

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

Tuesday, September 13, 2022 – 4:00pm

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

PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1), EI CAMINO HEALTH **WILL NOT BE PROVIDING A PHYSICAL LOCATION TO THE PUBLIC FOR THIS MEETING**. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: 969 6331 5269#. No participant code. Just press #.

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

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Bob Miller, Chair		4:00 - 4:01pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Bob Miller, Chair		4:01 – 4:02
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Bob Miller, Chair		information 4:02 – 4:05
4. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the ECC Meeting (03/03/2022) b. Minutes of the Open Session of the ECC Meeting (05/18/2022) c. Minutes of the Open Session of the ECC Meeting (06/24/2022) Information d. Progress against FY23 Committee Goals/Pacing Plan	Bob Miller, Chair	<i>public comment</i>	motion required 4:05 – 4:06
5. <u>REPORT ON BOARD ACTIONS</u>	Dan Woods, CEO		information 4:06 – 4:11
6. <u>PROPOSED FY22 ORGANIZATIONAL PERFORMANCE INCENTIVE PLAN SCORE</u>	Dan Woods, CEO	<i>public comment</i>	possible motion 4:11 – 4:26
7. ADJOURN TO CLOSED SESSION	Bob Miller, Chair		motion required 4:26 – 4:27
8. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Bob Miller, Chair		information 4:27 – 4:28

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<p>9. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i></p> <p>Approval <i>Gov't Code Section 54957.2:</i></p> <ul style="list-style-type: none"> a. Minutes of the Closed Session of the ECC Meeting (05/18/2022) b. Minutes of the Closed Session of the ECC Meeting (06/24/2022) 	Bob Miller, Chair		motion required 4:28 – 4:30
<p>10. Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters: Proposed FY22 Individual Performance Incentive Plan Scores</p>	Dan Woods, CEO		possible motion 4:30 – 4:40
<p>11. Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters: - Proposed FY22 Performance Incentive Plan Payouts</p>	Dan Woods, CEO		possible motion 4:40 - 4:50
<p>12. Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters: - Proposed FY23 Individual Executive Strategic Pick Goals (COO & CGO)</p>	Dan Woods, CEO		possible motion 4:50 - 4:55
<p>13. Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters: a. Executive Market Analysis b. Proposed FY23 Executive Salary Ranges</p>	Dan Woods, CEO Heidi O'Brien, Mercer		possible motion 4:55 – 5:20
<p>14. Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters: - Proposed FY23 Executive Base Salaries</p>	Dan Woods, CEO		possible motion 5:20 – 5:30
<p>15. Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters: - Proposed FY23 CEO Base Salary Range</p>	Bob Miller, Chair		discussion 5:30 – 5:40
<p>16. ADJOURN TO OPEN SESSION</p>	Bob Miller, Chair		motion required 5:40 – 5:41
<p>17. RECONVENE OPEN SESSION/ REPORT OUT</p> <p>To report any required disclosures regarding permissible actions taken during Closed Session.</p>	Bob Miller, Chair		information 5:41 - 5:42
<p>18. PROPOSED FY23 CEO BASE SALARY RANGE</p>	Bob Miller, Chair	<i>public comment</i>	possible motion 5:42 – 5:43
<p>19. CLOSING COMMENTS</p>	Bob Miller, Chair		discussion 5:43 – 5:44
<p>20. ADJOURNMENT</p>	Bob Miller, Chair	<i>public comment</i>	motion required 5:45 pm

Upcoming Regular Meetings: November 3, 2022; March 2, 2023; May 4, 2023

Upcoming Board & Committee Education Meetings: January 18, 2023; March 8, 2023



**Minutes of the Open Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Thursday, March 3, 2022**

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

Members Present

Bob Miller, Chair
Julie Kliger, Vice-Chair**
Teri Eyre**
Jaison Layney**
Estrella Parker** (joined at 4:19 pm)
George Ting, MD
Alessandra Yockelson** (left at 4:45 pm)

Members Absent

None
 **via teleconference

Others Present

Dan Woods, CEO
Tamara Stafford, Director, Talent Development/EWHS
Julie Johnston, Director, Total Rewards
Heidi O'Brien, Mercer**
Shiraz Ali, Director, Office of the CEO
Michele Collaco, Executive Assistant

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	<p>The open session meeting of the Executive Compensation Committee of El Camino Hospital (the "<u>Committee</u>") was called to order at 4:00 pm by Chair Bob Miller. A verbal roll call was taken. All Committee members were present except for Estrella Parker.</p> <p>A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.</p>	
2. INTRODUCTION OF NEW COMMITTEE MEMBERS	<p>Chair Miller briefly introduced the new Executive Compensation Committee Members, Alessandra Yockelson and Estrella Parker.</p>	
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	<p>Chair Miller asked if any Committee members had a conflict of interest with any agenda items. No conflicts were noted.</p>	
4. PUBLIC COMMUNICATION	<p>None.</p>	
5. CONSENT CALENDAR	<p>Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (11/04/2021)</p> <p>Movant: Ting Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Ting, Yockelson Noes: None Abstentions: None Absent: Parker Recused: None</p>	<p><i>Consent calendar approved</i></p>
6. REPORT ON BOARD ACTIONS	<p>Chair Miller asked the Committee for any questions or feedback on the Report on the Board Actions, as further detailed in the packet.</p> <p>None were noted.</p>	
7. COMMITTEE PLANNING	<p>Chair Miller reviewed the Proposed FY23 Committee Goals/Pacing Plan and requested the following revisions:</p> <ul style="list-style-type: none"> • Semi-annual evaluation of the ECC consultant changed to an annual evaluation and paced on the plan towards the end of the fiscal year 	

	<ul style="list-style-type: none"> • Addition of Executive Performance Evaluations Process and Executive Benefits (not conducted every year) • Reschedule the RFP to November meeting cadence 	
8. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 4:10 pm.</p> <p>Movant: Ting Second: Kliger Ayes: Eyre, Kliger, Layney, Miller, Ting, Yockelson Noes: None Abstentions: None Absent: Parker Recused: None</p>	<i>Adjourned to closed session at 4:10 pm</i>
9. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	<p>The open session was reconvened at 5:22 pm.</p> <p>Agenda items 9-14 were addressed in the closed session.</p> <p>During the closed session, the Committee approved the Closed Session Minutes of the 11/04/2021 ECC Meeting by a unanimous vote of all members present (Eyre, Kliger, Layney, Miller, Ting, Yockelson).</p>	
10. AGENDA ITEM 16: PROGRESS AGAINST FY22 COMMITTEE GOALS AND PACING PLAN	<p>Chair Miller asked that the Review Potential Policy Changes be noted as not applicable in Q3 of the goals and pacing plan. The verbiage on Q4 Review and Approve FY23 individual Executive Incentive Goals will be changed to FY23 Individual Executive Strategic Pick List.</p>	
11. AGENDA ITEM 17: CLOSING COMMENTS	<p>There were no additional comments from the Committee.</p>	
12. AGENDA ITEM 18: ADJOURNMENT	<p>Motion: To adjourn at 5:27 pm.</p> <p>Movant: Ting Second: Kliger Ayes: Eyre, Kliger, Layney, Miller, Parker, Ting Noes: None Abstentions: None Absent: Yockelson Recused: None</p>	<i>Meeting adjourned at 5:27 pm</i>

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

 Bob Miller
 Chair, Executive Compensation Committee

 Julia E. Miller
 Secretary, ECH Board of Directors

Prepared by: Michele Collaco, Executive Assistant II, Administration



**Minutes of the Open Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Wednesday, May 18, 2022**

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

Members Present

Bob Miller, Chair
Teri Eyre** (joined at 4:03 pm)
Jaison Layney**
Estrella Parker** (joined at 4:02 pm)
George Ting, MD

Members Absent

Julie Kliger, Vice-Chair
Alessandra Yockelson

**via teleconference

Others Present

Dan Woods, CEO
Tamara Stafford, Director, Talent Development/EWHS
Julie Johnston, Director, Total Rewards
Heidi O'Brien, Mercer**
Rob Kirkpatrick, Mercer**
Shiraz Ali, Director, Office of the CEO
Heidi Parker, Executive Assistant

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	<p>The open session meeting of the Executive Compensation Committee of El Camino Hospital (the "<u>Committee</u>") was called to order at 4:00 pm by Chair Bob Miller. A verbal roll call was taken. All Committee members that were present participated via teleconference, except for Estrella Parker, Terri Eyre, Julie Kliger, and Alessandra Yockelson.</p> <p>A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.</p>	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	<p>Chair Miller asked if any committee members had a conflict of interest with any agenda items. No conflicts were noted.</p>	
3. PUBLIC COMMUNICATION	<p>None</p>	
4. CONSENT CALENDAR	<p>Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar. None were removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (03/03/2022) and Progress Against FY22 Committee Goals/Pacing Plan.</p> <p>Movant: Layney Second: Ting Ayes: Layney, Miller, Ting Noes: None Abstentions: None Absent: Kliger, Yockelson, Eyre, Parker Recused: None</p>	
5. REPORT ON BOARD ACTIONS	<p>Chair Miller asked the Committee for any questions or feedback on the Report on the Board Actions, as further detailed in the packet.</p> <p>None were noted.</p>	

<p>6. FY23 COMMITTEE PLANNING</p>	<p>Chair Miller reviewed the Proposed FY23 Committee Goals/Pacing Plan and requested the following revisions:</p> <ul style="list-style-type: none"> • Minor revision on leadership development (word missing); add All to executive review performance process as part of the work plan. • This would be aligned with November’s meeting cadence. 	
<p>7. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 4:55 pm. Movant: Ting Second: Layney Ayes: Eyre, Layney Miller, Parker, Ting Noes: None Abstentions: None Absent: Kliger, Yockelson Recused: None</p>	<p>Adjourned to closed session at 4:55 pm</p>
<p>8. AGENDA ITEM 15: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>The open session was reconvened at 5:38 pm. Agenda items 8-14 were addressed in the closed session. The Committee approved the closed session Minutes of the 03/03/2022 ECC Meeting and the Individual Executive Goals Update during the closed session.</p>	
<p>9. AGENDA ITEM 16: EXECUTIVE PERFORMANCE INCENTIVE PLAN</p>	<p>Motion: To approve the Executive Performance Incentive Plan. Movant: Layney Second: Eyre Ayes: Eyre, Layney, Miller, Parker, Ting Noes: None Abstentions: None Absent: Kliger, Yockelson Recused: None</p>	<p>Executive Performance Incentive Plan was approved</p>
<p>10. AGENDA ITEM 17: PROPOSED FY23 INDIVIDUAL EXECUTIVE STRATEGIC PICK GOALS</p>	<p>Motion: To approve the Proposed FY23 Individual Executive Strategic Pick Goals. Movant: Eyre Second: Layney Ayes: Eyre, Layney, Miller, Parker, Ting Noes: None Abstentions: None Absent: Kliger, Yockelson Recused: None</p>	<p>Proposed FY23 Individual Executive Strategic Pick Goals was approved</p>
<p>11. AGENDA ITEM 18: PROPOSED SALARY RANGE CHANGE AND BASE SALARY CHANGE FOR VICE PRESIDENT PAYOR RELATIONS</p>	<p>Motion: To approve the Proposed Salary Range Change and Base Salary Change for Vice President Payor Relations. Movant: Eyre Second: Parker Ayes: Eyre, Layney, Miller, Parker, Ting Noes: None Abstentions: None Absent: Kliger, Yockelson Recused: None</p>	<p>Proposed Salary Range Change and Base Salary Change for Vice President Payor Relations was approved</p>

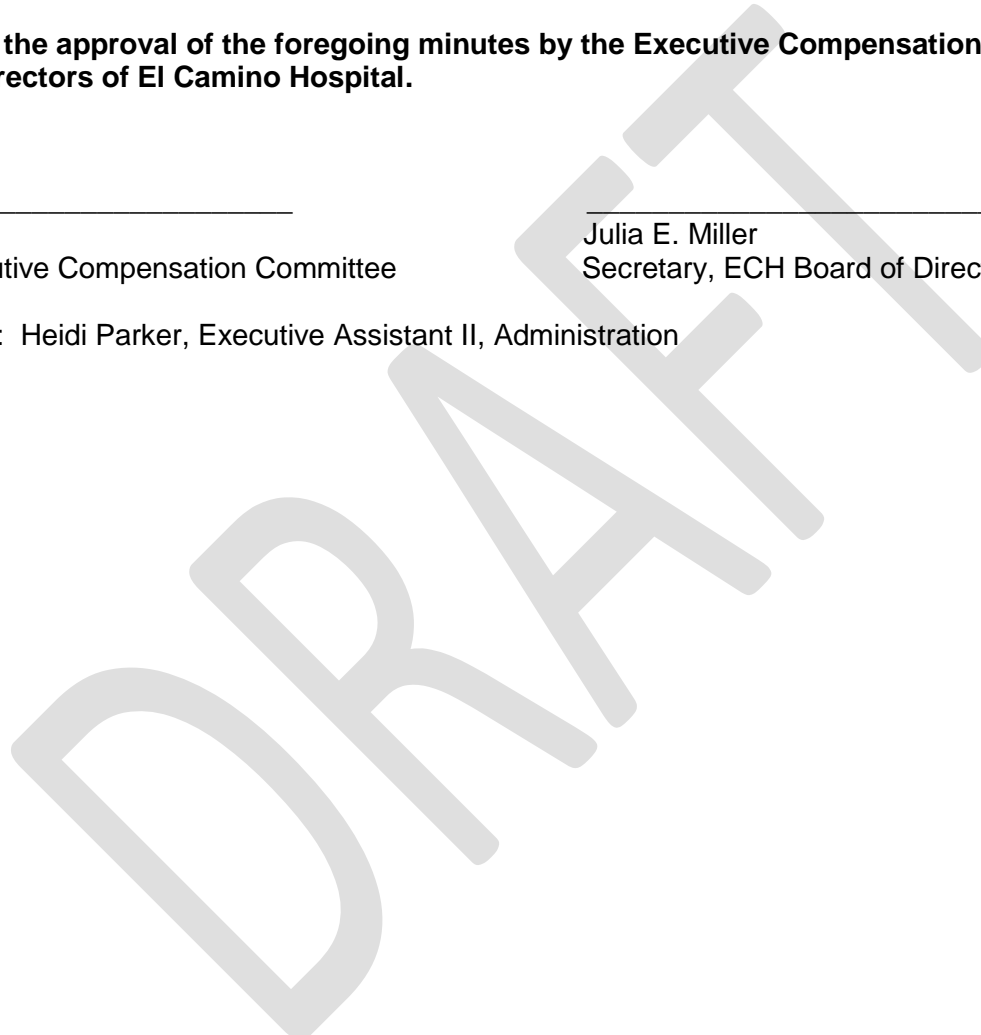
12. AGENDA ITEM 19: CLOSING COMMENTS	There were no additional comments from the Committee.	
13. AGENDA ITEM 20: ADJOURNMENT	Motion: To adjourn at 5:49 pm Movant: Eyre Second: Ting Ayes: Eyre, Layney, Miller, Parker, Ting, Parker Noes: None Abstentions: None Absent: Kliger, Yockelson Recused: None	Meeting adjourned at 5:49 pm.

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

Bob Miller
Chair, Executive Compensation Committee

Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Heidi Parker, Executive Assistant II, Administration





**Minutes of the Open Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Friday June 24, 2022**

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

Members Present

Bob Miller, Chair **
Teri Eyre**
Jaison Layney**
Estrella Parker**
George Ting, MD **
Alessandra Yockelson**

Members Absent

Julie Kliger, Vice-Chair

**via teleconference

Others Present

Dan Woods, CEO
Tamara Stafford, Director, Talent Development/EWHS
Julie Johnston, Director, Total Rewards**
Heidi O'Brien, Mercer**
Rob Kirkpatrick, Mercer**
Shiraz Ali, Director, Office of the CEO
Stephani Iljin, Manager, Administration
Heidi Parker, Executive Assistant II

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	<p>The open session meeting of the Executive Compensation Committee of El Camino Hospital (the "<u>Committee</u>") was called to order at 12:30 pm by Chair Bob Miller. A verbal roll call was taken. All committee members participated via teleconference, except for committee member Julie Kliger, who was absent.</p> <p>A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.</p>	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	<p>Chair Miller asked if any committee members had a conflict of interest with any agenda items. No conflicts were noted.</p>	
3. PUBLIC COMMUNICATION	<p>None</p>	
4. FY23 ORGANIZATIONAL PERFORMANCE INCENTIVE GOALS	<p>Chair Miller reviewed the FY23 Organizational Performance Incentive Goals and deferred to Dan Woods for further discussion. Mr. Woods gave an overview of the Quality and Safety benchmark from the HAC Index. He further explained the following five categories from the Measure Methodology:</p> <ul style="list-style-type: none"> • C. Difficile rate • Pneumonia rate • Surgical site infection rate • Patient falls • Pressure injuries <p>Improvement targets were based on the FY22 HAC Index. Chair Miller asked for an explanation of the five base points, and Mr. Woods clarified the target to be a percentage change of 5% of 0.91, as displayed in the HAC Index.</p> <p>Tamara Stafford, Director of Talent Development/EWHS, explained the HRO Journey program on Safety First/Mission_Zero that started in April. This is a two-hour training course for employees/staff to attend. This is to understand best practices and improve the safety number and culture.</p>	<p><i>Ms. Eyre requested that the committee receive feedback discussed by the Board regarding approved and non-approved decisions and votes for awareness.</i></p>

<p>5. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 1:05 pm.</p> <p>Movant: Miller Second: Ting Ayes: Miller, Layney, Eyre, Parker, Ting, Yockelson Noes: None Abstentions: Absent: Kliger Recused: None</p>	<p><i>Adjourned to closed session at 1:05 pm</i></p>
<p>6. AGENDA ITEM 9: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>The open session was reconvened at 1:18 pm.</p> <p>Agenda items 6-9 were addressed in the closed session.</p> <p>There was no Consent Calendar for discussion or approval.</p>	
<p>7. AGENDA ITEM 10: PROPOSED SALARY RANGE CHANGE AND BASE SALARY CHANGE FOR CHIEF OPERATING OFFICER</p>	<p>Chair Miller reviewed the Proposed Salary Range and Base Salary Change for Chief Operating Officer and clarified that the public may submit a request to the administration department for further details.</p> <p>Motion: To approve the Proposed Salary Range Change And Base Salary Change For Chief Operating Officer as discussed in the closed session.</p> <p>Movant: Parker Second: Layney Ayes: Miller, Eyre, Layney, Parker, Ting, Yockelson Noes: None Abstentions: Absent: Kliger Recused: None</p>	<p><i>Proposed Salary Range and Base Salary for Chief Operating Officer approved.</i></p>
<p>8. AGENDA ITEM 11: PROPOSED SALARY RANGE CHANGE AND BASE SALARY CHANGE FOR CHIEF GROWTH OFFICER</p>	<p>Chair Miller reviewed the Proposed Salary Range and Base Salary Change for Chief Growth Officer and clarified that the public may submit a request to the administration department for further details.</p> <p>Motion: to approve the Salary Range and Base Salary Change for the Chief Growth Officer as discussed in the closed session.</p> <p>Movant: Parker Second: Ting Ayes: Miller, Eyre, Layney, Parker, Ting, Yockelson Noes: None Abstentions: Absent: Kliger Recused: None</p>	<p><i>Proposed Salary Range and Base Salary for Chief Growth Officer approved.</i></p>
<p>9. AGENDA ITEM 12: CLOSING COMMENTS</p>	<p>There were no additional comments from the Committee.</p>	
<p>10. AGENDA ITEM 13: ADJOURNMENT</p>	<p>Motion: To adjourn at 1:22 pm</p> <p>Movant: Ting Second: Miller Ayes: Miller, Eyre, Layney, Parker, Ting, Yockelson Noes: None</p>	<p><i>Meeting adjourned at 1:22 pm.</i></p>

	Abstentions: None Absent: Kliger Recused: None	
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Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and the Board of Directors of El Camino Hospital.

Bob Miller
Chair, Executive Compensation Committee

Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Heidi Parker, Executive Assistant II, Administration

DRAFT

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

To: Executive Compensation Committee
From: Dan Woods, CEO
Date: September 13, 2022
Subject: Report on Board Actions

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

Summary:

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

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	June 8, 2022	<ul style="list-style-type: none"> - 2022 ECH CHNA and FY23 ECH Implementation Strategy Report and Community Benefit Plan - Progress against FY22 Committee Goals - FY23 Committee Planning: Meeting Dates, Goals, Pacing Plans, Committee and Liaisons Appointments, and Charter Updates - FY23 Organizational Goals
	August 17, 2022	<ul style="list-style-type: none"> - Real Estate Acquisition / APN: 264-09-57 - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Silicon Valley Medical Development Board Appointments - Third Amended and Restated Limited Liability Company Operating Agreement of Silicon Valley Medical Development, LLC - Chief Operating Officer and Chief Growth Officer Base Salaries - CHRO Base Salary - FY23 Capital Budget - Executive Compensation Philosophy Policy Revision

Report on Board Actions
September 13, 2022

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECHD Board	June 14, 2022	<ul style="list-style-type: none"> - FY23 Regular Meeting Dates: Resolution 2022-07 - FY23 Operating Budget – ECHD and ECH & Affiliates - Appointment of Liaison to the Community Benefit Advisory Council - Requesting for and Consenting to Consolidate for Election: <i>Resolution 2022-09</i> - FY22 YTD District Financial Report - Establishing Tax Appropriation Limit for FY23 (Gann Limit): <i>Resolution 2022-10</i> - District Capital Outlay Funds - FY22 Community Benefit Plan
Executive Compensation Committee	- N/A	
Compliance and Audit Committee	May 19, 2022	<ul style="list-style-type: none"> - FY2023 Committee Goals & Pacing Plan - KPI Scorecard and Trends - Activity Log March 2022 - Activity Log April 2022 - Internal Audit Work Plan - Internal Audit Follow-Up Table - Review Internal Audit Assessment and Proposed FY 2023 Internal Audit Work Plan
Finance Committee	August 15, 2022	<ul style="list-style-type: none"> - FY2022 Period 11 Financial Report - FY2022 Period 12 Financial Report - Real Estate Acquisition / APN: 264-09-57 - MV NICU Medical Director Agreement - LG General Surgery Panel - Enterprise Vascular Surgery Panel - Enterprise GI Call Panel - Enterprise EKG Reading Panel - FY2023 Capital Budget

List of Attachments: None.

Suggested Committee Discussion Questions: None.



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

To: Executive Compensation Committee
From: Dan Woods, CEO
Date: September 13, 2022
Subject: Proposed FY 2022 Organizational Performance Incentive Plan Score

Recommendation:

Possible motion: To recommend that the Board approve an organizational score of **83.9%** subject to the financial audit confirming the financial results.

Summary:

1. **Situation:** Committee will review results against FY 22 goals and the proposed organizational score and make a recommendation to the Board per its Charter.
2. **Authority:** The Committee has the authority to recommend the organizational performance incentive plan score to the Board.
3. **Background:** The FY 2022 Organizational Performance Incentive Plan goals were approved in June 2021, and no changes were made to the goals during the fiscal year. Once fiscal year results were determined, the Board approved specific metrics to achieve in November 2021. The exact metrics reflected the approved goals (i.e., "5% improvement over FY 21 baseline") as stated in the attached summary. The executive team stayed focused on achieving the goals/metrics and meeting the challenges of the continuing pandemic.
4. **Assessment:** Results for the fiscal year are shown in the attached document.
5. **Other Reviews:** Progress toward the goals has been shared with the Board throughout the year. In addition, the Quality, Patient Care, and Patient Experience Committee and Finance Committee received updates on the Quality & Safety/Service and Financial goals. Each Committee will see its respective results on September 6 (Quality) and September 27 (Finance) and prior to the October 12, 2022 Board meeting. In addition, the Compliance/Internal Audit Committee will review the financial audit results on September 28, 2022.
6. **Outcomes:** FY 22 Executive Performance Incentive Payouts amounts are based on the organizational score and the individual goal scores approved by the Committee.

List of Attachments:

1. FY 22 Proposed Organizational Executive Performance Incentive Goals Score

Suggested Committee Discussion Questions:

1. Are there any concerns that need to be addressed before a recommendation can be made?

CONFIDENTIAL
Proposed FY 22 Organizational Performance Incentive Score
for Executive Compensation Committee 9/13/22

True North Pillar	Weight	GOAL	OBJECTIVES/OUTCOMES	Benchmark		Measurement Defined			Measurement Period	Results	Score	Weighted Score
				Internal Benchmarks	External Benchmark	Minimum	Target	Stretch				
Threshold		Operating EBIDA Margin	Maintain positive EBIDA Margin	FY2019: 16.9%	Moody's: Median for 'A1': 9.7%	≥ 11% Operating EBIDA Margin (80% of budget)	FY2022	Met threshold 21.1% pre-audit results		N/A		
				FY2020: 12.7%	Median for 'Aa3': 8.9%							
				FY2021: 14.8%	Budget FY2022: 13.7%							
Quality and Safety	45.00%	Zero Preventable Harm	Serious Safety Event (SSEs) Rate	FY2021 SSER YE21 Actual: 3.13	External Baseline – best practice is to reduce to zero	Maintain Baseline 3.13	Improve by 1/10K adj. pt. days 2.97	Additional 10% improvement over target 2.67	FY2022	3.10	59.5%	8.9%
			Risk-Adjusted Readmission Index	FY2021 Internal Calculation YE21 Actual: 0.93	Premier top 15%	0.93	Top 90% of top performers 0.92	Top performers 0.91	FY2022	1.04	0.0%	0.0%
			Healthcare Effectiveness Data and Information Set (HEDIS) Composite Score	FY2021 composite score system YE21 Actual: 3.38	Internal Calculation; limited external benchmarks	Maintain baseline 3.38	3.6	4	FY2022	3.6	100.0%	15.0%
Service	45.00%	Exceptional Personalized Experience, Always	Likelihood to Recommend (LTR) – Inpatient	FY2020: 82.8 FY2021 through April : 79.9 YE21 Actual: 80.1	Press Ganey	Maintain FY21 baseline 79.6	Top 50% of improvers 79.7	Top 30% of improvers 79.9	FY2022	80.8	150.0%	45.0%
			LTR – El Camino Health Medical Network	FY2020 73.2 FY2021 through April: 76.1 YE21 Actual: 76.1	NRC Net Promoter or change to Press Ganey	Maintain FY21 baseline 76.1	Top 50% of improvers 77.4	Top 30% of improvers 77.6	FY2022	74.5	0.0%	0.0%
Finance	10.0%	Sustainable Strength and Vitality	Operating EBIDA Margin	Actual FY2019 - 16.9%	Moody's: Median for 'A1': 9.7% Median for 'Aa3': 8.9%	90% of budget	100% of budget	110% of budget	FY2022	154% of budget pre-audit results 21.1%	150.0%	15.0%
				Actual FY2020 - 12.7%								
				Actual FY2021 - 14.8%								
				FY2022 Budget - 13.7%								

Proposed Organizational Score 83.9%

Methodology approved by Board in June 2021
 Benchmarks added based on results summary to Board in October 2021