgets for FY2019-21: 15.3%, 14.2%, and 5.9%<br>Draft Budget FY2022: 13.7% | Moody's: Median for 'A1': 9.7%<br>Median for 'Aa3': 8.9% | 90% of budget                                | 100% of budget                 | 110% of budget                         | FY2022             |