

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

**Wednesday, May 12, 2021 – 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: 939-9780-1384#. No participant code. Just press #.**

To watch the meeting livestream, please visit: <https://www.elcaminohealth.org/about-us/leadership/board-meeting-stream>  
Please note that the livestream is for **meeting viewing only** and there is a slight delay; to provide public comment, please use the phone number listed above.

**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 -5:34</b>
<b>4. QUALITY COMMITTEE REPORT</b> <a href="#">ATTACHMENT 4</a>	Julie Kliger, Quality Committee Chair; Mark Adams, MD, CMO	<i>public comment</i>	<b>motion required 5:34 – 5:44</b>
<b>5. BOARD OFFICERS NOMINATION AND SELECTION PROCEDURES FOR FY21</b> <a href="#">ATTACHMENT 5</a>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 5:44 – 5:46</b>
<b>6. BOARD OFFICER ELECTIONS</b> <a href="#">ATTACHMENT 6</a>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 5:46 – 6:06</b>
<b>7. FY21 PERIOD 9 FINANCIALS</b> <a href="#">ATTACHMENT 7</a>	Carlos Bohorquez, CFO	<i>public comment</i>	<b>possible motion 6:06 – 6:16</b>
<b>8. ADJOURN TO CLOSED SESSION</b>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 6:16 – 6:17</b>
<b>9. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Lanhee Chen, Board Chair		<b>information 6:17 – 6:18</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 (04/07/2021) b. Minutes of the Closed Session of the Hospital Board Meeting (04/14/2021)	Lanhee Chen, Board Chair		<b>motion required 6:18 – 6:21</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
c. Minutes of the Closed Session of the Hospital Board Meeting (04/28/2021) <i>Reviewed and Recommended for Approval by the Quality, Patient Care and Patient Experience Committee</i> Health & Safety Code Section 32155 for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: d. Quality Committee Report (i) Medical Staff Credentials and Privileges Report (ii) Quality Council Minutes			
<b>11.</b> Health And Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets: - Semi-Annual ECHMN Report	Vince Manoogian, SVMD Interim President		<b>discussion</b> <b>6:21 – 6:41</b>
<b>12.</b> Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets: - FY21 Strategic Plan Q3 Metrics Update & Draft FY22 Strategic Plans And Goals	Dan Woods, CEO		<b>discussion</b> <b>6:41 – 6:51</b>
<b>13.</b> Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets - FY22 Budget Preview (Assumptions)	Carlos Bohorquez, CFO		<b>discussion</b> <b>6:51 – 7:21</b>
<b>14.</b> Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation; Gov't Code Section 54957 and 54957.6 for discussion and report on personnel matters: - CEO Report on Legal Update and Personnel Matters	Dan Woods, CEO		<b>discussion</b> <b>7:21 – 7:26</b>
<b>15.</b> Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters – Senior Management: - Executive Session	Lanhee Chen, Board Chair		<b>discussion</b> <b>7:26 – 7:36</b>
<b>16. ADJOURN TO OPEN SESSION</b>	Lanhee Chen, Board Chair		<b>motion required</b> <b>7:36 – 7:37</b>
<b>17. RECONVENE OPEN SESSION/ REPORT OUT</b>	Lanhee Chen, Board Chair		<b>information</b> <b>7:37 – 7:38</b>
To report any required disclosures regarding permissible actions taken during Closed Session.			
<b>18. 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>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required</b> <b>7:38 – 7:43</b>

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<p><b>Approval</b></p> <p>a. <a href="#">Hospital Board Minutes (04/7/21) Open Session Minutes</a></p> <p>b. <a href="#">Hospital Board Minutes (04/14/21) Open Session Minutes</a></p> <p>c. <a href="#">Hospital Board Minutes (04/28/21) Open Session Minutes</a></p> <p><i>Reviewed and Recommended for Approval by the Finance Committee</i></p> <p>d. <a href="#">FY21 Period 8 Financials</a></p> <p><i>Reviewed and Recommended for Approval by the Medical Executive Committee</i></p> <p>e. <a href="#">Medical Staff Report</a></p>			
<p><b>19. CEO REPORT</b>  <a href="#">ATTACHMENT 19</a></p>	Dan Woods, CEO		<b>information</b> <b>7:43 – 7:48</b>
<p><b>20. BOARD COMMENTS</b></p>	Lanhee Chen, Board Chair		<b>information</b> <b>7:48 – 7:51</b>
<p><b>21. ADJOURNMENT</b></p>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required</b> <b>7:51 – 7:52 pm</b>

**Upcoming Regular Meetings:** May 24, 2021 (Joint with Finance Committee); June 9, 2021

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

**To:** El Camino Hospital Board of Directors  
**From:** Julie Klinger, MPA, BSN, Quality Committee Chair  
Mark Adams, MD, CMO  
**Date:** May 12, 2021  
**Subject:** Quality, Patient Care and Patient Experience Committee Report

**Purpose:** To inform the Board of the work of the Quality Committee.

**Summary:**

1. Cheryl Reinking RN, CNO, presented a patient story involving a complaint on two counts. One, the treating anesthesiologist did not communicate very well regarding the planned procedure for the delivery. The second issue was the lack of a pediatrician at the bedside for the delivery. Regarding the first issue, physicians are now required to have six core competencies, one of which is interpersonal communication skills. This is an area that needs to be improved for this particular physician and this will be addressed. Regarding the second issue, for normal uncomplicated deliveries it is not standard practice to have an attending pediatrician. There is a requirement for a pediatrician well baby check-up within 24 hours of birth which we do provide. A committee member suggested that the patients be better informed about that.
2. Mark Adams MD, CMO, presented the proposed organizational strategic goals pertaining to quality, safety, and patient experience. After discussion, the committee approved recommending to the Board adoption of the following goals:
  - a. **Serious Safety Event Rate (SSER):** This is a measure of high reliability (HRO) and continues from FY21. This aligns with our true north quality pillar of zero preventable harm.
  - b. **Readmission Index:** This reflects our ability to provide a continuity of care; can be influenced by many parts of the organization including ambulatory (SVMD); affects our Medicare Readmission Penalty Program score; affects our CMS Bundled Payment for Clinical Improvement-Advanced success.
  - c. **HEDIS Composite:** This is a key indicator of quality in the ambulatory space and the components also contribute to payer ratings and MIPS scores.
  - d. **Likelihood to Recommend (LTR):** This is a key metric analogous to the Net Promoter Score used by many industries to assess customer experience and to predict future growth.
3. The proposed FY22 quality committee agenda pacing plan was presented and approved by the committee.

4. Vince Manoogian, interim president of SVMD, provided a quarterly update on the current status of SVMD quality and experience results. The HEDIS composite score decreased slightly to 3.2. The measures needing further improvement were reviewed. The results for the CMS MIPS program have been submitted with all indications being that this will result in an exceptional rating for SVMD which will earn a financial bonus payment from Medicare. There was an extensive discussion following the presentation on the current state and plans for improvement within SVMD.
5. Mark Adams then reviewed the quarterly Board quality dashboard for Q3. The following information was provided to elaborate on the areas currently below target:
  - a. Safe Care:
    - i. Mortality index has increased in this quarter with two main drivers noted: COVID-19 patient deaths and advanced sepsis patient deaths refractory to sepsis treatment. 54% of all deaths were attributable to sepsis with 38% of deaths occurring within 48 hours of admission.
    - ii. Sepsis mortality index has increased significantly despite improved SEP-1 compliance. The findings of 38% of deaths within 48 hours suggests a higher incidence of end stage sepsis which can be refractory to the standard sepsis bundle application.
    - iii. SSER is below target but the Precursor Safety Event numbers are still high.
    - iv. C.Diff: 7 cases total; 1 in March which was a failed screening
    - v. CLABSI: 2 total; one in LG and one in MV; both in oncology patients; the LG case breaks a greater than 3 year 0 CLABSI record for LG
  - b. Timely:
    - i. All three ED measures showed increases related to increasing COVID census; combination of waiting for test results and delays because of bed availability. Within the measure there has been improvement in the consult to admit order subset.
  - c. Effective Care:
    - i. Readmission Index increased driven significantly by COVID-19 patients who showed a selective index of 1.40.
    - ii. CMS SEP-1 Compliance rate: slight decrease in Q3 to 80.5% but still below internal goal of 86%; (CMS median rate is 60% across all hospitals)
    - iii. PC-02 C/S rate: increased again primarily driven by a doubling of the rate in LG and several outlier obstetricians; effect of increased elective inductions being studied.
  - d. Efficient Care: No issues
  - e. Equitable Care: No issues
  - f. Patient-Centered Care:
    - i. IP enterprise improved but below target. ED slightly decreased, MCH improved but below target, outpatient surgery stable but below target. Visitation as a factor has lessened as some visitation is now permitted. Enhanced patient rounding is being ramped up.

**Attachments:** Quarterly Board Quality Dashboard Q3

**Quarterly Board Quality Dashboard (STEEP Dashboard) FYTD 21, Q3** (unless otherwise specified by \*)

Quality Domain	Metric	Baseline	Target	Performance					
		FY 20	FY 21	FY21, Q1	FY21, Q2	FY21, Q3	FY21, Q4	FYTD21 Total	
Safe Care	Risk Adjusted Mortality Index	0.74	0.76	0.75	0.79	1.05		0.87	
	Sepsis Mortality Index	0.96	0.90	0.76	1.14	1.29		1.08	
	Serious Safety Events Rate (SSER) (baseline Dec'19 to Jun'20)	4.28	4.00	3.98	3.35	3.54		3.54	
	Surgical Site Infections (SSI)	0.36	1.0 (SIR)	0.62	0.11	0.23		0.33	
	Catheter Associated Urinary Tract Infection (CAUTI) - HAI	0.47	<= 0.48	0.51	0.71	0.00		0.4	
	Central Line Associated Blood Stream Infection (CLABSI) - HAI	0.15	<= 0.2	0.0	0.71	0.82		0.7	
	Clostridium Difficile Infection (CDI) - HAI	1.46	<= 1.46	1.6	1.43	2.59		1.88	
	Modified PSI-90 CMS HAC Reduction Program	0.919	0.90	0.898	0.815	1.034		0.838	
Timely	Patient Throughput - ED Door to Admit Order	190 min	181 min	188 min	195 min	196 min		193.5 min	
	Patient Throughput - Median Time Arrival to ED Departure	284 min	245 min	255 min	274 min	271 min		265 min	
	ED Arrival to Direct Discharge for ED Patients	151 min	145 min	154 min	154 min	162 min		156.5 min	
Effective	Risk Adjusted Readmissions Index	0.96	0.93	0.88	0.96	*1.03		0.95	
	CMS SEP-1 Compliance Rate	70.9%	86%	67.6%	81.8%	80.5%		77.3%	
	PC-01 Elective Delivery Prior to 39 Weeks Gestation	ENT: 1.3%	1.3%	0% (0/70)	1.2% (1/85)	*0% (0/60)		0.47%	
	PC-02 NTSV C-Section	ENT: 24.0%	23.5%	27.6% (142/514)	25.8% (120/466)	*27.6% (81/294)		26.9%	
	ECMN: CMS 165 Controlling High Blood Pressure	51.20%	<= 63%	58.0%	56.0%	52.0%		57.0%	
	ECMN: CMS 122 Diabetes Hemoglobin A1c Poor Control	43.30%	<= 45	27.0%	29.0%	45.0%		33.3%	
	HEDIS: Composite	NA	3.0	3.3	3.3	3.2		3.25	
Efficient	Arithmetic Observed LOS/ Geometric Expected LOS	1.32	1.30	1.32	1.32	1.31		1.31	
	MSPB-1 Medicare Spending per Beneficiary (CMS)	0.99 (CY 18)	0.99	0.99	None, updated annually in January	1.00		0.99	
Equitable	Hospital Charity Care Support	\$20.5 mil	NA	\$6.6 mil	\$5.7 mil	7.4 mil		\$19.7 mil	
	Clinic Charity Care Support	\$44.3k	NA	\$8.4k	1.1k	3.3k		12.9k	
	Language Line Unmet Requests (data collection started Q2)	0.34%	<1%	0.39%	0.64%	1.07%		0.70%	
	Length of Stay Disparity (Top 3 races) 40% patients did not report their race	Black: 4.05			3.98	4.56	4.11		4.13
		White: 3.79	NA		3.81	3.97	3.92		3.93
Asian: 3.64				3.54	3.38	3.72		3.52	
Patient-centered	IP Enterprise - HCAHPS Likelihood to Recommend	83.1	83.6	80.7	78.6	81.4		80.2	
	ED - Likelihood to Recommend (PG)	75.7	78.2	73.9	78.7	76.5		76.5	
	ECHMD - Likelihood to Recommend Care Provider (NPS)	73.2	75.7	76.2	76.0	76.4		76.1	
	MCH - HCAHPS Likelihood to Recommend	84.1	84.6	82.9	78.2	83.4		81.4	
	OAS - HCAHPS Likelihood to Recommend	84.7	86.4	83.5	86.1	86.1		85.2	

Report updated 4/23/21

\* data available up to FYTD 21 February only

\*\* data available FYTD 21 January only, displays rolling 12 month data (December 2019 to January 2021)

**STEEP:** Safe Care, Timely, Effective, Efficient, Equitable, Patient-Centered

April 2021



# LEAPFROG SCORES

**El Camino Hospital (05-0308)**  
2500 Grant Road, Mountain View, CA 94040

My Score	My Letter Grade
<b>3.3125</b>	<b>A</b>

**El Camino Hospital Los Gatos (05-0308)**  
815 Pollard Road, Los Gatos, CA 95032

My Score	My Letter Grade
<b>3.1291</b>	<b>B</b>

# CMS Star Rating: Another 5 Star Score for El Camino

April 2021

Overall Star Rating Results	Your Hospital's Results	National Average
Overall Star Rating [a]	***** (5 out of 5 stars)	*** (3 out of 5 stars)
Hospital Summary Score [b]	0.52	-0.05
Peer Grouping [c]	5 Measure Groups	--

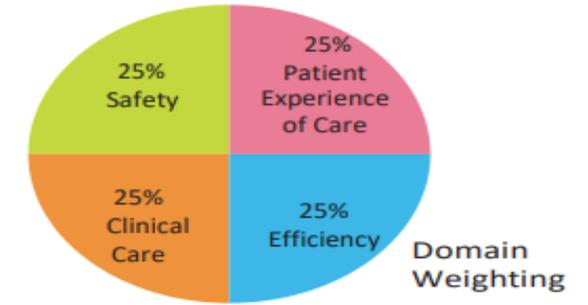


Of the total 50 measures in the report, ECH's Measure results improved in many of them over the January 2020 report.

# Hospital Value-Based Purchasing: El Camino Hospital

FFY 2022 (effective 10/1/2021)

<b>Base Operating DRG Payments</b>	<b>Withhold Amount/ % of revenue -2.00%</b>	<b>Bonus Amount</b>	<b>Net Impact / 0.36%</b>	<b>Estimated Total Score</b>
\$102,827,559	\$2,056,551	\$ 2,431,563	\$ 375,012	33.9 %



## Safety (25% of Total Performance Score) Domain Score = 40

Baseline period		Performance period	
HAI: CY 2018		HAI: CY 2020	
Description	Threshold	Performance/Points	Benchmark
Catheter-Associated Urinary Tract Infection	0.633	0.69/5	0.000
Central Line-Associated Blood Stream Infection	0.727	0.28/6	0.000
<i>Clostridium difficile</i> Infection	0.646	0.43/4	0.047
Methicillin-Resistant <i>Staphylococcus aureus</i> Bacteremia : HO LabID	0.748	1.33/0	0.000
Surgical Site Infection: Colon Surgery (HAI 3)	0.749	0.177/7	0.000
Abdominal Hysterectomy (HAI 4)	0.727	1.062/0	0.000
Surgical Site Infection Composite	N/A	N/A	N/A

Infections are SIRs. Lower is better for all measures.

\*Threshold values will be modified when re-baseline data is released.

## Person/Community Engagement (25% of Total Score) Domain Score = 34

Baseline period		Performance period	
CY 2018		CY 2020	
Description	Performance (%) / Points	Threshold (%)	Benchmark (%)
Communication with Nurses	80%/1	79.18	87.53
Communication with Doctors	82%/3	79.72	87.85
Responsiveness of Hospital Staff	65%/0	65.95	81.29
Communication about Medicines	66%/3	63.59	74.31
Hospital Cleanliness and Quietness	67.5%/2	65.46	79.41
Discharge Information	86%/0	87.12	91.95
Care Transitions	54%/2	51.69	63.11
Overall Rating of Hospital	79%/5	71.37	85.18

Higher is better for all scores.

## Clinical Outcomes (25% of Total Performance Score) Domain Score = 63.33

Baseline period		Performance period		
Mort - 7/2012-6/2015		9/1/2017-6/30/2020		
THA/TKA Complications – 4/1/2012–3/31/2015		4/1/2017–3/3/2020		
Measure ID	Description - Mortality Rate	Threshold %	Performance /Points	Benchmark %
MORT-30-AMI	Acute Myocardial Infarction (AMI) 30-day mortality rate	0.14	0.11/10	0.12
MORT-30-HF	Heart Failure (HF) 30-day mortality rate	0.12	0.10/10	0.10
MORT-30-PN	Pneumonia (PN) 30-day mortality rate	0.16	0.13/1	0.13
MORT-30-COPD	COPD 30-day mortality rate	0.08	0.07/4	0.06
THA/TKA	Primary THA/TKA complication rate	0.03	0.03/6	0.02
MORT-30-CABG	CABG 30-day mortality rate	0.03	0.03/7	0.02

## Efficiency (25% of Total Performance Score) Domain Score = 10.0

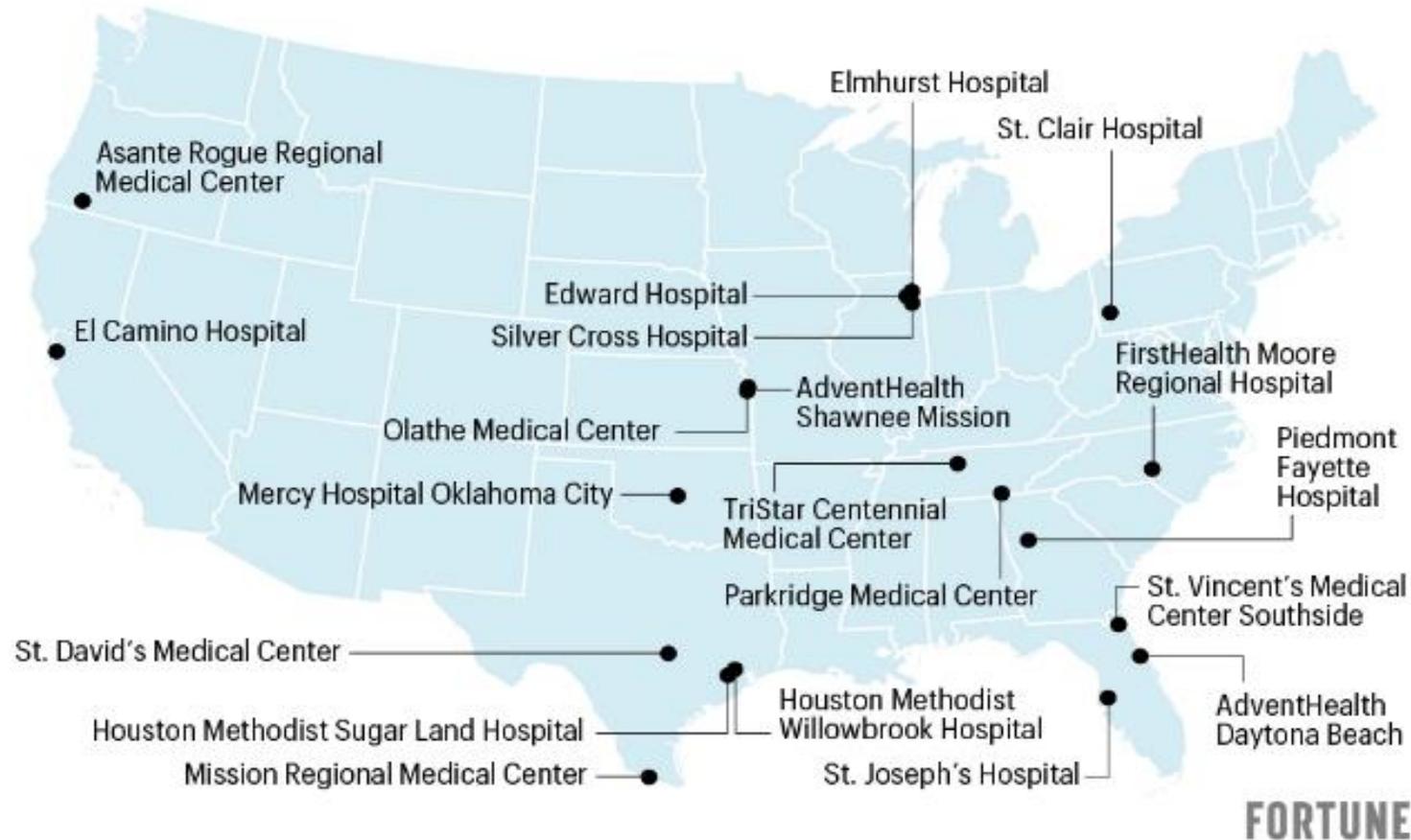
Baseline period		Performance period		
CY 2018		CY 2020		
Measure ID	Description	Threshold	Performance /Points	Benchmark
MSPB-1	Medicare Spending per Beneficiary	Median MSPB ratio hospitals during performance period 0.99	0.99/1	Mean of the lowest decile MSPB ratios for all hospitals during performance period – 0.85

Lower is better for all scores.

April 2021

# IBM/Watson Health Top 100 Hospitals

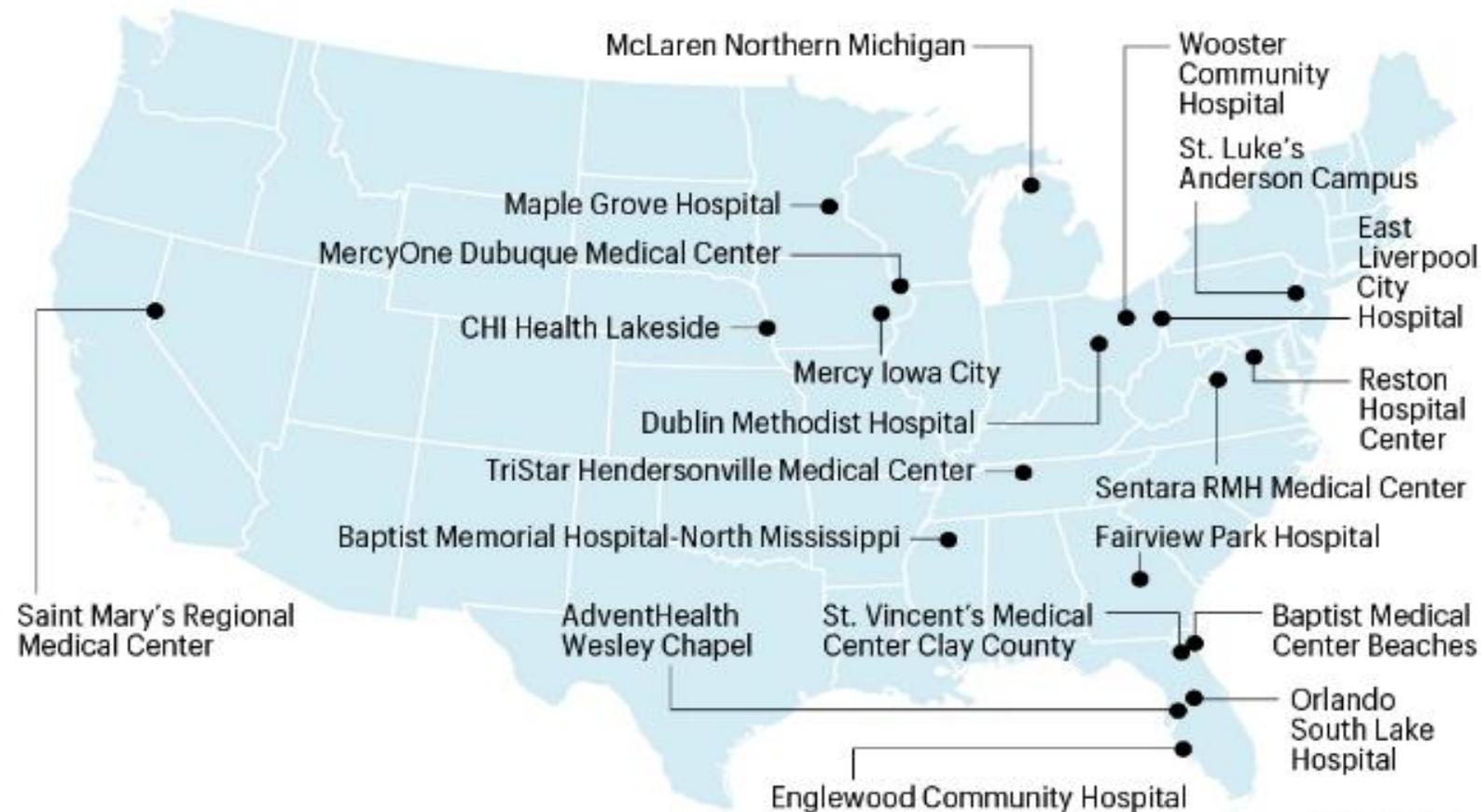
## LARGE COMMUNITY HOSPITAL



April 2021

# IBM/Watson Health Top 100 Hospitals

## MEDIUM COMMUNITY HOSPITAL

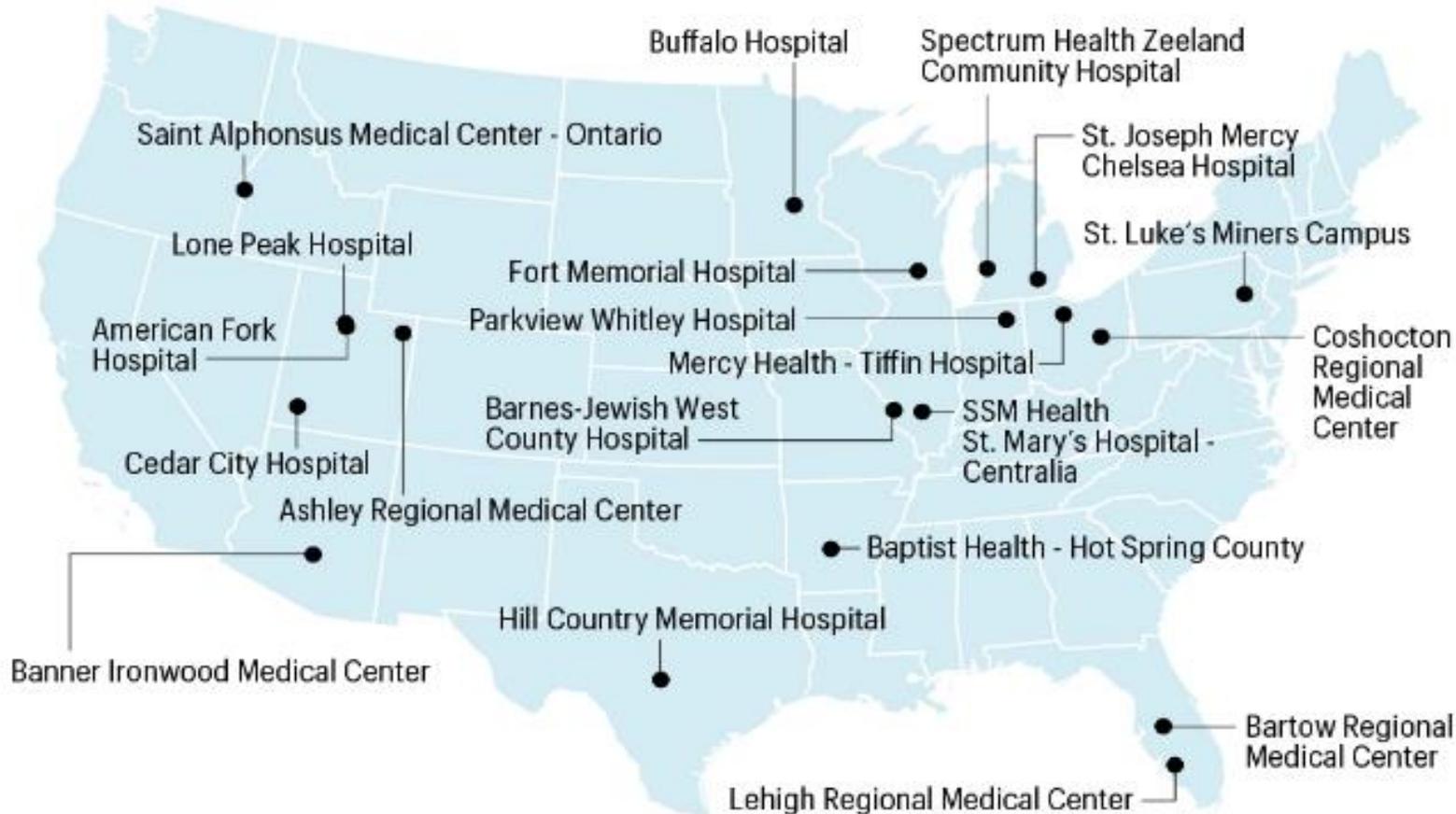


FORTUNE

April 2021

# IBM/Watson Health Top 100 Hospitals

## SMALL COMMUNITY HOSPITAL

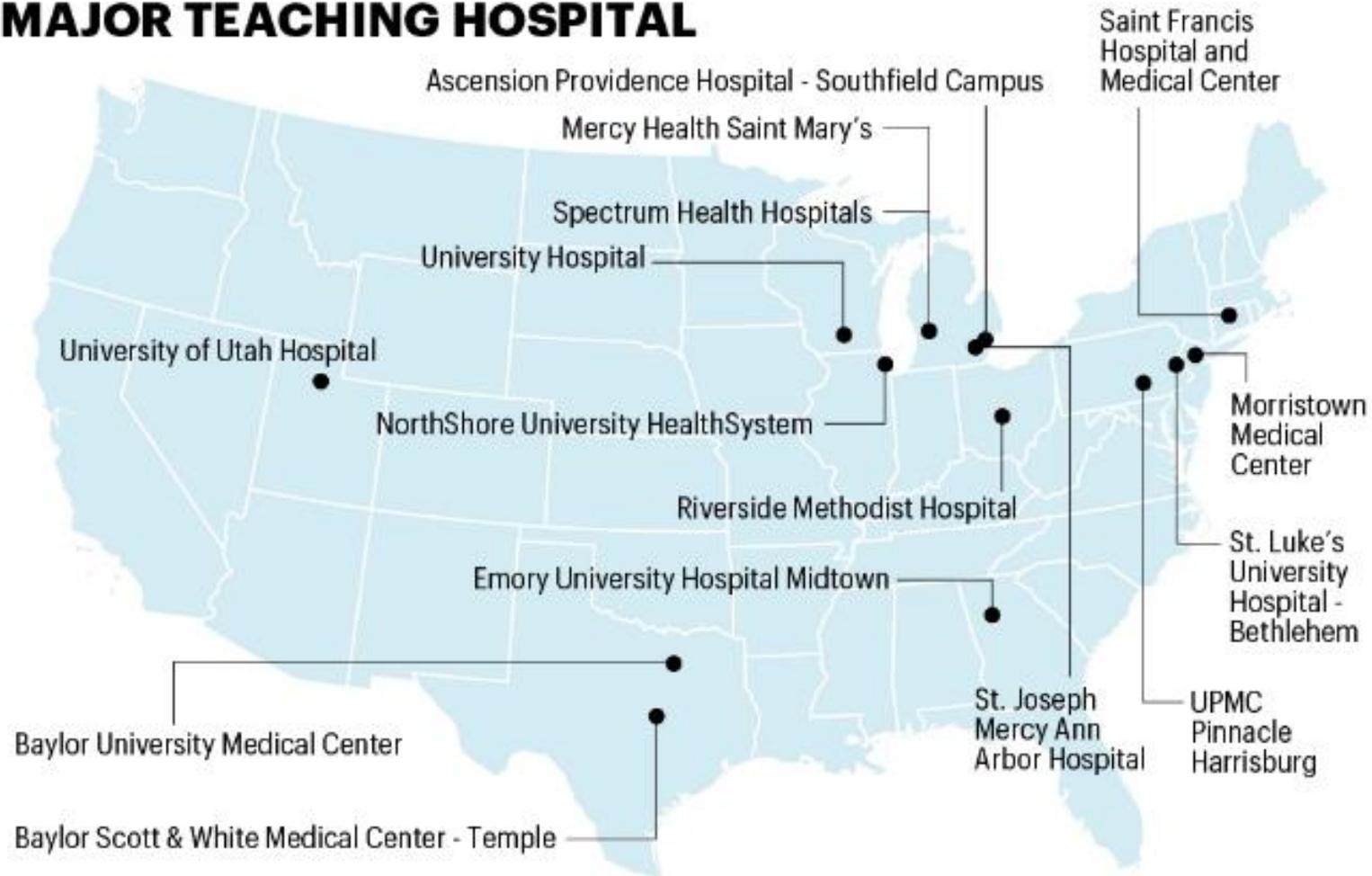


FORTUNE

April 2021

# IBM/Watson Health Top 100 Hospitals

## MAJOR TEACHING HOSPITAL

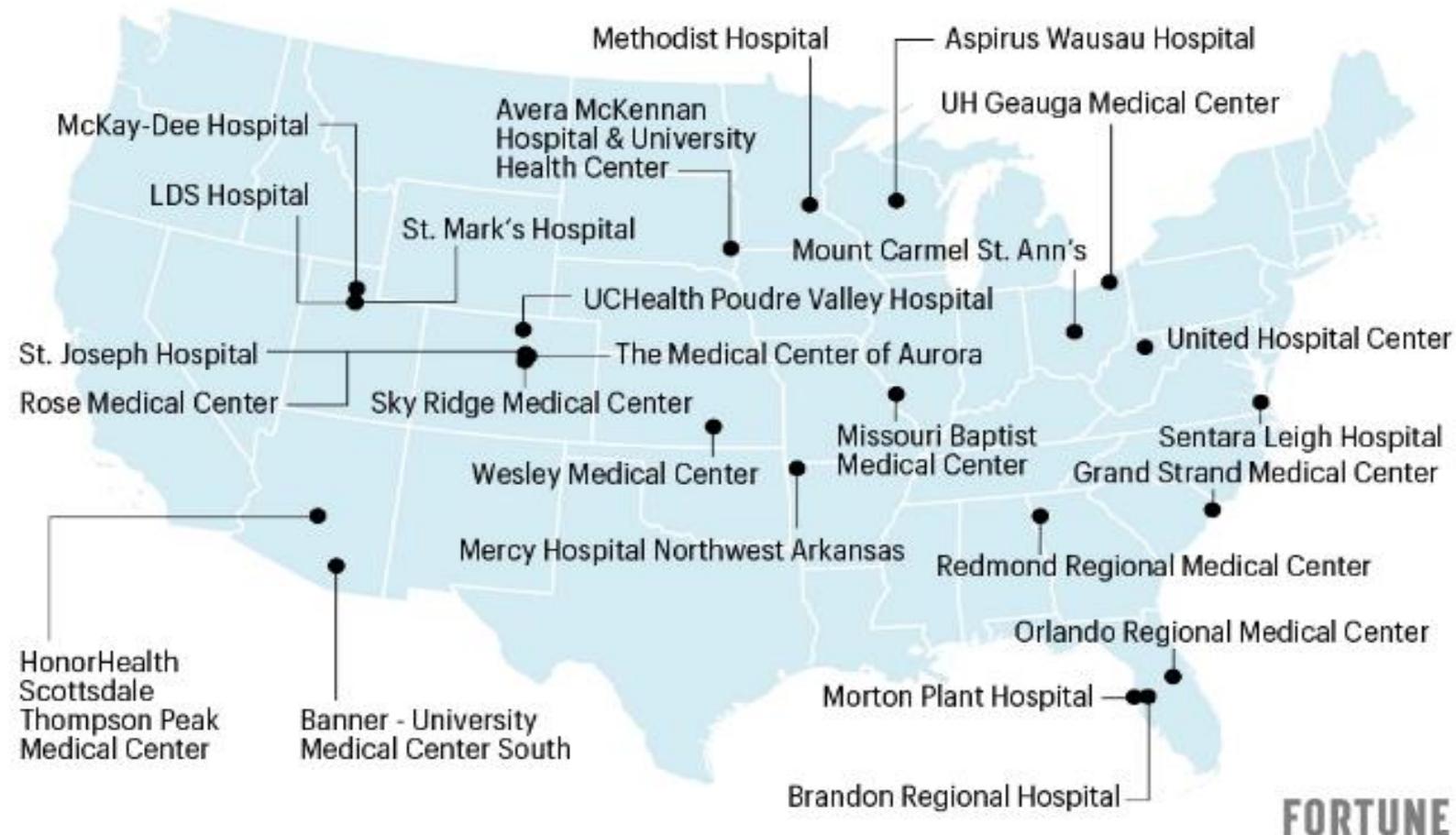


FORTUNE

April 2021

# IBM/Watson Health Top 100 Hospitals

## TEACHING HOSPITAL



April 2021

# IBM/Watson Top 100 Everest Award



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

**To:** El Camino Hospital Board of Directors  
**From:** Mary Rotunno, Legal Counsel  
**Date:** May 12, 2021  
**Subject:** Draft Revised Hospital Board Officers Nomination and Selection Procedures

**Recommendation(s):**

To approve the Draft Revised Hospital Board Officers Nomination and Selection Procedures.

**Summary:**

1. Situation: At the April 7, 2001 meeting, the Board approved a revision to the Board Officer Nominations and Selections Procedures indicating a simultaneous paper vote with validation by a neutral party who will announce the vote. Due to the pandemic, all meetings are virtual, which creates difficulty in executing a traditional “paper vote.” The approved procedures also did not allow nominations to be taken from the floor for Vice-Chair and Secretary/Treasurer which has been the historical practice.
  
2. Assessment: The intent of a paper vote is to allow Board members to submit their vote to a neutral party without knowledge of other Board members’ votes. An equivalent process can be executed electronically and the proposed revised procedures allow for electronic submission of Board member votes. Additionally, language was included to allow nominations from the floor for Hospital Vice-Chair and Secretary/Treasurer, in addition to Directors announcing their candidacy at the meeting.

**List of Attachments:**

1. Draft Revised Hospital Board Officers Nomination and Selection Procedures

**HOSPITAL BOARD OFFICERS  
NOMINATION AND SELECTION PROCEDURES  
FOR FY21**

*Draft Revised ~~04/07/2021~~ 05/12/2021*

Any current director of the El Camino Hospital Board is eligible to serve as a Hospital Board Officer. The new Hospital Board Officer terms begin July 1, 2021. El Camino Hospital Board Officer elections shall be held in May of odd numbered years. Following the election, it shall be the role of the Board Chair-Elect to work with the Hospital CEO in May and June to develop a slate of Board Advisory Committee Chairs and members for the following fiscal year and to present the slate to the Board for approval in June.

**Hospital Board Chair:**

1. Interested Directors will declare their interest to the CEO or designee by close of business April 22, 2021. The CEO or designee will notify the Board of all declarations of interest by close of business April 23, 2021. Any other interested Directors will then declare their interest to the CEO or designee by close of business on April 26, 2021. The CEO or designee will notify the Board of any additional declarations of interest by close of business April 27, 2021. Interested Directors will prepare a one-page Position Statement that summarizes the candidate's interest and relevant experience as it relates to the attached Hospital Board Chair competencies, no later than close of business April 29, 2021.
2. Position Statements will be distributed to Board members along with other routine Hospital Board materials one week in advance of the May 12, 2021 meeting.
3. Position Statements will be made available to the public and posted on the El Camino Hospital website when the Hospital Board materials are issued to the Board.
4. Standard questions for Hospital Board Chair:
  - a. What do you see as the ECH strategic priorities over the coming two years?
  - b. Name three defining roles of an effective Board Chair.
  - c. How would you judge the success of your leadership and the Board at the end of your term?
5. At the May 12, 2021 meeting, Interested Directors will present the information below, in public session, in the sequence outlined. Approximately 25 minutes will be allocated to each Interested Director: five (5) minutes for the Position Statement, ten (10) minutes for responses to standard questions, and (10) ten minutes to respond to general questions from the board and public:
  - a. Each interested director will read his or her Position Statement
  - b. Each interested director will provide responses to the standard questions. (Directors will present one question at a time in random order.)
  - c. The Public will be invited to ask Interested Directors any questions related to the candidate's interest in the position, and relevant experience as it relates to the Hospital Board Chair competencies
  - d. The Board will be invited to ask Interested Directors any additional questions related to an Interested Director's candidacy.

6. Upon review and discussion of the candidates, the Board will vote in public session. The current Chair will facilitate the discussion and voting process.
7. The Hospital Board Chair will be elected by the Board in accordance with the following procedure at a meeting where a quorum is present.
  - a. Preliminary Balloting
    - i. Each Board member shall vote for a candidate via electronic submission simultaneous paper ballot roll call simultaneously to a neutral party who will announce the vote cast by each Director.
    - ii. In the event a majority is not achieved, the vote will be announced for each candidate and the candidate receiving the lowest number of votes will be dropped from the next ballot.
    - iii. This procedure will continue until one candidate receives a majority of the votes cast.
    - iv. In the event a tie vote occurs (e.g., 3-3 or 4-2-2), Interested Directors may be asked additional questions by Hospital Board members and the balloting procedure will continue until a majority is achieved by one candidate.
  - b. Selection of a Board Chair
    - i. Following the preliminary balloting, the Board shall consider a motion to elect the candidate who has received the majority of the votes in his/her favor.
    - ii. If a motion pursuant to Section 7(b)(i) is not adopted by a majority of the Board members present at the meeting when a quorum is present, the Board shall continue to consider motions until a Board Chair is elected.

**Hospital Vice-Chair:**

1. At the May 12, 2021 Hospital Board meeting, Interested Directors will announce their candidacy and/or nominations taken from the floor following the successful election of the Hospital Board Chair.
2. Interested Directors will be asked questions, which relate to the candidate's experience, by other Hospital Board members in public session.
3. Voting will follow the same procedure as described in the Hospital Board Chair selection and appointment process above.
4. The Vice Chair is the presumptive Chair at the end of the current Chair's term.

**Hospital Secretary/Treasurer:**

1. At the May 12, 2021 Hospital Board meeting, Interested Directors will announce their candidacy and/or nominations taken from the floor following the successful election of the Hospital Board Chair and the Hospital Vice-Chair.
2. Interested Directors will be asked questions, which relate to the candidate's experience, by other Hospital Board members in public session.
3. Voting will follow the same procedure as described in the Hospital Board Chair selection and appointment process above.

**EL CAMINO HOSPITAL  
BOARD MEETING COVER MEMO**

**To:** El Camino Hospital Board of Directors  
**From:** Mary Rotunno, General Counsel  
**Date:** May 12, 2021  
**Subject:** Board Officer Election

**Recommendation(s):**

1. Preliminary round of voting for the Board Chair by electronic submission simultaneously to a neutral party who will announce the vote cast by each Director.
2. Motion to select \_\_\_\_\_ as ECH Board Chair for a one year term of service effective July 1, 2021.
3. Motion to select \_\_\_\_\_ as ECH Board Vice-Chair for a two year term of service effective July 1, 2021.
4. Motion to select \_\_\_\_\_ as ECH Board Secretary/Treasurer for a two year term of service effective July 1, 2021.

**Summary:**

1. Situation: Board Officers serve two year terms and the current Board Officers terms expire on June 30, 2021. At the April 7, 2021 meeting, the Board approved Resolution 2021-04 temporarily suspending the two term limit for the Board Chair to allow re-election of the current Board Chair for a one year term.
2. Authority: Board Officer Nomination and Selection Procedures provide the procedure to be followed.
3. Background: Current Board Chair Lanhee Chen is the only Director that has declared interest in the Board Chair position.
4. Assessment: N/A
5. Other Reviews: N/A
6. Outcomes: N/A

**List of Attachments:**

1. Board Officer Nomination and Selection Procedures with proposed revisions
2. Director Lanhee Chen's Position Statement

**Suggested Board Discussion Questions:** None.

**HOSPITAL BOARD OFFICERS  
NOMINATION AND SELECTION PROCEDURES  
FOR FY21**

*Draft Revised ~~04/07/2021~~ 05/12/2021*

Any current director of the El Camino Hospital Board is eligible to serve as a Hospital Board Officer. The new Hospital Board Officer terms begin July 1, 2021. El Camino Hospital Board Officer elections shall be held in May of odd numbered years. Following the election, it shall be the role of the Board Chair-Elect to work with the Hospital CEO in May and June to develop a slate of Board Advisory Committee Chairs and members for the following fiscal year and to present the slate to the Board for approval in June.

**Hospital Board Chair:**

1. Interested Directors will declare their interest to the CEO or designee by close of business April 22, 2021. The CEO or designee will notify the Board of all declarations of interest by close of business April 23, 2021. Any other interested Directors will then declare their interest to the CEO or designee by close of business on April 26, 2021. The CEO or designee will notify the Board of any additional declarations of interest by close of business April 27, 2021. Interested Directors will prepare a one-page Position Statement that summarizes the candidate's interest and relevant experience as it relates to the attached Hospital Board Chair competencies, no later than close of business April 29, 2021.
2. Position Statements will be distributed to Board members along with other routine Hospital Board materials one week in advance of the May 12, 2021 meeting.
3. Position Statements will be made available to the public and posted on the El Camino Hospital website when the Hospital Board materials are issued to the Board.
4. Standard questions for Hospital Board Chair:
  - a. What do you see as the ECH strategic priorities over the coming two years?
  - b. Name three defining roles of an effective Board Chair.
  - c. How would you judge the success of your leadership and the Board at the end of your term?
5. At the May 12, 2021 meeting, Interested Directors will present the information below, in public session, in the sequence outlined. Approximately 25 minutes will be allocated to each Interested Director: five (5) minutes for the Position Statement, ten (10) minutes for responses to standard questions, and (10) ten minutes to respond to general questions from the board and public:
  - a. Each interested director will read his or her Position Statement
  - b. Each interested director will provide responses to the standard questions. (Directors will present one question at a time in random order.)
  - c. The Public will be invited to ask Interested Directors any questions related to the candidate's interest in the position, and relevant experience as it relates to the Hospital Board Chair competencies
  - d. The Board will be invited to ask Interested Directors any additional questions related to an Interested Director's candidacy.

6. Upon review and discussion of the candidates, the Board will vote in public session. The current Chair will facilitate the discussion and voting process.
7. The Hospital Board Chair will be elected by the Board in accordance with the following procedure at a meeting where a quorum is present.
  - a. Preliminary Balloting
    - i. Each Board member shall vote for a candidate via ~~paper ballot roll call~~ electronic submission simultaneously to a neutral party who will announce the vote cast by each Director.
    - ii. In the event a majority is not achieved, the vote will be announced for each candidate and the candidate receiving the lowest number of votes will be dropped from the next ballot.
    - iii. This procedure will continue until one candidate receives a majority of the votes cast.
    - iv. In the event a tie vote occurs (e.g., 3-3 or 4-2-2), Interested Directors may be asked additional questions by Hospital Board members and the balloting procedure will continue until a majority is achieved by one candidate.
  - b. Selection of a Board Chair
    - i. Following the preliminary balloting, the Board shall consider a motion to elect the candidate who has received the majority of the votes in his/her favor.
    - ii. If a motion pursuant to Section 7(b)(i) is not adopted by a majority of the Board members present at the meeting when a quorum is present, the Board shall continue to consider motions until a Board Chair is elected.

**Hospital Vice-Chair:**

1. At the May 12, 2021 Hospital Board meeting, Interested Directors will announce their candidacy and/or nominations taken from the floor following the successful election of the Hospital Board Chair.
2. Interested Directors will be asked questions, which relate to the candidate's experience, by other Hospital Board members in public session.
3. Voting will follow the same procedure as described in the Hospital Board Chair selection and appointment process above.
4. The Vice Chair is the presumptive Chair at the end of the current Chair's term.

**Hospital Secretary/Treasurer:**

1. At the May 12, 2021 Hospital Board meeting, Interested Directors will announce their candidacy and/or nominations taken from the floor following the successful election of the Hospital Board Chair and the Hospital Vice-Chair.
2. Interested Directors will be asked questions, which relate to the candidate's experience, by other Hospital Board members in public session.
3. Voting will follow the same procedure as described in the Hospital Board Chair selection and appointment process above.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS**

**To:** El Camino Hospital Board of Directors  
**From:** Lanhee J. Chen, J.D., Ph.D., Board Chair  
**Date:** May 12, 2021  
**Subject:** Hospital Board Chair Position Statement

It has been a great honor and privilege to serve as the Chair of the El Camino Hospital Board of Directors over the past several years. Together, we have embarked on a journey toward creating a high-performing, high-quality health care system while also formulating a new strategic vision for the years to come. All the while, we have remained an institution that remains fundamentally committed to the communities we serve.

As we complete our strategic planning process and begin to execute upon the priorities that emerge from it, I am asking for your support to serve for an additional year as Board Chair. This is a critical time for El Camino Health and I believe it is essential for our system to continue to build upon the very good progress we have made over the last several years. I believe that now is a time for continuity in leadership.

That being said, it is also important for us to institute a succession planning process for the leadership of our Board in the years ahead. I intend to work closely with whoever is elected as Vice Chair of the Board of Directors to ensure an orderly and successful transition at the end of my service as Chair.

The values that are important for dynamic and effective leadership — vision, consensus-building, mutual respect, and effective communication — are the ones that I believe have guided my time as Chair, and that will continue to inform my work if you give me the honor of continuing in this role for the next year.



# El Camino Health

## Summary of Financial Operations

*Fiscal Year 2021 – Period 9*

*7/1/2020 to 03/31/2021*

## Executive Summary - Overall Commentary for Period 9

- Strong operating / financial results for Period 9 were attributed to the following:
  - Significant decrease of Covid-19 patients
  - Rebound in procedural volumes due to pent up demand from January and February
  - Focus on management of OT / premium pay, ALOS and variable expenses
  - Stable payor mix
- Total gross charges, a surrogate for volume, were favorable to budget by \$87.3M / 29.1% and \$105.9M / 37.6% higher than the same period last year
- Net patient revenue was favorable to budget by \$17.3M / 21.6% and \$24.1M / 32.9% higher than the same period last year
- Operating expenses were \$9.3M / 11.2% unfavorable to budget, which is primarily attributed to higher than expected volume versus budget and significant number of procedural cases performed in March
- Operating margin was favorable to budget by \$7.1M / 619.3% and \$17.9M / 185.5% higher than the same period last year
- Operating EBIDA was favorable to budget by \$6.9M / 90.9% and \$18.4M / 478.9% higher than the same period last year

# Operational / Financial Results: Period 9 – March 2021 (as of 3/31/2021)

## PERIOD 9 - RESULTS

(\$ thousands)		PERIOD 9 - RESULTS				PERIOD 9 - RESULTS			Moody's Medians		
		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	'A1'	'Aa3'	Performance to 'A1' Medians
Activity / Volume	ADC	231	217	15	6.7%	218	13	6.1%	---	---	---
	Total Discharges	1,939	1,867	72	3.9%	1,810	129	7.1%	---	---	---
	Adjusted Discharges	3,244	2,802	442	15.8%	2,584	660	25.5%	---	---	---
	Emergency Room Visits	4,271	4,077	194	4.8%	4,624	(353)	-7.6%	---	---	---
	OP Procedural Cases	15,665	8,139	7,526	92.5%	7,318	8,347	114.1%	---	---	---
	Gross Charges (\$)	387,620	300,318	87,302	29.1%	281,723	105,897	37.6%	---	---	---
Operations	Total FTEs	2,875	2,855	20	0.7%	2,827	48	1.7%	---	---	---
	Productive Hrs. / APD	31.8	33.4	(1.6)	-4.7%	38.1	(6.3)	-16.5%	---	---	---
	Cost Per Adjusted Discharge	16,509	17,901	(1,392)	-7.8%	20,136	(3,627)	-18.0%	---	---	---
	Net Days in A/R	50.9	49.0	1.9	3.8%	49.1	1.7	3.5%	47.7	47.1	
Financial Performance	Net Patient Revenue (\$)	97,171	79,886	17,285	21.6%	73,105	24,066	32.9%	106,723	257,000	
	Total Operating Revenue (\$)	100,708	84,265	16,444	19.5%	77,345	23,364	30.2%	116,864	314,648	
	Operating Margin (\$)	8,258	1,148	7,110	619.3%	(9,658)	17,917	185.5%	3,948	10,135	
	<b>Operating EBIDA (\$)</b>	<b>14,588</b>	<b>7,641</b>	<b>6,947</b>	<b>90.9%</b>	<b>(3,850)</b>	<b>18,438</b>	<b>478.9%</b>	<b>11,301</b>	<b>27,969</b>	
	Net Margin (\$)	27,223	4,482	22,742	507.4%	(81,470)	108,694	133.4%	8,219	18,726	
	Operating Margin (%)	8.2%	1.4%	6.8%	501.9%	-12.5%	20.7%	165.7%	2.9%	3.6%	
	<b>Operating EBIDA Margin (%)</b>	<b>14.5%</b>	<b>9.1%</b>	<b>5.4%</b>	<b>59.7%</b>	<b>-5.0%</b>	<b>19.5%</b>	<b>391.0%</b>	<b>9.7%</b>	<b>8.9%</b>	
	DCOH (days)	566	435	130	29.9%	432	134	31.0%	254	264	

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2020. Dollar amounts have been adjusted to reflect monthly averages.

# Operational / Financial Results: YTD FY2021 (as of 3/31/2021)

## YTD FY2021 - RESULTS

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's Medians		Performance to 'A1' Medians
									'A1'	'Aa3'	
Activity / Volume	ADC	241	205	36	17.8%	237	4	1.6%	---	---	---
	Total Discharges	16,930	15,713	1,217	7.7%	18,157	(1,227)	-6.8%	---	---	---
	Adjusted Discharges	26,258	23,508	2,750	11.7%	28,185	(1,927)	-6.8%	---	---	---
	Emergency Room Visits	36,915	32,245	4,670	14.5%	46,709	(9,794)	-21.0%	---	---	---
	OP Procedural Cases	119,491	70,228	49,263	70.1%	84,722	34,769	41.0%	---	---	---
	Gross Charges (\$)	3,143,811	2,498,291	645,520	25.8%	2,885,575	258,236	8.9%	---	---	---
Operations	Total FTEs	2,818	2,841	(23)	-0.8%	2,804	14	0.5%	---	---	---
	Productive Hrs. / APD	31.4	33.4	(2.0)	-5.9%	31.5	(0.0)	-0.2%	---	---	---
	Cost Per Adjusted Discharge	17,198	18,458	(1,260)	-6.8%	16,213	985	6.1%	---	---	---
	Net Days in A/R	50.9	49.0	1.9	3.8%	49.1	1.7	3.5%	47.7	47.1	
Financial Performance	Net Patient Revenue (\$)	805,228	650,689	154,539	23.8%	757,093	48,135	6.4%	960,503	2,312,999	
	Total Operating Revenue (\$)	839,876	692,263	147,612	21.3%	798,176	41,700	5.2%	1,051,776	2,831,833	
	Operating Margin (\$)	47,365	(30,980)	78,345	252.9%	51,782	(4,417)	-8.5%	35,536	91,211	
	<b>Operating EBIDA (\$)</b>	<b>110,488</b>	<b>29,253</b>	<b>81,235</b>	<b>277.7%</b>	<b>97,744</b>	<b>12,744</b>	<b>13.0%</b>	<b>101,705</b>	<b>251,718</b>	
	Net Margin (\$)	222,346	(5,476)	227,821	4160.6%	4,430	217,915	4918.6%	73,967	168,533	
	Operating Margin (%)	5.6%	-4.5%	10.1%	226.0%	6.5%	-0.8%	-13.1%	2.9%	3.6%	
	<b>Operating EBIDA Margin (%)</b>	<b>13.2%</b>	<b>4.2%</b>	<b>8.9%</b>	<b>211.3%</b>	<b>12.2%</b>	<b>0.9%</b>	<b>7.4%</b>	<b>9.7%</b>	<b>8.9%</b>	
	DCOH (days)	566	435	130	29.9%	432	134	31.0%	254	264	

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2020. Dollar amounts have been adjusted to reflect 9 month totals.

# Key Statistics: Period 9 and YTD (as of 03/31/2021)

Key Statistics	Month to Date			Variance (%)		Year to Date			Variance (%)	
	PY	CY	Budget	CY vs PY	CY vs Budget	PY	CY	Budget	CY vs PY	CY vs Budget
ADC	218	231	217	6.1%	6.7%	237	241	205	1.6%	17.8%
Utilization MV	59%	62%	57%	5.8%	8.0%	65%	63%	53%	(2.6%)	18.0%
Utilization LG	30%	27%	27%	(8.8%)	0.5%	30%	31%	27%	4.4%	17.0%
Utilization Combined	49%	51%	48%	3.5%	6.7%	54%	53%	45%	(0.9%)	17.7%
Adjusted Discharges	2,584	3,244	2,802	25.5%	15.8%	28,185	26,258	23,508	(6.8%)	11.7%
Total Discharges (Exc NB)	1,490	1,611	1,515	8.1%	6.4%	15,056	14,027	12,663	(6.8%)	10.8%
Total Discharges	1,810	1,939	1,867	7.1%	3.9%	18,157	16,930	15,713	(6.8%)	7.7%
<b>Inpatient Activity</b>										
MS Discharges	1,015	1,104	952	8.8%	15.9%	10,456	9,583	7,885	(8.3%)	21.5%
Deliveries	333	354	372	6.3%	(4.9%)	3,278	3,116	3,222	(4.9%)	(3.3%)
BHS	100	120	146	20.0%	(17.8%)	917	953	1,164	3.9%	(18.1%)
Rehab	42	33	44	(21.4%)	(24.8%)	405	375	393	(7.4%)	(4.5%)
<b>Outpatient Activity</b>										
Total Outpatient Cases	10,324	18,738	11,241	81.5%	66.7%	120,732	146,673	94,523	21.5%	55.2%
ED	3,006	3,073	3,102	2.2%	(0.9%)	36,010	27,182	24,295	(24.5%)	11.9%
OP Surg	342	614	351	79.5%	74.9%	4,340	4,626	3,031	6.6%	52.6%
Endo	150	252	163	68.0%	54.4%	1,959	1,887	1,318	(3.7%)	43.1%
Interventional	149	194	133	30.2%	45.5%	1,590	1,536	985	(3.4%)	55.9%
All Other	6,677	14,605	7,491	118.7%	95.0%	76,833	111,442	64,894	45.0%	71.7%
<b>Hospital Payor Mix</b>										
Medicare	46.0%	48.7%	48.7%	5.8%	(0.1%)	48.9%	48.3%	48.5%	(1.1%)	(0.3%)
Medi-Cal	8.0%	8.0%	7.5%	-0.7%	5.8%	7.5%	8.2%	7.5%	10.2%	9.3%
Commercial	43.4%	40.4%	41.4%	-6.9%	(2.6%)	41.3%	41.1%	41.6%	-0.4%	(1.2%)
Other	2.6%	3.0%	2.3%	15.4%	21.1%	2.3%	2.3%	2.4%	(1.8%)	(5.4%)

# Income Statement: Current Fiscal Year Monthly Trend (\$000s)

	Period 1 Jul-20	Period 2 Aug-20	Period 3 Sep-20	Period 4 Oct-20	Period 5 Nov-20	Period 6 Dec-20	Period 7 Jan-21	Period 8 Feb-21	Period 9 Mar-21	Period 10 Apr-21	Period 11 May-21	Period 12 Jun-21	YTD FY2021	YTD Monthly Average
<b>Operating Revenues:</b>														
Gross Revenue	333,228	339,121	357,838	366,453	341,648	367,494	335,788	314,620	387,620	-	-	-	3,143,811	349,312
Deductions from Revenue	(247,360)	(253,449)	(267,829)	(275,898)	(253,051)	(275,206)	(245,993)	(229,347)	(290,449)	-	-	-	(2,338,582)	(259,842)
Net Patient Revenue	85,868	85,672	90,009	90,554	88,597	92,289	89,795	85,273	97,171	-	-	-	805,228	89,470
Other Operating Revenue	4,667	4,331	3,996	4,024	3,234	3,079	4,427	3,352	3,537	-	-	-	34,647	3,850
<b>Total Operating Revenue</b>	<b>90,535</b>	<b>90,003</b>	<b>94,005</b>	<b>94,578</b>	<b>91,831</b>	<b>95,368</b>	<b>94,222</b>	<b>88,625</b>	<b>100,708</b>	-	-	-	<b>839,876</b>	<b>93,320</b>
<b>Operating Expenses:</b>														
Salaries, Wages and Benefits	46,431	47,739	48,136	49,061	47,222	48,774	53,636	48,592	52,025	-	-	-	441,616	49,068
Supplies	12,820	16,893	12,798	13,496	13,641	14,519	13,888	13,587	15,421	-	-	-	127,062	14,118
Fees & Purchased Services	12,918	14,366	14,949	12,982	14,264	14,035	15,825	14,770	15,139	-	-	-	129,248	14,361
Other Operating Expenses	3,583	3,596	4,498	3,721	3,512	4,100	3,819	1,097	3,536	-	-	-	31,462	3,496
Interest	1,428	1,431	1,428	1,429	1,428	1,428	1,428	1,392	1,399	-	-	-	12,791	1,421
Depreciation	5,231	5,328	5,795	5,798	6,068	5,591	5,689	5,903	4,931	-	-	-	50,332	5,592
<b>Total Operating Expenses</b>	<b>82,411</b>	<b>89,352</b>	<b>87,604</b>	<b>86,487</b>	<b>86,136</b>	<b>88,446</b>	<b>94,284</b>	<b>85,341</b>	<b>92,450</b>	-	-	-	<b>792,511</b>	<b>88,057</b>
<b>Operating Margin</b>	<b>8,124</b>	<b>651</b>	<b>6,401</b>	<b>8,091</b>	<b>5,695</b>	<b>6,922</b>	<b>(62)</b>	<b>3,285</b>	<b>8,258</b>	-	-	-	<b>47,365</b>	<b>5,263</b>
Non-Operating Income	27,718	28,642	(9,557)	(27,499)	64,968	57,357	39	14,349	18,965	-	-	-	174,981	19,442
<b>Net Margin</b>	<b>35,842</b>	<b>29,293</b>	<b>(3,156)</b>	<b>(19,408)</b>	<b>70,663</b>	<b>64,279</b>	<b>(23)</b>	<b>17,633</b>	<b>27,223</b>	-	-	-	<b>222,346</b>	<b>24,705</b>
<b>Operating EBIDA</b>	<b>14,783</b>	<b>7,410</b>	<b>13,624</b>	<b>15,318</b>	<b>13,192</b>	<b>13,940</b>	<b>7,055</b>	<b>10,580</b>	<b>14,588</b>	-	-	-	<b>110,488</b>	<b>12,276</b>
Operating Margin (%)	9.0%	0.7%	6.8%	8.6%	6.2%	7.3%	-0.1%	3.7%	8.2%				5.6%	
<b>Operating EBIDA Margin (%)</b>	<b>16.3%</b>	<b>8.2%</b>	<b>14.5%</b>	<b>16.2%</b>	<b>14.4%</b>	<b>14.6%</b>	<b>7.5%</b>	<b>11.9%</b>	<b>14.5%</b>				<b>13.2%</b>	

# Financial Overview: Period 9 - March 2021

Period ending 3/31/2021

## Financial Performance

- March operating income was \$8.3M compared to a budget of \$1.1M, resulting in a favorable variance of \$7.1M. The primary drivers are volume which rebounded from the third wave of the pandemic, pent up demand of surgical cases, stable payer mix and management of variable expenses
- March volumes and revenues continue to be stronger than budget as demonstrated by:
  - Adjusted discharges were favorable to budget by 442 cases / 15.8% and 660 cases / 25.6% above the same period last year
  - Favorable variance of gross charges of \$87.4M was split as follows:
    - Inpatient gross charges: Favorable to budget by \$30M / 19% variance primarily driven by surgery, cath. Lab, NICU and ancillary services
    - Outpatient gross charges: Favorable to budget by \$57M / 43% variance primarily driven by surgery, cath. lab, emergency room, and ancillary services
  - Operating Expenses were unfavorable to budget by \$9.3M / 11.2%, primarily due to patient activity, increased use / cost of PPE associated with Covid-19 and other Covid-19 associated expenses
    - SWB were unfavorable by \$5.4M / 12%
    - Supplies were unfavorable by \$2.9M / 36%
    - All other discretionary non-volume driven expenses were favorable to budget by \$1M
    - Additional expenses attributed to Covid-19 were \$1.6M in March and \$14.2M YTD
- Non Operating Income includes:
  - Favorable variance of \$15.6M primarily due to unrealized gains on investments

# Financial Overview: Period 9 – March 2021 (cont.)

Period ending 3/31/2021

## Financial Performance

### Hospital Operations:

- Adjusted Discharges (AD): Favorable to budget by 442 ADs / 16% and above prior year by 660 ADs / 26%:
  - Mountain View: Favorable to budget by 226 ADs / 10% and above prior year by 394 ADs / 19%
  - Los Gatos: Favorable to budget by 216 ADs / 43% and above prior year by 266 ADs / 57%
- Operating Expense Per CMI Adjusted Discharge: \$16,508 which is 7.8% favorable to budget

Note: Excludes depreciation and interest

### El Camino Health Medical Network (ECHMN) Operations:

- February's total visits of 26,454 was 16% above prior month and 25.2% favorable to budget and included 7,972 COVID vaccination visits
- Net Income was unfavorable to budget by \$760K in February, but was \$661K favorable to February of 2020
- YTD February ECHMN Net Income is unfavorable to budget by \$800K / 3.4%, but remains favorable to prior year by \$2.1M / 8.1%

# Financial Overview: YTD FY2021 (as of 3/31/2021)

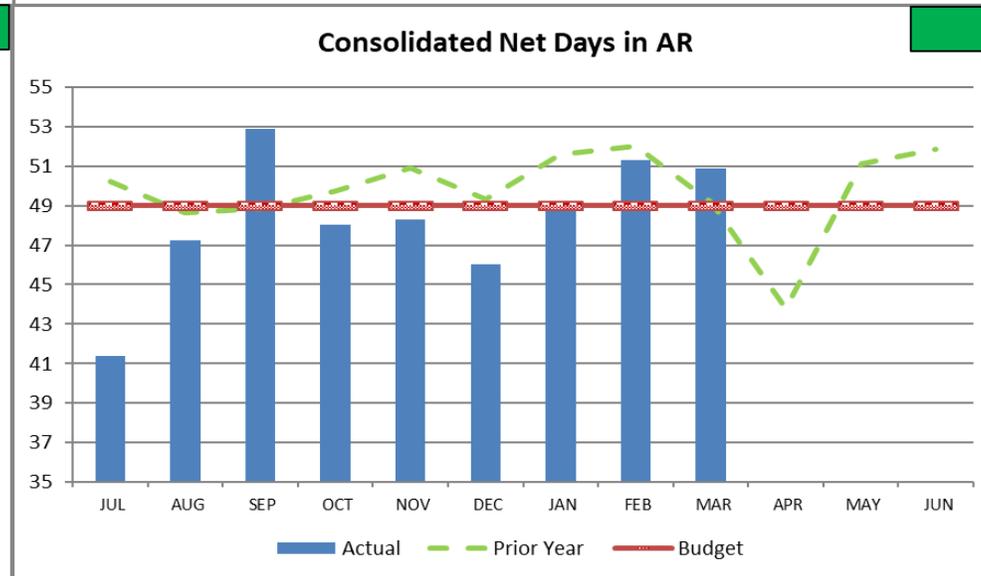
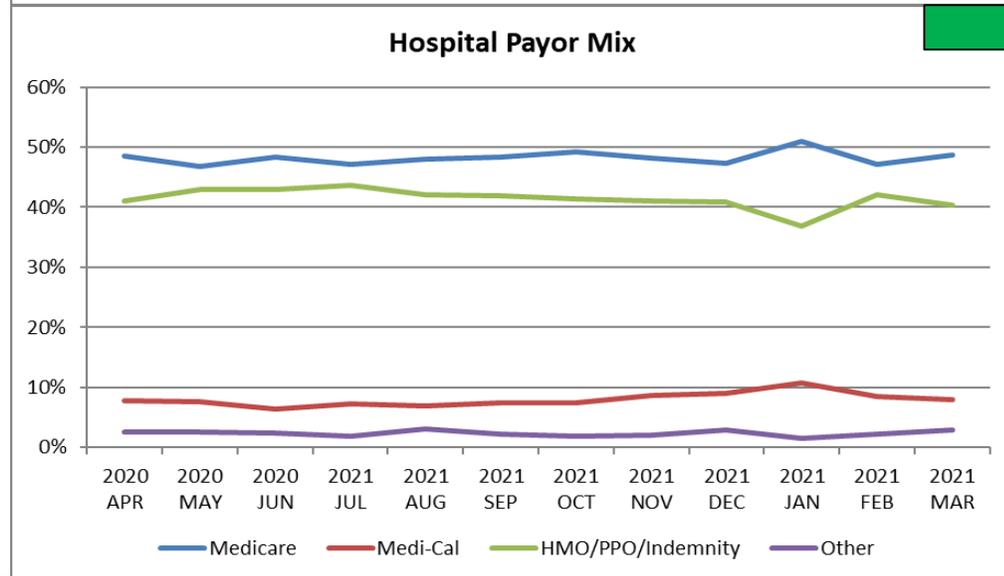
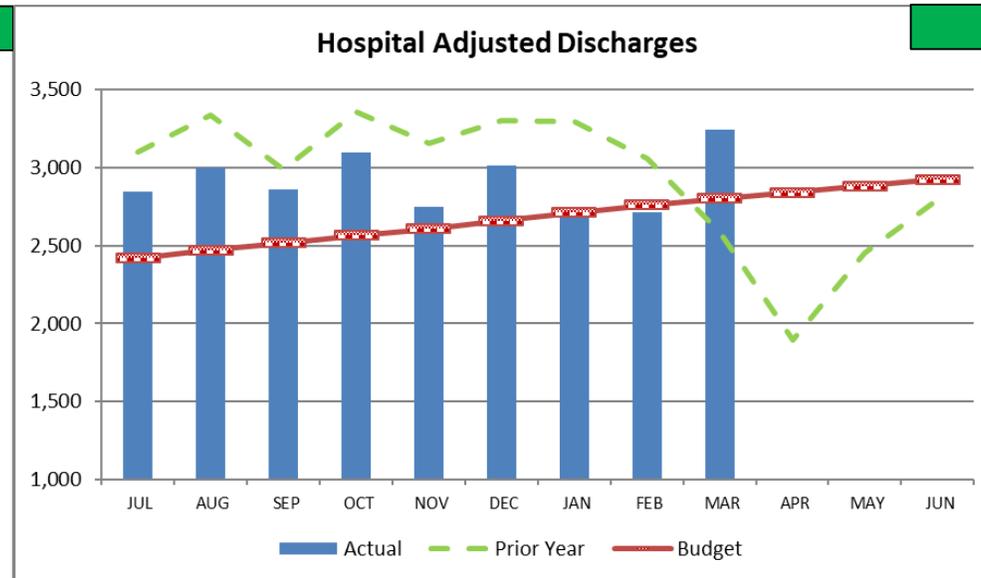
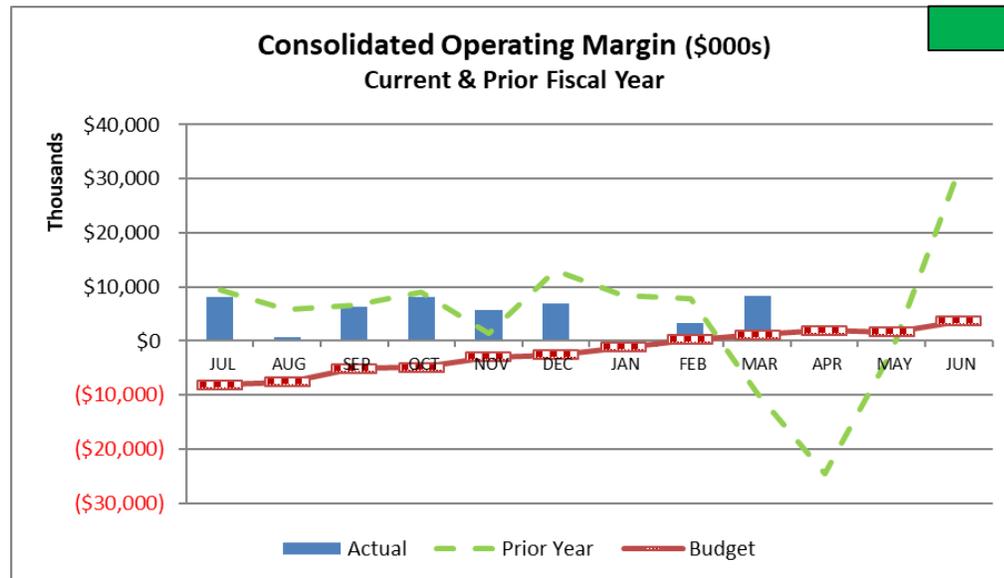
## Consolidated Financial Performance

- YTD FY2021 net operating margin of \$47.4M compared to the budget of -\$31.0M
- Year-over-year operating margin is \$4.4M lower than the same period last year, which is primarily due to an increase in depreciation and interest expense of \$17M associated with recently completed capital projects at the Mountain View campus
- Strong volume recovery from the first wave of Covid-19, continues to be the primary driver of favorable performance to budget
  - Adjusted discharges are 2,736 /12% favorable to budget and 1,913 / 6.8% lower than the same period last year
- Operating expenses are \$69.3M / 9.6% unfavorable to budget
  - Unfavorability driven higher than budgeted volumes and expenses associated with Covid-19 pandemic
  - Operating expense per CMI adjusted discharge of \$17,292 is 10% favorable to budget which demonstrates consistent management of variable expenses

**Note: Excludes depreciation and interest expense**

# APPENDIX

# YTD FY2021 Financial KPIs – Monthly Trends



# Consolidated Statement of Operations (\$000s)

Period 9 ending 03/31/2021

Period 9 FY 2020	Period 9 FY 2021	Period 9 Budget 2021	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2020	YTD FY 2021	YTD Budget 2021	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
281,723	387,620	300,318	87,302	29.1%	<b>Gross Revenue</b>	2,885,575	3,143,811	2,498,291	645,520	25.8%
(208,618)	(290,449)	(220,432)	(70,018)	(31.8%)	<b>Deductions</b>	(2,128,482)	(2,338,582)	(1,847,602)	(490,980)	(26.6%)
<b>73,105</b>	<b>97,171</b>	<b>79,886</b>	<b>17,285</b>	<b>21.6%</b>	<b>Net Patient Revenue</b>	<b>757,093</b>	<b>805,228</b>	<b>650,689</b>	<b>154,539</b>	<b>23.8%</b>
4,240	3,537	4,379	(841)	(19.2%)	<b>Other Operating Revenue</b>	41,082	34,647	41,574	(6,927)	(16.7%)
<b>77,345</b>	<b>100,708</b>	<b>84,265</b>	<b>16,444</b>	<b>19.5%</b>	<b>Total Operating Revenues</b>	<b>798,176</b>	<b>839,876</b>	<b>692,263</b>	<b>147,612</b>	<b>21.3%</b>
					<b>OPERATING EXPENSE</b>					
48,720	52,025	46,617	(5,408)	(11.6%)	<b>Salaries &amp; Wages</b>	418,542	441,616	400,287	(41,329)	(10.3%)
14,730	15,421	11,766	(3,655)	(31.1%)	<b>Supplies</b>	120,970	127,062	100,015	(27,047)	(27.0%)
13,704	15,139	14,570	(569)	(3.9%)	<b>Fees &amp; Purchased Services</b>	126,788	129,248	129,586	338	0.3%
4,042	3,536	3,671	135	3.7%	<b>Other Operating Expense</b>	34,132	31,462	33,122	1,660	5.0%
992	1,399	916	(484)	(52.8%)	<b>Interest</b>	5,218	12,791	8,311	(4,480)	(53.9%)
4,817	4,931	5,577	647	11.6%	<b>Depreciation</b>	40,744	50,332	51,922	1,590	3.1%
<b>87,003</b>	<b>92,450</b>	<b>83,117</b>	<b>(9,333)</b>	<b>(11.2%)</b>	<b>Total Operating Expenses</b>	<b>746,394</b>	<b>792,511</b>	<b>723,243</b>	<b>(69,268)</b>	<b>(9.6%)</b>
<b>(9,658)</b>	<b>8,258</b>	<b>1,148</b>	<b>7,110</b>	<b>619.3%</b>	<b>Net Operating Margin</b>	<b>51,782</b>	<b>47,365</b>	<b>(30,980)</b>	<b>78,345</b>	<b>(252.9%)</b>
(71,812)	18,965	3,334	15,632	468.9%	<b>Non Operating Income</b>	(47,351)	174,981	25,504	149,477	586.1%
<b>(81,470)</b>	<b>27,223</b>	<b>4,482</b>	<b>22,742</b>	<b>507.4%</b>	<b>Net Margin</b>	<b>4,430</b>	<b>222,346</b>	<b>(5,476)</b>	<b>227,821</b>	<b>(4160.6%)</b>
<b>(3,850)</b>	<b>14,588</b>	<b>7,641</b>	<b>6,947</b>	<b>90.9%</b>	<b>Operating EBIDA</b>	<b>97,744</b>	<b>110,488</b>	<b>29,253</b>	<b>81,235</b>	<b>277.7%</b>
					<b>Operating EBIDA Margin</b>	12.2%	13.2%	4.2%	8.9%	
					<b>Operating Margin</b>	6.5%	5.6%	-4.5%	10.1%	
					<b>Net Margin</b>	0.6%	26.5%	-0.8%	27.3%	
-5.0%	14.5%	9.1%	5.4%							
-12.5%	8.2%	1.4%	6.8%							
-105.3%	27.0%	5.3%	21.7%							

# Consolidated Balance Sheet (as of 03/31/2021)

(\$000s)

ASSETS	Audited		LIABILITIES AND FUND BALANCE	Audited	
	March 31, 2021	June 30, 2020		March 31, 2021	June 30, 2020
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash	197,255	228,464	Accounts Payable	29,390	35,323
Short Term Investments	275,289	221,604	Salaries and Related Liabilities	38,274	35,209
Patient Accounts Receivable, net	152,190	128,564	Accrued PTO	32,251	28,124
Other Accounts and Notes Receivable	(817)	13,811	Worker's Comp Reserve	2,300	2,300
Intercompany Receivables	35,428	72,592	Third Party Settlements	13,418	10,956
Inventories and Prepaids	25,310	101,267	Intercompany Payables	35,494	70,292
<b>Total Current Assets</b>	<b>684,655</b>	<b>766,303</b>	Malpractice Reserves	1,560	1,560
			Bonds Payable - Current	9,430	9,020
<b>BOARD DESIGNATED ASSETS</b>			Bond Interest Payable	3,317	8,463
Foundation Board Designated	18,989	15,364	Other Liabilities	11,444	3,222
Plant & Equipment Fund	230,810	166,859	<b>Total Current Liabilities</b>	<b>176,877</b>	<b>204,469</b>
Women's Hospital Expansion	30,401	22,563			
Operational Reserve Fund	159,902	148,917	<b>LONG TERM LIABILITIES</b>		
Community Benefit Fund	19,459	17,916	Post Retirement Benefits	31,547	30,731
Workers Compensation Reserve Fund	16,482	16,482	Worker's Comp Reserve	16,482	16,482
Postretirement Health/Life Reserve Fund	31,365	30,731	Other L/T Obligation (Asbestos)	6,100	4,094
PTO Liability Fund	30,394	27,515	Bond Payable	485,447	513,602
Malpractice Reserve Fund	1,965	1,919	<b>Total Long Term Liabilities</b>	<b>539,575</b>	<b>564,908</b>
Catastrophic Reserves Fund	23,802	17,667			
<b>Total Board Designated Assets</b>	<b>563,568</b>	<b>465,933</b>	<b>DEFERRED REVENUE-UNRESTRICTED</b>	<b>77,200</b>	<b>77,133</b>
			<b>DEFERRED INFLOW OF RESOURCES</b>	<b>31,009</b>	<b>30,700</b>
<b>FUNDS HELD BY TRUSTEE</b>	<b>8,589</b>	<b>23,478</b>	<b>FUND BALANCE/CAPITAL ACCOUNTS</b>		
			Unrestricted	1,994,341	1,771,854
<b>LONG TERM INVESTMENTS</b>	<b>470,027</b>	<b>372,175</b>	Board Designated	194,031	188,457
			Restricted	31,060	28,631
<b>CHARITABLE GIFT ANNUITY INVESTMENTS</b>	<b>712</b>	<b>680</b>	<b>Total Fund Bal &amp; Capital Accts</b>	<b>2,219,432</b>	<b>1,988,942</b>
			<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>3,044,093</b>	<b>2,866,153</b>
<b>INVESTMENTS IN AFFILIATES</b>	<b>33,443</b>	<b>29,065</b>			
<b>PROPERTY AND EQUIPMENT</b>					
Fixed Assets at Cost	1,769,269	1,342,012			
Less: Accumulated Depreciation	(726,689)	(676,535)			
Construction in Progress	102,389	489,848			
<b>Property, Plant &amp; Equipment - Net</b>	<b>1,144,969</b>	<b>1,155,326</b>			
<b>DEFERRED OUTFLOWS</b>	<b>21,275</b>	<b>21,416</b>			
<b>RESTRICTED ASSETS</b>	<b>29,191</b>	<b>28,547</b>			
<b>OTHER ASSETS</b>	<b>87,665</b>	<b>3,231</b>			
<b>TOTAL ASSETS</b>	<b>3,044,093</b>	<b>2,866,153</b>			

# Investment Scorecard (as of 12/31/2020)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY21 Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		CY 4Q 2020 / FY 2Q 2021		Fiscal Year-to-Date 2021		8y 2m Since Inception (annualized)		FY 2021	2019
Surplus cash balance*		\$1,302.1	--	--	--	--	--	--	--
Surplus cash return		8.5%	8.0%	13.0%	12.2%	6.6%	6.4%	4.0%	5.6%
Cash balance plan balance (millions)		\$336.2	--	--	--	--	--	--	--
Cash balance plan return		11.2%	9.2%	17.1%	14.3%	8.9%	7.9%	6.0%	6.0%
403(b) plan balance (millions)**		\$581.5	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		3-year			8y 2m Since Inception (annualized)			2019	
Surplus cash Sharpe ratio		0.69	0.67	--	--	0.93	0.93	--	0.34
Net of fee return		7.8%	7.3%	--	--	6.6%	6.4%	--	5.6%
Standard deviation		9.0%	8.6%	--	--	6.3%	6.1%	--	8.7%
Cash balance Sharpe ratio		0.73	0.64	--	--	1.00	0.96	--	0.32
Net of fee return		9.8%	8.0%	--	--	8.9%	7.9%	--	6.0%
Standard deviation		11.4%	10.3%	--	--	8.1%	7.4%	--	10.3%
<b>Asset Allocation</b>		CY 4Q 2020 / FY 2Q 2021							
Surplus cash absolute variances to target		9.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		7.9%	< 10% Green < 20% Yellow	--	--	--	--	--	--
<b>Manager Compliance</b>		CY 4Q 2020 / FY 2Q 2021							
Surplus cash manager flags		16	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		19	< 27 Green < 34 Yellow	--	--	--	--	--	--

\*Excludes debt reserve funds (~\$12 mm), District assets (~\$34 mm), and balance sheet cash not in investable portfolio (\$214 mm). Includes Foundation (~\$39 mm) and Concern (~\$15 mm) assets.

\*\*As of September 30, 2020 as more recent data not yet available.



**Minutes of the Open Session of the  
El Camino Hospital Board of Directors  
Wednesday, April 7, 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.

**Board Members Present**

Lanhee Chen, Chair\*\*  
 Peter C. Fung, MD\*\*  
 Julie Kliger\*\*  
 Julia E. Miller, Secretary/Treasurer\*\*  
 Jack Po, MD, Ph.D.\*\*  
 Bob Rebitzer\*\*  
 George O. Ting, MD\*\*  
 Carol A. Somersille, 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. Director Rebitzer joined at 5:37pm during the Board recognition, and Director Watters joined at 5:57pm during the FY21 Period 8 Financials. All other Board members were present at roll call. All members participated via videoconference pursuant to Santa Clara County's shelter in place order. Chair Chen reviewed the logistics for the meeting. 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. No conflicts were noted.	
<b>3. PUBLIC COMMUNICATION</b>	None.	
<b>4. RESOLUTION 2021- 03: BOARD RECOGNITION</b>	Jim Griffith, Chief Operating Officer, honored and acknowledged the COVID-19 vaccination program team for their service, support, and dedication to the effort to immunize the community.  <b>Motion:</b> To approve Resolution 2021-03 recognizing the El Camino Health vaccine program team.  <b>Movant:</b> Miller <b>Second:</b> Ting <b>Ayes:</b> Chen, Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Watters <b>Recused:</b> None	<i><b>Motion approved</b></i>
<b>5. QUALITY COMMITTEE REPORT</b>	Director Kliger, Quality Committee Chair, provided an overview of the discussion at the April 6, 2021, Quality Committee meeting:	

	<ul style="list-style-type: none"> <li>- Discussion ensued regarding indicators moving away from target, which resulted in members inquiring how to decipher what metrics are in control versus out of control. It was agreed that there needs to be further education on this topic, given that it can be challenging to determine which metrics require greater attention and oversight.</li> <li>- The committee is strategizing on ideas to elevate the voice of the patients within the meetings and is an open topic for continued discussion.</li> <li>- The committee reviewed and approved the FY22 strategic goals in principle; there was a divide between members regarding whether mortality should still be considered a strategic goal.</li> </ul> <p>In closing, Director Kliger commended the leadership team and staff for their hard work to ensure a positive bonus on value-based purchasing and noted that El Camino Health received formal recognition for being outstanding in several nursing indicators.</p>	
<p><b>6. FY21 PERIOD 8 FINANCIALS</b></p>	<p>Carlos Bohorquez, Chief Financial Officer, provided an overview of the FY21 Period 8 Financials. He noted that the third wave of COVID-19 case rises drove the financials for this period. He further highlighted the following:</p> <ul style="list-style-type: none"> <li>- Given the increase in COVID-positive patients in January, there was a significant strain on operations to step up and address the community's needs first and foremost. This affected the ability to conduct elective surgery on the Mountain View campus, thus yielding unfavorable outcomes in revenue.</li> <li>- The financial operating budget was prepared conservatively but is overall positive, and further mentioned that there had been a decrease in assets due to the opening of Taube and Sobrato Pavilions.</li> </ul> <p>Mr. Bohorquez stated that despite the uncertainty and volatility in COVID volumes, ECH has successfully adjusted.</p> <ul style="list-style-type: none"> <li>- Mr. Bohorquez explained that Q4 financials are currently being prepared and that COVID is being accounted for. However, since there is high hopes for the vaccine, a fourth wave has not yet been reflected in those financials.</li> <li>- Mr. Bohorquez addressed the dip between the months of February and March, explaining that it is attributed to the overall volume in NICU (newborn intensive care unit). It tends to fluctuate, but nothing that could be identified as a spectacular trend.</li> <li>- Mr. Bohorquez affirmed that the performance aspect of the report has been highly favorable in comparison to the budget. However, he also explained that there might be some challenges associated with the presumed fourth wave of COVID in the weeks to come. Dan Woods, CEO, added that the budget is submitted for regulatory reasons and that it would be unrealistic to assess the current financial performance to the budget. To get a better picture, they have been aligning current forecasts to the year prior, to account for and understand the true implications of COVID.</li> </ul> <p><b>Motion:</b> To approve FY21 Period 8 Financials.</p> <p><b>Movant:</b> Fung  <b>Second:</b> Po  <b>Ayes:</b> Chen, Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Watters, Zoglin  <b>Noes:</b> None</p>	<p><b><i>FY21 Period 8 Financials were approved</i></b></p>



	<p><b>Movant:</b> Director Fung accepted the amendment.</p> <p>Director Miller withdrew her second to the motion.</p> <p><b>Second:</b> Kliger</p> <p><b>Ayes:</b> Chen, Fung, Kliger, Po, Rebitzer, Somersille, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> Miller  <b>Absent:</b> None  <b>Recused:</b> None</p> <p>Further discussion ensued regarding the elimination of a candidate that receives the fewest votes. However, this suggestion was already reflected within the nominations and selection procedures; thus, no further amendments were necessary.</p>	
<p><b>8. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 5:53pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (03/10/2021); 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: Quality Committee Report (Medical Staff Credentials and Privileges Report, Quality Council Minutes); pursuant to <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Strategic Planning Update; pursuant to <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation and <i>Gov't Code Section 54957</i> and <i>54957.6</i> for a discussion and report on personnel matters: CEO Report on Legal Services and Personnel Matters; 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> Fung  <b>Ayes:</b> Chen, Fung, Kliger, Po, Rebitzer, Somersille, Ting, Watters, 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 5:53 pm</i></p>
<p><b>9. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Open session was reconvened at 8:05 pm by Vice-Chair Zoglin. Agenda Items 9-14 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (03/10/2021), Minutes of the Closed Session of the Executive Compensation Committee (11/5/2020), Quality Committee Report, including the Medical Staff Credentials and Privileges Report, and the Annual Summary of Physician Financials by a unanimous vote in favor of all members present and participating in the meeting (Directors Chen, Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, and Zoglin).</p>	
<p><b>10. AGENDA ITEM 16: CONSENT CALENDAR</b></p>	<p>Vice-Chair Zoglin 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</p>	<p><i>Consent calendar approved</i></p>

	<p>the Hospital Board Meeting (03/10/2021); Revised FY21 Advisory Committee Assignments; Letter of Reasonableness; Executive Compensation Open Session Meeting Minutes (11/5/2020); FY21 Period 7 Financials; Urology Call Panel; Medical Staff Report; Finance Committee Approvals (Acute Rehab Professional Services Agreement and Community Benefits Grant).</p> <p><b>Movant:</b> Fung  <b>Second:</b> Watters  <b>Ayes:</b> Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Chen  <b>Recused:</b> None</p>	
<p><b>11. AGENDA ITEM 17:                  CEO REPORT</b></p>	<p>Dan Woods, CEO, reported on relaxed our visitor policy due to improving pandemic conditions, management efforts on Inclusion-Diversity, Equity, and Belonging, great results at our Annual Heart Forum, and ECH Los Gatos earned a spot on Newsweek's national Best Maternity Care Hospitals list for 2021.</p>	
<p><b>12. AGENDA ITEM 15:                  BOARD                  COMMENTS</b></p>	<p>None.</p>	
<p><b>13. AGENDA ITEM 16:                  ADJOURNMENT</b></p>	<p><b>Motion:</b> To adjourn at 8:18 pm.  <b>Movant:</b> Miller  <b>Second:</b> Po  <b>Ayes:</b> Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Chen  <b>Recused:</b> None</p>	<p><i>Meeting                  adjourned at                  8:18 pm</i></p>

**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: Diksha Jagga, Contracts Admin/Governance Services EA



**Minutes of the Open Session of the  
Special Meeting to Conduct a Study Session of the  
El Camino Hospital Board of Directors  
Wednesday, April 14, 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.

<u>Members Present</u>	<u>Members Absent</u>	<u>Others Present</u>
Lanhee Chen, Chair**	None	
Peter C. Fung, MD**		
Julie Kliger, MPA, BSN**	**via videoconference	
Julia E. Miller, Secretary/Treasurer**		
Jack Po, MD, PhD**		
Bob Rebitzer**		
Carol A. Somersille, MD**		
George O. Ting, MD**		
Don Watters**		
John Zoglin, Vice-Chair**		

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. CALL TO ORDER</b>	Chair Chen called the closed session meeting of the El Camino Hospital Board of Directors to order at 5:31 pm. All 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 CONFLICT OF INTEREST DISCLOSURES</b>	Chair Chen asked if any of the Board members had a conflict of interest with any of the items on the agenda. None were reported.	
<b>3. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> to adjourn to closed session at 5:33 pm.</p> <p><b>Movant:</b> Miller</p> <p><b>Second:</b> Kliger</p> <p><b>Ayes:</b> Chen, Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Watters, Zoglin</p> <p><b>Noes:</b> None</p> <p><b>Abstentions:</b> None</p> <p><b>Absent:</b> None</p> <p><b>Recused:</b> None</p>	
<b>4. AGENDA ITEM 7: RECONVENE OPEN SESSION/REPORT OUT</b>	<p>Open session was reconvened at 7:24 pm by Chair Chen. Agenda Item 3-6 were addressed in closed session.</p> <p>During the closed session, no actions were taken.</p>	
<b>5. AGENDA ITEM 8: BOARD COMMENT</b>	No comments were noted.	
<b>6. AGENDA ITEM 9: ADJOURNMENT</b>	<p><b>Motion:</b> to adjourn at 7:25 pm.</p> <p><b>Movant:</b> Miller</p> <p><b>Second:</b> Po</p> <p><b>Ayes:</b> Chen, Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Watters, Zoglin</p> <p><b>Noes:</b> None</p> <p><b>Abstentions:</b> None</p>	

	<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: Stephanie Iljin, Supervisor of Executive Administration

DRAFT



**Minutes of the Open Session of the  
Special Meeting to Conduct a Study Session of the  
El Camino Hospital Board of Directors  
Wednesday, April 28, 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.

<u>Members Present</u>	<u>Members Absent</u>	<u>Others Present</u>
Lanhee Chen, Chair**	None	
Peter C. Fung, MD**		
Julie Kliger, MPA, BSN**	**via videoconference	
Julia E. Miller, Secretary/Treasurer**		
Jack Po, MD, PhD**		
Bob Rebitzer**		
Carol A. Somersille, MD**		
George O. Ting, MD**		
Don Watters**		
John Zoglin, Vice-Chair**		

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. CALL TO ORDER</b>	Chair Chen called the closed session meeting of the El Camino Hospital Board of Directors to order at 5:31 pm. All 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 CONFLICT OF INTEREST DISCLOSURES</b>	Chair Chen asked if any of the Board members had a conflict of interest with any of the items on the agenda. None were reported.	
<b>3. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> to adjourn to closed session at 5:33 pm.</p> <p><b>Movant:</b> Watters</p> <p><b>Second:</b> Miller</p> <p><b>Ayes:</b> Chen, Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Watters, Zoglin</p> <p><b>Noes:</b> None</p> <p><b>Abstentions:</b> None</p> <p><b>Absent:</b> None</p> <p><b>Recused:</b> None</p>	
<b>4. AGENDA ITEM 7: RECONVENE OPEN SESSION/REPORT OUT</b>	<p>Open session was reconvened at 7:00 pm by Chair Chen. Agenda Item 3-6 were addressed in closed session.</p> <p>During the closed session, no actions were taken.</p>	
<b>5. AGENDA ITEM 8: BOARD COMMENT</b>	No comments were noted.	
<b>6. AGENDA ITEM 9: ADJOURNMENT</b>	<p><b>Motion:</b> to adjourn at 7:01 pm.</p> <p><b>Movant:</b> Miller</p> <p><b>Second:</b> Watters</p> <p><b>Ayes:</b> Chen, Fung, Kliger, Miller, Po, Rebitzer, Somersille, Ting, Watters, Zoglin</p> <p><b>Noes:</b> None</p> <p><b>Abstentions:</b> None</p>	

	<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: Stephanie Iljin, Supervisor of Executive Administration

DRAFT



# El Camino Health

## Summary of Financial Operations

*Fiscal Year 2021 – Period 8*

*7/1/2020 to 02/28/2021*

# Operational / Financial Results: Period 8 – February 2021 (as of 2/28/2021)

## PERIOD 8 - RESULTS

(\$ thousands)									Moody's Medians		Performance to 'A1' Medians
		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	'A1'	'Aa3'	
Activity / Volume	ADC	229	237	(8)	-3.3%	259	(31)	-11.8%	---	---	---
	Total Discharges	1,705	1,840	(135)	-7.3%	1,904	(199)	-10.5%	---	---	---
	Adjusted Discharges	2,713	2,758	(44)	-1.6%	3,059	(346)	-11.3%	---	---	---
	Emergency Room	3,663	3,957	(294)	-7.4%	5,309	(1,646)	-31.0%	---	---	---
	OP Procedural Cases	13,213	8,068	5,145	63.8%	9,739	3,474	35.7%	---	---	---
	Gross Charges (\$)	314,620	294,152	20,468	7.0%	325,932	(11,312)	-3.5%	---	---	---
Operations	Total FTEs	2,868	2,795	72	2.6%	2,894	(27)	-0.9%	---	---	---
	Productive Hrs. / APD	33.6	31.2	2.4	7.6%	29.6	3.9	13.2%	---	---	---
	Cost Per Adjusted Discharge	17,528	17,147	381	2.2%	15,887	1,641	10.3%	---	---	---
	Net Days in A/R	51.3	49.0	2.3	4.7%	52.0	(0.7)	-1.3%	47.7	47.1	
Financial Performance	Net Patient Revenue (\$)	85,273	74,702	10,571	14.2%	86,443	(1,170)	-1.4%	106,723	257,000	
	Total Operating Revenue (\$)	88,625	79,050	9,575	12.1%	91,172	(2,546)	-2.8%	116,864	314,648	
	Operating Income (\$)	3,285	243	3,042	1252.4%	7,783	(4,499)	-57.8%	3,948	10,135	
	<b>Operating EBIDA (\$)</b>	<b>10,580</b>	<b>6,763</b>	<b>3,817</b>	<b>56.4%</b>	<b>14,023</b>	<b>(3,443)</b>	<b>-24.6%</b>	<b>11,301</b>	<b>27,969</b>	
	Net Income (\$)	17,633	1,755	15,878	904.6%	(20,641)	38,274	-185.4%	8,219	18,726	
	Operating Margin (%)	3.7%	0.3%	3.4%	1106.3%	8.5%	-4.8%	-56.6%	2.9%	3.6%	
	<b>Operating EBIDA (%)</b>	<b>11.9%</b>	<b>8.6%</b>	<b>3.4%</b>	<b>39.5%</b>	<b>15.4%</b>	<b>-3.4%</b>	<b>-22.4%</b>	<b>9.7%</b>	<b>8.9%</b>	
	DCOH (days)	552	435	116	26.7%	452	100	22.1%	254	264	

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2020. Dollar amounts have been adjusted to reflect month averages.

# Operational / Financial Results: YTD FY2021 (as of 2/28/2021)

## YTD FY2021 - RESULTS

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year
Activity / Volume	ADC	242	203	40	19.5%	240	3	1.1%
	Total Discharges	14,985	13,846	1,139	8.2%	16,347	(1,362)	-8.3%
	Adjusted Discharges	22,993	20,697	2,295	11.1%	25,578	(2,585)	-10.1%
	Emergency Room	32,644	28,168	4,476	15.9%	42,085	(9,441)	-22.4%
	OP Procedural Cases	103,890	62,089	41,801	67.3%	77,404	26,486	34.2%
	Gross Charges (\$)	2,756,191	2,197,973	558,217	25.4%	2,603,852	152,338	5.9%
Operations	Total FTEs	2,811	2,836	(25)	-0.9%	2,802	10	0.3%
	Productive Hrs. / APD	31.4	34.4	(3.0)	-8.8%	30.8	0.6	2.0%
	Cost Per Adjusted Discharge	17,295	18,534	(1,239)	-6.7%	15,806	1,489	9.4%
	Net Days in A/R	51.3	49.0	2.3	4.7%	52.0	(0.7)	-1.3%
Financial Performance	Net Patient Revenue (\$)	708,057	570,803	137,255	24.0%	683,988	24,069	3.5%
	Total Operating Revenue (\$)	739,167	607,998	131,169	21.6%	720,831	18,336	2.5%
	Operating Income (\$)	39,107	(32,128)	71,234	221.7%	61,440	(22,333)	-36.3%
	<b>Operating EBIDA (\$)</b>	<b>95,900</b>	<b>21,613</b>	<b>74,288</b>	<b>343.7%</b>	<b>101,595</b>	<b>(5,694)</b>	<b>-5.6%</b>
	Net Income (\$)	195,122	(9,957)	205,080	2059.6%	85,901	109,221	127.1%
	Operating Margin (%)	5.3%	-5.3%	10.6%	200.1%	8.5%	-3.2%	-37.9%
	<b>Operating EBIDA (%)</b>	<b>13.0%</b>	<b>3.6%</b>	<b>9.4%</b>	<b>265.0%</b>	<b>14.1%</b>	<b>-1.1%</b>	<b>-7.9%</b>
	DCOH (days)	552	435	116	26.7%	452	100	22.1%

Moody's Medians		Performance to 'A1' Medians
'A1'	'Aa3'	
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
47.7	47.1	
853,780	2,055,999	
934,912	2,517,185	
31,587	81,076	
<b>90,404</b>	<b>223,749</b>	
65,748	149,807	
2.9%	3.6%	
<b>9.7%</b>	<b>8.9%</b>	
254	264	

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2020. Dollar amounts have been adjusted to reflect 8 month totals.

# Financial Overview: Period 8 - February 2021

Period ending 2/28/2021

## Financial Performance

- February operating income was \$3.2M compared to a budgeted \$243K, resulting in a favorable variance of \$1M. The primary drivers are favorable outpatient activity and payer mix.
- February volumes were challenged, but revenues continue to be stronger than budget as demonstrated by:
  - IP discharges were unfavorable to budget by 60 cases / 4% and 179 cases / 11.1% lower than the same period last year while Adjusted Discharges (OP impact included) were unfavorable to budget by 44 cases / 1.6% and 346 cases / 11.3% lower than same period last year
  - Favorable variance gross charges of \$21.3M due primarily to inpatient services:
    - Inpatient gross charges: Favorable to budget by \$14M / 11% variance primarily driven by c
    - Cath lab, Operating Room, and Laboratory Services
  - Operating Expenses were unfavorable to budget by \$6.5M / 8.3%, primarily due to patient activity, increased use / cost of PPE associated with Covid-19 and other Covid-19 associated expenses
    - SWB were unfavorable by \$5.2M / 12%
    - Supplies were unfavorable by \$1.7M / 22%
    - All other discretionary non-volume driven expenses were favorable to budget by \$400K
    - Additional expenses attributed to Covid-19 have been \$1.2M per month for the first eight months of FY2021
- Non Operating Income includes:
  - Favorable variance of \$12.8M primarily due to unrealized gains on investments

# Financial Overview: Period 8 – February 2021 (cont.)

Period ending 2/28/2021

## Financial Performance

### Hospital Operations:

- Adjusted Discharges (AD): Unfavorable to budget by 44 ADs / 1.6% and below prior year by 346 ADs / 11%:
  - Mountain View: Unfavorable to budget by 97 ADs / 4.5% and below prior year by 358 ADs/ 14.6%
  - Los Gatos: Favorable to budget by 56 ADs / 10% and above than prior year by 8 ADs / 1%
- Operating Expense Per CMI Adjusted Discharge: \$17,527 which is 2.2% unfavorable to budget

Note: Excludes depreciation and interest

### El Camino Health Medical Network (ECHMN) Operations:

- February's total visits of 26,454 was 16% above prior month and 25.2% favorable to budget and included 7,972 COVID vaccination visits
- Net Income was unfavorable to budget by \$760K in February, but was \$661K favorable to February of 2020
- YTD February ECHMN Net Income is slightly unfavorable to budget by \$800K / 3.4%, but remains favorable to prior year by \$2.1M / 8.1%

# Financial Overview: YTD FY2021 (as of 2/28/2021)

## Consolidated Financial Performance

- YTD FY2021 net operating margin of \$39.1M compared to the budget of -\$32.1M
- Year-over-year operating margin is \$22.3M lower than the same period last year, which is primarily due to an increase in depreciation and interest of \$16.7M expenses associated with recently completed capital projects at the Mountain View campus
- Strong volume recovery from the first wave of Covid-19, continues to be the primary driver of favorable performance to budget
  - Adjusted discharges are 2,295 /11% favorable to budget and 2,585 / 10.1% lower than the same period last year
- Operating expenses are \$59.9M / 9.4% unfavorable to budget
  - Unfavorability driven higher than budgeted volumes and expenses associated with Covid-19 pandemic
  - Operating expense per CMI adjusted discharge of \$17,295 is 6% favorable to budget which demonstrates consistent management of variable expenses

**Note: Excludes depreciation and interest expense**

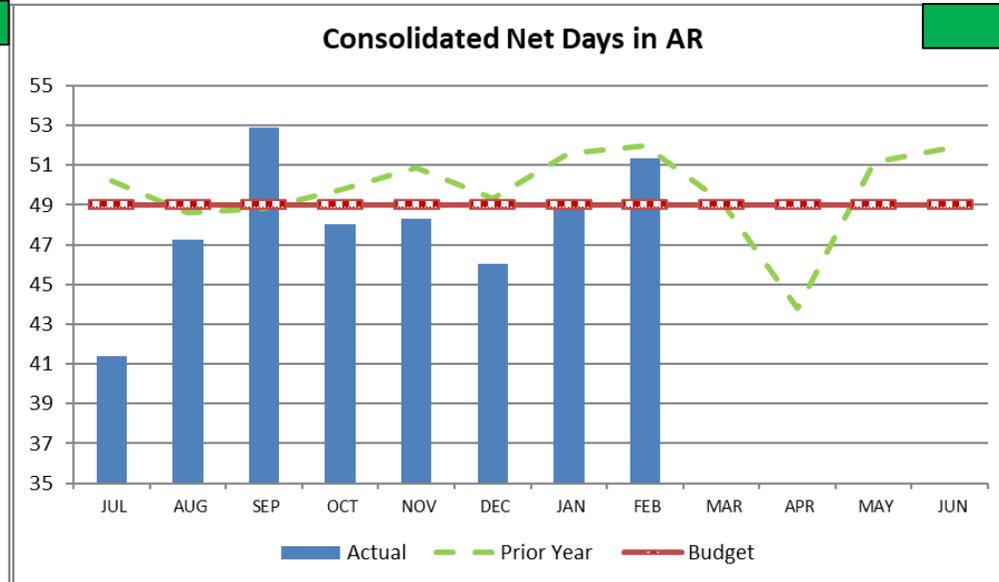
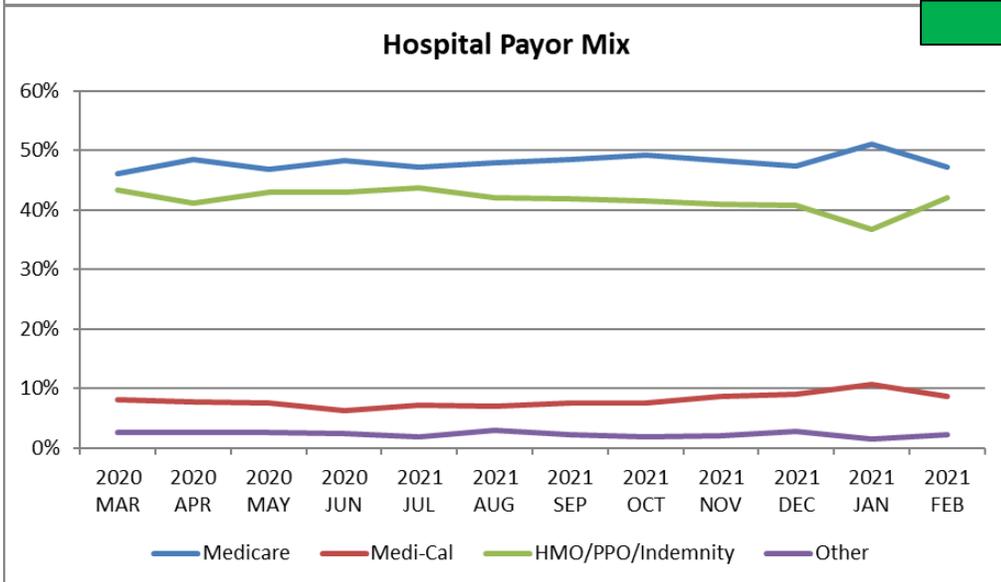
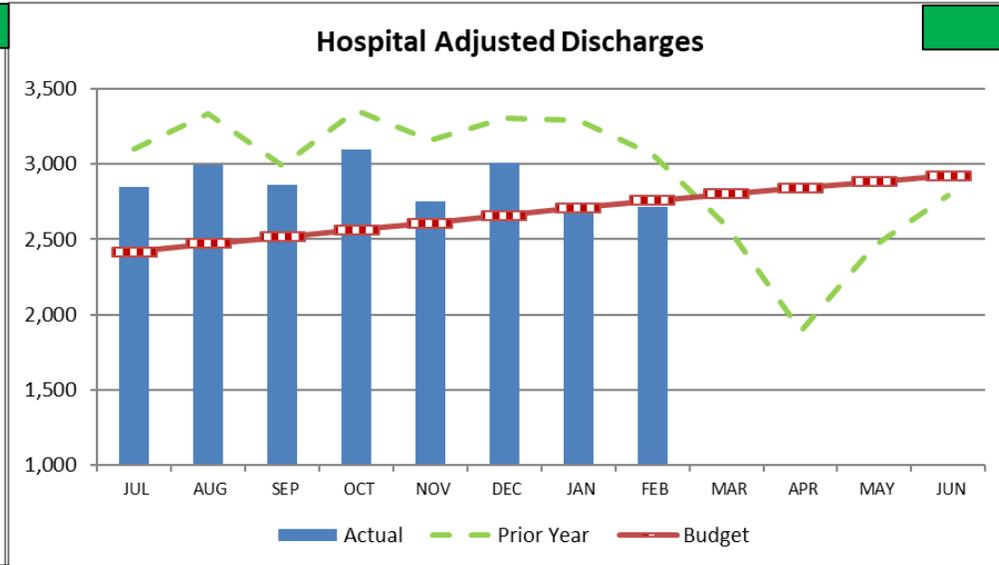
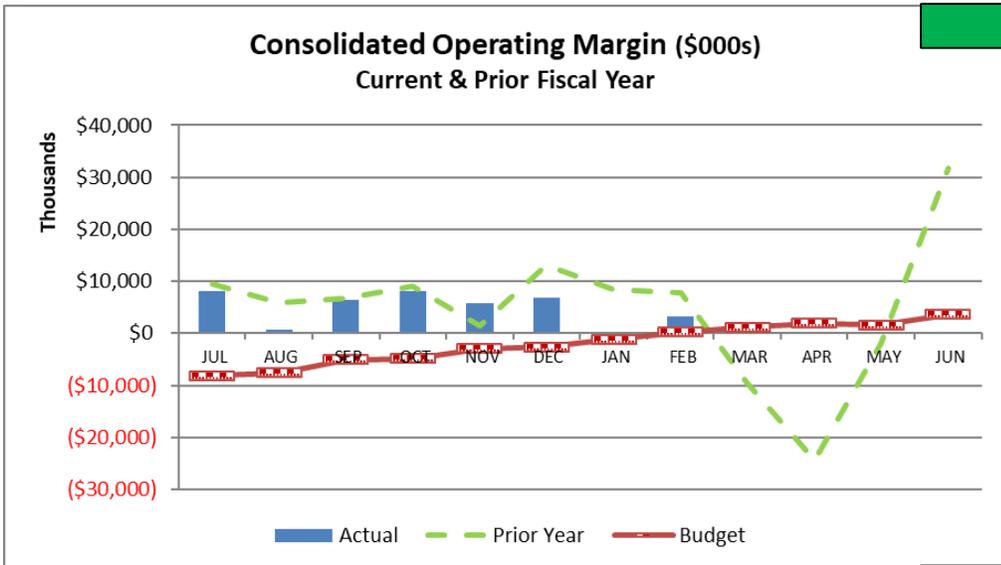
# Consolidated Statement of Operations (\$000s)

Period ending 02/28/2021

Period 8 FY 2020	Period 8 FY 2021	Period 8 Budget 2021	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2020	YTD FY 2021	YTD Budget 2021	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE</b>										
325,932	314,620	294,152	20,468	7.0%	<b>Gross Revenue</b>	2,603,852	2,756,191	2,197,973	558,217	25.4%
(239,489)	(229,347)	(219,450)	(9,897)	(4.5%)	<b>Deductions</b>	(1,919,864)	(2,048,133)	(1,627,171)	(420,963)	(25.9%)
<b>86,443</b>	<b>85,273</b>	<b>74,702</b>	<b>10,571</b>	<b>14.2%</b>	<b>Net Patient Revenue</b>	<b>683,988</b>	<b>708,057</b>	<b>570,803</b>	<b>137,255</b>	<b>24.0%</b>
4,729	3,352	4,348	(996)	(22.9%)	<b>Other Operating Revenue</b>	36,843	31,110	37,196	(6,086)	(16.4%)
<b>91,172</b>	<b>88,625</b>	<b>79,050</b>	<b>9,575</b>	<b>12.1%</b>	<b>Total Operating Revenue</b>	<b>720,831</b>	<b>739,167</b>	<b>607,998</b>	<b>131,169</b>	<b>21.6%</b>
<b>OPERATING EXPENSE</b>										
46,497	48,592	43,397	(5,195)	(12.0%)	<b>Salaries &amp; Wages</b>	369,822	389,591	353,670	(35,921)	(10.2%)
12,903	13,587	11,392	(2,195)	(19.3%)	<b>Supplies</b>	106,240	111,641	88,249	(23,392)	(26.5%)
14,080	14,770	13,927	(843)	(6.1%)	<b>Fees &amp; Purchased Services</b>	113,084	114,109	115,015	907	0.8%
3,669	1,097	3,571	2,474	69.3%	<b>Other Operating Expense</b>	30,090	27,926	29,451	1,526	5.2%
1,458	1,392	916	(477)	(52.1%)	<b>Interest</b>	4,227	11,392	7,396	(3,997)	(54.0%)
4,781	5,903	5,605	(298)	(5.3%)	<b>Depreciation</b>	35,928	45,402	46,345	943	2.0%
<b>83,388</b>	<b>85,341</b>	<b>78,807</b>	<b>(6,534)</b>	<b>(8.3%)</b>	<b>Total Operating Expense</b>	<b>659,391</b>	<b>700,060</b>	<b>640,126</b>	<b>(59,934)</b>	<b>(9.4%)</b>
<b>7,783</b>	<b>3,285</b>	<b>243</b>	<b>3,042</b>	<b>1252.4%</b>	<b>Net Operating Margin</b>	<b>61,440</b>	<b>39,107</b>	<b>(32,128)</b>	<b>71,234</b>	<b>(221.7%)</b>
(28,424)	14,349	1,512	12,836	848.7%	<b>Non Operating Income</b>	24,461	156,016	22,170	133,845	603.7%
<b>(20,641)</b>	<b>17,633</b>	<b>1,755</b>	<b>15,878</b>	<b>904.6%</b>	<b>Net Margin</b>	<b>85,901</b>	<b>195,122</b>	<b>(9,957)</b>	<b>205,080</b>	<b>(2059.6%)</b>
<b>14,023</b>	<b>10,580</b>	<b>6,763</b>	<b>3,817</b>	<b>56.4%</b>	<b>Operating EBIDA</b>	<b>101,595</b>	<b>95,900</b>	<b>21,613</b>	<b>74,288</b>	<b>343.7%</b>
15.4%	11.9%	8.6%	3.4%		<b>Operating EBIDA Margin</b>	14.1%	13.0%	3.6%	9.4%	
8.5%	3.7%	0.3%	3.4%		<b>Operating Margin</b>	8.5%	5.3%	-5.3%	10.6%	
-22.6%	19.9%	2.2%	17.7%		<b>Net Margin</b>	11.9%	26.4%	-1.6%	28.0%	

# APPENDIX

# YTD FY2021 Financial KPIs – Monthly Trends



# Investment Scorecard (as of 12/31/2020)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY21 Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		<b>CY 4Q 2020 / FY 2Q 2021</b>		<b>Fiscal Year-to-Date 2021</b>		<b>8y 2m Since Inception (annualized)</b>		<b>FY 2021</b>	<b>2019</b>
Surplus cash balance*		\$1,302.1	--	--	--	--	--	--	--
Surplus cash return		8.5%	8.0%	13.0%	12.2%	6.6%	6.4%	4.0%	5.6%
Cash balance plan balance (millions)		\$336.2	--	--	--	--	--	--	--
Cash balance plan return		11.2%	9.2%	17.1%	14.3%	8.9%	7.9%	6.0%	6.0%
403(b) plan balance (millions)**		\$581.5	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		<b>3-year</b>			<b>8y 2m Since Inception (annualized)</b>				<b>2019</b>
Surplus cash Sharpe ratio		0.69	0.67	--	--	0.93	0.93	--	0.34
Net of fee return		7.8%	7.3%	--	--	6.6%	6.4%	--	5.6%
Standard deviation		9.0%	8.6%	--	--	6.3%	6.1%	--	8.7%
Cash balance Sharpe ratio		0.73	0.64	--	--	1.00	0.96	--	0.32
Net of fee return		9.8%	8.0%	--	--	8.9%	7.9%	--	6.0%
Standard deviation		11.4%	10.3%	--	--	8.1%	7.4%	--	10.3%
<b>Asset Allocation</b>		<b>CY 4Q 2020 / FY 2Q 2021</b>							
Surplus cash absolute variances to target		9.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		7.9%	< 10% Green < 20% Yellow	--	--	--	--	--	--
<b>Manager Compliance</b>		<b>CY 4Q 2020 / FY 2Q 2021</b>							
Surplus cash manager flags		16	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		19	< 27 Green < 34 Yellow	--	--	--	--	--	--

\*Excludes debt reserve funds (~\$12 mm), District assets (~\$34 mm), and balance sheet cash not in investable portfolio (\$214 mm). Includes Foundation (~\$39 mm) and Concern (~\$15 mm) assets.

\*\*As of September 30, 2020 as more recent data not yet available.

# YTD FY2021 and January Operating Margin, Non-Operating Income and Net Margin by Affiliate (as of 2/28/2021)

(\$ in thousands)

	Period 8- Month			Period 8- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>El Camino Hospital Operating Margin</b>						
Mountain View	443	678	(235)	41,383	(18,135)	59,518
Los Gatos	5,777	2,006	3,771	23,341	11,571	11,770
<b>Sub Total - El Camino Hospital, excl. Affilates</b>	<b>6,220</b>	<b>2,685</b>	<b>3,536</b>	<b>64,724</b>	<b>(6,565)</b>	<b>71,289</b>
<b>Operating Margin %</b>	<b>7.5%</b>	<b>3.7%</b>		<b>9.2%</b>	<b>-1.2%</b>	
<b>El Camino Hospital Non Operating Income</b>						
<b>Sub Total - Non Operating Income</b>	<b>13,099</b>	<b>1,207</b>	<b>11,892</b>	<b>150,506</b>	<b>19,744</b>	<b>130,762</b>
<b>El Camino Hospital Net Margin</b>	<b>19,319</b>	<b>3,892</b>	<b>15,427</b>	<b>215,230</b>	<b>13,180</b>	<b>202,051</b>
<b>ECH Net Margin %</b>	<b>23.2%</b>	<b>5.3%</b>		<b>30.7%</b>	<b>2.3%</b>	
Concern	21	54	(32)	288	248	40
ECSC	0	0	0	(3)	0	(3)
Foundation	1,276	33	1,243	3,795	3	3,792
El Camino Health Medical Network	(2,983)	(2,223)	(760)	(24,188)	(23,388)	(800)
<b>Net Margin Hospital Affiliates</b>	<b>(1,686)</b>	<b>(2,137)</b>	<b>451</b>	<b>(20,108)</b>	<b>(23,137)</b>	<b>3,029</b>
<b>Total Net Margin Hospital &amp; Affiliates</b>	<b>17,633</b>	<b>1,755</b>	<b>15,878</b>	<b>195,122</b>	<b>(9,957)</b>	<b>205,080</b>

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

**To:** El Camino Hospital Board of Directors  
**From:** Apurva Marfatia, MD, Enterprise Chief of Staff  
Michael Kan, MD Chief of Staff Los Gatos  
**Date:** May 12, 2021  
**Subject:** Medical Staff Report – Open Session

**Recommendation:**

To approve the Medical Staff Report, including Policies and Procedures identified in the attached list and the Delineation of Privileges.

**Summary:**

1. Situation: The Medical Executive Committee met on April 22, 2021
2. Background: MEC received the following informational reports.
  - a) Quality Council – The Quality Council met on April 7, 2021. Reports and performance dashboards were reviewed and approved from the following ECH Departments/Service Lines:
    1. Annual PI Report
    2. Imaging Services Quality Dashboard
    3. Information Flow QA-PI-PS Plan 2021
    4. Quality Council Reporting Calendar
    5. Patient and Employee Safety Dashboard FY21
    6. Org Goals and Quality FY21
    7. Quarterly Board Quality Dashboard
    8. Registries List for PI-PS
    9. External Regulatory Compliance Indicators
    10. Direct Clinical Care Contract Report CY2020
  - b) Leadership Council – The Leadership Council met on April 13, 2021 and discussed the following:
    1. Credentials Committee Update
    2. Financial Update
    3. Medical Staff Services Update
    4. ER and ICU Handoff
    5. Department of Medicine Update
    6. Palliative Care Update
    7. CME Update
  - c) The COO Report was provided and included the following updates:
    1. Introduction; Kalpana Nathan, MD – Chief Medical Director of Mental Health and Addiction Services
    2. Procedural Report Update
    3. Varian Halcyon Ethos Update
    4. Epic “On My Way” Application
    5. ED Volumes
    6. Women’s Hospital Expansion

- d) The CMO Report was provided and included the following updates:
  - 1. Enterprise Quality Dashboard
  - 2. Top Readmission Reasons
  - 3. COVID Update
  - 4. Hospital-acquired Pneumonia Team
  - 5. ERAS Team Update
  - 6. Surgical Site Infection Update
  - 7. Safety Event Breakdown
  - 8. Leapfrog Scores
  - 9. CMS Star Rating
  
- e) The CNO Report was provided and included the following updates:
  - 10. COVID+ Patient Placement Changes
  - 11. New Graduate RN Residency Cohort and Transition Program
  - 12. Nurses Week – May 6<sup>th</sup> to May 12<sup>th</sup>

**List of Attachments:** Policies and Procedures

**Suggested Board Discussion Questions:** None

**OPEN SESSION CEO Report**  
**May 12, 2021**  
**Dan Woods, CEO**

**Operations**

ECH received final approval from The Joint Commission for new performance measures for its disease-specific certification programs in Hip Replacement, Knee Replacement, Hip Fracture, and Spine Fusion as part of its renewal. This approval signified the final step in the successful biennial re-certification of the six programs across the enterprise. Notably, the hip and knee programs received zero improvement findings.

El Camino Health's Radiation Oncology department became the first location in California to treat a patient with Adaptive Intelligence (AI) using ETHOS on April 14. We are only the fifth hospital to have ETHOS in the nation and first in California. Ethos uses Artificial intelligence for imaging and treatment planning. During treatment, Ethos enables the therapist to access diagnostic quality MR, PET, and CT images and make real-time adjustments to treatment.

ECH Los Gatos performed lateral spine fusion without a patient repositioning utilizing an advanced surgical technique and latest technology. The advanced surgical approach to reach the front of the spine allows for the time savings of approximately one hour of operative time under anesthesia, which is beneficial to patients. This advanced approach is a first performed in the Bay Area.

**Nursing Services**

To honor the great contribution of all our nurses for Nurses Week in May (the American Nurse Association has designated the whole month of May to honor nurses). El Camino Health plans to have a special day on May 13 to commemorate and recognize the contribution of nursing. LeAnn Thieman, an international nurse speaker and author of "Chicken Soup for the Nurses Soul," will visit with the nursing staff and provide an uplifting presentation on that day.

**Ambulatory Care (Silicon Valley Medical Development – SVMd)**

Since January, El Camino Health has administered more than 32,000 doses of the Pfizer and Moderna vaccines to community members. We are working closely with community benefit organizations to vaccinate underserved and technically challenged populations. There are dedicated appointment slots to accommodate these community members. The First Street Vaccine Clinic has been closed and vaccination operations have been consolidated at the Maude Avenue/LinkedIn site and they are administering more than 500 a day.

**Quality and Safety**

Fortune IBM/Watson 100 Top hospitals in the U.S. announced this week that El Camino Health's hospital was named the only hospital in California to qualify for this prestigious award. A total of 20 hospitals in the large community hospital category were named. This award is based on an analysis of clinical outcomes, extended outcomes, operational efficiency, patient experience, financial health, and for the first time ever community support. In addition, 20 of the 100 top hospitals were named as Everest Award winners and El Camino Health's hospital was one of them. This Everest Award distinguishes El Camino Health not only as a top performing hospital but also a rapidly improving hospital, which is a recognition of sustained, high performance at all levels of the organization.

**Finance**

The FY22 budget is in a finalization process. It will continue our path to full recovery from the pandemic and will be presented for approval at the joint FC/ECHB Board meeting on May 24.

**Human Resources**

The Hospital's new CNA Apprenticeship Program graduated its first four apprentices from EVS, Nutrition and Administrative support roles who will transfer into their new jobs as certified nursing assistants in April. Recruiting is underway for the next class that will begin in late summer to support continued opportunities for growth for entry-level staff. Additionally, Labor & Delivery is welcoming six ECH nurses into their 12-week transition program, an experiential learning program to become a Labor and Delivery Nurse.

**Information Services**

El Camino Health integrated into the BlueShield "MyTurn" state vaccine program scheduling system to enable patients to conveniently schedule vaccines. A new EPIC tool was enabled called "On My Way" to allow patients to notify the ED of their symptoms and share an estimated time of arrival. This allows the ED staff to prepare for the patient prior to arrival.

**Marketing and Communications**

With consumer attitudes around delaying care continuing, the "Return to Health" brand advertising campaign was extended another month to run through May. As vaccine supply became available and ECH opened its mass vaccination site, a new vaccine advertising campaign started on April 26 and will continue to the end of May to support county and state efforts to reach all consumers, including those who are reluctant to get the vaccine, to sign-up and get the vaccine. Service line search engine marketing (SEM) and primary care campaigns continue in market.

**Philanthropy**

Through April 2021, the El Camino Health Foundation has raised \$2.73M in new gifts and commitments, which is 34% of our total annual goal. Individual gifts and benefit event opportunities have been limited during the pandemic. Despite these challenges, we have added 14 new donors at the level of \$10,000 and above. In addition, we have been able to generate a budget savings of nearly \$750,000. Our base donor group remains strong, with our annual gift programs on pace to reach our fiscal year goal of \$650,000. The donor renewal rate has surpassed 51% towards a goal of 60%.

The Foundation secured a \$50,000 gift from a LinkedIn executive, a new donor, for the high-volume vaccination clinic in Sunnyvale, with a particular interest in removing barriers for the underserved. The donor has lined up a \$15,000 corporate matching gift and plans to share information about the philanthropic opportunity with other executives and the company's employee giving program.

A total of \$50,000 from the COVID-19 Emergency Response Fund was allocated to purchase prescription safety goggles for hospital employees. Moreover, the Hope to Health's \$30,000 grant to the Women's Imaging Center improved the patient experience with relaxing music and video art in the waiting and exam rooms.



## **Corporate, Government & Community Health Services**

### ***Concern***

Concern is on target with new business revenue and account retention. Business challenges include workload with many complex RFPs and significant effort on our technology roadmap. In addition, Concern launched a new mindfulness solution with integrated suite of services on its digital platform.

### ***South Asian Heart Center (SAHC) and Chinese Health Initiative (CHI)***

The SAHC started its second STOP Diabetes prevention program, signed up new AIM to Prevent Program participants, and hosted eight community and corporate online workshops with 410 event attendees.

With a generous donation from Peter Fung, MD, CHI launched the monthly "Ask the Expert" column in the World Journal, the largest Chinese newspaper in North America. The half-page column features reliable information from medical professionals, describes health conditions that disproportionately impact the Chinese community, and showcases ECH enterprise services.

### ***Government & Community Relations***

El Camino Health hosted State Senator Josh Becker as well as Santa Clara County Supervisor Otto Lee for tours of the community COVID-19 vaccination clinic in Sunnyvale. We partnered with Community Benefit on equity collaborations to help vaccinate the underserved. Sunnyvale Community Services and Community Services Agency of Mountain View, Los Altos & Los Altos Hills have been making vaccination appointments for their clients at the Sunnyvale clinic.

A student career panel for the Mountain View Los Altos Union High School District AVID program was organized to provide educational equity to our traditionally underrepresented high school students. Many of the students are the first to go to college and are diverse. All of the students are on track to attend four-year colleges, and many are interested in health careers. An El Camino Health affiliated physician, nurse leader, HR director, clinical psychologist, and imaging services leader shared their career journeys and answered student questions on March 31.

### ***Auxiliary***

The Auxiliary donated 371 volunteer hours for the month of March.