

**AGENDA
FINANCE COMMITTEE MEETING
OF THE EL CAMINO HOSPITAL BOARD**

Monday, November 27, 2023 – 5:30 pm

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040 | Sobrato Boardroom 1

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT:

Dial-In: 1-669-900-9128. Meeting Code: 926 6792 2377#. No participant code. Just press #.

MISSION: To provide oversight, information sharing, and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital Board of Directors. In carrying out its review, advisory, and oversight responsibilities, the Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1. CALL TO ORDER / ROLL CALL	Don Watters, Chair	information	5:30 pm - 5:31 pm
2. CONSIDER APPROVAL OF AB 2449 REQUEST	Don Watters, Chair	possible motion <i>public comment</i>	5:31 - 5:32
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Don Watters, Chair	information	5:32 - 5:33
4. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons to address the Committee on any matter within the subject matter jurisdiction of the Committee that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Public Comments <i>Comments may be submitted by mail to the Finance Committee of the El Camino Hospital Board of Directors at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Don Watters, Chair	information <i>public comment</i>	5:33 - 5:36
5. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made. Items removed from the consent calendar will be considered separately.</i> Approval a. Approve Minutes of the Open Session of the Finance Committee Meeting (09/25/2023) b. Approve Minutes of the Closed Session of the Finance Committee Meeting (09/25/2023) c. Approve FY2024 Period 3 Financial Report Information d. Receive Progress Against FY2024 FC Committee Goals e. Receive FY2024 Pacing Plan f. Receive Article(s) of Interest	Don Watters, Chair	motion required <i>public comment</i>	5:36 - 5:41

A copy of the agenda for the Regular 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 650-988-8483 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	ACTION	ESTIMATED TIMES
6. APPROVE FY2024 PERIOD 4 FINANCIAL REPORT	Carlos Bohorquez, CFO	motion required <i>public comment</i>	5:41 - 5:51
7. RECEIVE COMMUNITY BENEFIT FY2025 POLICY GUIDANCE AND FY2024 UPDATE	Jon Cowan, Exec. Dir. Government Relations & Community Partnerships	discussion <i>public comment</i>	5:51 - 6:06
8. APPROVE CAPITAL PROJECT a. Pyxis MedStation Replacement Project	Carlos Bohorquez, CFO	motion required <i>public comment</i>	6:06 - 6:11
9. APPROVE CAPITAL PROJECT a. MV Campus Completion Phase 3A	Ken King, CAO	motion required <i>public comment</i>	6:11 - 6:21
10. APPROVE CAPITAL PROJECT a. Purchase of Da Vinci Surgical Robot	Omar Chughtai, CGO	motion required <i>public comment</i>	6:21 - 6:26
11. ADJOURN TO CLOSED SESSION	Don Watters, Chair	motion required <i>public comment</i>	6:26 - 6:27
12. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Don Watters, Chair	information	6:27 - 6:28
13. <i>Health and Safety Code Section 32106(b) - for a report and discussion involving healthcare facility trade secrets:</i> Physician Contracts a. MV Cardiology Call Panel Renewal b. LG Critical Care Call Panel Renewal c. Urology Medical Group PSA	Mark Adams, MD, CMO	discussion	6:28 - 6:33
14. <i>Health and Safety Code Section 32106(b) - for a report and discussion involving healthcare facility trade secrets:</i> PROGRESS ON FY2027 STRATEGIC PLAN IMPLEMENTATION	Dan Woods, CEO Carlos Bohorquez, CFO	discussion	6:33 - 6:48
15. <i>Health and Safety Code Section 32106(b) - for a report and discussion involving healthcare facility trade secrets:</i> MEDICAL NETWORK ACQUISITION Specialty Medical Group	Omar Chughtai, CGO	discussion	6:48 - 6:58
16. <i>Health and Safety Code Section 32106(b) - for a report and discussion involving healthcare facility trade secrets:</i> ECHMN SEMI-ANNUAL FINANCIAL/ STRATEGIC REPORT	Carlos Bohorquez, CFO David Neapolitan, ECHMN VP of Finance	information	6:58 - 7:13
17. <i>Health and Safety Code Section 32106(b) - for a report and discussion involving healthcare facility trade secrets:</i> FOUNDATION STRATEGIC PLAN UPDATE	Andrew Cope, President of Foundation	information	7:13 - 7:28
18. <i>Health and Safety Code Section 32106(b) - for a report and discussion involving healthcare facility trade secrets:</i> PROGRESS ON STRATEGIC OPERATIONAL OPPORTUNITIES / RISKS	Carlos Bohorquez, CFO	discussion	7:28 - 7:48

AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
19. ADJOURN TO OPEN SESSION	Don Watters, Chair	motion required	7:48 - 7:49
RECONVENE OPEN SESSION / REPORT OUT	Don Watters, Chair	information	7:49 - 7:50
20. To report any required disclosures regarding permissible actions taken during the Closed Session.			
21. APPROVE THE AUTHORITY OF THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE FOLLOWING AGREEMENT a. Critical Care Call Panel Renewal Agreement LG	Mark Adams, MD, CMO	motion required <i>public comment</i>	7:50 - 7:52
22. APPROVE THE RECOMMENDATION FOR THE HOSPITAL BOARD TO APPROVE THE FOLLOWING AGREEMENTS a. Cardiology Call Panel Renewal Agreement MV b. Urology Medical Group Professional Services Agreement		motion required <i>public comment</i>	7:52 - 7:54
23. CLOSING COMMENTS	Don Watters, Chair	information	Information 7:54 - 7:59
24. ADJOURNMENT	Don Watters, Chair	motion required <i>public comment</i>	8:00 pm

Upcoming Meetings:

Regular Meetings: February 26, 2024 (FC) & February 26, 2024 (Joint IC-FC), March 25, 2024, May 20, 2024



**Minutes of the Open Session of the
Finance Committee of the
El Camino Hospital Board of Directors
Monday, September 25, 2023**

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

Members Present

Don Watters, Chair**
Wayne Doiguchi
Peter Fung, MD
Bill Hooper**
Cynthia Stewart

Members Absent

**via teleconference

Staff Present

Carlos Bohorquez, Chief Financial Officer
Dan Woods, Chief Executive Officer
Shreyas Mallur, MD, Associate Chief Medical Officer
Victor Cabrera, Dir. Decision Supp & Business Analytics
Samreen Salehi, Executive Assistant II
Gabe Fernandez, Governance Service Coordinator

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the “Committee”) was called to order at 5:30 pm by Chair Don Watters. A verbal roll call was taken and all members were present at roll call and attended in person except for Chair Watters and Bill Hooper, who joined telephonically under the AB2449 guidelines A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.	
2. CONSIDER APPROVAL OF AB 2449 REQUEST	Chair Watters and committee member Bill Hooper participated in this session via Zoom under the “Just Cause” guidelines of the AB2449 request therefore a motion is not required.	
3. POTENTIAL CONFLICT OF INTEREST	Chair Watters asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
4. PUBLIC COMMUNICATION	No public members joined this session and no written correspondence from the public.	
5. CONSENT CALENDAR	Motion: To approve the consent calendar: (a) Minutes of the Open Session of the Finance Committee meeting (08/28/2023); (b) FY2024 Period 1 Financial Report and for information; (c) FY2024 Pacing Plan; (d) Article(s) of Interest. Movant: Fung Second: Doiguchi Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: None Recused: None	Consent Calendar approved.
6. FY2024 PERIOD 2 FINANCIAL REPORT	Carlos Bohorquez, Chief Financial Officer presented the FY2024 Period 2 Operational/ Financial Results as of 08/31/2023, and highlighted the following: <ul style="list-style-type: none"> • Overall strong patient activity across the organization. • Two service lines of note that were particularly strong surgeries / ED. • Surgical volume has increased approximately 4.9% over the same period last year. • ED visits have increased by 12.5% over the same period last year. 	

	<ul style="list-style-type: none"> • Net patient revenue and total operating revenue standpoint, we are slightly better than budget by 1%. • Continuing challenges with payor mix, percent of government patients continues to increase. • Operating EBIDA exceeded budget by \$368K. • Non-operating revenue, which is primarily comprised of investment income was negative \$14.5M and unfavorable to budget by \$16.9M. • Net income was negative \$2.4M and unfavorable to budget by \$16.5M. <p><u>Operational/ Financial Results: YTD FY2024 (as of 8/31/2023)</u></p> <ul style="list-style-type: none"> • Nets Days in AR is unfavorable to budget by 8%. • Operating EBIDA is \$38.9M which is unfavorable to budget by \$1.6M • Net income is \$25.9M which is unfavorable to budget by \$1.5M <p>Motion: To approve the FY2024 Period 2 Financial Report</p> <p>Movant: Fung Second: Doiguchi Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>7. CAPITAL PROJECTS REVIEW (a) MV Nurse call System Replacement (b) Property Purchase Request</p>	<p>Ken King, Chief Administrative Services Officer presented the following capital projects: (1) MV Nurse Call System Replacement and (2) Property Purchase Request and highlighted the following as further detailed in the materials:</p> <p><u>MV Nurse Call System Replacement</u></p> <ul style="list-style-type: none"> • The manufacturer no longer supports the existing Nurse Call System and parts are extremely difficult to source. • The analog circuit boards and the R-Net server and software is outdated and not compliant with current cyber security standards. • There are several potential points of failure that could severely affect this critical communication system. The replacement system is digital and comes with enhancements that will improve communications between nurses and patients. • To recommend Board Approval of the purchase and installation of a replacement Nurse Call System in the Main Hospital in Mountain View at a cost not to exceed \$7.2 million. <p><u>Property Purchase Request</u></p> <ul style="list-style-type: none"> • It has been a strategy for many years for the hospital to purchase properties within the Mountain View Medical Park Precise Plan zone. • These properties are future re-development opportunities and provide needed space for physicians and hospital support services. 	

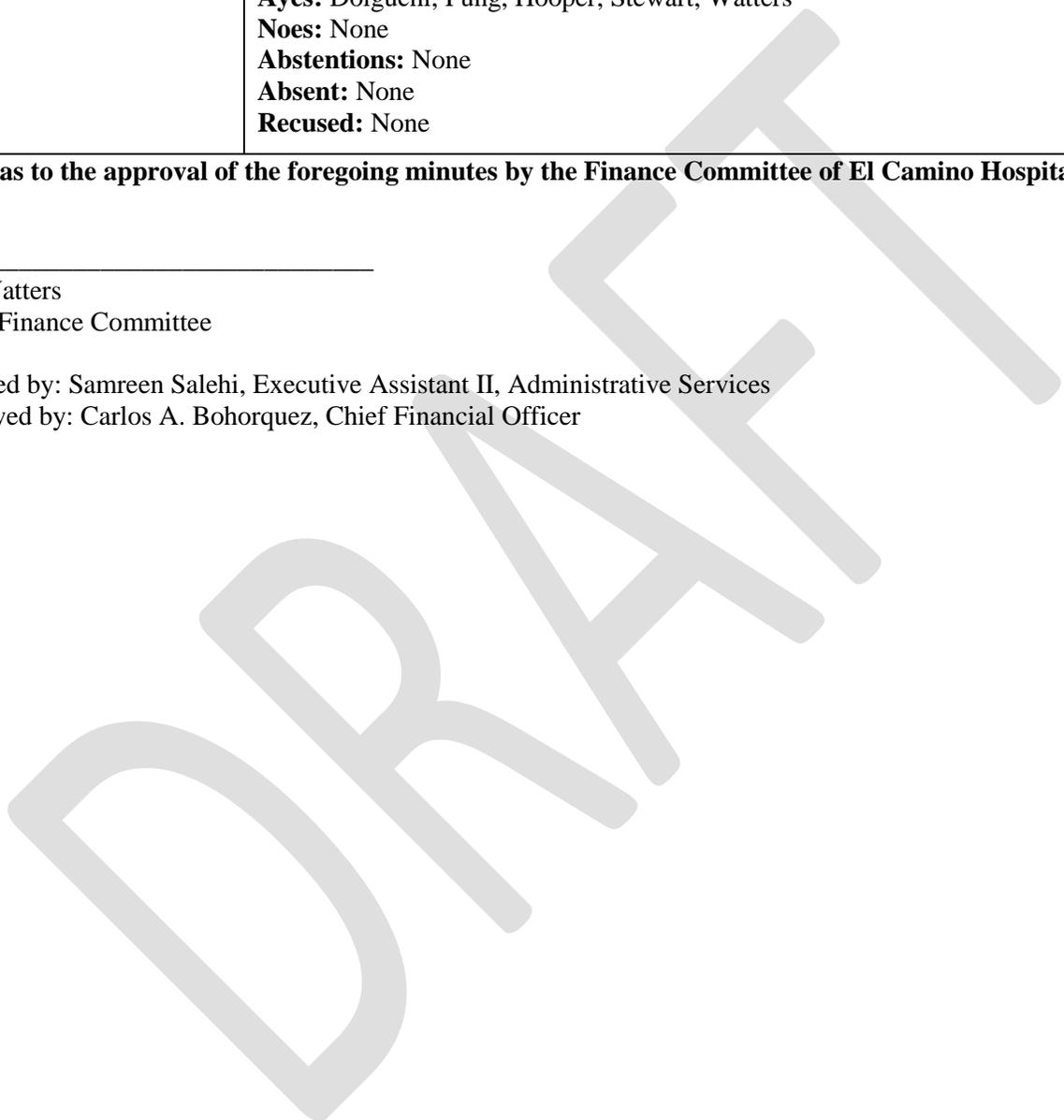
	<ul style="list-style-type: none"> • El Camino Health purchased Building 14 in 2008 and since that time we have purchased seven more of these properties for a total of eight. • We have been master leasing space in Building 8 since 2014 and we have a first right of refusal to purchase the property which consists of .27 acres of land and a building of approximately 4,177 gross square feet. • It is recommended that the Finance Committee authorize management to purchase the medical office building located at 2500 Hospital Drive, Building 8 in the City of Mountain View at a cost not to exceed \$2.85 million, which includes anticipated closing costs. <p>Motion: To recommend Board approval for the MV Nurse Call System Replacement</p> <p>Movant: Doiguchi Second: Fung Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: None Recused: None</p> <p>Motion: To approve the purchase of Building 8 located at 2500 Hospital Drive, Mountain View CA 94040</p> <p>Movant: Fung Second: Doiguchi Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>8. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 5:55 pm.</p> <p>Movant: Doiguchi Second: Fung Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 5:55 pm</i></p>
<p>9. AGENDA ITEM 13: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>During the Closed Session, the Finance Committee approved the following items: Closed Session Minutes of August 28, 2023, Finance Committee Meeting, by a unanimous vote of all Committee Members present (Mr. Doiguchi, Dr. Fung, Mr. Hooper, Ms. Stewart, Mr. Watters).</p>	
<p>10. AGENDA ITEM 14: PHYSICIAN CONTRACTS & AGREEMENTS</p>	<p>Motion: To recommend for Board approval for the Enterprise Utilization Management Medical Director Agreement.</p> <p>Movant: Fung Second: Doiguchi Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None</p>	

	Abstentions: None Absent: None Recused: None	
11. AGENDA ITEM 15: CLOSING COMMENTS	None	
12. AGENDA ITEM 16: ADJOURNMENT	Motion: To adjourn at 7:02 pm. Movant: Fung Second: Doiguchi Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 7:02 pm</i>

Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:

 Don Watters
 Chair, Finance Committee

Prepared by: Samreen Salehi, Executive Assistant II, Administrative Services
 Reviewed by: Carlos A. Bohorquez, Chief Financial Officer





El Camino Health

Summary of Financial Operations

*Fiscal Year 2024 – Period 3
7/1/2023 to 9/30/2023*

Executive Summary - Overall Commentary for Period 3 / YTD FY2024

September 2023 - Period 3:

- Gross revenue favorable to budget by \$16.1M / 3.2%
 - Hospital based activity:
 - Inpatient Charges: \$8.8M / 3.5% favorable to budget
 - Outpatient Charges: \$14.1M / 6.5% favorable to budget
 - Professional Charges: \$6.8M / 43.3% unfavorable to budget
- Cost Management
 - When adjusted for volume, overall operating expenses were 5.3% favorable to budget
 - Labor: Sustained improved in contract labor and overtime / premium pay percentages are target
- Net patient revenue was unfavorable to budget by \$5.2M / 4.3% and \$3.1M / 2.7% higher than the same period last year. This is attributed higher percentage government payor mix: 58.9% (actual) vs. 57.4% (budget).
- Operating margin was unfavorable to budget by \$1.7M / 16.0% and \$278K / 3.0% lower than the same period last year.
- Operating EBIDA was unfavorable to budget by \$1.7M / 8.8% and \$81K / 0.5% higher than the same period last year.
- Net income was unfavorable to budget by \$29.0M / 216.1%, this is attributed to unrealized losses on the investment portfolio. Compared to the same period last year net income was higher by \$34.1M / 68.7%.

YTD FY2024:

- Net patient revenue is unfavorable to budget by \$10.3M / 2.8% and \$12.3M / 2.8% higher than the same period last year. This is attributed to payor mix deterioration and lower than budgeted deliveries by 4.5%
- Operating margin is unfavorable to budget by \$3.3M / 10.1% and \$7.5M / 20.3% lower than the same period last year.
- Operating EBIDA is unfavorable to budget by \$3.3M / 5.7% and \$6.2M / 10.3% lower than the same period last year.
- Net income is unfavorable to budget by \$30.5M / 74.8%, this is attributed to volatility in the capital markets. Compared to the same period last year net income was higher by \$19.1M / 217.1%. but \$19.1M / 217.1% higher than the same period last year.

Operational / Financial Results: Period 3 – September 2023 (as of 09/30/2023)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'Aa3'	'AA'	AA-'	
Activity / Volume	ADC	307	297	10	3.4%	302	5	1.5%	---	---	---	---
	Total Acute Discharges	1,868	1,788	80	4.5%	1,794	74	4.1%	---	---	---	---
	Adjusted Discharges	3,675	3,476	199	5.7%	3,437	238	6.9%	---	---	---	---
	Emergency Room Visits	6,537	5,987	550	9.2%	6,238	299	4.8%	---	---	---	---
	OP Visits / Procedural Cases	10,991	11,801	(810)	(6.9%)	12,173	(1,182)	(9.7%)	---	---	---	---
	Gross Charges (\$)	515,816	499,730	16,087	3.2%	464,347	51,470	11.1%	---	---	---	---
Operations	Total FTEs	3,338	3,391	(54)	(1.6%)	3,263	74	2.3%	---	---	---	---
	Productive Hrs. / APD	27.8	29.4	(1.7)	(5.7%)	28.2	(0.4)	(1.5%)	---	---	---	---
	Cost Per CMI AD	18,001	19,005	(1,004)	(5.3%)	18,724	(723)	(3.9%)	---	---	---	---
	Net Days in A/R	58.6	54.0	4.6	8.6%	57.9	0.7	1.2%	47.9	49.7	45.9	
Financial Performance	Net Patient Revenue (\$)	116,006	121,163	(5,157)	(4.3%)	112,931	3,075	2.7%	329,311	115,267	---	
	Total Operating Revenue (\$)	120,719	126,117	(5,398)	(4.3%)	116,468	4,251	3.6%	373,348	142,369	146,668	
	Operating Margin (\$)	8,897	10,595	(1,698)	(16.0%)	9,175	(278)	(3.0%)	4,066	6,122	1,613	
	Operating EBIDA (\$)	17,167	18,821	(1,654)	(8.8%)	17,086	81	0.5%	24,030	13,952	9,533	
	Net Income (\$)	(15,583)	13,428	(29,011)	(216.1%)	(49,719)	34,136	68.7%	16,237	9,681	4,107	
	Operating Margin (%)	7.4%	8.4%	(1.0%)	(12.3%)	7.9%	(0.5%)	(6.4%)	1.1%	4.3%	1.1%	
	Operating EBIDA (%)	14.2%	14.9%	(0.7%)	(4.7%)	14.7%	(0.4%)	(3.1%)	6.4%	9.8%	6.5%	
	DCOH (days)	255	325	(70)	(21.7%)	245	10	4.0%	262	336	243	

Moody's Medians: Not-for-profit and public healthcare annual report; September 7, 2023. Dollar amounts have been adjusted to reflect monthly averages.

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 7, 2023. Dollar amounts have been adjusted to reflect monthly averages.

Fitch Ratings: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; July 25, 2023. Dollar amounts have been adjusted to reflect monthly averages.

Notes: DCOH total includes cash, short-term and long-term investments.

OP Visits / Procedural Cases includes Covid Vaccinations / Testing.



Unfavorable Variance < 0.99%
Unfavorable Variance 1.00% - 4.99%
Unfavorable Variance 5.00% - 9.99%

Operational / Financial Results: YTD FY2024 (as of 09/30/2023)

YTD FY2024 - RESULTS

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'A1'	'AA'	AA'	
Activity / Volume	ADC	304	288	15	5.4%	296	7	2.5%	---	---	---	---
	Total Acute Discharges	5,662	5,384	278	5.2%	5,407	255	4.7%	---	---	---	---
	Adjusted Discharges	10,963	10,381	581	5.6%	10,383	579	5.6%	---	---	---	---
	Emergency Room Visits	19,396	18,396	1,000	5.4%	17,644	1,752	9.9%	---	---	---	---
	OP Visits / Procedural Cases	33,234	35,596	(2,362)	(6.6%)	36,737	(3,503)	(9.5%)	---	---	---	---
	Gross Charges (\$)	1,540,261	1,475,212	65,049	4.4%	1,398,754	141,507	10.1%	---	---	---	---
Operations	Total FTEs	3,326	3,350	(24)	(0.7%)	3,242	83	2.6%	---	---	---	---
	Productive Hrs. / APD	28.3	30.2	(1.9)	(6.3%)	28.2	0.1	0.2%	---	---	---	---
	Cost Per CMI AD	18,445	19,005	(560)	(2.9%)	17,942	503	2.8%	---	---	---	---
	Net Days in A/R	58.6	54.0	4.6	8.6%	57.9	0.7	1.2%	47.9	52.6	45.9	---
Financial Performance	Net Patient Revenue (\$)	352,080	362,401	(10,321)	(2.8%)	339,781	12,299	3.6%	987,933	345,801	---	---
	Total Operating Revenue (\$)	367,473	377,443	(9,970)	(2.6%)	350,590	16,883	4.8%	1,120,044	427,108	146,668	---
	Operating Margin (\$)	29,353	32,658	(3,306)	(10.1%)	36,843	(7,491)	(20.3%)	12,197	18,366	1,613	---
	Operating EBIDA (\$)	54,089	57,338	(3,250)	(5.7%)	60,278	(6,189)	(10.3%)	72,089	41,857	9,533	---
	Net Income (\$)	10,313	40,855	(30,542)	(74.8%)	(8,807)	19,120	217.1%	48,711	29,043	4,107	---
	Operating Margin (%)	8.0%	8.7%	(0.7%)	(7.7%)	10.5%	(2.5%)	(24.0%)	1.1%	4.3%	1.1%	---
	Operating EBIDA (%)	14.7%	15.2%	(0.5%)	(3.1%)	17.2%	(2.5%)	(14.4%)	6.4%	9.8%	6.5%	---
	DCOH (days)	255	325	(70)	(21.7%)	245	10	4.0%	262	336	243	---

Moody's Medians: Not-for-profit and public healthcare annual report; September 7, 2023.

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Unfavorable Variance < 0.99%
Unfavorable Variance 1.00% - 4.99%
Unfavorable Variance 5.00% - 9.99%

Consolidated Balance Sheet (as of 09/30/2023)

(\$000s)

ASSETS

	September 30, 2023	Unaudited June 30, 2023
CURRENT ASSETS		
Cash	170,245	230,765
Short Term Investments	218,788	129,245
Patient Accounts Receivable, net	224,355	218,528
Other Accounts and Notes Receivable	18,815	20,413
Intercompany Receivables	15,337	15,186
Inventories and Prepays	44,287	45,037
Total Current Assets	691,827	659,174
BOARD DESIGNATED ASSETS		
Foundation Board Designated	20,582	20,731
Plant & Equipment Fund	425,618	407,526
Women's Hospital Expansion	30,936	30,735
Operational Reserve Fund	207,898	207,898
Community Benefit Fund	17,101	17,743
Workers Compensation Reserve Fund	13,498	13,498
Postretirement Health/Life Reserve Fund	24,514	24,242
PTO Liability Fund	36,729	35,252
Malpractice Reserve Fund	1,853	1,885
Catastrophic Reserves Fund	27,822	28,042
Total Board Designated Assets	806,550	787,551
FUNDS HELD BY TRUSTEE	-	-
LONG TERM INVESTMENTS	455,954	474,670
CHARITABLE GIFT ANNUITY INVESTMENTS	913	948
INVESTMENTS IN AFFILIATES	33,203	33,262
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,869,041	1,862,363
Less: Accumulated Depreciation	(811,804)	(791,528)
Construction in Progress	185,498	168,956
Property, Plant & Equipment - Net	1,242,736	1,239,791
DEFERRED OUTFLOWS	57,054	57,204
RESTRICTED ASSETS	37,286	36,339
OTHER ASSETS	163,238	166,528
TOTAL ASSETS	3,488,762	3,455,466

LIABILITIES AND FUND BALANCE

	September 30, 2023	Unaudited June 30, 2023
CURRENT LIABILITIES		
Accounts Payable	55,463	50,862
Salaries and Related Liabilities	38,838	24,408
Accrued PTO	37,613	36,104
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,920	11,295
Intercompany Payables	11,999	12,362
Malpractice Reserves	1,863	1,863
Bonds Payable - Current	10,400	10,400
Bond Interest Payable	3,156	7,890
Other Liabilities	13,855	11,968
Total Current Liabilities	187,406	169,450
LONG TERM LIABILITIES		
Post Retirement Benefits	24,514	24,242
Worker's Comp Reserve	13,498	13,498
Other L/T Obligation (Asbestos)	28,236	29,543
Bond Payable	451,529	454,806
Total Long Term Liabilities	517,777	522,088
DEFERRED REVENUE-UNRESTRICTED	1,153	1,103
DEFERRED INFLOW OF RESOURCES	89,293	91,871
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	2,429,709	2,417,300
Board Designated	217,893	209,043
Restricted	45,530	44,611
Total Fund Bal & Capital Accts	2,693,132	2,670,954
TOTAL LIABILITIES AND FUND BALANCE	3,488,762	3,455,466

FY2024 COMMITTEE GOALS

Finance Committee

PURPOSE

The purpose of the Finance Committee (the “Committee”) is to provide oversight, information sharing, and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital (ECH) Hospital Board of Directors (“Board”). In carrying out its review, advisory, and oversight responsibilities, the Finance Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

STAFF: **Carlos Bohorquez**, Chief Financial Officer (Executive Sponsor)

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS
1. Summary of Physician Financial Agreements	Q3	March 2024
2. Review Progress on Opportunities / Risks identified by Management for FY2024 and Managed Care Update	Q2, Q3	Progress on Opportunities / Risks (November 2023) In Progress , Managed Care update (February 2024)
3. Review strategy, goals, and performance of ECHMN, joint ventures/business affiliates, impact of strategic initiatives – market share update and progress on implementation of 2027 strategic plan	Q1	Financial Performance JVs / Business Affiliates (August 2023)
	Q2	ECHMN (November 2023) In Progress , Progress on 2027 Strategic Plan (November 2023) In Progress , Foundation – Strategic Update (November 2023) In Progress
	Q3	Impact of Strategic Initiatives – Market Share Update (February 2024), Hospital Community Benefits Program (February 2024), ECHMN (March 2024)
	Q4	Progress on 2027 Strategic Plan & Key Service Lines Growth Plans (May 2024)
4. Fiscal Year-End Performance Review	Q1	FYE 2023 Review of Operating, Financial, and Balance Sheet Performance and KPIs (August 2023)

SUBMITTED BY: **Chair:** Don Watters | **Executive Sponsor:** Carlos Bohorquez, CFO

FY2024 Finance Committee Pacing Plan												
AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	8/28	9/25	OCT	11/27	DEC	JAN	2/26	3/25	APR	5/20	JUN
STANDING AGENDA ITEMS												
Standing Consent Agenda Items		✓	✓		✓			✓	✓		✓	
Minutes		✓	✓		✓			✓	✓		✓	
Period Financials Report (Approval)		✓	✓		✓			✓	✓		✓	
Board Actions		✓	✓		✓			✓	✓		✓	
APPROVAL ITEMS												
Candidate Interviews & Recommendation to Appoint (If required to add / replace committee member)												
Financial Report Year End Results			✓									
Next FY Committee Goals, Dates, Plan									✓		✓	
Next FY Org. Goals											✓	
Next FY Community Benefit Grant Program											✓	
Physician Contracts		✓	✓		✓			✓	✓		✓	
DISCUSSION ITEMS												
Financial Report (Pre-Audit Year End Results)		✓										
Financial Performance JVs/ Business Affiliates		✓										
Progress on Opportunities/ Risks					✓							
Medical Staff Development Plan (every 2 years)									✓			
Impact of Strategic Initiatives/Market Share Update								✓				
Progress Against Committee Goals & Pacing Plan (Quarterly)					✓			✓			✓	
Foundation Strategic Update					✓							

FY2024 Finance Committee Pacing Plan												
AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	8/23	9/25	OCT	11/27	DEC	JAN	2/26	3/25	APR	5/20	JUN
ECHMN Update					✓				✓			
Community Benefit Grant Application Process					✓				✓			
Progress Against 2027 Strategic Plan					✓				✓		✓	
Key Service Lines Performance/ Growth Plans											✓	
Managed Care Update								✓				
Long-Range Financial Forecast								✓				
Next FY Budget and Preliminary Assumptions Review									✓			
Review FY Operational / Capital Budget for Recommendation to Board									✓		✓	
Summary Physician Financial Arrangements									✓			
Post Implementation (as needed)												
Other Updates ¹ (as needed)												

1: Includes updates on special projects/joint ventures/real estate, ad-hoc updates

October 2023

2023 State of Healthcare Performance Improvement: Signs of Stabilization Emerge

KaufmanHall

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Introduction

Hospitals and health systems are seeing some signs of stabilization in 2023 following an extremely difficult year in 2022. Workforce-related challenges persist, however, keeping costs high and contributing to issues with patient access to care. The percentage of respondents who report that they have run at less than full capacity at some time over the past year because of staffing shortages, for example, remains at 66%, unchanged from last year's *State of Healthcare Performance Improvement* report. A solid majority of respondents (63%) are struggling to meet demand within their physician enterprise, with patient concerns or complaints about access to physician clinics increasing at approximately one-third (32%) of respondent organizations.

Most organizations are pursuing multiple strategies to recruit and retain staff. They recognize, however, that this is an issue that will take years to resolve—especially with respect to nursing staff—as an older generation of talent moves toward retirement and current educational pipelines fail to generate an adequate flow of new talent. One bright spot is utilization of contract labor, which is decreasing at almost two-thirds (60%) of respondent organizations.

Many of the organizations we interviewed have recovered from a year of negative or breakeven operating margins. But most foresee a slow climb back to the 3% to 4% operating margins that help ensure long-term sustainability, with adequate resources to make needed investments for the future. Difficulties with financial performance are reflected in the relatively high percentage of respondents (24%)

“The clinical workforce is stabilizing and will stabilize, but to a different new normal.”

— Survey Respondent,
Academic Health System

Introduction (continued)

who report that their organization has faced challenges with respect to debt covenants over the past year, and the even higher percentage (34%) who foresee challenges over the coming year. Interviews confirmed that some of these challenges were “near misses,” not an actual breach of covenants, but hitting key metrics such as days cash on hand and debt service coverage ratios remains a concern.

As in last year’s survey, an increased rate of claims denials has had the most significant impact on revenue cycle over the past year. Interviewees confirm that this is an issue across health plans, but it seems particularly acute in Medicare Advantage plans for those states that have a higher penetration of Medicare Advantage plans. A significant percentage of respondents also report a lower percentage of commercially insured patients (52%), an increase in bad debt and uncompensated care (50%), and a higher percentage of Medicaid patients (47%).

Supply chain issues are concentrated largely in distribution delays and raw product and sourcing availability. These issues are sometimes connected when difficulties sourcing raw materials result in distribution delays. The most common measures organizations are taking to mitigate these issues are defining approved vendor product substitutes (82%) and increasing inventory levels (57%). Also, as care delivery continues to migrate to outpatient settings, organizations are working to standardize supplies across their non-acute settings and align acute and non-acute ordering to the extent possible to secure volume discounts.

“The biggest risk to our future is the stability of our nursing staff.”

— Survey Respondent,
Regional Health System

Survey Highlights

98% of respondents are pursuing one or more recruitment and retention strategies

90% have raised starting salaries or the minimum wage

73% report an increased rate of claims denials

71% are encountering distribution delays in their supply chain

70% are boarding patients in the emergency department or post-anesthesia care unit because of a lack of staffing or bed capacity

66% report that staffing shortages have required their organization to run at less than full capacity at some time over the past year

63% are struggling to meet demand for patient access to their physician enterprise

60% see decreasing utilization of contract labor at their organization

44% report that inpatient volumes remain below pre-pandemic levels

32% say that patients concerns or complaints about access to their physician enterprise are increasing

24% have encountered debt covenant challenges during the past 12 months

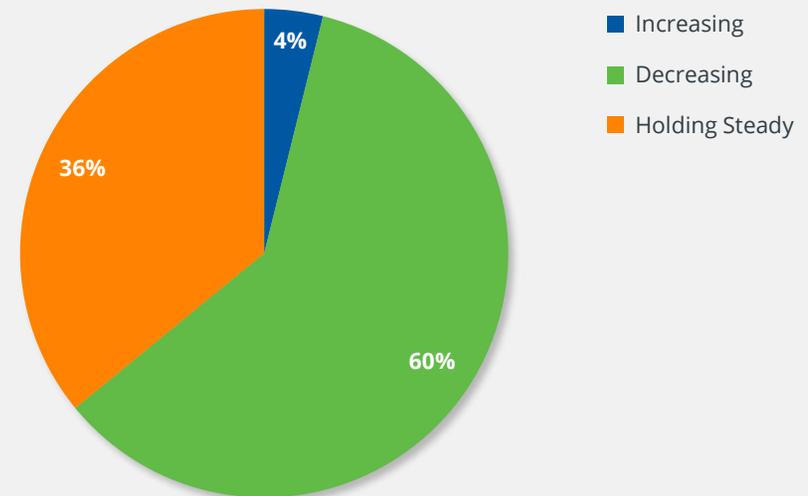
None of our respondents believe that their organization has fully optimized its use of the automation technologies in which it has already invested

Workforce

While workforce-related issues remain as perhaps the greatest challenge hospitals and health systems face, this year's survey brought some good news: utilization of contract labor appears to be declining. Whereas last year's survey indicated that contract utilization was increasing at 27% of organizations, this year's survey indicates that increased utilization is occurring at only 4% of organizations. At the same time, 61% of respondents to this year's survey say contract labor utilization is decreasing, compared to 44% in last year's survey (Figure 1).

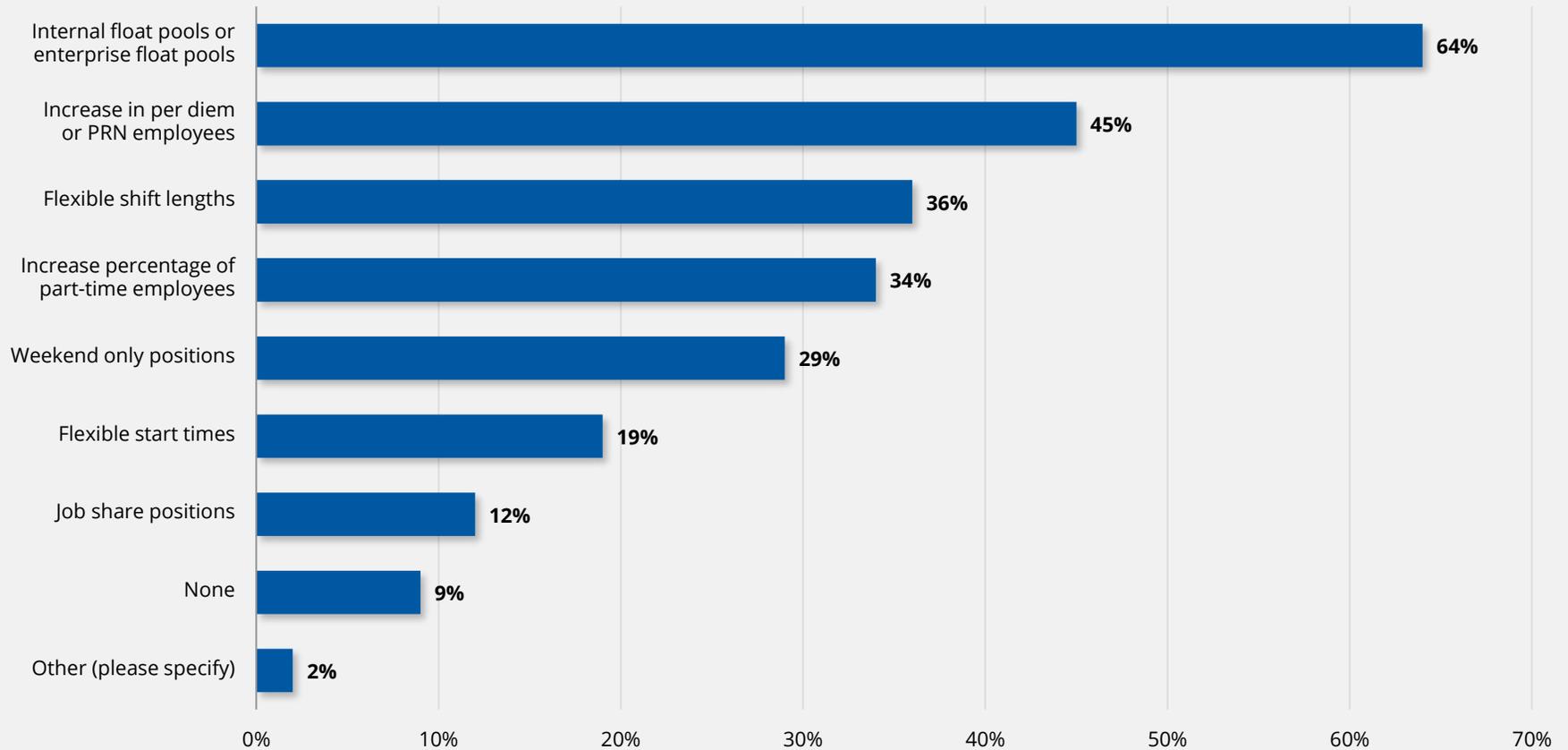
The ability to reduce reliance on contract labor may be driven in part by the significant percentage of organizations that are using such tactics as internal or enterprise float pools (64%) or a greater number of per diem or pro re nata (PRN) employees (45%) in lieu of more expensive contract labor (Figure 2). Interviewees also noted that contract labor rates have softened and that they have seen some nursing staff who left during the pandemic to take agency positions now returning as full-time employees.

FIGURE 1: Utilization of Contract Labor



Workforce (continued)

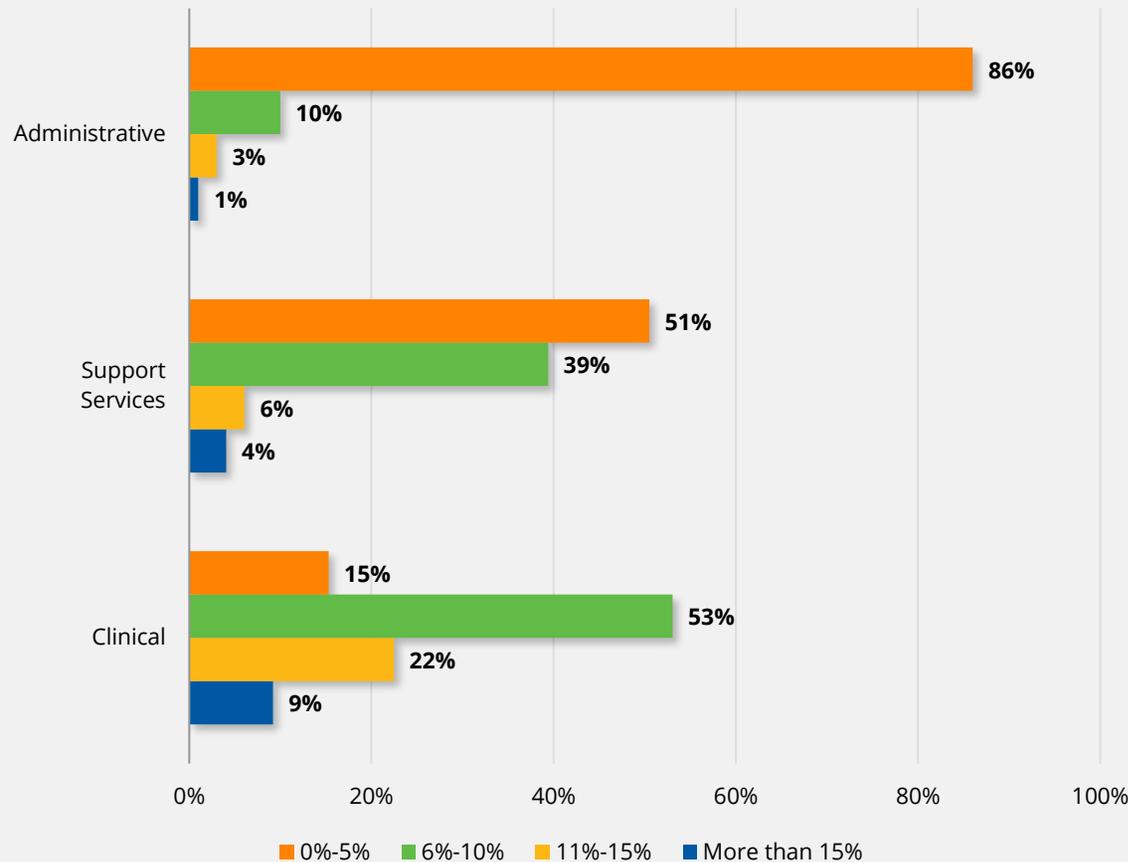
FIGURE 2: Adoption of Staffing or Scheduling Programs to Mitigate Staffing Shortages



Note: Respondents were asked to choose all that apply.

Workforce (continued)

FIGURE 3: Percentage Increase in Wages for Administrative, Support, and Clinical Staff Over the Past Year



Salaries and Wages

Staffing shortages continue to put upward pressure on wages, especially for clinical staff. Survey results indicate that most organizations (86%) have been able to hold administrative wage and salary increases to 5% or less, but a similar percentage of respondents (85%) says wage and salary increases for clinical staff have exceeded 6%, with one-third (31%) reporting increases in excess of 11% (Figure 3).

Workforce (continued)

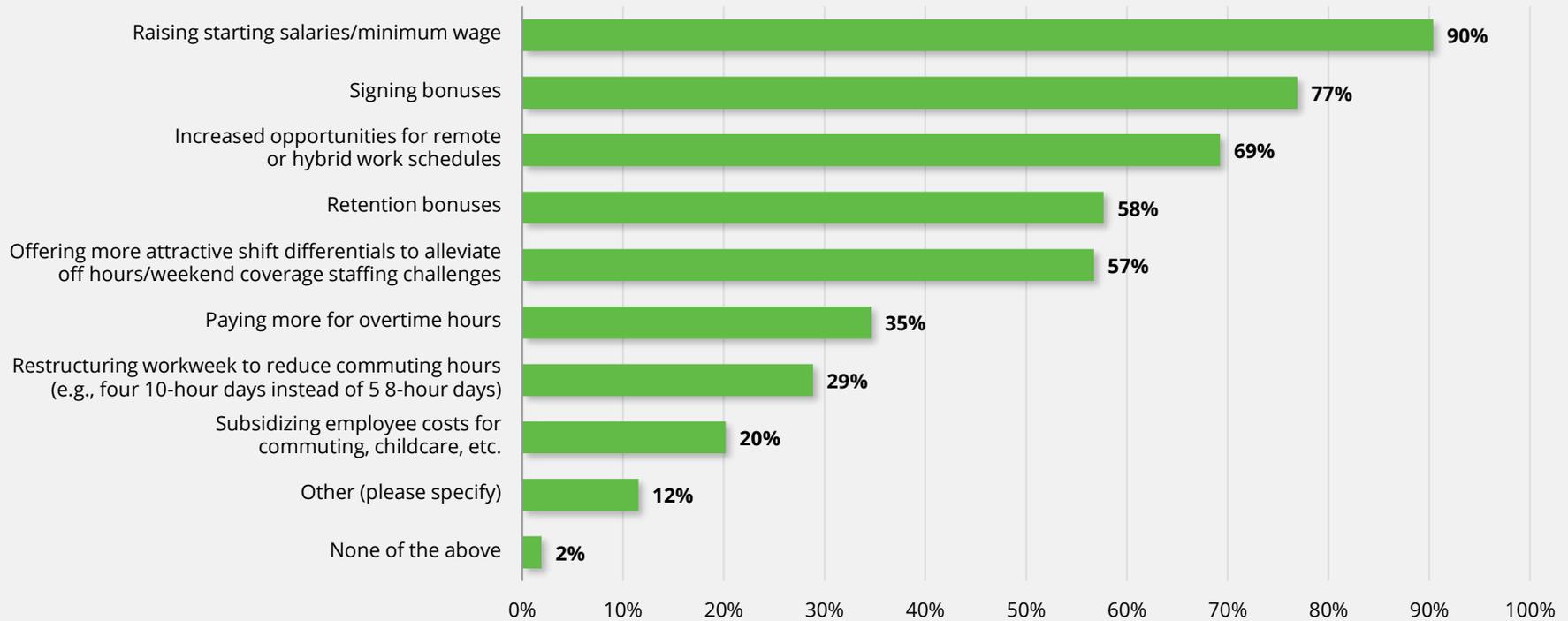
Recruitment and Retention

Wage and salary increases or enhancements have been among the most frequently adopted tools for recruitment and retention initiatives. Ninety percent of respondents

report raising starting salaries or the minimum wage, 77% are using signing bonuses, 58% are offering retention bonuses, and 35% are paying more for overtime hours (Figure 4).

"I wonder what we will see when retention bonuses run out at the end of this year."
 — Survey Respondent, Regional Health System

FIGURE 4: Adoption of Recruitment and Retention Strategies



Note: Respondents were asked to choose all that apply.

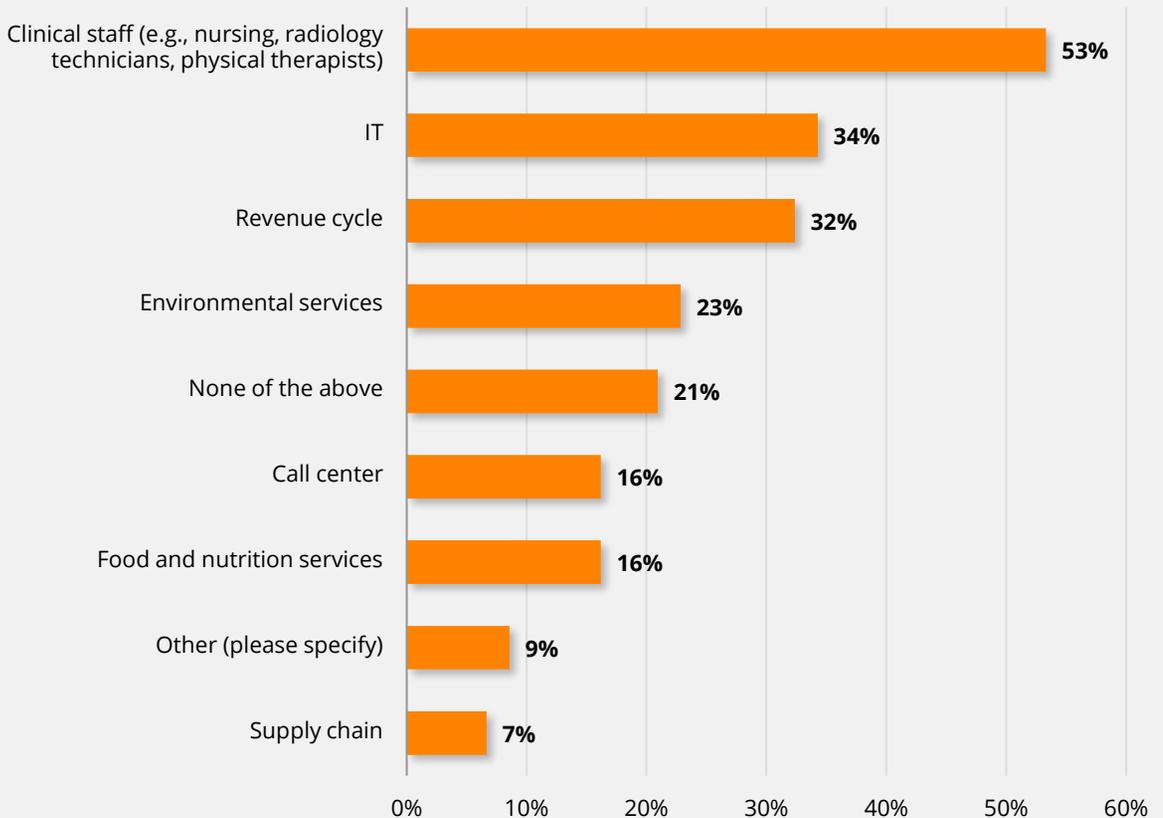
Workforce (continued)

Providing greater flexibility for staff is also a focus, with 69% of respondents noting increased opportunities for remote or hybrid work schedules at their organization, and 57% of organizations offering more attractive shift differentials to alleviate off-hour and weekend coverage staffing challenges. Almost one-third of organizations are restructuring the workweek to reduce commuting hours, and one in five are subsidizing employee costs for expenses such as commuting and childcare.

Reducing Workforce Expenses

Workforce expense reduction efforts have been focused largely on reducing the need for contract labor. Outsourcing offers one potential solution for workforce expense savings, but with the exception of clinical staff, no more than approximately one-third of respondent organizations were pursuing outsourcing in areas such as IT, revenue cycle, environmental services, food and nutrition, supply chain, and call center (Figure 5). The relatively high number for clinical staff outsourcing has likely been

FIGURE 5: Percentage of Respondent Organizations Pursuing Outsourced Solutions, by Area



Note: Respondents were asked to choose all that apply.

driven by higher-than-normal utilization of contract nurses, according to our interviewees. Interviewees note that outsourcing can be difficult because of health systems' role as one of the most significant community employers; it is easiest to implement in areas where talent is difficult to get locally.

A recent article in the *Wall Street Journal* predicts a long-term labor crisis across industries, not just in healthcare, absent growth in the number

of people active in the workforce or growth in productivity through solutions such as automation.¹ Automation offers some promise, but it will take time for that promise to be realized. The vast majority of our respondents (84%) describe their organization's level of investment in various automation technologies as "negligible" or "modest" (Figure 6), and none of the respondents believe that their organization has fully optimized the automation technologies it has invested in (Figure 7).

FIGURE 6: Level of Investment in Automation Technologies

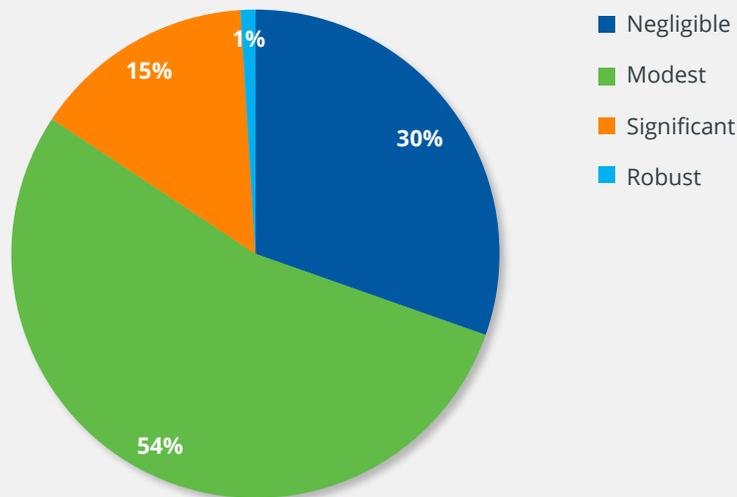
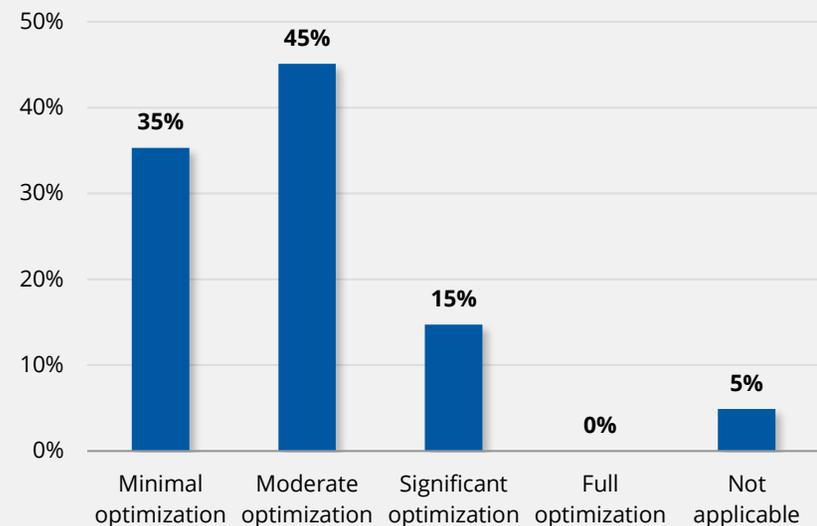


FIGURE 7: Optimization of Automation Technologies Already Invested In



¹ L. Weber and A. Pipe: "Why America Has a Long-Term Labor Crisis, in Six Charts." *Wall Street Journal*, Sept. 25, 2023. <https://www.wsj.com/economy/jobs/labor-supply-economy-jobs-charts-3285a5b7>

Workforce (continued)

Action Items: Workforce

- Consider advanced predictive demand modeling. This can improve staffing plans and minimize unnecessary “flexing.”
- Understand hourly demand patterns. This is useful in the development of atypical shift lengths and start times, which enable staffing to demand and provide flexibility for staff.
- Create a robust, flexible staffing pool, which can be an effective alternative to travel contracts.
- Implement career ladders for clinical staff to improve retention and overall job satisfaction.

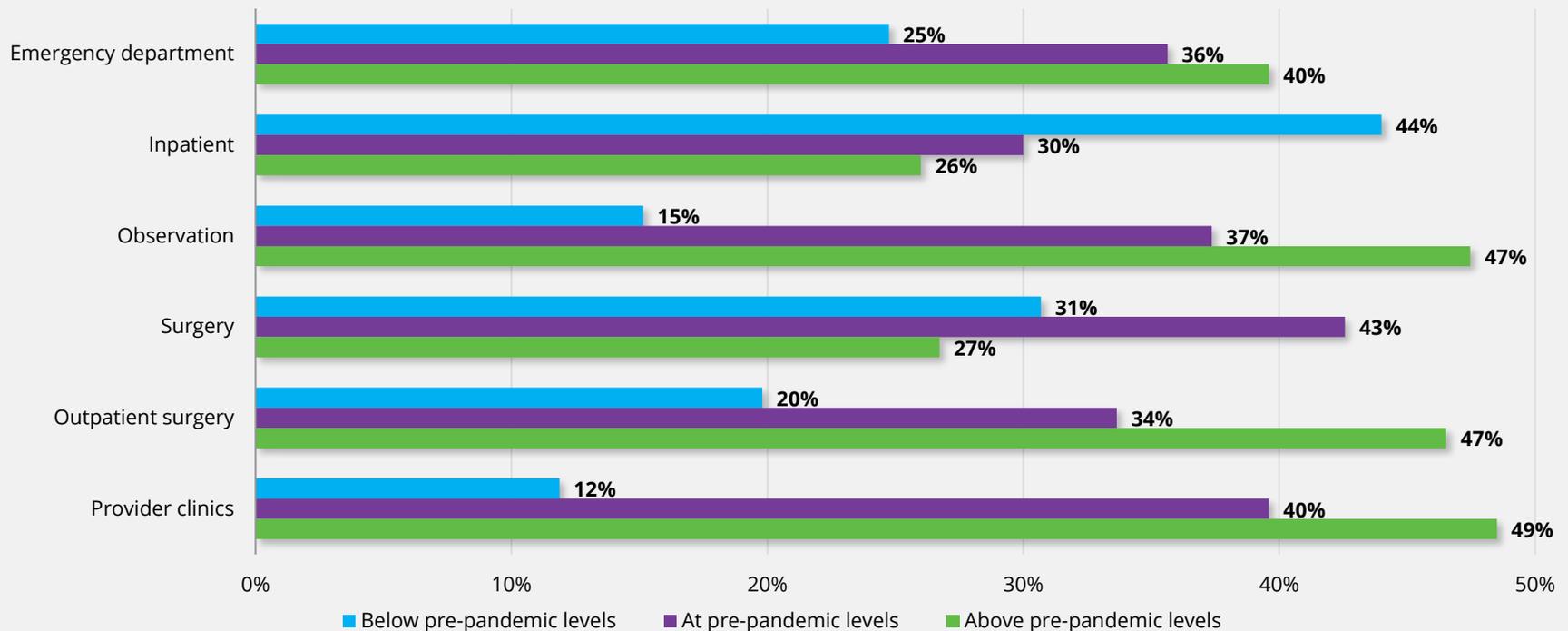
Volume and Revenue

Volume and Care Transitions

Volume data from the survey reflects the ongoing shift from inpatient to outpatient settings, with almost half of respondents saying that volumes are above pre-pandemic levels for outpatient surgery and provider clinics. Observation volumes also are above pre-pandemic

levels at 47% of respondent organizations. In contrast, inpatient volumes are below pre-pandemic levels at 44% of respondent organizations, and surgery volumes remain below pre-pandemic levels for approximately one-third of respondents (Figure 8).

FIGURE 8: Volumes by Service Area

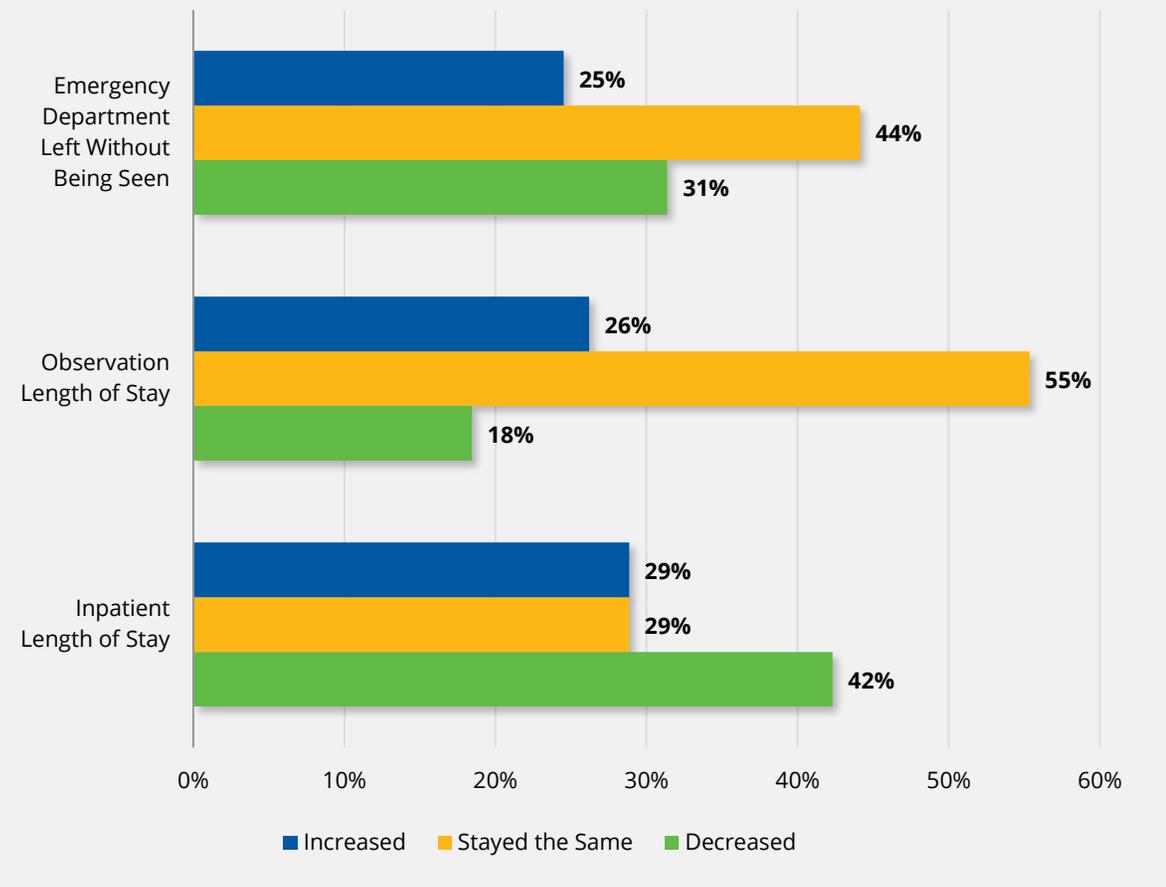


Volume and Revenue (continued)

In last year’s report, we noted that staffing issues at post-acute facilities were having a negative impact on inpatient occupancy rates, as delays in discharging patients drove up inpatient length of stay for almost seven in 10 respondents. There was good news in this year’s survey: 42% of respondents reported that inpatient length of stay was decreasing, and the percentage of those who continued to see increases fell below 30% (Figure 9). One interviewee noted that their organization realized they had to move beyond the post-acute factor for timely discharge and focus on their own internal processes, with positive results.

With a higher percentage of respondents noting above pre-pandemic volumes for both observation and emergency department patients, the survey results also showed that improvements in observation length of stay and “leaving the emergency department without being seen” metrics were less pronounced than for the inpatient length of stay metric.

FIGURE 9: Year-Over-Year Change in Length of Stay and Emergency Department Metrics



Volume and Revenue (continued)

FIGURE 10: Staffing Shortages Have Required Organization to Run at Less Than Full Capacity

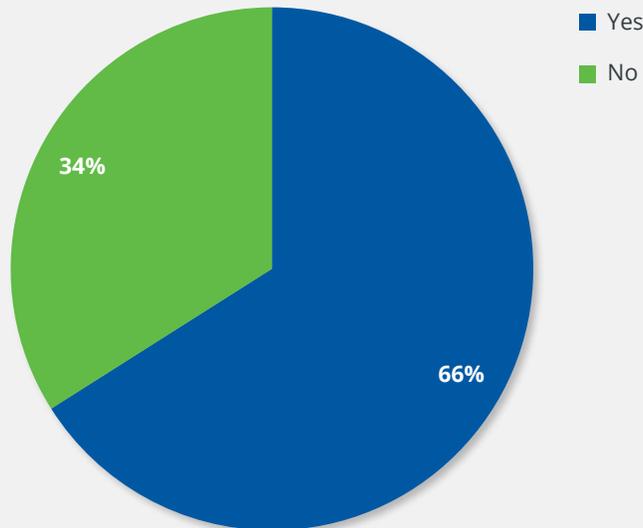
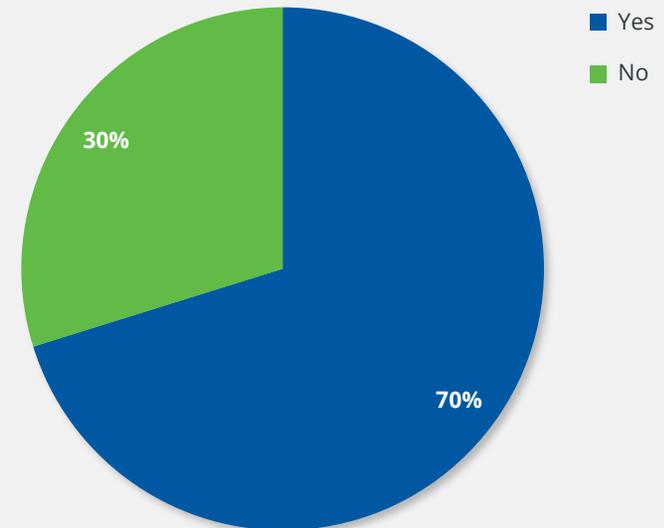


FIGURE 11: Lack of Staffing or Bed Capacity Requires Boarding Patients in ED or PACU



Staffing issues still pose challenges for hospital and health system volumes and patient throughput. The percentage of respondents reporting that staffing shortages required their organization to run at less than full capacity some time over the past year remained at 66%, the same percentage as in last year’s report (Figure 10). And an even higher percentage of respondents reported that their organizations are boarding patients in the emergency department or post-anesthesia care unit (PACU) because of a lack of staffing or bed capacity (Figure 11).

“We could solve our financial problems by solving two issues: labor costs and throughput.”

— Survey Respondent, Regional Health System

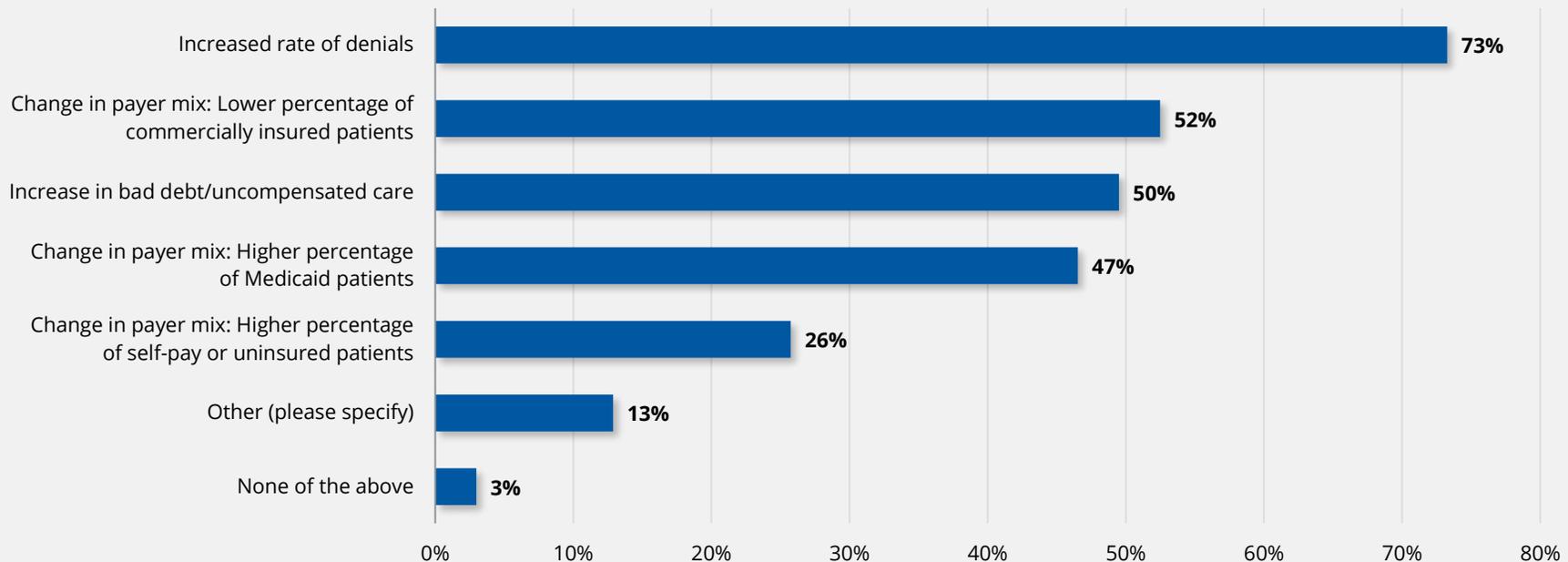
Volume and Revenue (continued)

Revenue

Staffing and capacity issues that put constraints on patient throughput and occupancy rates have obvious implications for revenue. Metrics on length of stay and the number of patients who must be boarded in the emergency department or PACU because of strained capacity should be monitored closely and prioritized for process improvement efforts if they show signs of deterioration.

Denials management is another critical area of focus. Nearly three-fourths of our survey respondents (73%) report an increased rate of denials over the past year (Figure 12). Interviewees note that they are using scorecards to track denial rates by payer and are using that data in contract negotiations. Although interviewees note that denials management is an issue across payers, the problems seem particularly acute in markets that have a higher penetration of Medicare Advantage plans.

FIGURE 12: Impacts on Revenue Cycle Over the Past Year



Note: Respondents were asked to choose all that apply.

Volume and Revenue (continued)

Approximately half of the survey respondents also note a lower percentage of commercially insured patients (52%) and a higher percentage of Medicaid patients (47%). Fifty percent of respondents also report increases in bad debt and uncompensated care. We believe these are indicative of long-term demographic shifts that require two responses.

First, organizations must find a business model that enables them to, at a minimum, break even on government program payments and ideally generate a positive margin. Second, organizations should be proactive in articulating a clear financial assistance policy and engaging patients early in the process to determine their qualifications for financial assistance.

Action Items: Volume, Care Transitions, and Revenue

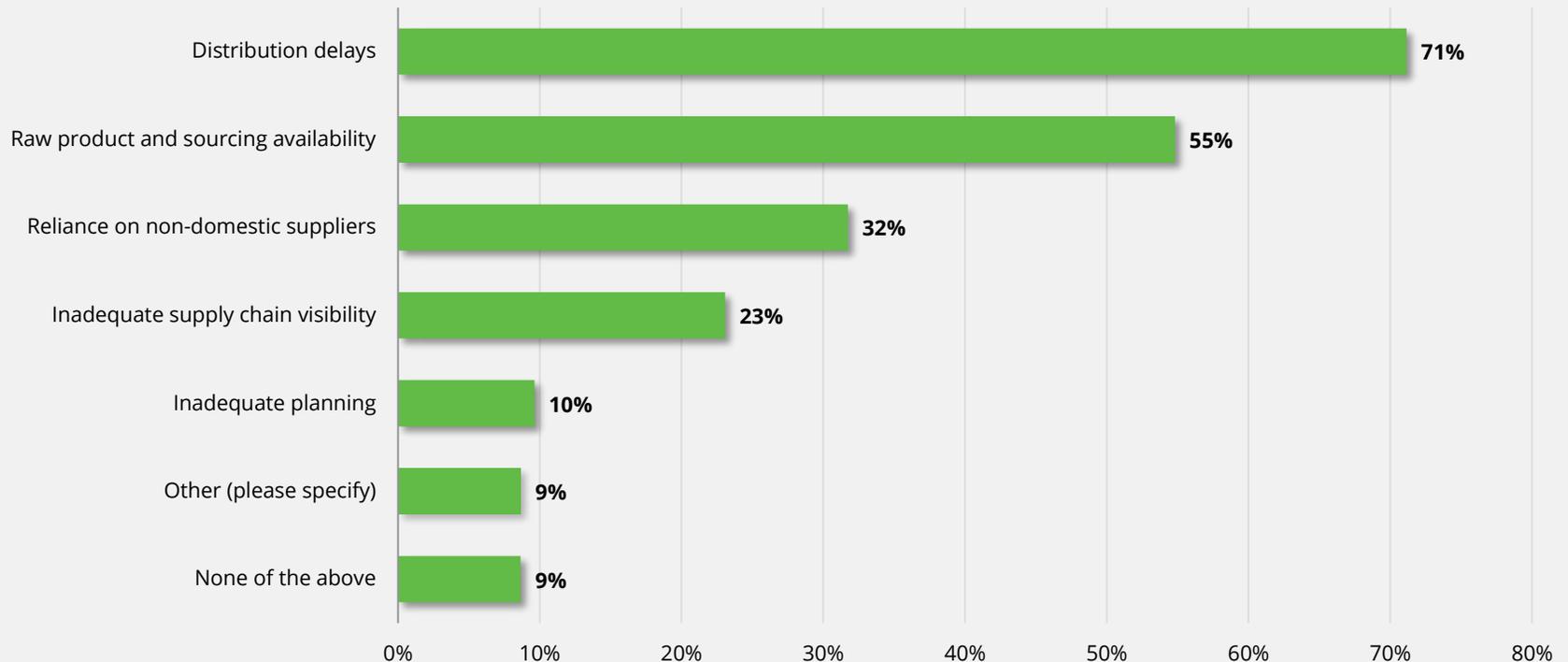
- Designate a specific observation unit, or cohort observation patients together as much as possible.
- Ensure accurate patient status at all points of entry.
- Leverage medical necessity and denial data as catalysts for driving process improvement activities.
- Initiate discharge planning upon admissions.
- Establish processes to train the Chief Medical Officer, medical directors, and physician advisors to educate their provider peers on the importance of length of stay, medical necessity, patient status, and overall patient throughput.
- Implement robust multi-disciplinary rounds to improve patient flow.
- Focus on improving turnaround times in procedural areas for improved efficiency and revenue growth.
- Track claims denial rates by health plan and maintain scorecards comparing performance across health plans. Review these results with the managed care contracting team.

Supplies and Purchased Services

Supply chain issues appear to have improved, with only two factors contributing to disruptions for 50% or more of the survey respondents. Distribution delays are clearly the leading factor, reported by 71% of respondents. Second is raw product and

sourcing availability, reported by 55% of respondents (Figure 13). Interviewees note that these factors are often linked when the inability to source raw product contributes to distribution delays.

FIGURE 13: Factors Contributing to Supply Chain Disruptions



Note: Respondents were asked to choose all that apply.

Supplies and Purchased Services (continued)

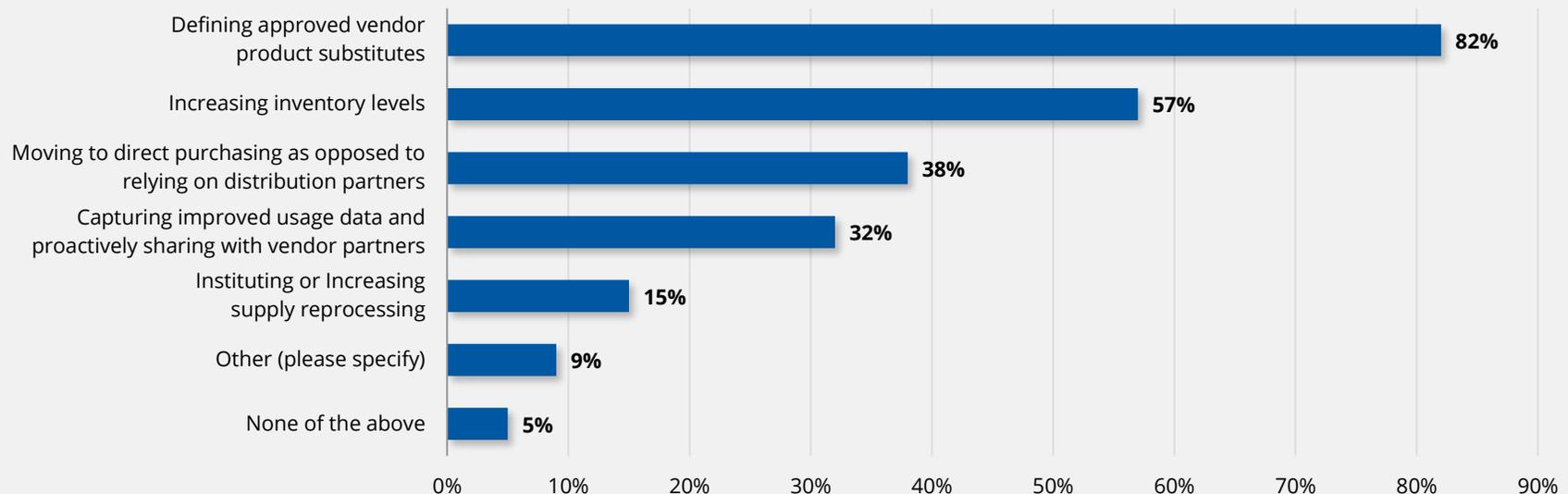
Similarly, two responses stand out as leading tactics. More than 8 in 10 respondents are defining approved vendor product substitutes, and more than half (57%) have increased inventory levels to mitigate potential supply chain disruptions (Figure 14).

As care delivery increasingly moves outside of the hospital walls, a majority of survey respondents are working to standardize supplies across non-acute settings (63%) and, where possible, align acute and non-acute ordering to secure greater volume discounts (55%). Interviewees note that they have had good success working

“Supply chain executives are firefighters by design; they are blamed when it doesn’t work, but their departments are often under-resourced. We need to move supply chain from a transactional to a strategic mindset.”

— Survey Respondent, Local Health System

FIGURE 14: Steps Taken to Mitigate Supply Chain Disruptions



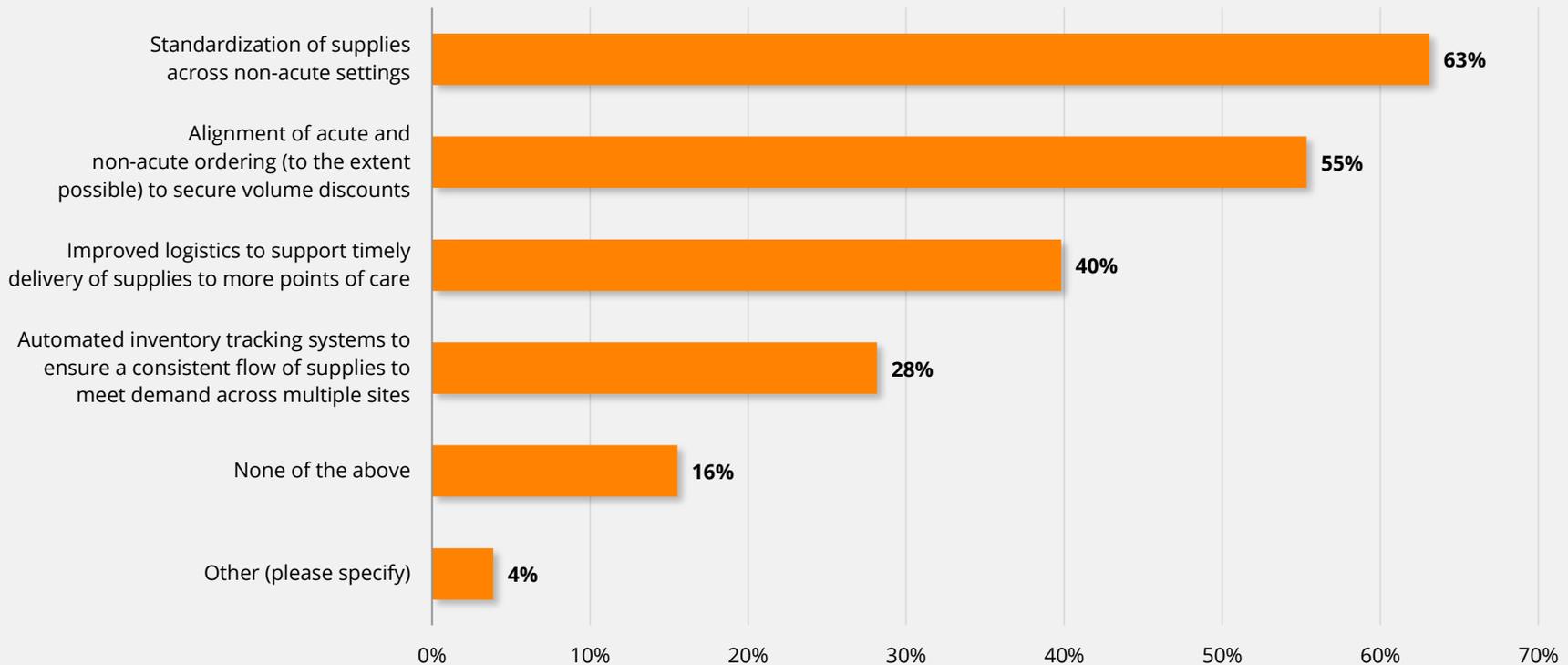
Note: Respondents were asked to choose all that apply.

Supplies and Purchased Services (continued)

with physician leaders on standardization of physician preference items, especially when they have gathered data on cost and patient outcomes that clearly demonstrate the value of one choice over another (Figure 15).

Although many of the supply chain disruptions experienced during the pandemic years appear to have calmed, inflationary pressures are taking a toll on organization’s bottom lines. Fifty-five percent of survey respondents report non-labor expense increases of 6%–10% over the

FIGURE 15: Changes to Supply Chain to Adapt to Care Delivery Outside Hospital Walls



Note: Respondents were asked to choose all that apply.

Supplies and Purchased Services (continued)

past year, and almost one-third (29%) have seen non-labor expense increases of 11% or more (Figure 16). On a positive note, more than three-quarters of survey respondents (77%) say that they have been able to effectively leverage relationships with supply chain vendors to enhance supply assuredness and mitigate inflationary pressures (Figure 17).

Action Items:
Supplies and Purchased Services

- Focus on key strategic relationships with group purchasing organizations (GPOs), distributors, and wholesalers to improve pricing efficiency and supply consistency.
- Partner with clinicians and providers to standardize products as appropriate for improved pricing.
- Purchased services expenses should be reviewed, as those categories are often ignored.

FIGURE 16: Non-Labor Expense Increases Over the Past Year

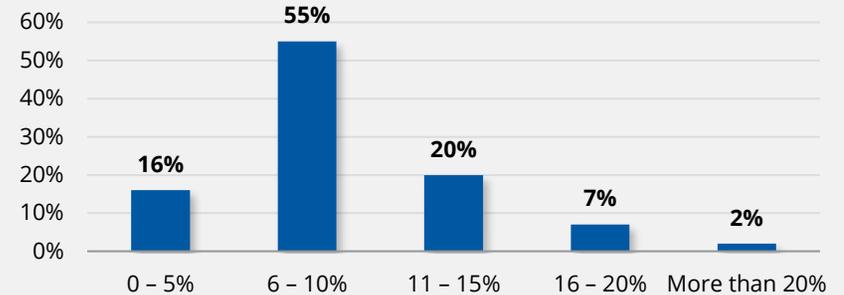
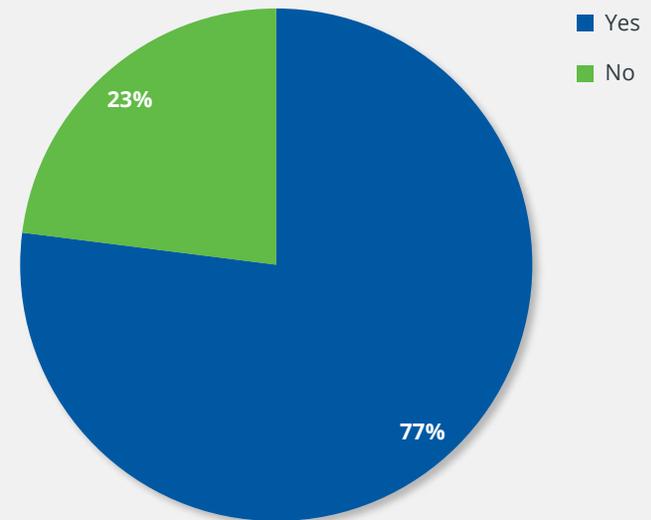


FIGURE 17: Able to Leverage Relationships with Supply Chain Vendors



Physician Enterprise

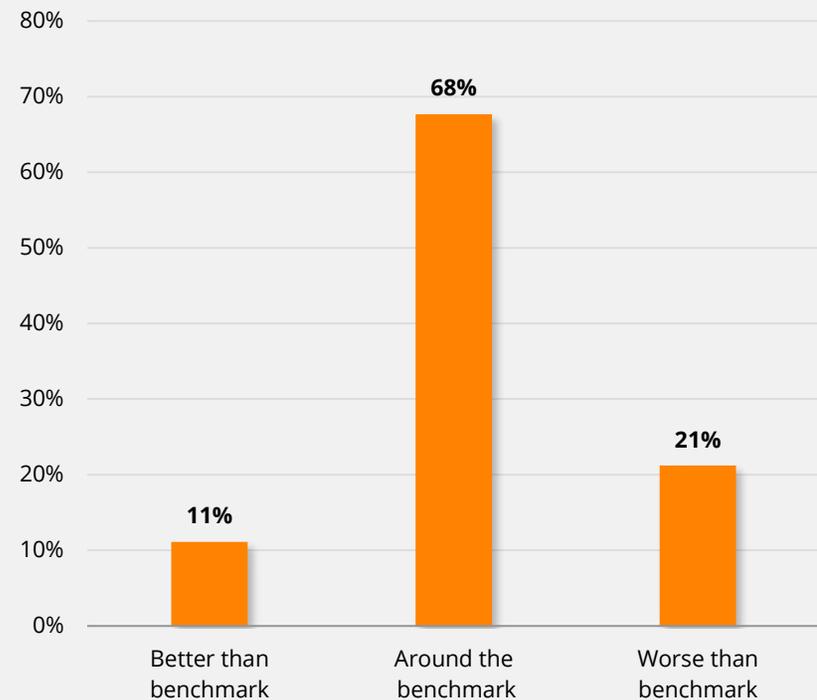
Only one in 10 respondents (11%) report an average subsidiary (or loss) per provider as better than benchmark (Figure 18). According to Kaufman Hall *Physician Flash Report* data, the median subsidy per provider as of Q2 2023 was \$224,243 and the median subsidy per physician was \$291,764. These figures are clearly unsustainable in the long term.

Joint Ventures

The options for physician practice groups continue to proliferate. National health plans offer both direct employment and physician enablement service options. New healthcare start-ups are providing services to help physician practices succeed in at-risk, value-based-care arrangements. Private equity firms have financed expansion of physician practices at both the national and regional level.

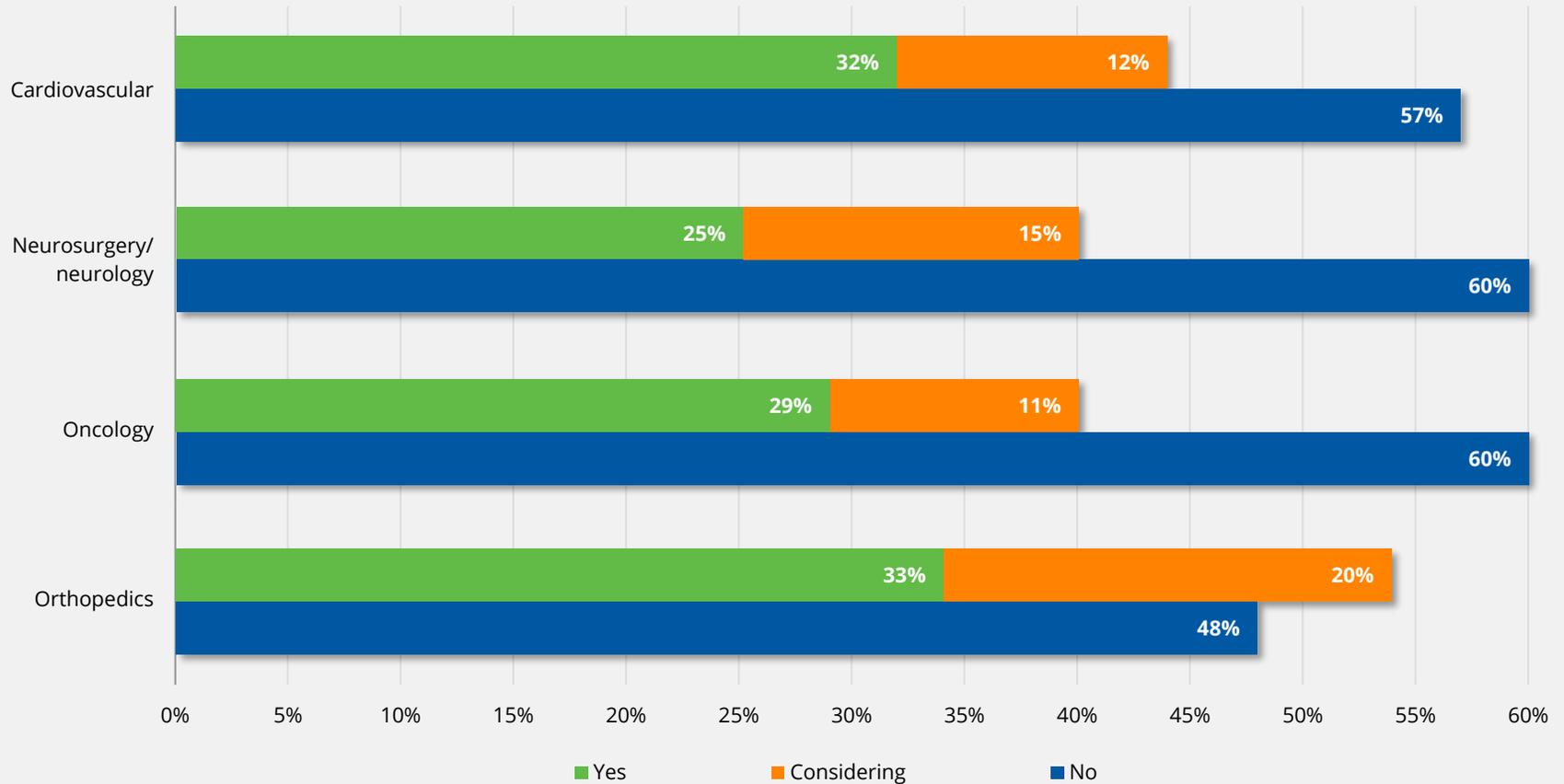
Given the growing competition for physician practices, survey respondents showed a promising interest in joint ventures with key specialties, including cardiovascular, neurosurgery/neurology, oncology, and orthopedics. Approximately one-third of respondents are already in joint ventures with cardiovascular and orthopedic practices and across most specialties, the percentage of respondents who are already in or are considering joint ventures approaches or exceeds 50% (Figure 19).

FIGURE 18: Average Subsidy per Provider



Physician Enterprise (continued)

FIGURE 19: Pursuit of Clinical Care Joint Ventures with Physician Groups in Key Specialties



Physician Enterprise (continued)

Access

Despite high provider subsidies, demand for physician services appears to have strongly rebounded. As noted earlier in this report, almost half of the survey respondents report that demand is above pre-pandemic levels at provider clinics, and nearly two-thirds of respondents (63%) say their organization is struggling to meet demand for patient access to its physician enterprise (Figure 20). Those struggles are reflected in an increase in patient concerns or complaints about access to the physician enterprise reported by approximately one-third (32%) of respondents (Figure 21).

“Idle capacity in our physician enterprise is the result of inconsistent processes. We are reducing the number of templates and resetting productivity targets. We are losing revenue on patients who are loyal to our system but can’t get in.”

— Survey Respondent, Regional Health System

FIGURE 20: Ability to Meet Demand for Patient Access to Physician Enterprise

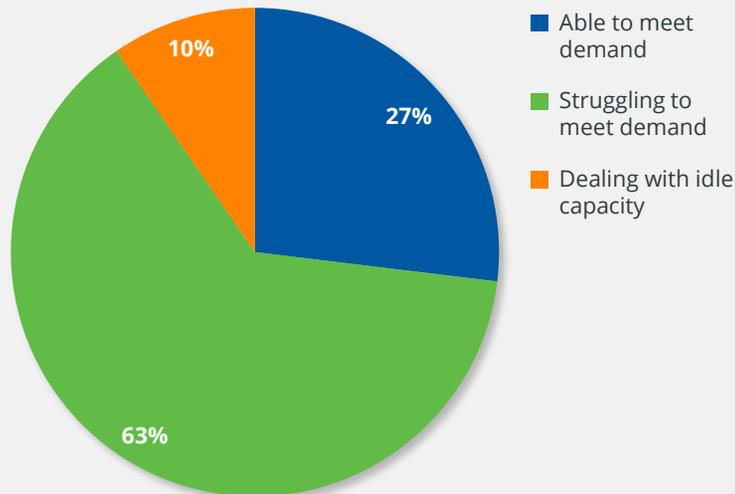
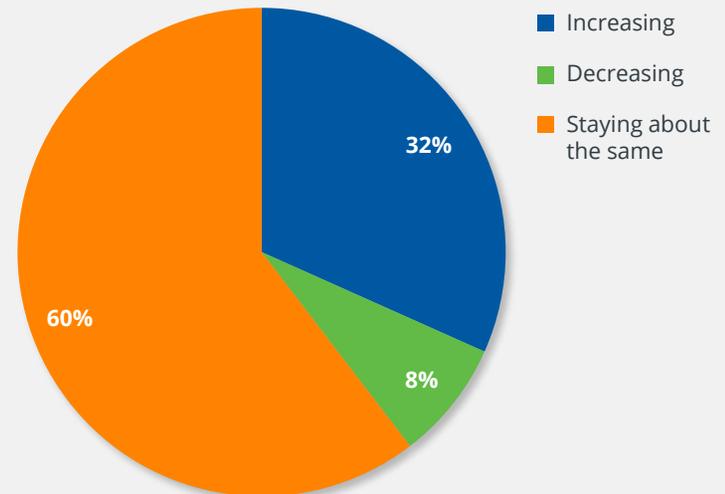


FIGURE 21: Status of Patient Concerns/Complaints About Access to Physician Enterprise



Physician Enterprise (continued)

Action Items: Physician Enterprise

- Explore joint ventures with your physicians. In most markets, it is only a matter of when and with whom; do not be surprised if your physicians decide to joint venture with someone else if you are not talking with them.
- Open up physician templates to improve patient access. Your contact center cannot schedule patients if they do not have provider slots available to fill. When was the last time you reviewed templates to ensure schedulable hours are meeting expectations?
- Consider ways to create alternative fast-pass access routes to get patients into your system. For example, many health systems are leveraging advanced practice providers (nurse practitioners and physician assistants) to see patients quickly and get diagnostics ordered for follow-up appointments with specialist physicians, which might take a few weeks to schedule.

Balance Sheet

Bolstering an organization’s financial performance is a primary goal of performance improvement initiatives, and the balance sheet benefits to the extent improved performance enables the organization to strengthen its financial reserves, increase its debt capacity, and build headroom for covenants in existing debt obligations. But performance improvement initiatives focused on the balance sheet itself also can drive enhanced financial performance, with opportunities in the organization’s debt structure, treasury operations, and real estate portfolio (Figure 22).

Debt Structure

Identifying opportunities within an organization’s existing debt structure begins with a catalog of current debt obligations, including par value, maturity and call dates, debt structure, source of covenants (e.g., the master trust indenture or private placement debt), and a summary of covenants across the various sources to identify potential covenant challenges.

FIGURE 22: An Expanded View of Performance Improvement Opportunities



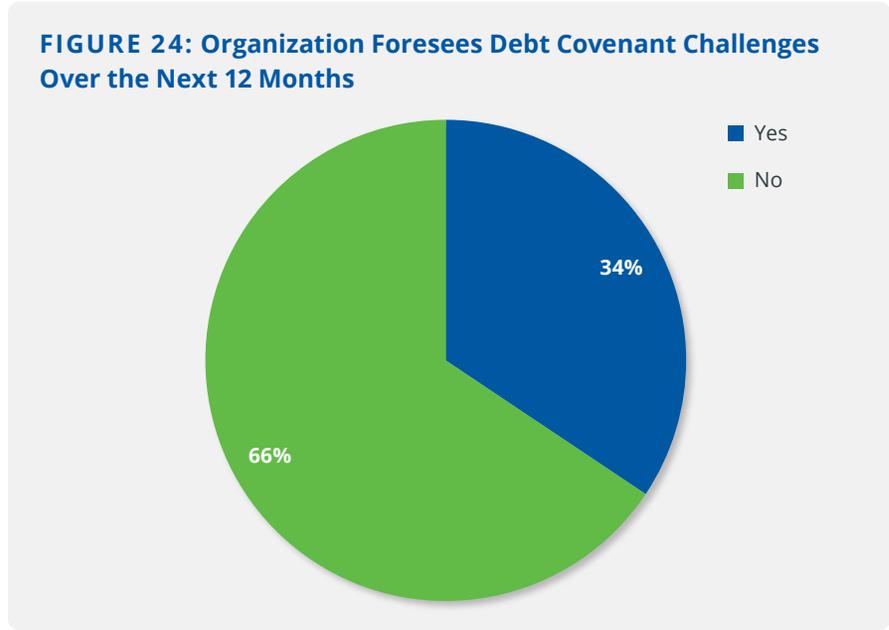
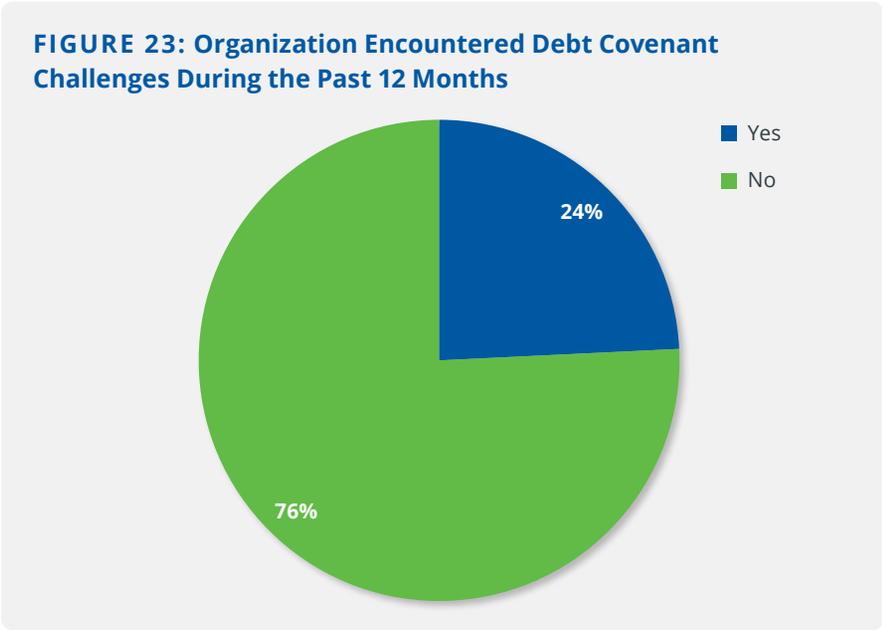
Balance Sheet (continued)

With this catalog in place, organizations can first consider opportunities to refund or restructure existing debt. Modifying debt service requirements or refunding debt with particularly onerous covenants might be a priority; another option is to work with creditors to restructure principal amortizations of debt, especially if the organization is facing financial challenges.

These challenges—and the prospect of breaching debt covenants—were very real for survey respondents over the past year and remain a concern for the year ahead. One in four respondents (24%) say their organization encountered debt covenant challenges

“We had a near miss on our covenants several years ago. We have made it a priority to make sure that it doesn’t happen again. The reserves we have built up have made it easier to get through the past few years.”
 — Survey Respondent, Local Health System

during the past 12 months and an even higher percentage (34%) foresee challenges with respect to debt covenants over the next 12 months (Figures 23 and 24). These percentages likely exceed



Balance Sheet (continued)

the percentage of organizations that actually breached a covenant: interviews with survey respondents that had indicated a challenge revealed that many feared a breach, but ultimately managed to avoid it. Nonetheless, these high percentages reflect the extent to which organizations continue to struggle with financial performance in the post-Covid environment.

Treasury Operations

When asked to rank the extent to which their organization has maximized the financial and operational value of its treasury function, survey respondents averaged just above 6 out of a possible 10 (Figure 25). This suggests significant opportunity for improvement within treasury operations and aligns with Kaufman Hall’s experience that meaningful opportunities can be found in almost all organizations.

Performance improvement opportunities within treasury operations lie within two main areas: financial savings and operational efficiency. Financial savings can be realized, for example, by initiating a banking RFP to reduce fees or optimizing a commercial card program to



enhance rebate terms with card issuers. Operational efficiencies can be achieved through streamlining end-to-end workflows or reducing the number of manual processes required. Here again, automation and various software solutions hold particular promise, reducing time for cash positioning and forecasting, automating general ledger entry posting, and decreasing the need for manual adjustments for cash application in the accounts receivable process.

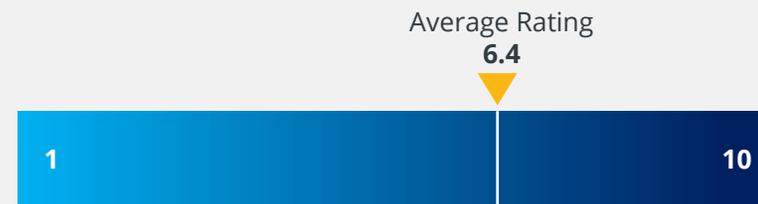
*Balance Sheet (continued)***Real Estate Portfolio**

Survey respondents also indicated that, on average, their organization has a less than full understanding of its real estate portfolio, with an average ranking of just above 6 on a scale of 10 (Figure 26). Opportunities within the real estate portfolio can be significant: one interviewee noted that his organization had taken advantage of a merger to do a full inventory of the combined real estate portfolio and had uncovered multiple opportunities for consolidation of facilities and monetization of underutilized facilities.

A comprehensive inventory of the organization's real estate portfolio is the first step in optimizing the portfolio's performance. With an inventory in place, organizations can consider opportunities for:

- **Reducing operating expenses.** This could include identifying opportunities for consolidating services or functions within a single facility or vacating leases at identified locations to reduce operating costs.
- **Maximizing space utilization and efficiency.** Opportunities include relocating services to owned assets or assets leased at favorable rates, or acquiring well-utilized leased assets, with opportunities for potential real estate tax reductions.
- **Enhancing the balance sheet.** Monetizing underperforming or underutilized assets can provide access to unrestricted liquidity; alternative ownership structures (e.g., a sale/leaseback with a repurchase option) can help meet short-term capital needs.

FIGURE 26: Extent to Which Organization Understands Its Real Estate Portfolio



- **Pursuing strategic portfolio opportunities.** Crafting standardized processes for real estate projects can optimize project value and enhance management control; certain software solutions can enhance portfolio management.

The median ratio of property, plant, and equipment (PPE) to total balance sheet assets for health systems is approximately 30%,² and the real estate portfolio comprises a large portion of PPE. There are significant opportunities for most health systems to put the real estate portfolio in service of the organization's financial and strategic goals through a strategic approach to real estate portfolio optimization.

² Kaufman Hall analysis of data from Moody's Investors Service, Inc., and Definitive Healthcare Corp. as of fiscal year 2022.

Balance Sheet (continued)**Action Items: Balance Sheet**

- Catalog current debt obligations. Use this catalog to identify opportunities for restructuring principal amortizations of debt to relieve financial pressures, or to modify debt service requirements or refund debt with particularly onerous covenants.
- Conduct a current state analysis of your organization's treasury operations. Use this analysis to benchmark against leading industry insights and best practices and identify gaps that represent attainable targets for value generation.
- Complete a comprehensive inventory of your organization's owned and leased real estate assets. Use this inventory to segment the real estate portfolio by asset type and other key characteristics, then use this comprehensive and organized view of the portfolio to make informed decisions on an asset-by-asset basis across the portfolio based on considerations such as quality, location, utilization, and cost of the asset.

Improvement Insights

Interviews with eight of the survey respondents—representing a range of health system sizes and geographies—provided insights on how to optimize the success of performance improvement initiatives and adapt to a rapidly evolving healthcare environment.

Learn from others. An interviewee at a smaller health system noted that small- to medium-sized systems do not always have the resources available to pilot an unproven program. They may not be able to be the first to innovate, but they can learn from the experiences of others. After studying the results of early hospital-at-home programs, they have decided to implement a hybrid program that moves lower acuity patients to a hospital-at-home setting after 72 hours of inpatient care. They learned, for example, that asking a patient who has been admitted for heart failure to opt into a hospital-at-home program immediately can result in adoption rates that can be just 20% of what pro formas indicate are needed to meet the investment in the program. “A patient shows up with heart failure, is told they can go home for treatment, and the patient looks at his spouse and says, um, no thank you.” The 72 hours of inpatient care are reassuring for the patient and family members; in the meantime, the health system can accelerate diagnostics and the treatment plan and send someone to the patient’s home to ensure that it connected and able to accommodate the patient, who will be supported at home by virtual care and a daily visit from a nurse after discharge to the hospital-at-home program. The major win for the health system comes from improving throughput and increasing bed capacity.

“We have a cost structure to support a revenue structure that doesn’t exist anymore.”

— Survey Respondent, Regional Health System

Align governance capabilities with health system needs. An interviewee whose organization has been actively pursuing joint ventures with physician groups—often with the support of third-party private equity investors—called out a committee member who is a physician and also runs a private equity firm and invests in technology companies. “He taught us a different way to think.” The joint ventures the health system has developed in areas such as imaging, ambulatory surgery, and orthopedics are some of the system’s best-performing assets “because the physicians are engaged and aligned.”

Look past conventional wisdom. Constrained post-acute-care capacity has been identified as a pain point that has driven up length-of-stay metrics for many health systems. But an interviewee noted that when his organization took a serious look at what was behind patient throughput issues, they discovered that post-acute-care capacity was *an* issue, but not the *predominant* issue. “We discovered that our discharge planning was not as strong as it could be, and that we were not really working the cases with very long lengths of stay.

Improvement Insights (continued)

The number of patient diversions we had last year probably represented \$80 million in foregone revenue. These were not because of a lack of capabilities, but because of a lack of bed capacity.”

Align incentives to market realities. One interviewee noted that they were losing a lot of recent nursing hires at 24 months, right around the minimum experience requirement for traveling nurse agencies. His health system has an allied health school and offers free tuition support to students who will sign a five-year work commitment. This has resulted in significant wins: “We find that if we can incentivize staff to stay for at least three years, they will stay for seven. The length of the work commitment they sign gives them time to settle into the community and develop relationships that make them far less likely to leave.” Many interviewees also noted that they are hiring new nursing graduates directly into specialty units rather than having them first complete a medical-surgical rotation. But placement in a specialty unit typically comes with a pay differential, and organizations must now focus on adjusting those differentials so work on med-surg units is not disincentivized.

“Never be afraid to cannibalize yourself.” In Walter Isaacson’s biography of Apple cofounder Steve Jobs, Jobs is quoted as saying, “If you don’t cannibalize yourself, someone else will.” An interviewee who has entered an ambulatory surgery center (ASC) joint venture with an independent multi-specialty physician group in their market cited this quotation as an imperative to be forward-thinking in strategy. The health system was well aware of growing competition for physician practices and ASC joint venture opportunities and wanted to move first before others entered the market. The system has also done an analysis of site-neutral revenue at risk in areas such as gastrointestinal, orthopedics, and medical imaging. While they will keep fighting the battle to justify payment differentials for hospital-based services, they also understand they need to be aware and ready to shift if that battle is lost.

Accelerate transformation. “We have a cost structure to support a revenue structure that doesn’t exist anymore. We need to be aggressive in getting at overhead and management layers, realizing the benefits of integration, spreading best practices, and looking at shared service opportunities,” one interviewee noted. These changes can be difficult and disruptive, and the longer they are spread out, the more morale can suffer. “Financial imperatives aside, you cannot subject an organization to these changes year after year.”

About the Report

This year's report was based on responses from 106 hospitals and health system leaders from across the country. Most respondents are in executive leadership (62%) or finance (12%) roles; clinical management, operations, strategy, and quality functions are also represented. We also interviewed eight respondents, representing rural, suburban, urban, and academic health systems of varying sizes and geographies. Interviewees' insights are distributed throughout the report. Virtually all the survey respondents (98%) are in single hospitals

or hospital-based systems; this includes the 4% of respondents who indicated "other" but preferred to identify their organization as an integrated delivery network, for example, or noted that their organization also owns a health plan. The remaining respondents (2%) are in medical groups (Figure 27). All regions of the country are represented, including the Northeast (49%), South (10%), Midwest/ Great Plains (26%), and West (15%). Respondent organizations serve urban (28%), suburban (32%), and rural (40%) populations (Figure 28).

FIGURE 27: Size and Type of Respondent Organizations

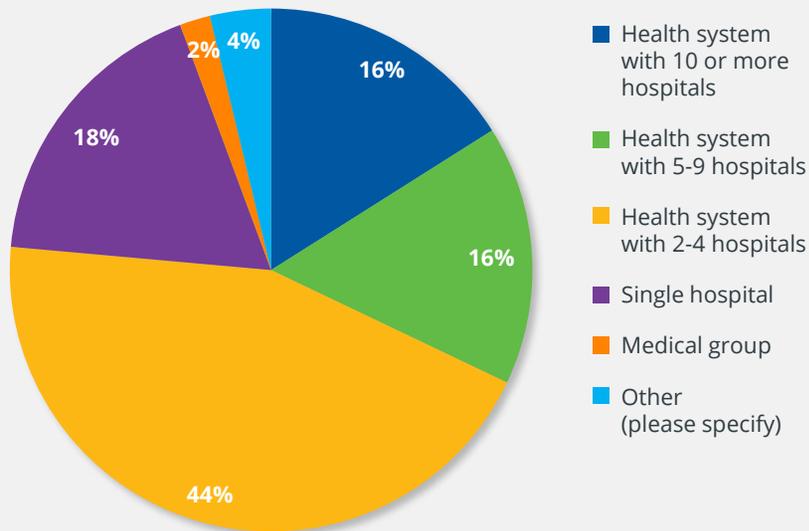
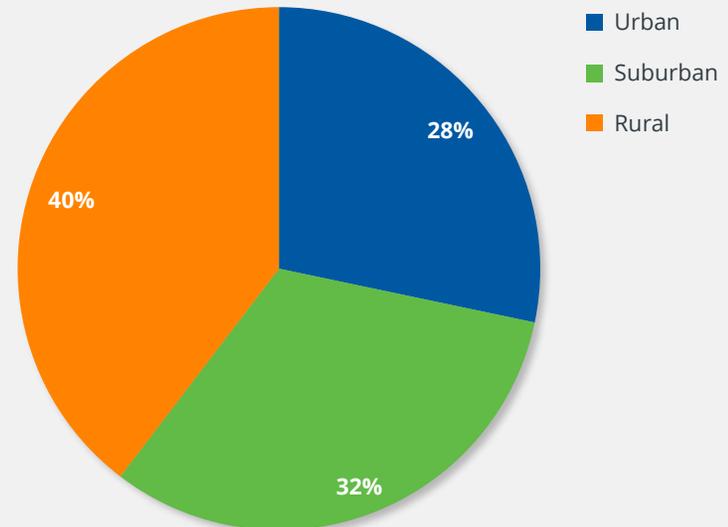


FIGURE 28: Respondent Organizations by Market



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BofA Weekly Healthcare Update

Week of October 27, 2023



Tax-Exempt Market Overview – 30 Year MMD Increased⁽¹⁾

- 30 Year MMD increased by 4 basis points to 4.57% this week.
- Tax-exempt bond funds saw \$934.7 million of outflows this week.
- Tax-exempt municipal money market fund asset increased by \$1.39 billion, bringing total net assets to \$119.44 billion.
- SIFMA index decreased by 10 basis points, moving from 4.19% to 4.09%, a SIFMA/1D SOFR ratio of 77%.
- A tax-exempt healthcare issue priced this week for Vanderbilt University Medical Center.

Taxable Market Overview – 30 Year UST Decreased⁽¹⁾

- 30 Year UST decreased by 10 basis points to 5.01% this week.
- Corporate Investment Grade Bond funds saw \$3.177 billion of outflows this week.
- Taxable municipal money market fund assets increased by \$19.41 billion, bringing their total to \$5.45 trillion.
- No taxable healthcare issues priced this week.

Macro Overview⁽²⁾

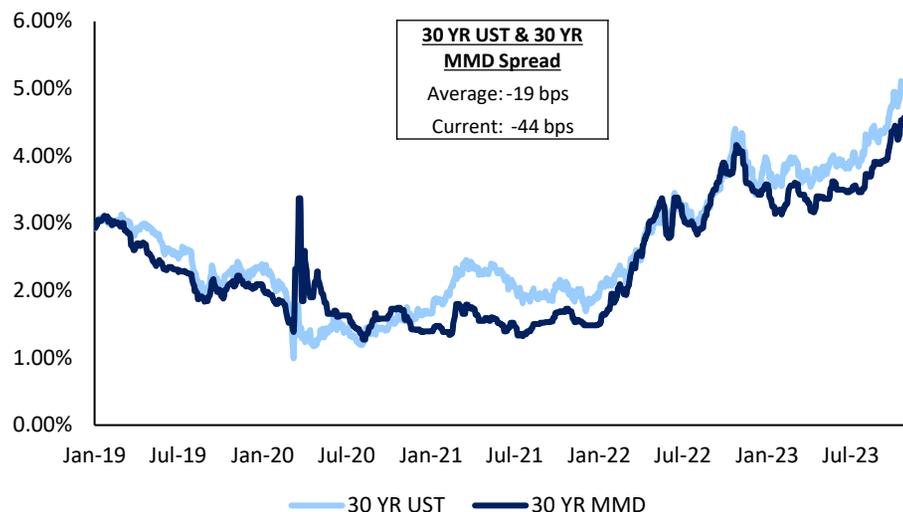
- The nation's economy expanded at a robust 4.9% annual rate from July through September as Americans defied higher prices, rising interest rates and widespread forecasts of a recession to spend at a brisk pace. The economy expanded last quarter at the fastest pace in nearly two years, more than twice the 2.1% annual rate of the previous quarter.
- The core personal consumption expenditures price index, which the Federal Reserve uses as a key measure of inflation, increased 0.3% for the month, in line with the Dow Jones estimate and above the 0.1% level for August.
- The federal government wound up its fiscal year in September with a deficit just shy of \$1.7 trillion, up 23.2%, from fiscal year 2022.

BofA Weekly Healthcare Update

Tax-Exempt and Taxable – Fixed Rates



MMD & UST Fixed Rates (1)



Rate Trends and Ratios (1)

	Current	Change Over the Last Week	Change YTD	10 Year Average
10 Year UST	4.86%	(0.12%)	1.15%	2.29%
30 Year UST	5.01%	(0.10%)	1.23%	2.80%
10 Year MMD	3.59%	0.00%	1.01%	1.93%
30 Year MMD	4.57%	0.04%	1.07%	2.71%
10 Year MMD / UST	73.87%	72.09%	69.54%	84.50%
30 Year MMD / UST	91.22%	88.65%	92.59%	96.60%

Date	9/21/23	9/28/23	10/5/23	10/12/23	10/19/23	10/26/23
Revenue Bond Index (RBI)	4.18%	4.37%	4.40%	4.25%	4.47%	4.47%

Tax-Exempt Healthcare Yields (3)

YRS	TE Healthcare Aa/AA	Spread to Benchmark MMD	TE Healthcare A2/A	Spread to Benchmark MMD	TE Healthcare Baa2/BBB	Spread to Benchmark MMD	Benchmark MMD
1	3.84%	8 bps	4.16%	40 bps	4.46%	70 bps	3.76%
2	3.77%	12 bps	4.15%	50 bps	4.40%	75 bps	3.65%
3	3.75%	20 bps	4.10%	55 bps	4.35%	80 bps	3.55%
4	3.73%	22 bps	4.11%	60 bps	4.36%	85 bps	3.51%
5	3.74%	25 bps	4.14%	65 bps	4.39%	90 bps	3.49%
6	3.78%	27 bps	4.19%	68 bps	4.46%	95 bps	3.51%
7	3.86%	32 bps	4.26%	72 bps	4.54%	100 bps	3.54%
8	3.93%	37 bps	4.31%	75 bps	4.61%	105 bps	3.56%
9	3.98%	40 bps	4.36%	78 bps	4.68%	110 bps	3.58%
10	4.04%	45 bps	4.39%	80 bps	4.74%	115 bps	3.59%
20	5.03%	70 bps	5.18%	85 bps	5.53%	120 bps	4.33%
30	5.32%	75 bps	5.52%	95 bps	5.87%	130 bps	4.57%

Index Eligible Taxable Healthcare Yields (4)

YRS	Taxable Healthcare Aa/AA	Spread to Benchmark UST	Taxable Healthcare A2/A	Spread to Benchmark UST	Benchmark US Treasury
1	6.09%	70 bps	6.49%	110 bps	5.39%
2	5.52%	50 bps	5.92%	90 bps	5.02%
3	5.44%	55 bps	5.89%	100 bps	4.89%
4	5.44%	65 bps	5.89%	110 bps	
5	5.49%	70 bps	5.94%	115 bps	4.79%
6	5.66%	80 bps	6.11%	125 bps	
7	5.76%	90 bps	6.21%	135 bps	4.86%
8	5.91%	105 bps	6.36%	150 bps	
9	5.96%	110 bps	6.41%	155 bps	
10	6.01%	115 bps	6.46%	160 bps	4.86%
20	6.21%	120 bps	6.66%	165 bps	
30	6.31%	130 bps	6.76%	175 bps	5.01%

1) Source: Thomson Reuters as of 10/26/2023.

2) Source: Bond Buyer, 25-Bond Revenue. Revenue bonds maturing in 30 years are used in compiling this index.

3) Indicative as of 10/26/2023. Assumes 5% coupons and yields reflect yields to call. Rates displayed are not specific to any borrower. Actual rates will depend on many variables including notch-specific credit rating, size, call provisions, state of issuance and other factors.

4) Indicative as of 10/26/2023. Yields for non-index eligible bonds are calculated at 25 basis points below the relevant index rate. Actual rates will depend on many variables including notch-specific credit rating, size, call provisions and other factors.

BofA Weekly Healthcare Update



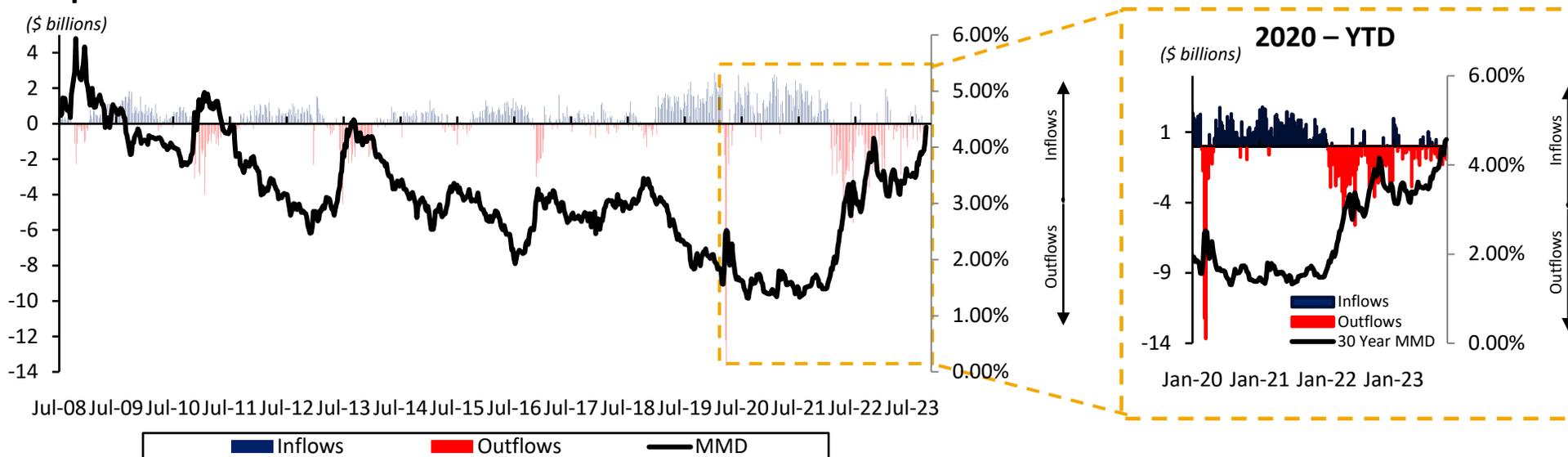
Tax-Exempt bond funds experienced approximately \$934.7 million of outflows this week.

Economic Data: Upcoming Reports and Forecasts ⁽¹⁾

BOFA INTEREST RATE FORECAST				
	4Q23	1Q24	2Q24	3Q24
Fed Funds	5.50-5.75	5.50-5.75	5.25-5.50	5.00-5.25
2Y UST (%)	4.75	4.55	4.35	4.20
5Y UST (%)	4.30	4.10	4.05	3.95
10Y UST (%)	4.00	3.80	3.75	3.65
30Y UST (%)	4.20	4.00	3.95	3.85

SELECTED ECONOMIC DATA REPORTS			
Date	Economic Event	Date	Economic Event
10/31/2023	Consumer Confidence	11/3/2023	Average Hourly Earnings
11/1/2023	ADP Employment Change	11/3/2023	Employment Report
11/1/2023	S&P Global Manufacturing PMI	11/3/2023	S&P Global US Services PMI
11/1/2023	ISM Manufacturing PMI	11/3/2023	Factory Orders
11/1/2023	FOMC Rates Decision	11/3/2023	ISM Services
11/2/2023	Initial Jobless Claims	11/6/2023	Consumer Credit Changes

Municipal Bond Fund Inflows and Outflows ⁽²⁾



1) Source: BofA US Economic Weekly 10/26/2023.

2) Lipper U.S. Fund Flows as of 10/26/2023; data includes weekly and monthly reporting funds.

BofA Weekly Healthcare Update

Short-Term Market Update: Current Environment



Recent SIFMA Index Resets

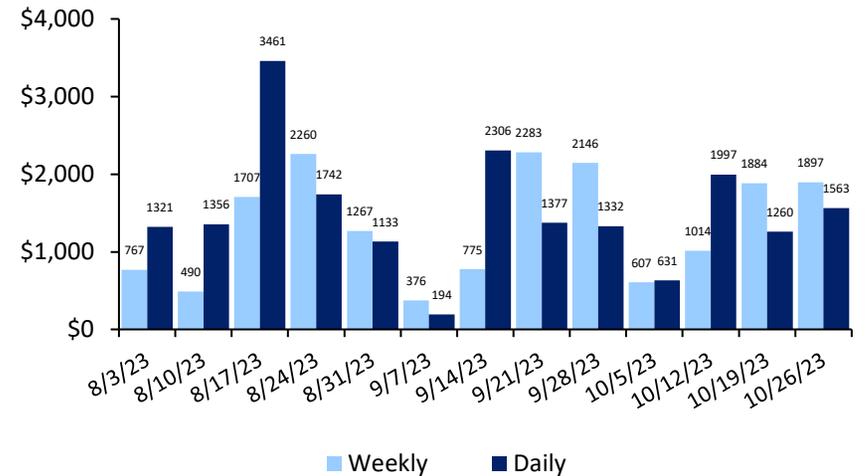
Reset Date	9/21/23	9/28/23	10/5/23	10/12/23	10/19/23	10/26/23
SIFMA	4.31%	3.98%	3.36%	3.19%	4.19%	4.09%
Trend (wk/wk)	1.34%	-0.33%	-0.62%	-0.17%	1.00%	-0.10%
SIFMA/1D SOFR (%)	81%	75%	63%	60%	79%	77%

	Current
1M BSBY	5.38%
1D SOFR	5.30%
1M SOFR	5.33%

Weekly Observations

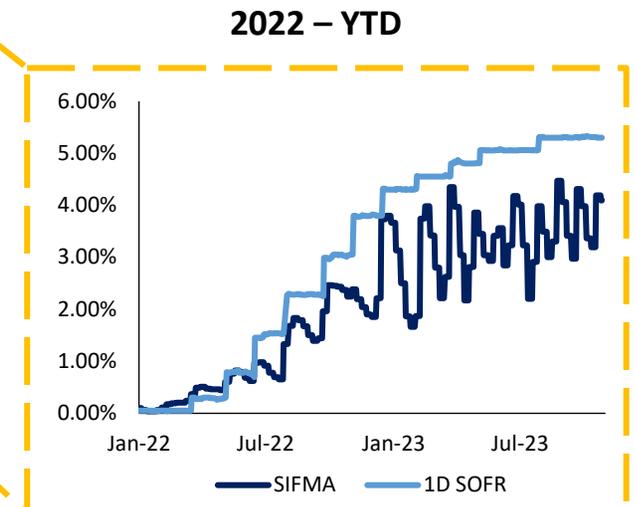
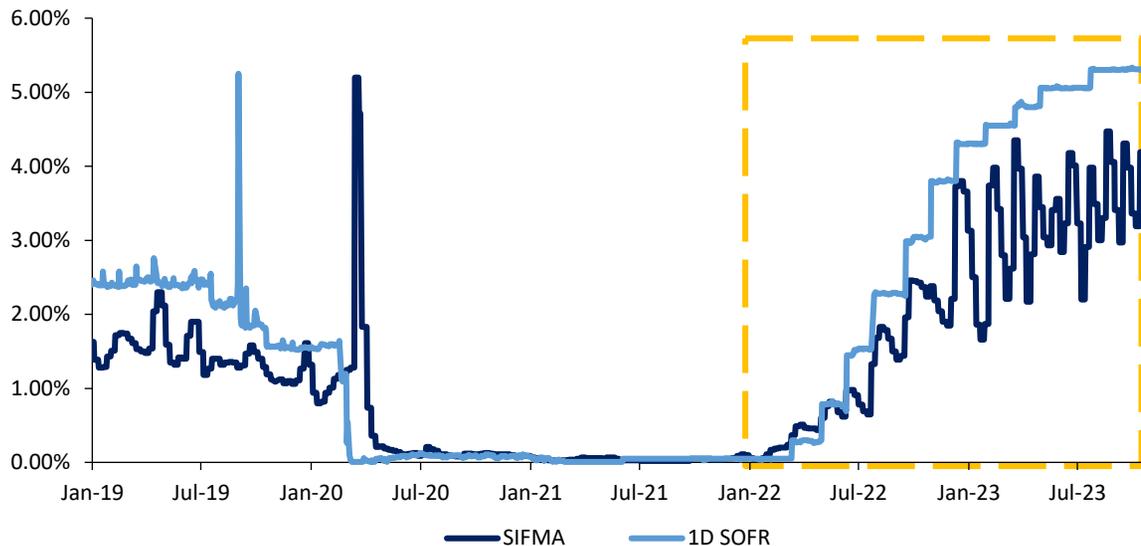
- SIFMA decreased by 10 basis points to 4.09%
- Weekly dealer VRDO inventory increased by \$13 million
- Daily dealer VRDO inventory increased by \$303 million

BOOM Reported Dealer VRDO Inventory (\$MM)⁽¹⁾



	SIFMA	1D SOFR	SIFMA/SOFR Ratio
Current	4.09%	5.30%	77%
3 Month Avg.	3.68%	5.30%	69%
6 Month Avg.	3.49%	5.17%	68%

Index Resets and SIFMA/1M SOFR Ratio Since 2019



BofA Weekly Healthcare Update

Recent Healthcare Deals



Tax-Exempt Deals Priced

Issuer	State	Rating ⁽¹⁾	Structure	Maturity Date	Coupon ⁽²⁾	Yield ⁽³⁾	Spread to MMD	Managers	Total Par	Timing
Vanderbilt University Medical Center	TN	NR/A/A	TE Fixed Rate	2033	5.00%	4.37%	78 bps	BofA	\$145,145,000	10/26/2023

Tax-Exempt Deals in the Pipeline

Issuer	State	Rating ⁽¹⁾	Structure	Maturity Date	Coupon ⁽²⁾	Yield ⁽³⁾	Spread to MMD	Managers	Total Par	Timing
Westchester Medical Center	NY	NR/BBB-/NR/BBB- ⁽⁵⁾	TE Fixed Rate	2053	TBD	TBD	TBD	BofA	\$298,470,000	11/9/2023

Taxable Deals Priced

No taxable healthcare deals have priced this week.

Taxable Deals in the Pipeline

No taxable healthcare deals have printed this week.

(1) Ratings are displayed in the following order: Moody's/S&P/Fitch.

(2) Coupon of final maturity.

(3) Premium bonds priced to call, discount bonds priced to maturity if applicable.

(4) Maturity is insured by Assured Guaranty.

(5) Westchester Medical Center is utilizing an underlying rating of BBB- from Kroll instead of a Ba1 rating from Moody's.

BofA Weekly Healthcare Update

Recent Industry Rating Actions



MOODY'S

Date	Health System	State	Action	New		Prior	
				Rating	Outlook	Rating	Outlook
10/27/2023	University of Pennsylvania Health System	PA	Affirmed	Aa3	Stable	Aa3	Stable
10/24/2023	Memorial Sloan Kettering Center	NY	Outlook Revised	Aa3	Stable	Aa3	Negative
10/24/2023	Westchester Medical Center	NY	Downgraded	Ba1	Negative	Baa3	Negative
10/23/2023	Children's Hospital	MA	Outlook Revised	Aa2	Negative	Aa2	Stable

S&P Global

Date	Health System	State	Action	New		Prior	
				Rating	Outlook	Rating	Outlook
10/25/2023	Luminis Health	MD	Downgraded	A-	Stable	A	Negative
10/25/2023	Centra Health	VA	Outlook Revised	A-	Positive	A-	Stable
10/24/2023	Scotland Memorial Hospital	NC	Outlook Revised	A-	Positive	A-	Stable
10/23/2023	Ochsner Clinic Foundation	LA	Affirmed	A	Stable	A	Stable
10/23/2023	Summit Pacific Medical Center	WA	New Rating	BB+	Stable	-	-
10/23/2023	Cape Cod Healthcare	MA	Affirmed	A	Stable	A	Stable
10/20/2023	Kootenai Health	ID	Affirmed	A	Negative	A	Negative
10/20/2023	Grande Ronde Hospital	OR	Affirmed	BBB	Stable	BBB	Stable
10/20/2023	Vanderbilt University Medical Center	TN	Affirmed	A	Stable	A	Stable

FitchRatings

Date	Health System	State	Action	New		Prior	
				Rating	Outlook	Rating	Outlook
10/25/2023	Virtua Health	NJ	Affirmed	AA-	Stable	AA-	Stable
10/25/2023	Bayhealth Medical Center	DE	Affirmed	AA	Stable	AA	Stable
10/24/2023	Hawai'i Pacific Health	HI	Affirmed	AA-	Stable	AA-	Stable
10/23/2023	Vanderbilt University Medical Center	TN	Affirmed	A	Stable	A	Stable

BofA Weekly Healthcare Update

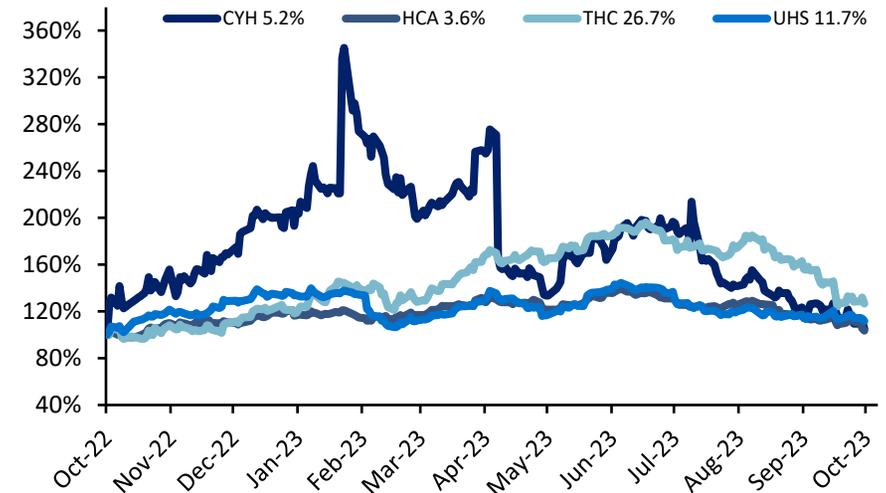
Strategic Advisory



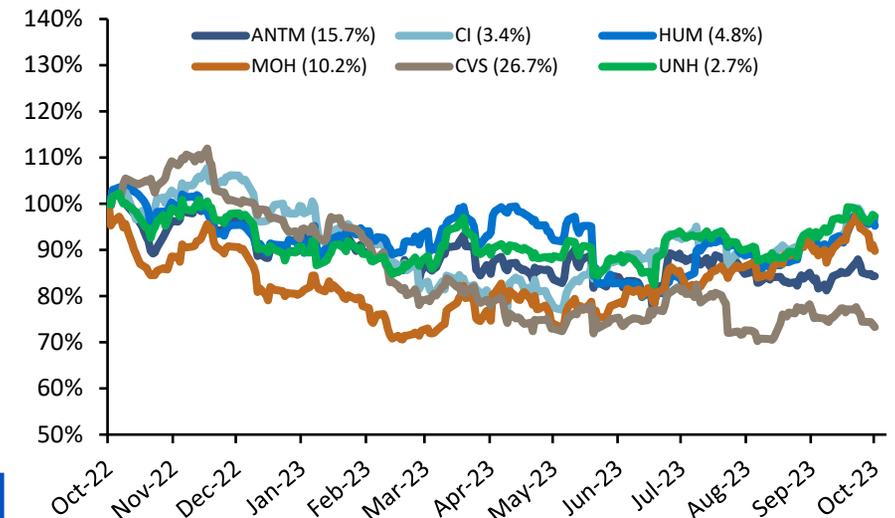
Recent M&A News⁽¹⁾

- Kittanning, PA-based Armstrong County Memorial Hospital is weighing whether to become part of DuBois-based Pennsylvania Mountains Care Alliance, a collaborative of independent community hospitals.
- Stalling by Mercy Iowa City hospital authorities over the facility's sale is causing employees to leave and patients to cancel procedures.
- Yale New Haven (CT) Health has resumed negotiations with Connecticut officials about a proposed deal for the system to acquire three hospitals from Prospect Medical Holdings.
- The Ascension-owned Michigan hospitals transferring to Detroit-based Henry Ford Health had a total revenue of \$3.4 billion in fiscal 2023 and operated at a loss.
- Auction-winning bondholder Preston Hollow Community Capital says Mercy Iowa City hospital is handing over obligations to fund continued operating losses in a way that has caused an impasse in any eventual sale of the facility.
- Pittsburgh-based UPMC said it has entered into an integration and affiliation agreement with Washington (PA) Health System.
- Trinity Health may initially be losing money on the September 2022 acquisition of MercyOne, but the 16-medical-center network is fast becoming a key revenue source for the Livonia, MI-based health system.

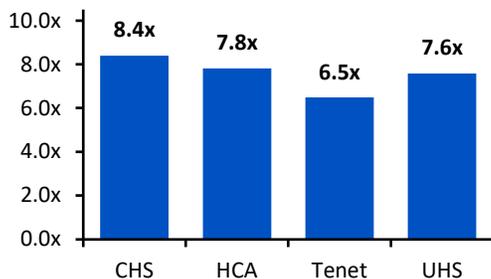
Indexed Healthcare Stock Price Performance⁽²⁾



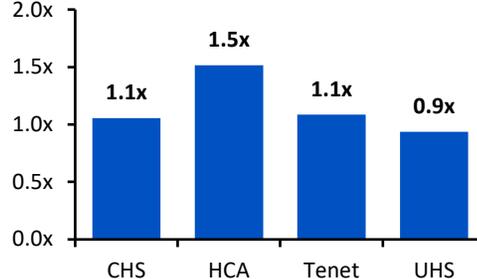
Indexed Managed Care Stock Price Performance⁽²⁾



Enterprise Value / EBITDA⁽²⁾



Enterprise Value / Revenue⁽²⁾



(1) Source: Becker's Hospital Review

(2) Source: Bloomberg as of 10/26/2023; Percentages are based on most recent date's price as compared to 10/26/2022.

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El Camino Health

Summary of Financial Operations

*Fiscal Year 2024 – Period 4
7/1/2023 to 10/31/2023*

Executive Summary - Overall Commentary for Period 4

• Results for Period 4:

- October was a strong revenue and margin month
 - Revenue was strong, specifically in the outpatient services
 - Expenses continue to be well managed and are below budget when adjusted for the higher volumes
- Gross revenue favorable to budget by \$14.5M / 2.8%
 - Driven primarily by outpatient activity
 - Inpatient Charges \$2.2M / 0.9% unfavorable to budget
 - Outpatient Charges \$23.1M / 9.5% favorable to budget
 - Professional Charges: \$6.4M / 39.8% unfavorable to budget
- Cost Management
 - When adjusted for volume, overall operating expense is 3.7% favorable to budget
 - Labor: Sustained improvement in contract labor and overtime usage
- A/R Improvement: Initiatives implemented have resulted in a reduction of 4.2 days in net days in A/R
- Gross charges were favorable to budget by \$14.5M / 2.8% and \$52.0M / 10.8% higher than the same period last year
- Net patient revenue was favorable to budget by \$1.2M / 1.0% and \$11.7M / 10.2% higher than the same period last year
- Operating margin was favorable to budget by \$1.7M / 14.1% and \$2.4M / 21.5% higher than the same period last year
- Operating EBIDA was favorable to budget by \$1.7M / 8.4% and \$2.8M / 14.9% higher than the same period last year
- Net income was unfavorable to budget by \$1.8M and \$18.9M unfavorable to the same period last year

Operational / Financial Results: Period 4 – Oct 2023 (as of 10/31/2023)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'Aa3'	'AA'	'AA-'	
Activity / Volume	ADC	304	300	5	1.5%	301	3	1.0%	---	---	---	---
	Total Acute Discharges	1,851	1,877	(26)	(1.4%)	1,890	(39)	(2.1%)	---	---	---	---
	Adjusted Discharges	3,779	3,648	131	3.6%	3,706	73	2.0%	---	---	---	---
	Emergency Room Visits	6,767	6,556	211	3.2%	5,697	1,070	18.8%	---	---	---	---
	OP Visits / OP Procedural Cases	11,627	11,817	(190)	(1.6%)	12,141	(514)	(4.2%)	---	---	---	---
	Gross Charges (\$)	533,435	519,029	14,406	2.8%	481,442	51,993	10.8%	---	---	---	---
Operations	Total FTEs	3,360	3,461	(101)	(2.9%)	3,314	46	1.4%	---	---	---	---
	Productive Hrs. / APD	27.4	29.3	(1.9)	(6.5%)	28.5	(1.1)	(3.8%)	---	---	---	---
	Cost Per CMI AD	18,301	19,005	(704)	(3.7%)	16,934	1,367	8.1%	---	---	---	---
	Net Days in A/R	54.4	54.0	0.4	0.8%	60.8	(6.4)	(10.5%)	47.9	49.7	45.9	
Financial Performance	Net Patient Revenue (\$)	126,800	125,555	1,244	1.0%	115,090	11,710	10.2%	329,311	115,267	---	
	Total Operating Revenue (\$)	132,646	130,687	1,959	1.5%	118,906	13,740	11.6%	373,348	142,369	146,668	
	Operating Margin (\$)	13,516	11,850	1,665	14.1%	11,124	2,392	21.5%	4,066	6,122	1,613	
	Operating EBIDA (\$)	21,725	20,048	1,677	8.4%	18,914	2,811	14.9%	24,030	13,952	9,533	
	Net Income (\$)	12,630	14,383	(1,753)	(12.2%)	31,482	(18,852)	(59.9%)	16,237	9,681	4,107	
	Operating Margin (%)	10.2%	9.1%	1.1%	12.4%	9.4%	0.8%	8.9%	1.1%	4.3%	1.1%	
	Operating EBIDA (%)	16.4%	15.3%	1.0%	6.8%	15.9%	0.5%	3.0%	6.4%	9.8%	6.5%	
	DCOH (days)	255	325	(70)	(21.7%)	243	11	4.7%	262	336	243	

Moody's Medians: Not-for-profit and public healthcare annual report; September 7, 2023. Dollar amounts have been adjusted to reflect monthly averages

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 7, 2023. Dollar amounts have been adjusted to reflect monthly averages

Fitch Ratings: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; July 25, 2023. Dollar amounts have been adjusted to reflect monthly averages

Notes: DCOH total includes cash, short-term and long-term investments
OP Visits / Procedural Cases includes Covid vaccinations / testing

Operational / Financial Results: YTD FY2024 (as of 10/31/2023)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'A1'	'AA'	'AA-'	
Activity / Volume	ADC	304	291	13	4.4%	298	6	2.1%	---	---	---	---
	Total Acute Discharges	7,513	7,261	252	3.5%	7,297	216	3.0%	---	---	---	---
	Adjusted Discharges	14,742	14,029	713	5.1%	14,090	652	4.6%	---	---	---	---
	Emergency Room Visits	26,163	24,952	1,211	4.9%	23,341	2,822	12.1%	---	---	---	---
	OP Visits / OP Procedural Cases	44,881	47,413	(2,532)	(5.3%)	48,878	(3,997)	(8.2%)	---	---	---	---
	Gross Charges (\$)	2,073,697	1,994,241	79,455	4.0%	1,880,196	193,500	10.3%	---	---	---	---
Operations	Total FTEs	3,335	3,438	(104)	(3.0%)	3,261	74	2.3%	---	---	---	---
	Productive Hrs. / APD	28.1	30.0	(1.9)	(6.4%)	28.3	(0.2)	(0.9%)	---	---	---	---
	Cost Per CMI AD	18,413	19,005	(591)	(3.1%)	17,680	733	4.1%	---	---	---	---
	Net Days in A/R	54.4	54.0	0.4	0.8%	60.8	(6.4)	(10.5%)	47.9	52.6	45.9	---
Financial Performance	Net Patient Revenue (\$)	478,879	487,956	(9,077)	(1.9%)	454,871	24,008	5.3%	1,317,244	461,068	---	---
	Total Operating Revenue (\$)	500,119	508,130	(8,011)	(1.6%)	469,496	30,623	6.5%	1,493,391	569,477	146,668	---
	Operating Margin (\$)	42,868	44,509	(1,640)	(3.7%)	47,967	(5,099)	(10.6%)	16,262	24,488	1,613	---
	Operating EBIDA (\$)	75,814	77,387	(1,573)	(2.0%)	79,192	(3,378)	(4.3%)	96,119	55,809	9,533	---
	Net Income (\$)	22,943	55,237	(32,294)	(58.5%)	22,676	267	1.2%	64,948	38,724	4,107	---
	Operating Margin (%)	8.6%	8.8%	(0.2%)	(2.1%)	10.2%	(1.6%)	(16.1%)	1.1%	4.3%	1.1%	---
	Operating EBIDA (%)	15.2%	15.2%	(0.1%)	(0.5%)	16.9%	(1.7%)	(10.1%)	6.4%	9.8%	6.5%	---
	DCOH (days)	255	325	(70)	(21.7%)	243	11	4.7%	262	336	243	---

Moody's Medians: Not-for-profit and public healthcare annual report; September 7, 2023. Dollar amounts have been adjusted to reflect monthly averages

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Notes: DCOH total includes cash, short-term and long-term investments
OP Visits / Procedural Cases includes Covid vaccinations / testing

Consolidated Balance Sheet (as of 10/31/2023)

(\$000s)

ASSETS

	October 31, 2023	Unaudited June 30, 2023
CURRENT ASSETS		
Cash	190,168	230,765
Short Term Investments	218,235	129,245
Patient Accounts Receivable, net	216,820	218,528
Other Accounts and Notes Receivable	22,022	20,413
Intercompany Receivables	15,557	15,186
Inventories and Prepaids	45,354	45,037
Total Current Assets	708,157	659,174
BOARD DESIGNATED ASSETS		
Foundation Board Designated	20,521	20,731
Plant & Equipment Fund	434,037	407,526
Women's Hospital Expansion	30,936	30,735
Operational Reserve Fund	207,898	207,898
Community Benefit Fund	17,070	17,743
Workers Compensation Reserve Fund	13,498	13,498
Postretirement Health/Life Reserve Fund	24,604	24,242
PTO Liability Fund	37,240	35,252
Malpractice Reserve Fund	1,853	1,885
Catastrophic Reserves Fund	27,822	28,042
Total Board Designated Assets	815,479	787,551
FUNDS HELD BY TRUSTEE	-	-
LONG TERM INVESTMENTS	447,535	474,670
CHARITABLE GIFT ANNUITY INVESTMENTS	913	948
INVESTMENTS IN AFFILIATES	32,430	33,262
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,872,133	1,862,363
Less: Accumulated Depreciation	(818,532)	(791,528)
Construction in Progress	191,902	168,956
Property, Plant & Equipment - Net	1,245,503	1,239,791
DEFERRED OUTFLOWS	56,650	57,204
RESTRICTED ASSETS	40,397	36,339
OTHER ASSETS	165,826	166,528
TOTAL ASSETS	3,512,890	3,455,466

LIABILITIES AND FUND BALANCE

	October 31, 2023	Unaudited June 30, 2023
CURRENT LIABILITIES		
Accounts Payable	49,488	50,862
Salaries and Related Liabilities	51,043	24,408
Accrued PTO	38,137	36,104
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,978	11,295
Intercompany Payables	12,403	12,362
Malpractice Reserves	1,863	1,863
Bonds Payable - Current	10,400	10,400
Bond Interest Payable	4,734	7,890
Other Liabilities	14,301	11,968
Total Current Liabilities	196,648	169,450
LONG TERM LIABILITIES		
Post Retirement Benefits	24,604	24,242
Worker's Comp Reserve	13,498	13,498
Other L/T Obligation (Asbestos)	28,176	29,543
Bond Payable	451,188	454,806
Total Long Term Liabilities	517,466	522,088
DEFERRED REVENUE-UNRESTRICTED	1,093	1,103
DEFERRED INFLOW OF RESOURCES	88,939	91,871
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	2,442,290	2,417,300
Board Designated	217,865	209,043
Restricted	48,589	44,611
Total Fund Bal & Capital Accts	2,708,745	2,670,954
TOTAL LIABILITIES AND FUND BALANCE	3,512,890	3,455,466

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

To: Finance Committee
From: Jon Cowan, Senior Director, Government Relations & Community Partnerships
Date: November 27, 2023
Subject: Community Benefit FY2025 Policy Guidance and FY2024 Update

Purpose: To review and provide input on the proposed FY2025 “Guiding Principles,” “Ranked & Prioritized Health Needs,” and discuss program updates.

Summary:

1. **Situation:** In FY2023, management and staff presented the Board with “Guiding Principles” and “Ranked & Prioritized Health Needs” to provide policy direction, including approximate grant funding percentages for each of the five health needs. This policy direction will continue to be requested annually at the November Finance Committee meeting. It will be implemented in FY2024 for the FY2025 grant cycle.
2. **Background:**
 - The proposed “Guiding Principles” are those that were adopted to guide the FY2024 grant cycle
 - The proposed “Ranked & Prioritized Health Needs” and approximate grant funding percentages are those that were adopted to guide the FY2024 grant cycle
 - Progress updates on other major items are included in the attached presentation
3. **Assessment:** The “Guiding Principles” and “Ranked & Prioritized Health Needs” are helpful policy guidance for management and staff as they evaluate grant applications.
4. **Outcomes:** Management and staff will execute the FY2025 grant cycle incorporating the “Guiding Principles” and the “Ranked & Prioritized Health Needs” with approximate grant funding percentages approved by the Finance Committee.

List of Attachments:

1. Community Benefit FY2025 Policy Guidance and FY2024 Update Presentation

Suggested Committee Discussion Questions:

1. Does the Finance Committee have any modifications or changes to the “Guiding Principles?”
2. Does the Finance Committee have any modifications or changes to the El Camino Health “Ranked & Prioritized Health Needs,” including the approximate grant funding percentages for each of the five health needs?
3. Is there any other policy feedback that the Finance Committee wishes to provide about the planned FY2025 grant program?



FY2025 Community Benefit Policy Guidance and FY2024 Update

Finance Committee

*Jon Cowan, Senior Director, Government Relations and
Community Partnerships*

November 27, 2023

Guiding Principles Definition

“Guiding Principles” are a list of 6-10 policy statements that set the parameters and guardrails which guide Community Benefit’s philosophy for health improvement. An example is “emphasize locally focused vs. national organizations.”

Guiding Principles for Evaluating and Prioritizing Appropriateness of Grant Proposals

Required

1. Serve those who live, work or go to school in El Camino Health's targeted geography
2. Demonstrate a competence and capacity to address at least one of the identified health needs
3. Focus primarily, but not exclusively, on the results of increasing access to healthcare services, behavioral health services, as well as the management of rising risk chronic health conditions (diabetes, obesity, cardiovascular disease, cancer, and respiratory conditions)
4. Have an emphasis on populations that are underserved, experiencing health disparities, and/or facing health challenges

Preferred

5. Aim to reflect the diversity of El Camino Health's targeted geography
6. Focus on operational programmatic costs for service delivery, over capital campaigns
7. Emphasize locally focused vs. national organizations
8. Emphasize the most effective and impactful programs while welcoming new and innovative applicants

ECH Ranked & Prioritized Health Needs

Health Need	FY23 Approved	FY24 Approved	FY25 Proposed
Healthcare Access & Delivery (including oral health)	29%	30%	~30%
Behavioral Health (including domestic violence and trauma)	31%	30%	~30%
Diabetes & Obesity	30%	30%	~30%
Chronic Conditions (other than diabetes & obesity)	5%	5%	~5%
Economic Stability (including food insecurity, housing & homelessness)	5%	5%	~5%

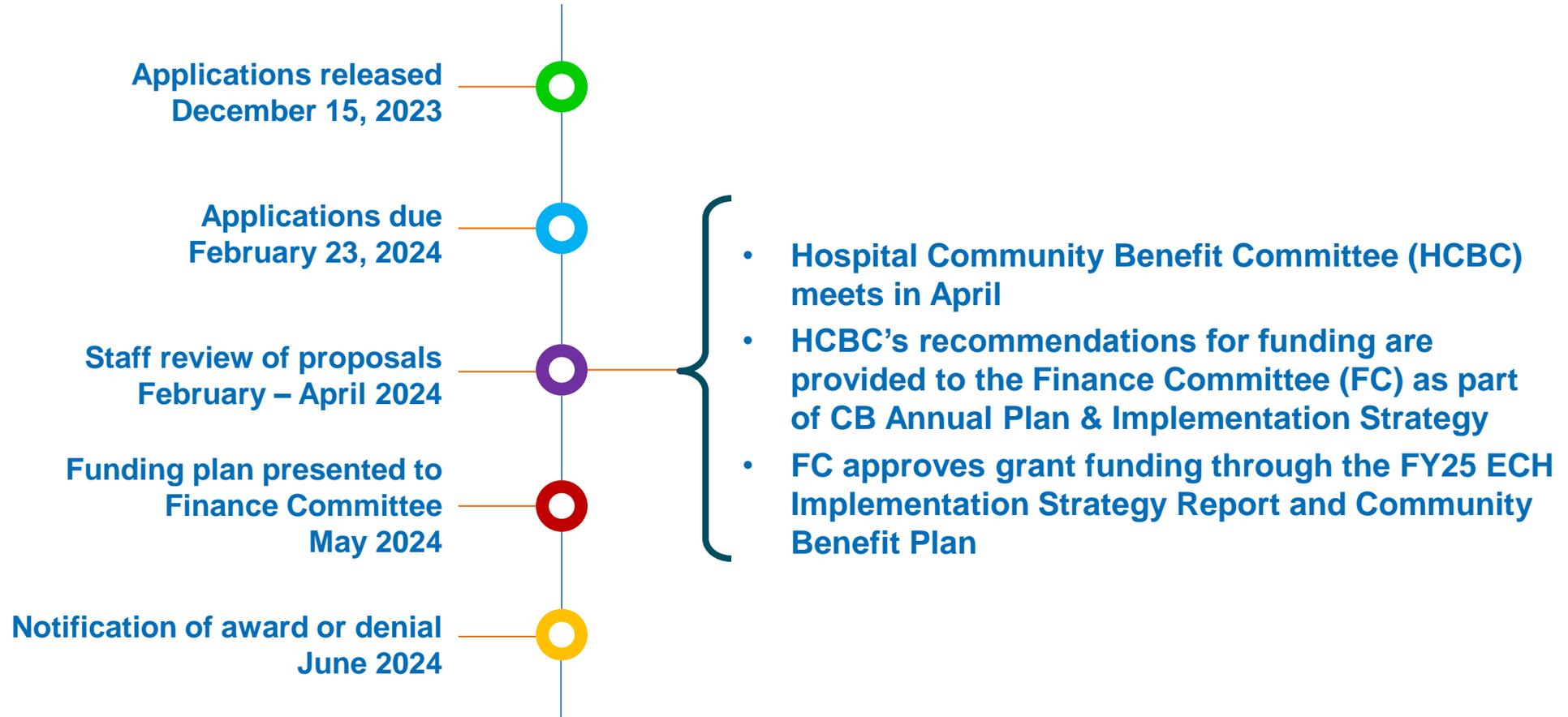
FY2025 Assessment of Grant Applications

Proposals are evaluated by:

- Alignment with ECH priorities
- Addressing community needs
- Applicant capability
- Proposal quality
- Impact and evaluation plan
- Budget request
- Evidence-based programming
- Financial need of applicant
- Brand alignment (i.e. will not reflect negatively on reputation, brand)

Proposals are also evaluated in context of those in each health need, then grouped by their proximity to the median for review in the grant index.

FY2025 Grant Review Timeline & Process



FY2024 Grant Program Progress Updates

Item	Update
Acknowledgement of funds	A formal acknowledgement of funds process is now built into the grant agreements. Most eligible agencies completed their acknowledgements in FY2023, and staff continue to reinforce this request with new grant partners and those still in progress.
Metrics reporting	To provide governance level highlights, midyear and yearend report memos to the ECH Finance Committee now detail the performance of the largest grants and the underperforming grants. Collective Impact Metrics were introduced in FY2023 and will continue moving forward. The first Collective Impact Metric reporting is included in the FY2023 annual report.
Staff Innovation Grants	In FY2023, this new grant category led to the development of a DEI internship program and a food pharmacy program. These programs are currently in their second year. The DEI internship program has created opportunities for Mountain View Los Altos High School District AVID students as well as Health Career Connection students.

FY2024 Grant Program Progress Updates (continued)

Item	Update
Technical assistance to grant applicants who were not funded	This is now built into the annual notification process and applicants are invited to meet with the team in the Summer and early Fall, leading into the next application cycle.
Application improvements	Based on survey feedback and reporting needs, some of the changes made in FY2023 and which continue in FY2024 include: reduced the number of required attachments, added functionality to track data and ensure alignment with the Implementation Strategy, and streamlined metrics.

FY2024 Acknowledgement of Funds

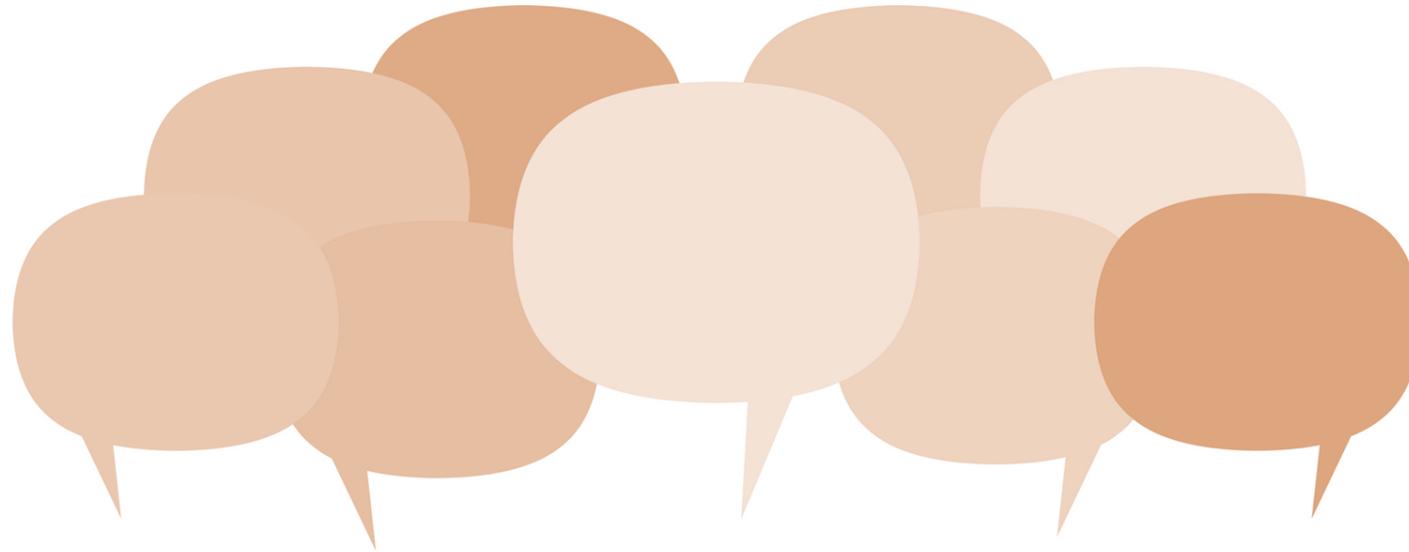
- Grant agreements include guidelines for acknowledging El Camino Health funds through a variety of channels, including building signage for grants \geq \$200K and mobile van signage for grants \geq \$50K
- Grant partners will be required to report on their acknowledgments in midyear and year-end reports.
- Grant managers are reinforcing the guidelines and ensuring that grant partners follow through in FY2024.

FY2023 Acknowledgement of Funds Summary for Reference

Agency	Building Signage	Mobile Van Signage	Email Signatures
AACI			Declined
Bay Area Community Health		X	
Cambrian School District			Declined
Campbell Union School District	X		X
Cupertino Union School District	X		X
Health Mobile		X	
Gardner Family Health Network	X		X
Mt. Pleasant Elementary School District			X
Pacific Clinics	X		X
Playworks			X
West Valley Community Services	X		X

- Community Partnerships staff will update progress during the FY2024 midyear report review.
- Grant partners not depicted in table above will report on acknowledgment of ECH in annual reports, website pages, social media, printed collateral, and/or media coverage.

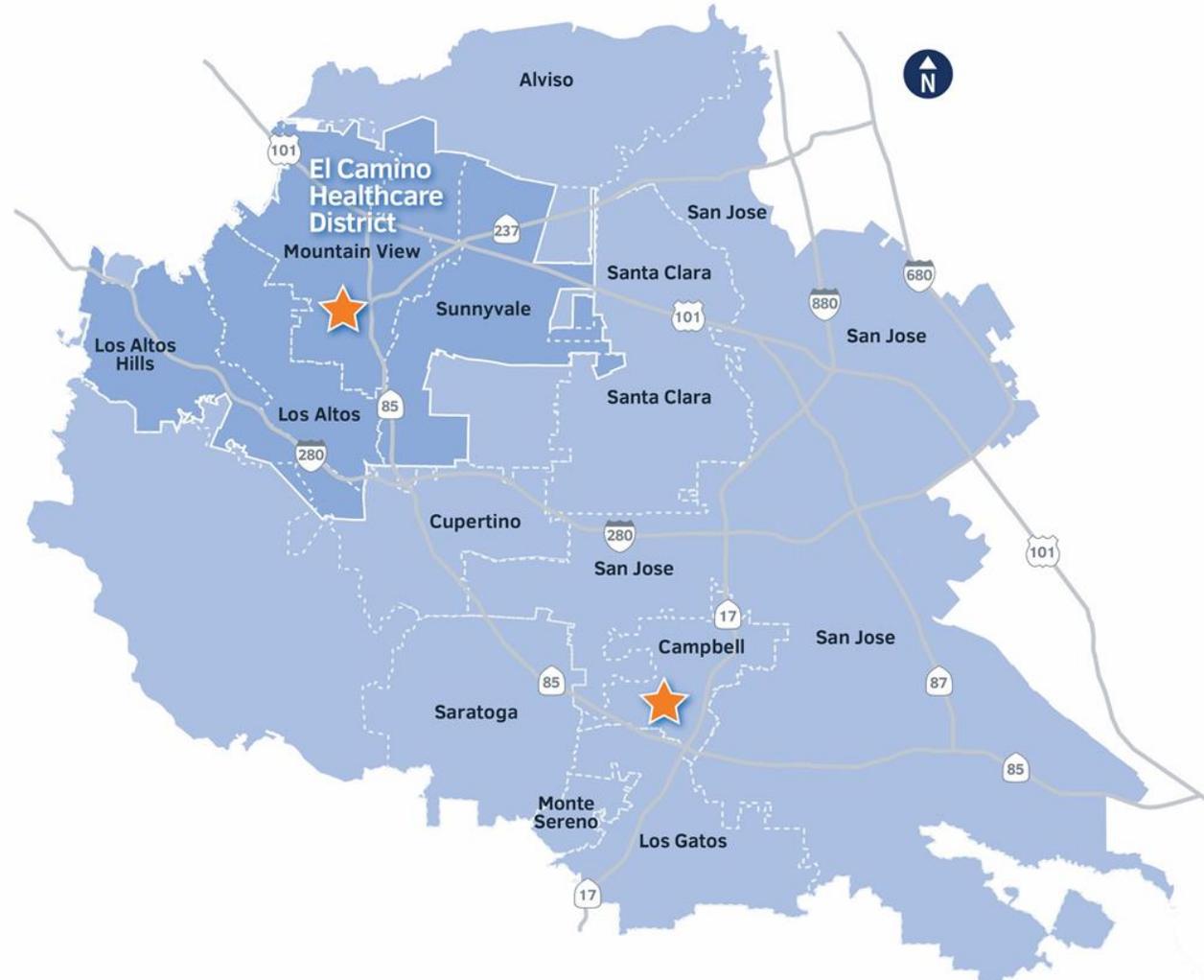
Discussion



Appendix

Proposal Criteria: Geography

Map of Service Area



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

To: El Camino Health Finance Committee
From: Jon Cowan, Senior Director, Government Relations & Community Partnerships
Date: November 27, 2023
Subject: FY2023 Yearend Community Benefit (CB) Report

Purpose: To provide the FY2023 Community Benefit Annual Report and the Yearend Grants Performance.

Summary:

1. **Situation:** At the conclusion of each fiscal year, Community Partnerships staff review yearend grant reports to assess metric and budget performance against targets as well as review qualitative information on program successes, challenges, and trends. Staff prepares an annual report and yearend dashboard (Attachments 1 and 2).

The report is also available online: www.elcaminohealth.org/community/community-benefit/cb2023

2. **Authority:** The report is prepared by the Community Partnerships staff and approved by the Senior Director of Government Relations and Community Partnerships prior to presentation to the Finance Committee.
3. **Background:** In FY2023, El Camino Health invested \$3,301,590 in Community Benefit grants and sponsorships to address unmet local health needs. The framework for the grant funding priorities is the most recent El Camino Health Community Health Needs Assessment (CHNA), which is conducted every three years, as required by federal regulations.
 - A. **Grants** = \$3,197,665 for 47 grants:
 - 10 Healthcare Access & Delivery grants at \$925,091
 - 16 Behavioral Health grants at \$1,021,000
 - 12 Diabetes & Obesity grants at \$916,574
 - 4 Chronic Conditions treatment and prevention (other than diabetes and obesity) grants at \$165,000
 - 5 Economic Stability grants at \$170,000
 - B. **Sponsorships** = \$103,925 for 23 sponsorships
 - C. **Grants Performance** is reflected in the yearend dashboard (Attachment 2):
 - DEI Staff Innovation Grant
 - Hosted 8 students from Mountain View Los Altos High School district for 1-3 week internships in several hospital departments including: Clinical Laboratory, Clinical Research, Legal Services, Palliative Care, Post-Anesthesia Care Unit, and the Inpatient Rehab unit.
 - Hosted 6 interns in partnership with Health Career Connection for 10 week internships for the summer. These interns worked in Human Resources, Palliative Care, Patient Experience, Inpatient Rehab and the Cancer Center.

- Interns reported that the program broadened their understanding of the types of careers available in healthcare, and helped to set the direction of their education plans.
- Community Health Themes
 - Demand continued to be high for basic and preventive healthcare services, including dental services.
 - Many grant partners noted challenges including rising costs for basic supplies and staffing shortages.
 - Several agencies reported a shortage in availability of doctor appointments, especially for specialist care.
 - Schools continued to struggle with staffing shortages, high acuity student needs for mental health services, and an increase in students who require routine care from the school nurses such as students with daily medication administration, diabetes, IV care, or other specialized care.
 - Pandemic-era support for housing and food have been eliminated this fiscal year, and agencies are reporting an increase in community members who aren't able to secure these basic needs.
- All Programs:
 - 79% of grants met or exceeded 90% across all of their metrics (FY22 = 84%)
 - 104,925 community members served – 16% over target (FY22: 222,368 served)
- Largest grant programs (\$100k+):
 - 12 grants = \$1,688,665 (53% of total grant spend)
 - 75% of grants met or exceeded 90% across all of their metrics (FY22=83%)
 - 14,859 community members served (FY22: 204,182 served)
- Performance of the Top 5 Largest Grants:

Agency	Awarded Amount	Metric Performance	Performance Narrative
Gardner Family Health Network	\$254,500	100%	The Down with Diabetes program for underserved teens and adults with diabetes and prediabetes exceeded all volume and impact metrics this year. Staff credit the strong performance on volume metrics to increasing outreach efforts, offering evening appointments, and following up on missed appointments. Program successes include improving teen participation in the program, increasing the number of diabetes patients receiving nutritional counseling, and increasing workshop participation overall.
Campbell Union School District: SNP	\$215,000	93%	This grant supports two school nurses and a part-time community liaison to facilitate health services for prekindergarten through 8th grade students. The grant exceeded targets for students served, services provided, and impact metrics related to bringing students into compliance with required immunizations and linking students who failed screenings to the appropriate healthcare provider. The grant did not meet its target for number of healthcare screenings because

			<p>dental screenings were provided by a professional dentist through the Give Kids a Smile Foundation and fifth grade health screenings were provided by the Healthier Kids Foundation. Nurses and the community liaison continued to work to meet the diverse needs of the schools they serve and stay abreast of issues that can affect student and staff health. For example, nurses attended biweekly training on how to mitigate the spread of COVID-19.</p>
Pacific Clinics	\$210,000	99%	<p>Pacific Clinics Addiction Prevention Services (APS) program had another successful year serving high school students in the Campbell Union Unified School District. The ECH grant supports two APS counselors who work with students to increase positive coping skills for trauma, anxiety, depression, and anger. Many students served by the program also reduced high-risk behaviors. The APS manager continued to serve on the Student Attendance Review Board. In this role, they help identify needs among students with extensive absences and create individualized plans for them to be academically successful and graduate high school.</p>
West Valley Community Services: CARE	\$184,500	95%	<p>The Community Access to Resources and Education (CARE) program performed well this year, achieving volume metrics and nearly achieving two of its three impact metrics. The program fell short on the impact metric related to clients showing improvement on their health risk assessment. Staff found that clients who scored lower on initial risk assessments showed improvement during the program year; however, a substantial portion of clients scoring higher at initial assessment needed services to maintain health and thus did not show improvement. Program highlights include continuing to enhance partnerships in the community and offering in-person workshops and events such as a medical health fair, flu shot clinic, hearing screening, resource fairs, and nutrition workshops.</p>
El Camino Health: Food Pharmacy	\$148,500	25%	<p>The first year of the Food Pharmacy presented a number of challenges and learning opportunities for El Camino Health and Fresh Approach. Midway through the year, we expanded into the SVMD McKee Clinic in order to reach the outpatient population due to time, interest and mobility challenges with patient referrals from Care Coordination. Once more patients were referred into the program, Fresh Approach increased enrollments toward the end of the fiscal year. The partnership with Nutrition Services was a challenge for patients, who were overwhelmed with keeping up with the registered dietician appointments. Lessons learned in FY23 informed program design changes in FY24.</p>

- Underperforming Grants (overall performance across all of an agency’s metrics 74% or below):

Agency	Awarded Amount	Metric Performance	Performance Narrative
El Camino Health: Food Pharmacy	\$148,500	25%	The first year of the Food Pharmacy presented a number of challenges and learning opportunities for El Camino Health and Fresh Approach. Midway through the year, we expanded into the SVMD McKee Clinic in order to reach the outpatient population due to time, interest and mobility challenges with patient referrals from Care Coordination. Once more patients were referred into the program, Fresh Approach increased enrollments toward the end of the fiscal year. The partnership with Nutrition Services was a challenge for patients, who were overwhelmed with keeping up with the registered dietician appointments. Lessons learned in FY23 informed program design changes in FY24.
Almaden Valley Counseling Service	\$36,000	48%	Almaden Valley Counseling Service performance reflects a disconnect between metric setting and reporting. Historically, the agency set volume targets for and reported on all services provided by the program, rather than just the proportion supported by ECH. This error was recognized midway through FY23; therefore, volume metric targets reflect the entire program, while yearend reporting data reflect just the proportion of services supported by ECH. For FY24, volume targets have been adjusted to be proportional to the services supported by ECH funding. AVCS also reported 0% on their impact metric related to a group counseling session for elementary students because parents did not return post-intervention surveys. For FY24, the agency will not be measuring this metric since schools are requesting fewer group sessions. AVCS believes this may be due to the increased acuity of the students referred for counseling. When the acuity is higher, individual rather than group treatment is preferred.
Catholic Charities of Santa Clara County	\$30,000	56%	Catholic Charities performance also reflects misalignment between metric setting and reporting. The Parish Engagement program was newly funded by ECH in FY23. Volume metric targets were set to reflect the entire program, rather than just the proportion supported by the ECH grant. While the program ultimately met its ECH target for the number of clients served due to program expansion, the numbers of services provided remained well below target when the agency correctly reported on the proportion of services supported by ECH. Impact metric performance was suppressed by agency challenges in collecting data from clients. For FY24, volume targets have been adjusted to be proportional to the services supported by ECH funding. The agency is also improving its monitoring and evaluation systems, which will improve reporting on impact metrics.

4. Assessment: N/A
5. Other Reviews: N/A
6. Outcomes: N/A

List of Attachments:

1. FY23 Community Benefit Annual Report Executive Summary for the Finance Committee with full online report at: www.elcaminohealth.org/community/community-benefit/cb2023
2. FY23 El Camino Health Community Benefit Grants Yearend Dashboard

Suggested Board Discussion Questions: N/A- This is an informational item.



Community Health Investment
El Camino Healthcare District
\$7.4M Grants & Sponsorships

El Camino Health
\$116.6M Community Benefit
\$3.3M Grants & Sponsorships

El Camino Healthcare District | El Camino Health
Community Benefit Annual Report FY 2023 – Executive Summary

Our Community, Our Priority

During fiscal year 2023, we remained committed to partnering with organizations that demonstrate an ability to improve our community’s health. Our grant partners help us continue to support community members when they experience vulnerability and health challenges. The [Community Benefit FY 2023 online report](#) highlights our investments, including:

- **El Camino Health’s total Community Benefit:** \$116.6 million – serving more than 136,900 people including \$3.3 million for 70 grants and sponsorships. El Camino Health’s total community benefit includes charity care and unpaid Medi-Cal costs for more than 15,800 people. *See the financial report.*
- **El Camino Healthcare District total Community Benefit:** \$7.4 million – serving more than 45,200 people with support for 69 grants and sponsorships. *See the financial report.*
- **\$124 million combined Community Benefit serving more than 182,100 people.** El Camino Health and El Camino Healthcare District worked with community partners to prevent disease, improve mental health, and make healthcare and healthy choices more accessible. *See our community partners.*

Financial Report

\$116.6M El Camino Health
TOTAL COMMUNITY BENEFIT



\$69,495,940	Government-Sponsored Healthcare (Unreimbursed Medi-Cal)
\$34,182,302	Subsidized Health Services
\$5,274,261	Financial Assistance (Charity Care)
\$3,301,590	Grants and Sponsorships
\$3,649,967	Health Professions Education
\$277,867	Clinical Research
\$301,928	Community Benefit Operations
\$131,926	Community Health Improvement Services

+\$117M in Uncompensated Medicare
(Not included in Community Benefit total)

To learn more about how we are addressing unmet health needs in our community, please take a moment to visit elcaminohealth.org/CommunityBenefit2023



EL CAMINO HEALTHCARE DISTRICT



Community Benefit FY2023 Year-end Grant Metrics Dashboard

- This Dashboard reflects FY2023 year-end and two prior years' grant performance
- Grants are organized by five health needs: Healthcare Access & Delivery, Behavioral Health, Diabetes & Obesity, Chronic Conditions, and Economic Stability; Support Grants (≤\$30k) are in the second section
- FY2023 Metric Data: Columns X – AG
- Historical performance: Columns D – W
- See legend in footer for metric performance indicators
 - A dash “ – ” represents either 1) Program is new so no metrics from prior year(s), or 2) New metric, no historical data

Health Priority Area <i>Column A</i>	Agency/Program <i>Column B</i>	FY23 Metrics <i>Column C</i>	Performance against target: ● = 90%+ ● = 75% - 89% ● = 0% - 74%																							
			FY21 6-month Target <i>Column D</i>	FY21 6-month Actual <i>Column E</i>	FY21 % 6-month Metrics Met <i>Column G</i>	FY21 Yearend Target <i>Column I</i>	FY21 Yearend Actual <i>Column J</i>	FY21 % Yearend Metrics Met <i>Column L</i>	FY22 6-month Target <i>Column N</i>	FY22 6-month Actual <i>Column O</i>	FY22 % 6-month Metrics Met <i>Column Q</i>	FY22 Yearend Target <i>Column S</i>	FY22 Yearend Actual <i>Column T</i>	FY22 % Yearend Metrics Met <i>Column V</i>	FY23 6-month Target <i>Column X</i>	FY23 6-month Actual <i>Column Y</i>	FY23 % 6-month Metrics Met <i>Column AA</i>	FY23 Yearend Target <i>Column AC</i>	FY23 Yearend Actual <i>Column AD</i>	FY23 % Yearend Metrics Met <i>Column AF</i>						
 Healthcare Access and Delivery (Including Oral Health)	Asian Americans for Community Involvement (AACI) FY24 Approved: \$120,000 FY23 Approved: \$100,000 FY23 Spent: \$100,000 FY22 Approved: \$100,000 FY22 Spent: \$97,637 FY21 Approved: \$85,000 FY21 Spent: \$85,000	Individuals served	350	359	●	700	895	●	210	185	●	420	533	●	210	424	●	420	600	●						
		Services provided	500	830	●	1000	1,885	●	800	592	●	1600	1,251	●	800	1,222	●	1,600	1,533	●						
		Number of Health Screenings	-	-	●	-	-	●	-	-	●	-	-	●	-	-	●	420	417	●	420	417	●			
		Patients screened for depression with a positive result who are offered integrated behavioral health services	40%	44%	●	80%	74%	●	80%	92%	●	80%	88%	●	80%	84%	●	80%	91%	●	80%	91%	●			
		Patients who rate their telehealth appointment experience as "good" or "excellent"	-	-	●	-	-	●	-	-	●	-	-	●	-	-	●	70%	98%	●	70%	98%	●			
		Patients who rate their MA as "excellent" or "good" for their courteousness and professionalism and would recommend AACI's Health Center to their family and friends	-	-	●	-	-	●	90%	96%	●	90%	98%	●	90%	92%	●	90%	99%	●	90%	99%	●			
	Bay Area Community Health FY23 Approved: \$50,000 FY23 Spent: \$50,000	Individuals served	-	-	●	-	-	●	-	-	●	-	-	●	70	9	●	140	192	●						
		Services provided	-	-	●	-	-	●	-	-	●	-	-	●	270	20	●	540	465	●						
		Number of health screenings	-	-	●	-	-	●	-	-	●	-	-	●	70	17	●	140	182	●						
		Clients who improved their overall wellness, positive outlook, and sense of connectedness to others and environment	-	-	●	-	-	●	-	-	●	-	-	●	75%	0%	●	75%	70%	●						
		Clients who increased their knowledge of key physical and mental issues such as healthy eating, cognitive development, increased activity, and adequate sleep	-	-	●	-	-	●	-	-	●	-	-	●	75%	0%	●	75%	70%	●						
		Clients who increased their knowledge of healthy activities	-	-	●	-	-	●	-	-	●	-	-	●	75%	0%	●	75%	80%	●						
	Cambrian School District School Nurse Program FY24 Approved: \$135,000 FY23 Approved: \$125,000 FY23 Spent: \$125,000 FY22 Approved: \$125,000 FY22 Spent: \$120,219 FY21 Approved: \$125,000 FY21 Spent: \$125,000	Individuals served	1,400	1,051	●	2,700	2,668	●	1,200	1,000	●	3,000	2,995	●	800	400	●	1,500	1,488	●						
		Services provided	-	-	●	-	-	●	1,000	466	●	1,500	1,447	●	1,400	400	●	2,800	2,765	●						
		Number of individuals receiving health screenings	-	-	●	-	-	●	1,000	466	●	1,500	1,447	●	700	423	●	1,400	1,488	●						
		Students out of compliance with required immunizations who become compliant	5%	85%	●	30%	134%	●	50%	0%	●	90%	95%	●	50%	96%	●	90%	87%	●						
		Students with a failed health screening who saw a healthcare provider	-	-	●	-	-	●	10%	0%	●	25%	31%	●	50%	10%	●	90%	93%	●						
		Students with a failed health screening who saw a healthcare provider	-	-	●	-	-	●	-	-	●	-	-	●	N/A	N/A	●	40%	61%	●						
	Campbell Union School District School Nurse Program FY24 Approved: \$235,000 FY23 Approved: \$215,000 FY23 Spent: \$215,000 FY22 Approved: \$215,000 FY22 Spent: \$215,000 FY21 Approved: \$215,000 FY21 Spent: \$215,000	Individuals served	2,000	2,030	●	3,850	3,863	●	2,000	2,248	●	3,850	4,092	●	1,500	2,095	●	3,000	3,128	●						
		Services provided	-	-	●	-	-	●	-	-	●	-	-	●	2,000	2,552	●	4,000	4,673	●						
		Number of individuals receiving health screening(s)	-	-	●	-	-	●	-	-	●	-	-	●	1,000	1,207	●	2,000	1,282	●						
		Students with a failed health screening who saw a healthcare provider.	-	-	●	-	-	●	-	-	●	-	-	●	N/A	N/A	●	40%	61%	●						
		Students out of compliance with required immunizations who become compliant	10%	68%	●	18%	91%	●	68%	100%	●	88%	86%	●	70%	72%	●	70%	76%	●						
		Students out of compliance with required immunizations who become compliant	10%	68%	●	18%	91%	●	68%	100%	●	88%	86%	●	70%	72%	●	70%	76%	●						
Cupertino Union School District School Nurse Program FY24 Approved: \$110,000 FY23 Approved: \$100,000 FY23 Spent: \$100,000 FY22 Approved: \$100,000 FY22 Spent: \$100,000 FY21 Approved: \$90,000 FY21 Spent: \$90,000	Individuals served	600	654	●	1,300	1,295	●	2,025	1,879	●	4,050	3,964	●	385	441	●	765	878	●							
	Services provided	-	-	●	-	-	●	-	-	●	-	-	●	720	441	●	1,440	1,429	●							
	Number of individuals receiving health screenings	-	-	●	-	-	●	-	-	●	-	-	●	385	0	●	765	767	●							
	Students with a failed health screening who saw a healthcare provider	-	-	●	-	-	●	25%	30%	●	35%	32%	●	50%	30%	●	80%	5%	●							
	Students out of compliance with required immunizations who become compliant	25%	37%	●	50%	65%	●	35%	70%	●	50%	73%	●	50%	40%	●	80%	95%	●							
	Students out of compliance with required immunizations who become compliant	25%	37%	●	50%	65%	●	35%	70%	●	50%	73%	●	50%	40%	●	80%	95%	●							
Health Mobile Dental Services FY23 Approved: \$75,000 FY23 Spent: \$75,000 FY22 Approved: \$55,000 FY22 Spent: \$55,000 FY21 Approved: \$75,000 FY21 Spent: \$75,000	Individuals served	45	25	●	200	193	●	50	52	●	135	136	●	100	95	●	200	203	●							
	Services provided	270	165	●	1,200	1,205	●	150	158	●	500	505	●	300	315	●	1,200	1,308	●							
	Number of patients reporting improved oral health after service	-	-	●	-	-	●	-	-	●	-	-	●	90	95	●	180	180	●							
	Patients who report increased knowledge about their oral health	90%	90%	●	90%	89%	●	85%	85%	●	85%	85%	●	85%	95%	●	85%	85%	●							
	Patients who report no pain after their first visit	90%	90%	●	90%	90%	●	90%	90%	●	90%	90%	●	90%	95%	●	90%	90%	●							
	Patients who report no pain after their first visit	90%	90%	●	90%	90%	●	90%	90%	●	90%	90%	●	90%	95%	●	90%	90%	●							
Healthier Kids Foundation Dental & Hearing Screening/Referrals FY24 Approved: \$70,000 FY23 Approved: \$60,000 FY23 Spent: \$60,000 FY22 Approved: \$30,000 FY22 Spent: \$30,000 FY21 Approved: \$30,000 FY21 Spent: \$30,000	Individuals served	175	103	●	526	627	●	350	552	●	700	1221	●	410	608	●	820	1,314	●							
	Number of health screenings	-	-	●	-	-	●	-	-	●	-	-	●	410	250	●	820	1,314	●							
	Of children dental screened who received a referral, the percent that received and completed appropriate dental services	60%	75%	●	62%	86%	●	65%	40%	●	65%	60%	●	65%	88%	●	65%	65%	●							
	Of children hearing screened who received a referral, the percent that received and completed appropriate hearing services	N/A	N/A	●	30%	71%	●	30%	76%	●	30%	58%	●	30%	67%	●	30%	66%	●							
	Of children My HealthFirst Wellness screened who received a referral, the percent that received and completed appropriate mental health services	-	-	●	-	-	●	-	-	●	-	-	●	20%	87%	●	20%	15%	●							
	Of children My HealthFirst Wellness screened who received a referral, the percent that received and completed appropriate mental health services	-	-	●	-	-	●	-	-	●	-	-	●	20%	87%	●	20%	15%	●							
Mt. Pleasant School District School Nurse Program FY24 Approved: \$126,000 FY23 Approved: \$122,000 FY23 Spent: \$85,091 FY22 Approved: \$122,000 FY22 Spent: \$98,851 FY21 Approved: \$125,000 FY21 Spent: \$104,333	Individuals served	600	625	●	1,900	1,992	●	600	1,677	●	2,100	1,925	●	600	820	●	2,100	1,714	●							
	Services provided	-	-	●	-	-	●	-	-	●	-	-	●	800	820	●	3,200	2,970	●							
	Number individuals receiving health screenings	-	-	●	-	-	●	-	-	●	-	-	●	450	731	●	780	731	●							
	Students out of compliance with required immunizations who become compliant	-	-	●	-	-	●	-	-	●	-	-	●	50%	18%	●	80%	72%	●							
	Students receiving follow up medical care after a failed screening	-	-	●	-	-	●	30%	28%	●	40%	37%	●	50%	64%	●	80%	92%	●							
	Students receiving follow up medical care after a failed screening	-	-	●	-	-	●	30%	28%	●	40%	37%	●	50%	64%	●	80%	92%	●							

Community Benefit Dashboard Notes

● A metric receives a "green" indicator if performance against target is 90% - 100%
 ● A metric receives a "yellow" indicator if performance against target is 75% - 89%
 ● A metric receives a "red" indicator if performance against target is 0% - 74%

N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area <i>Column A</i>	Agency/Program <i>Column B</i>	FY23 Metrics <i>Column C</i>	Performance against target: ● = 90%+ ● = 75% - 89% ● = 0% - 74%																							
			FY21 6-month Target <i>Column D</i>	FY21 6-month Actual <i>Column E</i>	FY21 % 6-month Metrics Met <i>Column G</i>	FY21 Yearend Target <i>Column I</i>	FY21 Yearend Actual <i>Column J</i>	FY21 % Yearend Metrics Met <i>Column L</i>	FY22 6-month Target <i>Column N</i>	FY22 6-month Actual <i>Column O</i>	FY22 % 6-month Metrics Met <i>Column Q</i>	FY22 Yearend Target <i>Column S</i>	FY22 Yearend Actual <i>Column T</i>	FY22 % Yearend Metrics Met <i>Column V</i>	FY23 6-month Target <i>Column X</i>	FY23 6-month Actual <i>Column Y</i>	FY23 % 6-month Metrics Met <i>Column AA</i>	FY23 Yearend Target <i>Column AC</i>	FY23 Yearend Actual <i>Column AD</i>	FY23 % Yearend Metrics Met <i>Column AF</i>						
<p>Healthcare Access and Delivery (Including Oral Health)</p>	Santa Clara County Public Health <i>Better Health Pharmacy</i> FY24 Approved: \$80,000 FY23 Approved: \$75,000 FY23 Spent: \$75,000 FY22 Approved: \$75,000 FY22 Spent: \$75,000 FY21 Approved: \$50,000 FY21 Spent: \$50,000	Individuals served	2,000	1,937	●	3,000	2,906	●	2,100	1,813	●	3,200	2,843	●	2,100	2,270	●	3,200	3,662	●						
		Number of prescriptions dispensed	14,000	17,485	●	28,000	34,601	●	16,000	16,895	●	30,000	34,628	●	17,000	19,751	●	31,000	40,140	●						
		Patients who report that they are very satisfied with the quality of service	97%	100%	●	97%	100%	●	97%	92%	●	97%	100%	●	97%	100%	●	97%	100%	●	100%	●				
		Patients who reported that they are very satisfied with the time waited for services	97%	96%	●	97%	87%	●	97%	92%	●	97%	100%	●	97%	100%	●	97%	100%	●	97%	100%	●			
		Patients who reported that they are very satisfied with the time waited for medication information	97%	96%	●	97%	93%	●	97%	92%	●	97%	100%	●	97%	100%	●	97%	100%	●	97%	100%	●			
	Vista Center for the Blind and Visually Impaired FY24 Approved: \$40,000 FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$40,000 FY22 Spent: \$40,000 FY21 Approved: \$40,000 FY21 Spent: \$40,000	Individuals served	31	30	●	62	65	●	32	35	●	62	64	●	30	62	●	65	72	●						
		Services provided	240	287	●	475	491	●	255	268	●	475	486	●	255	349	●	475	547	●						
		Clients were informed about resources	N/A	N/A	●	90%	100%	●	90%	100%	●	90%	100%	●	90%	100%	●	90%	100%	●	100%	●				
		Clients are able to prepare simple meal and move within their home	N/A	N/A	●	85%	100%	●	85%	100%	●	85%	96%	●	85%	93%	●	85%	90%	●	100%	●				
		Clients are able to read printed material	N/A	N/A	●	70%	75%	●	70%	100%	●	70%	100%	●	70%	91%	●	70%	90%	●	100%	●				
ACT for Mental Health FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$60,000 FY22 Spent: \$60,000	Individuals served	-	-	●	-	-	●	15	21	●	40	59	●	20	38	●	40	58	●							
	Services Provided	-	-	●	-	-	●	230	146	●	620	420	●	315	187	●	625	565	●							
	Number of behavioral health screenings	-	-	●	-	-	●	-	-	●	-	-	●	20	45	●	40	47	●							
	Participants who rate Satisfied or Very satisfied on the Post-Counseling Satisfaction/Progress Questionnaire	-	-	●	-	-	●	-	-	●	-	-	●	90%	0%	●	90%	100%	●							
	Participants demonstrating statistically Significant Improvement from pre-to-post evaluation times on Perceived Stress Scale (PSS)	-	-	●	-	-	●	N/A	N/A	●	60%	43%	●	60%	0%	●	60%	74%	●							
Almaden Valley Counseling Services <i>School-based Mental Health Counseling</i> FY24 Approved: \$40,000 FY23 Approved: \$36,000 FY23 Spent: \$36,000 FY22 Approved: \$70,000 FY22 Spent: \$70,000 FY21 Approved: \$70,000 FY21 Spent: \$70,000	Individuals served	90	131	●	240	429	●	131	115	●	312	541	●	60	66	●	160	51	●							
	Services provided	-	-	●	-	-	●	-	-	●	-	-	●	900	259	●	1,800	340	●							
	Hours of counseling sessions	500	1,132	●	1,000	1,622	●	700	560	●	2,003	4,090	●	450	183	●	900	325	●							
	Individual Therapy: Students who stay at the same score or improve from pre-test to post-test on the 40-point Strengths and Difficulties Questionnaire	-	-	●	-	-	●	-	-	●	-	-	●	N/A	N/A	●	50%	100%	●							
	Group Therapy: Students who stay at the same score or improve from pre-test to post-test on the 40-point Strengths and Difficulties Questionnaire	-	-	●	-	-	●	-	-	●	-	-	●	N/A	N/A	●	50%	0%	●							
Child Advocates of Silicon Valley FY24 Approved: \$40,000 FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$40,000 FY22 Spent: \$40,000 FY21 Approved: \$30,000 FY21 Spent: \$30,000	Individuals served	40	62	●	80	78	●	50	53	●	80	80	●	40	50	●	80	81	●							
	Services provided	-	-	●	-	-	●	-	-	●	-	-	●	160	500	●	320	1,296	●							
	Hours of training	-	-	●	-	-	●	-	-	●	-	-	●	2,000	2,220	●	4,500	3,000	●							
	High school seniors who will graduate high school with a CASA supporting them through the transition	N/A	N/A	●	80%	87%	●	N/A	N/A	●	85%	80%	●	N/A	N/A	●	85%	87%	●							
	CASAs who will report providing educational support to their child	-	-	●	-	-	●	-	-	●	-	-	●	N/A	N/A	●	70%	62%	●							
Cupertino Union School District <i>Mental Health Counseling</i> FY24 Approved: \$130,000 FY23 Approved: \$120,000 FY23 Spent: \$120,000 FY22 Approved: \$120,000 FY22 Spent: \$120,000 FY21 Approved: \$120,000 FY21 Spent: \$120,000	Individuals served	63	92	●	157	181	●	68	75	●	160	175	●	80	573	●	160	630	●							
	Individuals served through counseling	-	-	●	-	-	●	-	-	●	-	-	●	55	135	●	110	149	●							
	Services provided	-	-	●	-	-	●	-	-	●	-	-	●	1200	1,221	●	2200	2,658	●							
	Hours of counseling sessions	730	963	●	1,750	2,046	●	705	801	●	1,605	1,801	●	300	609	●	600	1,509	●							
	Students who improved by at least 3 points from pre-test to post test on the Strengths and Difficulties Questionnaire and Impact Assessment	N/A	N/A	●	50%	61%	●	N/A	N/A	●	50%	89%	●	N/A	N/A	●	50%	52%	●							
Jewish Family Services of Silicon Valley <i>Senior Case Management</i> FY24 Approved: \$75,000 FY23 Approved: \$75,000 FY23 Spent: \$75,000 FY22 Approved: \$82,000 FY22 Spent: \$82,000 FY21 Approved: \$80,000 FY21 Spent: \$80,000	Individuals served	90	118	●	120	159	●	90	91	●	120	103	●	56	48	●	79	83	●							
	Services Provided	350	430	●	850	951	●	800	824	●	2,050	1,758	●	632	870	●	1,580	1,760	●							
	Number of care management sessions	-	-	●	-	-	●	-	-	●	-	-	●	111	450	●	158	197	●							
	Clients that demonstrate a 5-point score reduction on the PHQ-9	-	-	●	-	-	●	20%	13%	●	20%	27%	●	20%	0%	●	40%	38%	●							
	Care Management clients who need assistance with at least two Activities of Daily Living or three Instrumental Activities of Daily Living that can continue living in his/her own home	-	-	●	-	-	●	-	-	●	-	-	●	90%	94%	●	90%	96%	●							
LifeMoves <i>Mental Health Counseling at Homeless Shelters</i> FY24 Approved: \$50,000 FY23 Approved: \$50,000 FY23 Spent: \$50,000 FY22 Approved: \$60,000 FY22 Spent: \$60,000 FY21 Approved: \$60,000 FY21 Spent: \$60,000	Individuals served	55	60	●	160	171	●	75	78	●	160	190	●	75	148	●	165	290	●							
	Hours of counseling sessions	120	132	●	375	361	●	100	105	●	350	420	●	100	180	●	360	390	●							
	Clients reporting improved mood & function	N/A	N/A	●	85%	81%	●	N/A	N/A	●	85%	79%	●	N/A	N/A	●	85%	79%	●							
	Clients report understanding of behavioral health issues	N/A	N/A	●	75%	75%	●	N/A	N/A	●	75%	71%	●	N/A	N/A	●	75%	76%	●							

Community Benefit Dashboard Notes

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N/A There are some 6-month metric targets with "N/A" because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area <i>Column A</i>	Agency/Program <i>Column B</i>	FY23 Metrics <i>Column C</i>	Performance against target: ● = 90%+ ● = 75% - 89% ● = 0% - 74%																							
			FY21 6-month Target <i>Column D</i>	FY21 6-month Actual <i>Column E</i>	FY21 % 6-month Metrics Met <i>Column G</i>	FY21 Yearend Target <i>Column I</i>	FY21 Yearend Actual <i>Column J</i>	FY21 % Yearend Metrics Met <i>Column L</i>	FY22 6-month Target <i>Column N</i>	FY22 6-month Actual <i>Column O</i>	FY22 % 6-month Metrics Met <i>Column Q</i>	FY22 Yearend Target <i>Column S</i>	FY22 Yearend Actual <i>Column T</i>	FY22 % Yearend Metrics Met <i>Column V</i>	FY23 6-month Target <i>Column X</i>	FY23 6-month Actual <i>Column Y</i>	FY23 % 6-month Metrics Met <i>Column AA</i>	FY23 Yearend Target <i>Column AC</i>	FY23 Yearend Actual <i>Column AD</i>	FY23 % Yearend Metrics Met <i>Column AF</i>						
<p>Behavioral Health (Including Domestic Violence & Trauma)</p>	Los Gatos Union School District <i>Mental Health Counseling</i> FY24 Approved: \$120,000 FY23 Approved: \$110,000 FY23 Spent: \$110,000 FY22 Approved: \$110,000 FY22 Spent: \$110,000 FY21 Approved: \$110,000 FY21 Spent: \$110,000	Individuals served	380	467	●	775	1,065	●	380	462	●	775	806	●	400	350	●	800	1,400	●						
		Individuals served through counseling (group and/or individual sessions)	-	-		-	-		-	-		-	-		75	63	●	150	210	●						
		Services provided	-	-		-	-		-	-		-	-		500	566	●	1,000	2,500	●						
		Hours of counseling sessions	425	271	●	850	1,025	●	425	530	●	850	980	●	125	180	●	350	420	●						
		Students who improved by at least 3 points from pre-test to post test on the Strengths and Difficulties Questionnaire and Impact Assessment	N/A	N/A		50%	10%	●	N/A	N/A		80%	50%	●	N/A	N/A		60%	71%	●						
		Parents who participate in Parent Education Seminar will increase their self-reported readiness to support their student's mental health needs	40%	86%	●	80%	102%	●	80%	75%	●	80%	80%	●	N/A	N/A		80%	95%	●						
	Momentum for Mental Health FY24 Approved: \$40,000 FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$46,000 FY22 Spent: \$46,000 FY21 Approved: \$51,000 FY21 Spent: \$51,000	Individuals served	16	17	●	25	28	●	17	25	●	24	25	●	15	19	●	20	20	●						
		Services provided	165	231	●	350	532	●	220	209	●	334	370	●	200	187	●	300	367	●						
		Number of care management sessions	-	-		-	-		-	-		-	-		100	102	●	150	135	●						
		Patients who report a reduction of 2 points or more in PHQ-9 measure severity of depression	-	-		-	-		-	-		-	-		75%	100%	●	85%	100%	●						
		Patients who report a reduction of 2 points or more in GAD-7 measure severity of anxiety	-	-		-	-		-	-		-	-		75%	67%	●	85%	83%	●						
		Patients who avoid psychiatric hospitalization for 12 months after admission after beginning services with Momentum	97%	94%	●	97%	89%	●	97%	100%	●	97%	100%	●	98%	100%	●	98%	100%	●						
	Next Door Solutions <i>Domestic Violence Services</i> FY24 Approved: \$90,000 FY23 Approved: \$90,000 FY23 Spent: \$90,000 FY22 Approved: \$90,000 FY22 Spent: \$90,000 FY21 Approved: \$85,000 FY21 Spent: \$85,000	Individuals served	73	73	●	146	141	●	69	91	●	137	164	●	70	67	●	140	113	●						
		Services provided	251	336	●	521	726	●	267	323	●	594	694	●	300	277	●	600	698	●						
		Hours of case management sessions	-	-		-	-		-	-		-	-		350	59	●	700	140	●						
		Surveyed participants who report that they have gained at least one strategy to increase their safety or their children's safety	80%	0%	●	80%	92%	●	90%	96%	●	100%	90%	●	90%	90%	●	90%	91%	●						
		Support Groups clients completing the Support Group Evaluation Survey will respond that they can better manage stress when it occurs	-	-		-	-		-	-		-	-		80%	90%	●	80%	88%	●						
		Clients engaged in Self-Sufficiency Case Management during the grant period will maintain the level of self-sufficiency	55%	50%	●	55%	46%	●	75%	75%	●	75%	80%	●	68%	52%	●	68%	77%	●						
	Pacific Clinics <i>(Formerly Uplift Family Services)</i> <i>School-based Mental Health Counseling</i> FY24 Approved: \$220,000 FY23 Approved: \$210,000 FY23 Spent: \$210,000 FY22 Approved: \$210,000 FY22 Spent: \$210,000 FY21 Approved: \$230,000 FY21 Spent: \$230,000	Individuals served	500	552	●	1,650	1,289	●	500	818	●	1,250	1,250	●	625	650	●	1,250	1,178	●						
		Individuals served through counseling	-	-		-	-		-	-		-	-		100	108	●	200	209	●						
		Services provided	-	-		-	-		-	-		-	-		625	677	●	1,250	1,476	●						
		Hours of counseling sessions	582	642	●	1,345	1,284	●	570	605	●	1,190	1,190	●	250	245	●	625	608	●						
		Students who decrease high risk behaviors among students served who have high risk behaviors	N/A	N/A		60%	56%	●	N/A	N/A		60%	87%	●	N/A	N/A		60%	91%	●						
		Students who increase coping skills among students served with trauma, depressions, anxiety and/or anger	N/A	N/A		80%	80%	●	N/A	N/A		80%	98%	●	N/A	N/A		80%	96%	●						
Peninsula HealthCare Connection FY24 Approved: \$90,000 FY23 Approved: \$90,000 FY23 Spent: \$90,000 FY22 Approved: \$90,000 FY22 Spent: \$90,000 FY21 Approved: \$90,000 FY21 Spent: \$90,000	Individuals served	130	281	●	260	383	●	100	372	●	200	414	●	200	228	●	400	387	●							
	Services provided	300	365	●	600	628	●	380	290	●	660	555	●	300	255	●	550	510	●							
	Number of behavioral health screenings	100	108	●	200	300	●	80	262	●	160	414	●	200	115	●	400	387	●							
	Psychiatry patients not hospitalized in a 12 month program.	85%	88%	●	90%	93%	●	85%	95%	●	90%	98%	●	85%	85%	●	90%	90%	●							
	Psychiatry patients that attend scheduled follow up appointments.	60%	68%	●	75%	90%	●	60%	95%	●	75%	95%	●	60%	80%	●	75%	90%	●							
	Patients screened for depression that attend scheduled follow up appointments with a psychiatrist	45%	39%	●	55%	55%	●	45%	95%	●	55%	95%	●	45%	45%	●	55%	55%	●							
African American Community Services Agency (AACSA) <i>Screening/Referrals and Nutrition Education for Families</i> FY24 Approved: \$35,000 FY23 Approved: \$43,000 FY23 Spent: \$43,000 FY22 Approved: \$28,000 FY22 Spent: \$28,000 FY21 Approved: \$25,000 FY21 Spent: \$25,000	Individuals served	100	624	●	396	468	●	300	434	●	787	1,537	●	350	358	●	1,060	3,619	●							
	Services provided	150	770	●	515	544	●	400	550	●	856	3,897	●	700	528	●	2,205	7,013	●							
	Number of individuals reporting increased physical activity	-	-		-	-		-	-		-	-		80	22	●	185	110	●							
	Parents who took Parent Workshop classes who report they better understand how to support their child's healthy development.	N/A	N/A		65%	65%	●	N/A	N/A		65%	65%	●	N/A	N/A		65%	70%	●							
	Participants in exercise classes who discovered a fitness modality that would support a healthy lifestyle.	-	-		-	-		-	-		-	-		N/A	N/A		65%	65%	●							
	Individuals receiving food vouchers	-	-		-	-		-	-		-	-		55	15	●	110	57	●							
El Camino Health: Food Pharmacy FY24 Approved: \$150,000 FY23 Approved: \$148,500 FY23 Spent: \$73,074	Individuals receiving education and/or registered dietician services	-	-		-	-		-	-		-	-		25	5	●	50	17	●							
	Number of individuals who report improved self-management	-	-		-	-		-	-		-	-		15	0	●	30	2	●							
	Nutrition Services - Number of participants with a positive BMI change of 1 or more points	-	-		-	-		-	-		-	-		7	0	●	15	1	●							

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Health Priority Area <i>Column A</i>	Agency/Program <i>Column B</i>	FY23 Metrics <i>Column C</i>	Performance against target: ● = 90%+ ● = 75% - 89% ● = 0% - 74%																							
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	Gardner Family Health Network <i>Prediabetes and Diabetes</i> FY24 Approved: \$320,000 FY23 Approved: \$254,500 FY23 Spent: \$254,500 FY22 Approved: \$230,000 FY22 Spent: \$230,000 FY21 Approved: \$225,000 FY21 Spent: \$225,000	Individuals served	730	752	●	1,370	1,105	●	700	1,052	●	1,320	1,407	●	800	2,013	●	1,450	3,213	●						
		Services provided	1,300	1,375	●	2,650	3,429	●	1,690	2,486	●	3,385	4,541	●	1,900	3,399	●	3,800	8,738	●						
		Number of individuals with one or more improved biometrics	-	-	●	-	-	●	-	-	●	-	-	●	320	877	●	580	1,602	●						
		Patients demonstrating a reduction in body weight	40%	46%	●	40%	47%	●	40%	51%	●	40%	48%	●	40%	51%	●	40%	48%	●						
		Adult patients who experience weight loss of at least 5%	-	-	●	-	-	●	-	-	●	-	-	●	4%	5%	●	4%	5%	●						
		Enrolled patients demonstrating a reduction of at least 0.1% HbA1c	40%	29%	●	40%	51%	●	40%	40%	●	30%	45%	●	40%	44%	●	40%	43%	●						
	GoNoodle <i>Youth Movement & Mindfulness</i> FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$113,000 FY22 Spent: \$113,000 FY21 Approved: \$113,000 FY21 Spent: \$113,000	Individuals served	38,250	44,218	●	38,250	91,181	●	72,820	135,175	●	88,129	186,506	●	30,400	39,961	●	67,700	75,908	●						
		Services provided	-	-	●	-	-	●	-	-	●	-	-	●	66,640	55,642	●	119,900	117,489	●						
		Schools served	184	198	●	184	184	●	204	274	●	261	274	●	126	182	●	134	213	●						
		Number of individuals reporting increased physical activity	-	-	●	-	-	●	-	-	●	-	-	●	30,400	0	●	67,700	63,762	●						
		Teacher reports GoNoodle has had a positive impact on my students' physical health	-	-	●	-	-	●	75%	75%	●	75%	75%	●	75%	0%	●	75%	93%	●						
	Indian Health Center <i>Youth Diabetes & Obesity</i> FY24 Approved: \$90,000 FY23 Approved: \$111,500 FY23 Spent: \$111,500 FY22 Approved: \$87,000 FY22 Spent: \$87,000 FY21 Approved: \$80,000 FY21 Spent: \$80,000	Individuals served	125	140	●	230	208	●	150	126	●	210	193	●	150	143	●	275	210	●						
		Services provided	400	383	●	800	834	●	500	295	●	835	639	●	500	384	●	840	828	●						
		Number of individuals with one or more improved biometrics	-	-	●	-	-	●	-	-	●	-	-	●	45	39	●	135	82	●						
		Healthy Futures Program Participant that decrease BMI Percentile	20%	40%	●	30%	39%	●	25%	38%	●	35%	55%	●	30%	27%	●	50%	48%	●						
		Pre-diabetic and diabetic that are in the Healthy Futures Program that are engaged in care coordination	-	-	●	-	-	●	-	-	●	-	-	●	40%	0%	●	70%	43%	●						
	Playworks <i>Physical Activity & Anti-bullying</i> FY24 Approved: \$40,000 FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$86,000 FY22 Spent: \$40,710 FY21 Approved: \$86,000 FY21 Spent: \$12,900	Individuals served	1,950	N/A	●	1,950	404	●	1,500	445	●	1,500	1,940	●	950	950	●	950	950	●						
		Services Provided	-	-	●	-	-	●	-	-	●	-	-	●	1,900	1,900	●	1,900	1,900	●						
		Teacher/administrators reporting that Playworks positively impacts classroom climate	N/A	N/A	●	95%	0%	●	N/A	N/A	●	95%	0%	●	N/A	N/A	●	95%	95%	●						
		Teachers reporting that overall engagement increased attentiveness and participation in class	N/A	N/A	●	90%	0%	●	N/A	N/A	●	91%	0%	●	N/A	N/A	●	91%	83%	●						
		Teacher/administrators who agree that Playworks helps increase physical movement	N/A	N/A	●	91%	0%	●	N/A	N/A	●	92%	0%	●	N/A	N/A	●	96%	97%	●						
	South Asian Heart Center FY24 Approved: \$50,000 FY23 Approved: \$50,000 FY23 Spent: \$50,000 FY22 Approved: \$100,000 FY22 Spent: \$100,000 FY21 Approved: \$75,000 FY21 Spent: \$75,000	Individuals served	45	49	●	100	115	●	70	81	●	150	152	●	35	38	●	75	79	●						
		Services provided	243	264	●	518	585	●	330	362	●	700	700	●	175	189	●	350	361	●						
		Number of individuals with one or more improved biometrics (BMI, weight, and/or A1c)	-	-	●	-	-	●	-	-	●	-	-	●	20	0	●	40	45	●						
Change in levels of physical activity		21%	20%	●	21%	20%	●	21%	20%	●	21%	20%	●	21%	21%	●	21%	23%	●							
Change in average levels of vegetable consumption		20%	19%	●	20%	20%	●	20%	18%	●	20%	18%	●	20%	19%	●	20%	21%	●							
Change in average cholesterol ratio		6%	6%	●	7%	6%	●	6%	6%	●	6%	6%	●	6%	6%	●	6%	7%	●							
Valley Verde <i>Nutrition access/education for low-income households</i> FY24 Approved: \$60,000 FY23 Approved: \$60,000 FY23 Spent: \$60,000 FY22 Approved: \$45,000 FY22 Spent: \$45,000 FY21 Approved: \$45,000 FY21 Spent: \$45,000	Individuals served	120	163	●	280	312	●	136	113	●	252	196	●	140	127	●	280	265	●							
	Services provided	200	142	●	500	1,182	●	198	644	●	446	506	●	250	419	●	600	640	●							
	Number of participants reporting increased consumption of fruits and vegetables	-	-	●	-	-	●	-	-	●	-	-	●	120	44	●	230	44	●							
	Participants report increased food security for themselves and their families by at least one unit of measurement, as measured by pre- and post-program surveys	-	-	●	-	-	●	80%	69%	●	80%	68%	●	80%	75%	●	80%	82%	●							
	Participants report an increase by at least one unit of measurement in their knowledge of nutrition and healthy cooking, as measured by pre- and post-program surveys	N/A	N/A	●	80%	95%	●	80%	56%	●	80%	71%	●	80%	93%	●	80%	92%	●							
West Valley Community Services <i>Social Work Case Management</i> FY24 Approved: \$185,000 FY23 Approved: \$184,500 FY23 Spent: \$184,500 FY22 Approved: \$160,000 FY22 Spent: \$160,000 FY21 Approved: \$153,000 FY21 Spent: \$153,000	Individuals served	75	75	●	150	163	●	163	184	●	326	377	●	180	183	●	360	363	●							
	Services provided	-	-	●	-	-	●	-	-	●	-	-	●	180	183	●	360	363	●							
	Case managed clients who increased in 3 of the 18 domains measured by Self Sufficiency Index	N/A	N/A	●	90%	91%	●	N/A	N/A	●	90%	84%	●	N/A	N/A	●	90%	90%	●							
	Program participants who will improve on the health domain through supportive services using the health risk assessment	-	-	●	-	-	●	-	-	●	-	-	●	N/A	N/A	●	80%	64%	●							
	Clients will remain stably housed after 3 months of receiving emergency financial assistance	N/A	N/A	●	90%	92%	●	N/A	N/A	●	95%	90%	●	N/A	N/A	●	95%	90%	●							

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<p>Chronic Conditions (Other than Diabetes & Obesity)</p>	American Heart Association <i>Hypertension Management</i> FY24 Approved: \$60,000 FY23 Approved: \$60,000 FY23 Spent: \$60,000 FY22 Approved: \$50,000 FY22 Spent: \$42,424 FY21 Approved: \$50,000 FY21 Spent: \$49,210	Individuals served	40	37	●	98%	●	80	96	●	100%	●	60	74	●	93%	●	130	139	●	100%	●	95	60	●	85%	●	190	150	●	86%	●
		Services provided	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	360		240	●	730	600		●
		Number of individuals who report improved self-management	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	55		50	●	110	59		●
		CCC Participants will improve BP by 7mm	30%	56%	●		30%	56%	●	35%		32%	●	35%	32%		●	35%	36%	●		35%	45%	●	35%		45%	●	35%	53%		●
		CCC Participants will measure 8 BP readings within 4 months	50%	53%	●		50%	100%	●	55%		50%	●	55%	56%		●	55%	56%	●		55%	56%	●	60%		55%	●	60%	72%		●
		CCC Participants will adopt health behaviors to improve BP by self-reporting increased fruit and vegetable consumption	30%	35%	●		30%	59%	●	35%		32%	●	35%	49%		●	35%	49%	●		35%	46%	●	35%		46%	●	35%	53%		●
<p>Chronic Conditions (Other than Diabetes & Obesity)</p>	Breathe California <i>Children's Asthma Program</i> FY24 Approved: \$40,000 FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$40,000 FY22 Spent: \$40,000 FY21 Approved: \$40,000 FY21 Spent: \$40,000	Individuals served	100	87	●	87%	●	350	622	●	67%	●	100	890	●	100%	●	330	2,310	●	100%	●	130	173	●	100%	●	400	370	●	97%	●
		Services Provided	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	130		173	●	400	370		●
		Number of individuals who report improved self-management	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	20		25	●	80	99		●
		Parents, teachers, and childcare providers trained who have an increase knowledge/skills/confidence in managing all aspects of asthma	N/A	N/A	●		50%	72%	●	50%		83%	●	50%	83%		●	50%	63%	●		50%	63%	●	60%		68%	●	60%	100%		●
		Home, school, and childcare centers served that reduce environmental hazards/triggers for asthma, as measured by comparison of assessments and re-assessments of respiratory hazards using the EPA's best-practice environmental checklist	N/A	N/A	●		50%	0%	●	50%		100%	●	50%	75%		●	50%	75%	●		50%	100%	●	50%		100%	●	50%	100%		●
<p>Chronic Conditions (Other than Diabetes & Obesity)</p>	Latinas Contra Cancer FY24 Approved: \$40,000 FY23 Approved: \$40,000 FY23 Spent: \$40,000 FY22 Approved: \$35,000 FY22 Spent: \$35,000 FY21 Approved: \$25,000 FY21 Spent: \$25,000	Individuals served	60	71	●	99%	●	214	224	●	100%	●	120	123	●	98%	●	300	300	●	100%	●	175	209	●	97%	●	350	350	●	100%	●
		Duplicate education and patient navigation sessions (services provided)	122	165	●		458	464	●	332		303	●	745	812		●	750	849	●		1,500	1,500	●								
		Number of participants adhering to treatment plan	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		130	104	●	260		260	●				
		Clients showing an increased understanding of key cancer prevention and health messages	70%	92%	●		70%	90%	●	70%		95%	●	70%	98%		●	70%	98%	●		70%	90%	●	70%		90%	●	70%	90%		●
		Navigation clients showing a better understanding of their health status, options, and care plan	90%	86%	●		90%	97%	●	90%		98%	●	90%	98%		●	90%	91%	●		90%	100%	●	90%		95%	●				
		Health navigation participants reporting overall satisfaction with those services.	85%	96%	●		85%	97%	●	85%		100%	●	85%	100%		●	85%	100%	●		85%	100%	●	85%		95%	●				
<p>Economic Stability (Including Food Insecurity, Housing & Homelessness)</p>	El Camino Health: DEI FY24 Approved: \$35,000 FY23 Approved: \$35,000 FY23 Spent: \$35,000	Individuals served	-	-	●	New Program in FY23	●	-	-	●	New Program in FY23	●	-	-	●	New Program in FY23	●	-	-	●	New Program in FY23	●	2	1	●	88%	●	5	12	●	92%	●
		Services provided (hours of internship: 10 20-hour weeks x 5 interns)	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	400		400	●	1,000	694		●
		Interns reporting they have at least two new healthcare professions contacts they feel comfortable remaining in touch with to help advance their desired career path	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	80%		100%	●	80%	100%		●
		Interns reporting they gained insight for career path	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	80%		100%	●	80%	100%		●
			-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		-	-	●	80%		100%	●	80%	100%		●
<p>Economic Stability (Including Food Insecurity, Housing & Homelessness)</p>	West Valley Community Services <i>Social Work Case Management for Older Adults</i> FY24 Approved: \$45,000 FY23 Approved: \$45,000 FY23 Spent: \$45,000 FY22 Approved: \$45,000 FY22 Spent: \$45,000 FY21 Approved: \$45,000 FY21 Spent: \$45,000	Individuals served	35	35	●	100%	●	45	83	●	100%	●	30	32	●	100%	●	60	69	●	99%	●	30	33	●	67%	●	60	64	●	86%	●
		Services provided	150	250	●		300	449	●	160		199	●	320	367		●	30	33	●		60	64	●								
		Number of participants showing improvement in Self-sufficiency matrix score	-	-	●		-	-	●	-		-	●	-	-		●	-	-	●		25	0	●	55		31	●				
		Case managed clients who increased in three of the 18 domains measured by the Self-Sufficiency Index	N/A	N/A	●		91%	96%	●	N/A		N/A	●	92%	90%		●	N/A	N/A	●		92%	68%	●								
Clients who report a 1-point increase in the food domain in the self-sufficiency matrix indicate food insecurity was decreased due to utilizing the food pantry at least once a week	-	-	●	-	-	●	-	-	●	-	-	●	-	-	●	-	-	●	91%	90%	●											

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Support Grants (≤\$30k)																									
<p>Behavioral Health (Including Domestic Violence & Trauma)</p>	Adolescent Counseling Services FY24 Approved: \$25,000 FY23 Approved: \$25,000 FY23 Spent: \$25,000	Individuals served	-	-		-	-		-	-		-	-		-	-		125	429	●	250	539	●		
		Services provided	-	-		-	-		-	-		-	-		-	-		175	127	●	350	539	●		
		Hours of counseling sessions	-	-		-	-		-	-		-	-		-	-		175	429	●	350	539	●		
		Clients that will improve their level of functioning	-	-		-	-		-	-		-	-		-	-		N/A	N/A		70%	81%	●		
		Youth reporting that since joining Outlet, they feel more connected to the LGBTQIA+ community	-	-		-	-		-	-		-	-		-	-		75%	100%	●	75%	100%	●		
	Bill Wilson Center Psychotherapy for Child Abuse Victims FY24 Approved: \$25,000 FY23 Approved: \$25,000 FY23 Spent: \$25,000 FY22 Approved: \$25,000 FY22 Spent: \$25,000 FY21 Approved: \$25,000 FY21 Spent: \$25,000	Individuals served	6	6	●	12	12	●	6	6	●	12	12	●	6	6	●	6	6	●	12	12	●		
		Services provided	60	64	●	120	135	●	60	48	●	120	129	●	60	59	●	60	59	●	120	139	●		
		Clients completing the program who report that they have learned one new healthy coping mechanism	-	-		-	-		80%	100%	●	90%	100%	●	80%	83%	●	80%	83%	●	90%	92%	●		
	Cancer CAREpoint Counseling for Cancer Patients, Survivors, Family & Caregivers FY24 Approved: \$30,000 FY23 Approved: \$30,000 FY23 Spent: \$30,000 FY22 Approved: \$30,000 FY22 Spent: \$30,000 FY21 Approved: \$22,000 FY21 Spent: \$22,000	Individuals served	120	112	●	250	227	●	100	98	●	210	193	●	100	91	●	100	91	●	210	207	●		
		Services provided	220	456	●	459	459	●	300	411	●	625	953	●	300	411	●	315	299	●	625	630	●		
		Clients who agree or strongly agree they experienced reduced levels of anxiety about issues related to a cancer diagnosis	85%	80%	●	85%	80%	●	80%	81%	●	80%	83%	●	80%	83%	●	80%	82%	●	80%	80%	●		
		As a result of the counseling session, clients will agree or strongly agree that they experienced reduced levels of isolation after the counseling session	-	-		-	-		-	-		-	-		-	-		90%	87%	●	90%	85%	●		
	Los Gatos Saratoga Recreation Senior Isolation Program FY24 Approved: \$15,000 FY23 Approved: \$15,000 FY23 Spent: \$15,000 FY22 Approved: \$20,000 FY22 Spent: \$20,000 FY21 Approved: \$20,000 FY21 Spent: \$20,000	Individuals served	60	180	●	120	200	●	125	281	●	200	530	●	200	0	●	200	0	●	300	300	●		
		Services Provided	114	100	●	715	479	●	2,004	1,042	●	3,340	2,553	●	1,750	0	●	1,750	0	●	3,000	2,831	●		
		Participants who agree or strongly agree that they feel less isolated as a result of the program	65%	66%	●	65%	65%	●	65%	65%	●	65%	74%	●	65%	0%	●	65%	0%	●	65%	89%	●		
	Tower Foundation of San Jose State University FY23 Approved: \$25,000 FY23 Spent: \$25,000	Individuals served	-	-		-	-		-	-		-	-		-	-		15	42	●	30	58	●		
		Number of health screenings performed	-	-		-	-		-	-		-	-		-	-		30	0	●	60	49	●		
		Percentage of clients who complete a screening and follow up with referral	-	-		-	-		-	-		-	-		-	-		60%	0%	●	60%	60%	●		
		Percentage of youth who are able to identify at least one new coping strategy that they can use to manage stress and mental health challenges	-	-		-	-		-	-		-	-		-	-		60%	0%	●	60%	85%	●		
		Percentage of clients reporting that they are satisfied with the services that they received	-	-		-	-		-	-		-	-		-	-		60%	0%	●	60%	80%	●		
American Diabetes Association FY23 Approved: \$25,000 FY23 Spent: \$25,000	Individuals served	-	-		-	-		-	-		-	-		-	-		80	83	●	160	160	●			
	Services provided	-	-		-	-		-	-		-	-		-	-		360	498	●	720	720	●			
	Number of individuals reporting increased physical activity	-	-		-	-		-	-		-	-		-	-		24	71	●	48	48	●			
	Youth survey respondents knowledgeable about the amount of physical activity to do in a day as assessed by pre/post survey	-	-		-	-		-	-		-	-		-	-		55%	36%	●	55%	95%	●			
	Youth respondents who eat vegetables 4 or more times in the past week as assessed by pre/post survey	-	-		-	-		-	-		-	-		-	-		55%	83%	●	55%	95%	●			
	Youth respondents who meet the recommended amount of physical activity in a week (5 days or more) as assessed by pre/post survey	-	-		-	-		-	-		-	-		-	-		55%	83%	●	55%	95%	●			
BAWSI Girls Program Physical Activity & Self-esteem Program FY24 Approved: \$15,000 FY23 Approved: \$15,000 FY23 Spent: \$15,000 FY22 Approved: \$15,000 FY22 Spent: \$15,000 FY21 Approved: \$15,000 FY21 Spent: \$15,000	Individuals served	45	5	●	90	11	●	45	63	●	90	126	●	60	60	●	60	60	●	120	121	●			
	Services provided	-	-		-	-		-	-		-	-		-	-		1,020	628	●	2,100	1,278	●			
	Number of individuals reporting increased physical activity	-	-		-	-		-	-		-	-		-	-		42	22	●	84	46	●			
	Average weekly attendance	80%	70%	●	80%	64%	●	80%	79%	●	80%	83%	●	80%	83%	●	80%	81%	●	80%	80%	●			
	Participants who respond positively to the statement, "I like to exercise"	-	-		-	-		-	-		-	-		-	-		60%	75%	●	60%	63%	●			
Parents who respond positively to the question, "Does your child want to do more physical activity since joining BAWSI?"	85%	100%	●	85%	80%	●	85%	66%	●	85%	74%	●	85%	74%	●	70%	79%	●	70%	84%	●				

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	Chinese Health Initiative FY24 Approved: \$20,000 FY23 Approved: \$20,000 FY23 Spent: \$20,000 FY22 Approved: \$42,000 FY22 Spent: \$42,000	Individuals served	-	-		-	-		98	142	●	210	238	●	60	119	●	120	120	●						
		Services provided	-	-		-	-		225	343	●	450	654	●	125	270	●	250	270	●						
		Number of individuals with one or more improved biometrics (BMI, weight, and/or A1c)	-	-		-	-		-	-		-	-		10	10	●	20	20	●						
		Healthy Lifestyle for Diabetes Prevention participants who report meeting at least two of the following lifestyle recommendations upon program completion (exercise, health eating, sleep and stress reduction)	-	-	New Program in FY22	-	-	New Program in FY22	80%	95%	●	100%	●	80%	93%	●	100%	●	75%	81%	●	99%	●			
		Participants who strongly agree or agree that dietitian consultations help them improve their eating habits	-	-		-	-		95%	96%	●			95%	97%	●			95%	91%	●					
		Participants who are very likely (9-10 rating) to recommend CHI to a friend or colleague	-	-		-	-		-	-				-	-				80%	85%	●	80%	85%	●		
	Pink Ribbon Girls Cancer Support Program FY24 Approved: \$25,000 FY23 Approved: \$25,000 FY23 Spent: \$25,000 FY22 Approved: \$25,000 FY22 Spent: \$25,000	Individuals served	-	-		-	-		24	42	●	60	42	●	21	21	●	42	42	●						
		Services provided	-	-		-	-		490	1,472	●	1,275	1,472	●	760	760	●	1,520	1,520	●						
		Number of Participants adhering to treatment plan	-	-	New Program in FY22	-	-	New Program in FY22	50%	75%	●	100%	●	50%	75%	●	100%	●	30	30	●	100%	●			
		Patients who report feeling stronger and well-nourished through treatment	-	-		-	-		80%	86%	●			80%	86%	●			80%	94%	●					
		Participants who report at least a 50% decrease in feelings of loneliness and isolation	-	-		-	-		35%	65%	●			35%	65%	●			50%	96%	●					
	Catholic Charities of Santa Clara County FY24 Approved: \$30,000 FY23 Approved: \$30,000 FY23 Spent: \$30,000	Individuals served	-	-		-	-		-	-		-	-		130	324	●	260	358	●						
		Number of duplicate sessions provided	-	-		-	-		-	-		-	-		648	6,480	●	1296	627	●						
		Number of people served meals	-	-	New Program in FY23	-	-	New Program in FY23	-	-	New Program in FY23	-	-	New Program in FY23	130	1,050	●	260	63	●	56%	●				
		Clients who increased their understanding of how to navigate the social services system	-	-		-	-		-	-		-	-		70%	45%	●	70%	50%	●						
		Clients who increased their confidence in their ability to achieve goals toward self-sufficiency and stability	-	-		-	-		-	-		-	-		70%	45%	●	70%	50%	●						
		Clients who increased their Self-Sufficiency Matrix Score	-	-		-	-		-	-		-	-		70%	11%	●	70%	15%	●						
	Downtown Streets Team FY23 Approved: \$30,000 FY23 Spent: \$30,000 FY22 Approved: \$30,000 FY22 Spent: \$30,000	Individuals served	-	-		-	-		10	80	●	20	103	●	10	14	●	20	24	●						
		Number of housing related case management sessions	-	-		-	-		-	-		-	-		50	60	●	100	150	●						
		Participants who report improved their self-esteem, motivation, and/or hope since joining the program	-	-	New Program in FY22	-	-	New Program in FY22	50%	55%	●	99%	●	75%	97%	●	99%	●	75%	98%	●	100%	●			
		Barriers removed related to housing, employment, health, and/or self-sufficiency cumulatively for all unduplicated partners	-	-		-	-		30%	89%	●			60%	100%	●			30%	50%	●	60%	80%	●		
		Participants who report decreased quantity or improved the quality of interactions with law enforcement/the court system	-	-		-	-		N/A	N/A				40%	65%	●			20%	0%	●	40%	80%	●		
	Rebuilding Together Silicon Valley Falls Prevention Services for at-risk Older Adults FY24 Approved: \$30,000 FY23 Approved: \$30,000 FY23 Spent: \$30,000 FY22 Approved: \$30,000 FY22 Spent: \$30,000 FY21 Approved: \$30,000 FY21 Spent: \$30,000	Individuals served	5	13	●	17	26	●	5	6	●	24	15	●	5	8	●	24	15	●						
		Services provided	-	-		-	-		-	-		-	-		20	98	●	70	133	●						
		Older adults who report their overall health has improved somewhat or a lot since completed repairs/modifications	N/A	N/A	100%	60%	96%	●	100%	●	75%	100%	●	100%	●	91%	●	100%	●	75%	100%	●	100%	●		
		Older adults who report a low or no chance of falling due to completed repairs/modifications	N/A	N/A		60%	60%	●			65%	100%	●			65%	100%	●			65%	100%	●			
		Older adults who report a 1 point increase in their ability to move around their home	N/A	N/A		60%	60%	●			65%	100%	●			65%	100%	●			65%	100%	●			

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**EL CAMINO HOSPITAL
FINANCE COMMITTEE MEETING COVER MEMO**

To: El Camino Hospital Finance Committee
From: Carlos Bohorquez, Chief Financial Officer
Date: November 27, 2023
Subject: Capital Funding Request: Pyxis / Wavemark Supply Stations Replacement Project

1. Recommendation:

The Finance Committee is requested to approve funding not to exceed \$2.4 million for the purchase and installation of 144 Pyxis / Wavemark Supply Stations.

2. Summary:

- a. Situation: Current Pyxis Supply Stations have been leased from the manufacture since 2009 and are now at the end of their useful life.
 - Pyxis / Wavemark Supply Stations are necessary to meet regulatory and inventory control for medical supplies
 - Current stations are on Windows 7 platform which is no longer supported and creates IT vulnerabilities
 - New Pyxis / Wavemark Supply Stations will reduce total value of inventory on hand (25%) and overnight/rush orders (80%)
- b. Authority: Policy requires that capital expenditures exceeding \$1 million need Finance Committee approval
- c. Background: Management has negotiated the following purchase terms
 - Total project cost to purchase 144 replacement Pyxis / Wavemark Supply Stations is \$2.4 million
 - Purchase vs. lease is expected to save ECH \$2.2 million over the next ten years
 - Monthly support and maintenance agreement: \$209K per year

3. List of Attachments:

- a. Project overview presentation

4. Suggested Board Discussion Questions:

- a. What is the expected completion timeline of the project?
- b. Will there be any disruption to patient services as a result of this project?



Pyxis / Wavemark Supply Cabinet Replacement Project

Carlos A. Bohorquez, Chief Financial Officer

November 27, 2023

Project Summary – Supply Station Replacement

Current State

- Current Pyxis Supply Stations have been leased since 2009 at a significant cost to the without any upgrades to the equipment since the inception of the lease
- All machines are at the end of the useful life
- Current stations are on Windows 7 platform which is no longer supported and creates a cybersecurity risk
- Lease agreement has been in place for the duration
 - \$8M+ in operating expense to date

Replacement

- Total project cost to purchase 144 replacement Pyxis / Wavemark Supply Stations is \$2.4 million
- Purchase vs. lease is expected to save ECH \$2.2 million over the next ten years
- Monthly support and maintenance agreement of \$209K per year
- Replacement project will optimize supply inventory management

Project Benefits

- Cybersecurity compliance
- Improved cabinet layout and inventory management
- Reduced number of total cabinets
- Reduced total value of inventory on hand (25%)
- Reduced overnight/rush orders (80%)
- Improved management of expiring product
- A more modern, approachable interface for clinical staff

Project Timeline

- Finalize Purchase / Service Agreement: December 2023
- Project Initiation: January 2024
- Expected Completion: June 2024



Project - Financial analysis

- Total cost (10 years) to purchase will save ECH \$2.2 million

Lease option											
Monthly	Monthly	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
60 Month Lease	55,400	664,800	664,800	664,800	664,800	664,800	664,800	664,800	664,800	664,800	664,800
TCO		664,800	1,329,600	1,994,400	2,659,200	3,324,000	3,988,800	4,653,600	5,318,400	5,983,200	6,648,000

Purchase option											
Description	Monthly	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Pyxis Med Stations/Equipment		1,495,000									
Support/Maintenance	7,405	88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860	88,860
Wavemark cabinets		900,000									
Wavemark point of use subscription	10,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
TCO		2,603,860	2,812,720	3,021,580	3,230,440	3,439,300	3,648,160	3,857,020	4,065,880	4,274,740	4,483,600

Recommendation

- The Finance Committee is requested to approve capital funding of not to exceed \$2.4 million to complete the purchase and installation of 144 Pyxis / Wavemark Supply Cabinets
- The replacement and installation process is projected to take approximately 6 months

Q & A

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

To: Finance Committee
From: Ken King, CAO
Date: November 27, 2023
Subject: MV Campus Completion Phase 3 - Funding Request

Recommendation:

To recommend Board Approval for Phase 3A and development of Phase 3B of the MV Campus Completion Project, not to exceed \$20 million.

Summary:

- Situation:** Phases 1 and 2 of MV Campus Completion Project consisted of a temporary service yard and the demolition of the Old Main Hospital building. These two phases of work are substantially complete, and we continue to utilize the temporary service yard for everything incoming and outgoing on the MV Campus. Phase 3 of this project includes everything required to fill in the site where the original main hospital building was located.

To ensure a continuous flow of construction activity, Phase 3 has been separated into two distinct scopes of work. Phase 3A consists of the new Service Yard with new Receiving and Disposal Docks and Phase 3B is an expansion to the new main hospital that also includes a connecting corridor to Taube Pavilion. We are prepared to begin the construction of the Phase 3A scope of work in early January 2024 and to further develop the Phase 3B expansion plans, upon approval of proposed funding request.

- Authority:** Capital Expenditures exceeding \$5 million require approval by the Board of Directors as recommended by the Finance Committee.
- Background:** The Master Facilities Plan for the MV Campus was approved in June 2016 by the El Camino Health Board of Directors, the El Camino Healthcare District Board of Directors and the City of Mountain View. The Master Facilities Plan included the following elements:

- Expansion of the North Garage
 - Construction of the IMOB (Sobrato Pavilion)
 - Construction of the BHS Building (Taube Pavilion)
- ← STEP 1
- Expansion of the Women’s Hospital (Orchard Pavilion)
 - Demolition of Old Main Hospital and **MV Campus Completion**
- ← STEP 2

The plan for the **MV Campus Completion** project presented to the Board in October 2019 included the following elements:

- A. Retention or replacement of the 15,000 SF “Lab/Laundry Building Structure”
- B. Construction of a corridor link between the Main Hospital and the new Taube Pavilion
- C. A new service yard configuration with access to the new (Existing) loading dock
- D. New waste and recycle storage areas.
- E. Water storage tanks to meet 2030 seismic requirements. (Future Project)
- F. Installation of Energy Cells that will provide on-site generated electricity.
- G. A landscaped courtyard adjacent to the Taube Pavilion as required by the Planned Community Permit.

4. Assessment: The MV Campus Completion Phase 3 work has always been an element of the approved Master Facilities Plan for the MV Campus. This request is for funding Phase 3A construction and the planning and development of the Phase 3B expansion. The costs break down as follows:

	Total Phase 3A Project Cost	Phase 3B Design & Planning Cost	Total Current Request
Construction Costs	\$11,831,289	\$0	\$11,831,289
Soft Costs*	\$2,220,939	\$5,150,000	\$7,370,939
FF&E**	\$220,000	\$0	\$220,000
Contingency	\$577,772	\$0	\$577,772
Total Project	\$14,850,000	\$5,150,000	\$20,000,000

*Soft Costs = Designers, Project Management, Permits, Inspections, Insurance, Miscellaneous

**FF&E = Furniture, Fixtures & Equipment

Note that the Phase 3B Design & Planning Cost is based on current estimated construction and does not represent the final cost. Target Date to request final funding for Phase 3B is October 2024.

5. Other Reviews: This project has been approved by the Executive Capital Committee and the FY2024 Capital Spend projection of \$14 million was included in the FY2024 Budget approval.
6. Outcomes: The target completion date for Phase 3A is December 2024. Pending approval of the final funding request Phase 3B target start date is November 2024.
7. List of Attachments:
- A. Campus Completion Project Phase 3 Presentation



Mountain View Campus Completion Phase 3 Capital Approval Request

Ken King, CAO

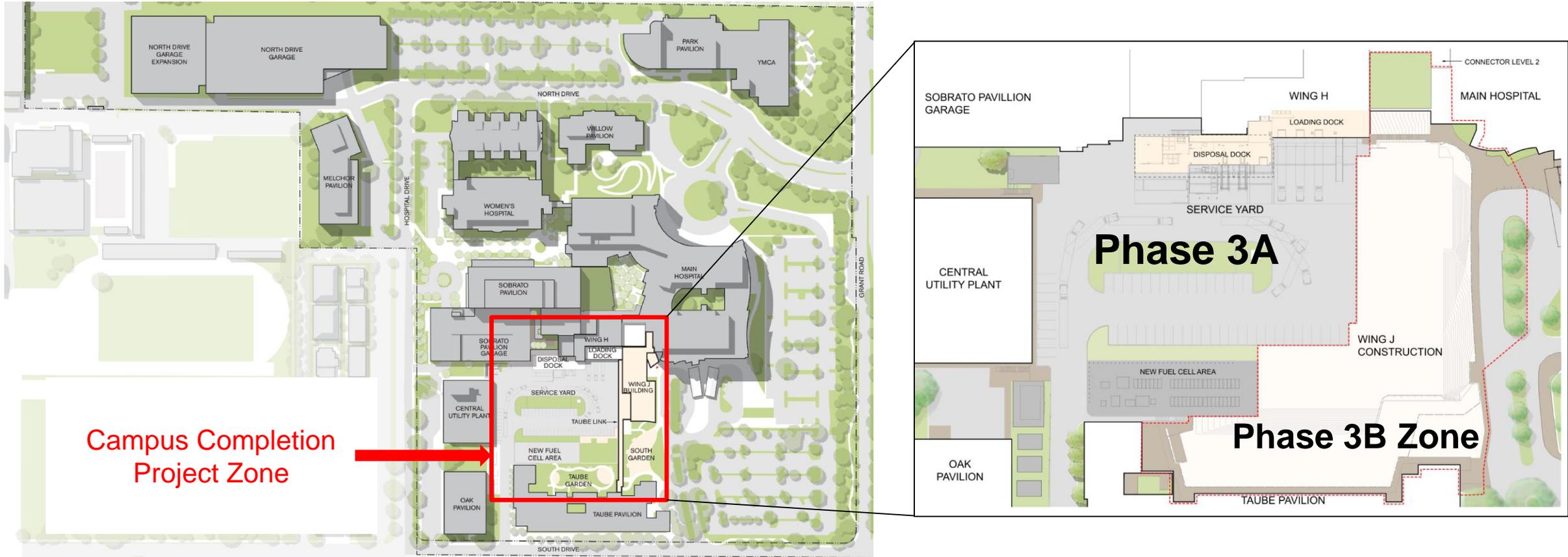
November 27, 2023

Finance Committee Request

- To recommend Board Approval for funding completion of Phase 3A and development of Phase 3B of the MV Campus Completion Project, not to exceed \$20 million.

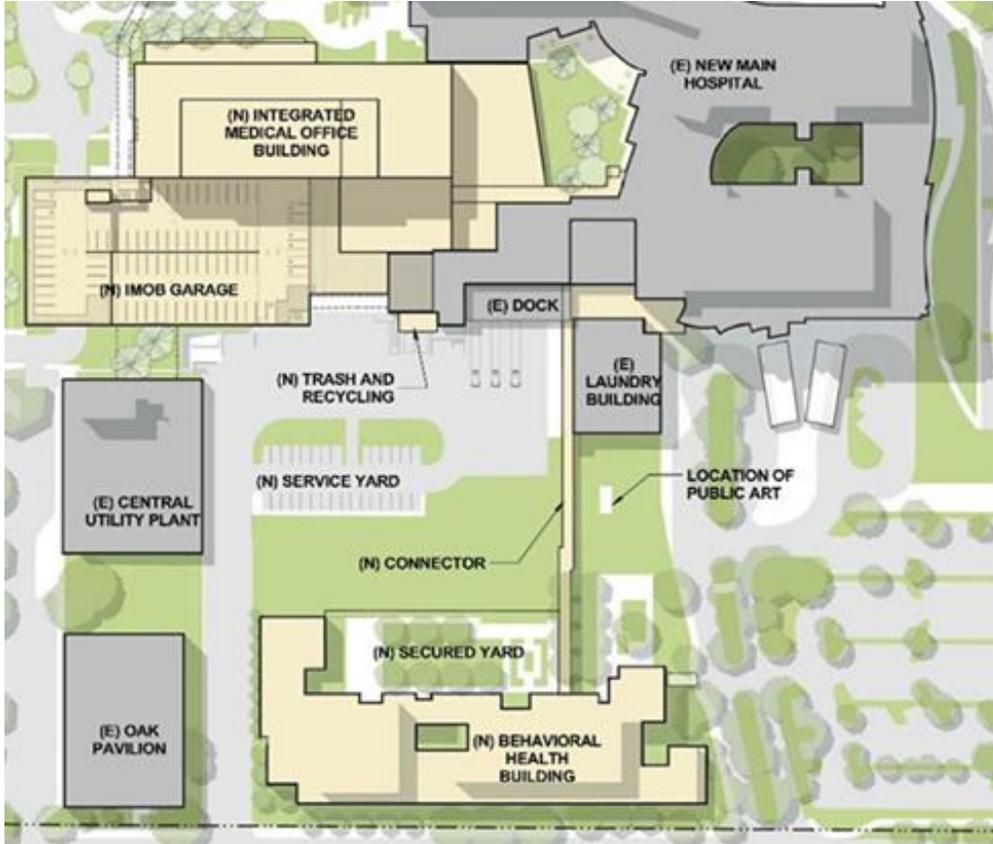
Proposed Campus Completion Project

- Phase 1 and 2 of the Campus Completion Project are substantially complete (See Appendix)
- Phase 3 includes two distinct scopes of work:
 - Phase 3A includes construction the new service yard (beginning Jan, 2024)
 - Phase 3B contains a proposed new Wing of the hospital, and connection to Taube Pavilion

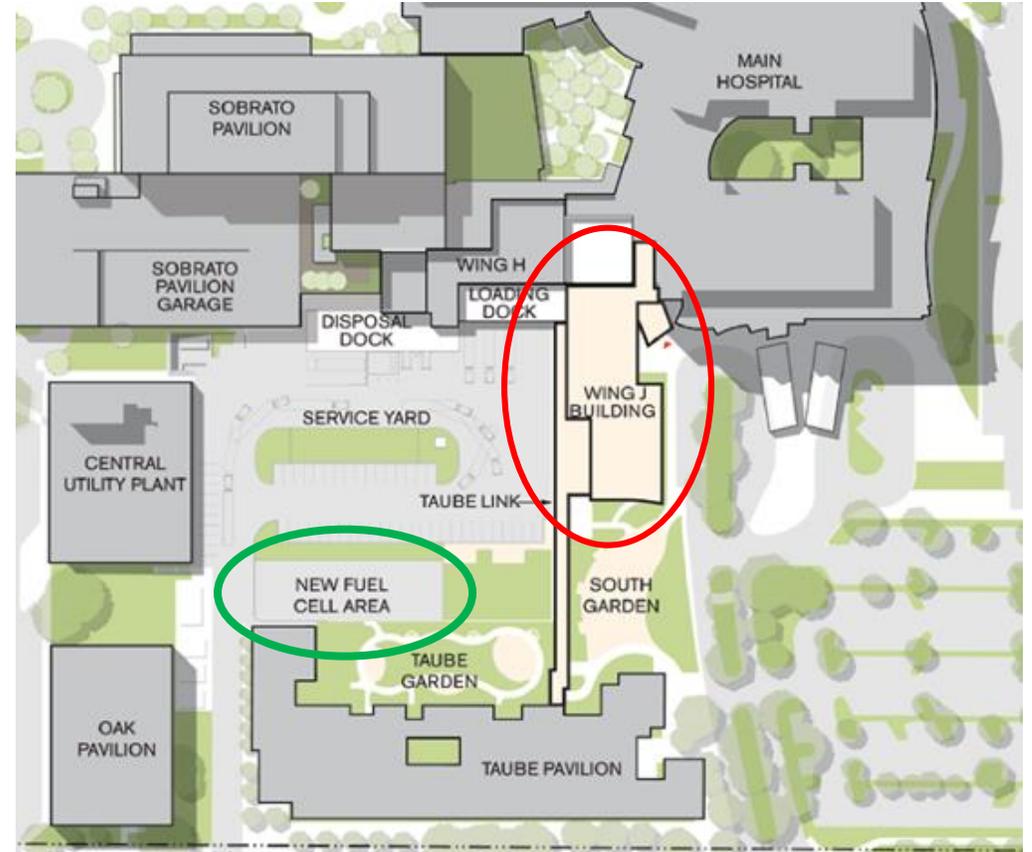


Plan Comparison

- This 2023 proposed plan is consistent with the 2016 approved plan, with energy fuel cells added and a slightly larger building addition identified as Wing J



2016



2023

The Value of the Proposed Phase 3 Project

Phase 3A Project Overview

Target to Begin January 2024

- Access to Loading Dock
- New Covered Disposal Dock
- Storm Water Retention
- Replacement Oxygen Tank
- New Bulk Med Gas Tanks
- Retaining Walls
- Energy Generating Fuel Cells
- Underground Utilities
- Service Yard Parking

Phase 3B Current Thinking

Target to begin November 2024 (pending funding & permits)

- Expansion Wing would provide **Increased Capacity** and mitigation of capacity constraints from increased ED and procedural volume
- Corridor Link from Main Hospital to Taube Pavilion
 - Eliminates need for ambulance transport to and from the Main Hospital

Project Costs

	Total Phase 3A Project Cost	Phase 3B Design & Planning Cost	Total Current Request
Construction Costs	\$11,831,289 ¹	\$0	\$11,831,289
Soft Costs*	\$2,220,939	\$5,150,000	\$7,370,939
FF&E**	\$220,000	\$0	\$220,000
Contingency	\$577,772	\$0	\$577,772
Total Project	\$14,850,000	\$5,150,000	\$20,000,000

¹ See Appendix for Phase 3A Bid Results Summary

*Soft Costs =Designers, Project Management, Permits, Inspections, Insurance, Miscellaneous

**FF&E = Furniture, Fixtures & Equipment

Finance Committee Request

- To recommend Board Approval for funding completion of Phase 3A and development of Phase 3B of the MV Campus Completion Project, not to exceed \$20 million.

Q & A

Appendix

- Current state of the Campus Completion Project
- Enlarged Phase 3 Site Plans
- Phase 3A bid results summary

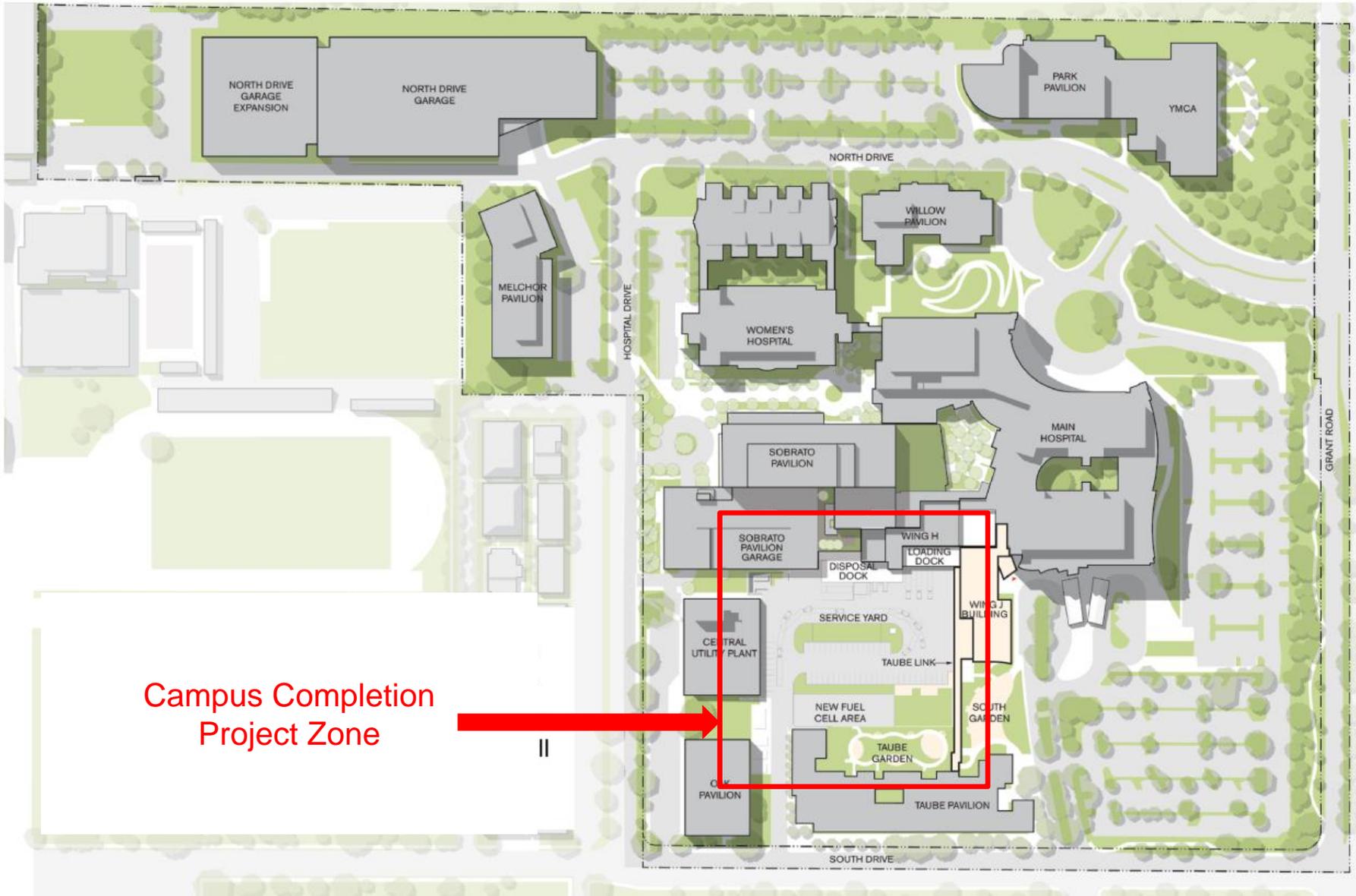
October 31st

Phase 1 & 2 Substantially Complete

Current State of
the MV Campus
Completion
Project



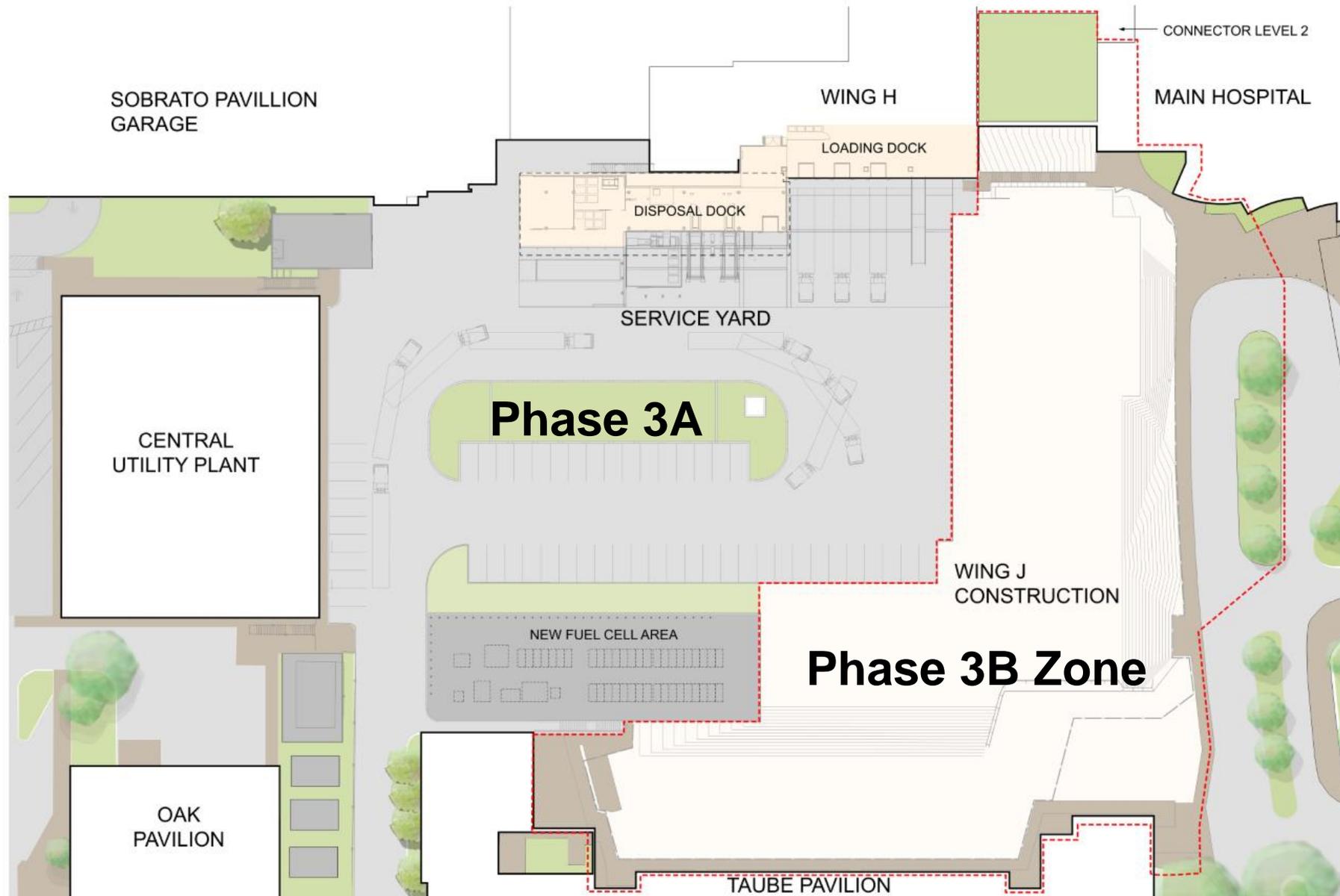
MOUNTAIN VIEW CAMPUS PLAN - PROPOSED



Campus Completion Project Zone



SITE PLAN AFTER SERVICE YARD CONSTRUCTION



Phase 3A to Begin
January 2024

Phase 3B
Target Start Date
November 2024
Pending Funding and Permits

Phase 3A Bid Result Summary

Mountain View Campus Completion - Package 3A Service Yard		LEGEND	NO BID	REJECT BID	APPARENT LOW BID	NOT LOW BID - AWARDED		
BP 01	Site Demolition, Earthwork, AC Paving	JJ Albanese \$928,320	Desilva Gates Construction NO BID	Ghilotti Bros NO BID	McGuire & Hester NO BID	O.C. Jones & Sons NO BID		
BP 02	Drilled Piers	Blue Iron \$555,000	Drill Tech & Shoring \$733,395	Condon-Johnson Assoc. NO BID	Malcolm Drilling Co. NO BID			
BP 03	Site Concrete	JJ Albanese \$1,457,952	Casey-Folgi \$1,616,800	Rudolph & Sletton \$1,750,000	Berkeley Cement \$1,899,782	Dolan Concrete NO BID		
BP 04	Site Utilities	McGuire & Hester \$849,744	Preston Pipelines \$944,304	MK Pipelines Inc. NO BID	Talus Construction NO BID			
BP 05	Loading Dock Equipment	United California Glass & Door \$113,684	McKendry Door Sales & Service \$117,977	Barton Overhead Doors \$123,266	D.W. Nicholson NO BID	North Bay Overhead Doors NO BID		
BP 06	Landscape & Irrigation	McGuire & Hester \$99,546	Brightview \$105,925	Shooter & Butts NO BID				
BP 07	Not Used							
BP 08	Miscellaneous Metals	Westco Iron Works \$1,032,000	Glazier Steel \$1,040,748	Lee's Imperial Welding \$1,132,305	Viking Steel \$1,149,549	C.E. Toland & Sons NO BID	Olson Steel NO BID	Summit Steel NO BID
BP 09	Doors, Frames & Hardware	RT Western \$36,844	Minton Doors \$48,515	Boyett Construction NO BID	ISEC NO BID			
BP 10	Metal Stud Framing & Drywall	Brady West Inc. \$487,820	California Drywall \$570,990	Daley's Drywall \$958,587	PCI \$1,174,135			
BP 11	Roofing	Enterprise Roofing \$51,360	Blue's Roofing \$65,328	Waterproofing Associates \$70,436	Alcal Specialty Contracting \$76,320	Alliance Roofing Company \$90,000		
BP 12	Flashing & Sheetmetal	Air Systems \$78,525	Mauck Sheet Metal \$86,212	Omni Sheet Metal \$88,548	Frank M. Booth NO BID			
BP 13	Painting	Valdez Painting \$104,868	California Drywall \$111,509	George E. Masker \$179,625	A&B Painting, Inc. NO BID	Giampolini Group NO BID	Monticelli Painting NO BID	Jerry Thompson & Sons Painting NO BID
BP 14	Chain Link Fences (Allowance)	Securetech Fence Systems \$36,086	Crusader Fence \$60,647	North America Fence & Railing NO BID	AAA Fence Co. NO BID			
BP 15	Glazing & Storefront	Ranker AMG \$86,456	Silicon Valley Glass \$105,804	Alcal Glass NO BID	Progress Glass NO BID	United California Glass & Door NO BID	Walters & Wolf NO BID	
BP 16	Demolition	Penkor Wrecking \$96,700	Rudolph & Sletton \$125,000	Roldan Construction Inc. \$131,956	Garrison Demolition Engineering \$144,000	Bayview Demolition NO BID		
BP 17	Fire Protection	Westates \$67,525	Pribuss \$69,765	Superior \$70,400	RLH \$70,670	Cosco \$124,900		
BP 18	HVAC & Plumbing	Pribuss \$179,068	Axis \$191,437	ACCO \$230,600	Air Systems \$263,336	UMI \$389,101	Marelich \$545,774	Pan Pacific \$585,500
BP 19	Electrical	CSI Electric \$1,115,524	Palmer Electric \$1,334,280	Morrow-Meadows Corporation NO BID	Prime Electric NO BID	Young Electric Company NO BID		

**EL CAMINO HOSPITAL
FINANCE COMMITTEE MEETING COVER MEMO**

To: El Camino Hospital Finance Committee
From: Omar Chughtai, CGO
Bido Baines, Vice President of Operations, Los Gatos Hospital
Date: November 27, 2023
Subject: Intuitive Da Vinci Surgical Robot System

1. **Recommendation:**

Requesting approval of \$1.85 million to purchase Intuitive da Vinci robotic surgical system to support additional surgical capacity across the enterprise.

2. **Summary:**

a. **Situation:**

At El Camino Health we support a total of 6 Intuitive da Vinci robotic surgical systems. This memo has been crafted to seek the approval of one additional robotic system at the cost of \$1,850,000 to support surgical growth.

Authority: Policy requires that expenditures exceeding \$1 million require the Board's approval.

Background: Intuitive, a pioneer in robotic-assisted surgery and maker of da Vinci surgical systems, was founded in 1995. Today, the company continues to create and refine robotic systems, giving surgeons the added benefits of technology that helps extend their capabilities. More than 60,000 surgeons around the world have been trained on da Vinci systems and have completed more than 10 million surgical procedures using da Vinci systems. (Robotic Assisted Surgery with Da Vinci Systems, n.d.)

Da Vinci surgical specialties include:

- Cardiac Surgery: Includes mitral valve repair
- Colorectal Surgery: Includes colectomy and rectal resection
- General Surgery: Includes ventral and inguinal hernia repair and bariatrics
- Gynecologic Surgery: Includes benign and cancerous hysterectomy and myomectomy
- Head and Neck Surgery: Includes throat cancer procedures
- Thoracic Surgery: Includes lobectomy and mediastinal mass surgery
- Urologic Surgery: Includes prostate, bladder and kidney cancer surgery (Robotic Assisted Surgery with Da Vinci Systems, n.d.)

In fact, 86% of urology residency programs in the U.S. have a da Vinci System. All 42 gynecologic oncology fellowship programs in the U.S. have a da Vinci System. (University of Cincinnati Health, n.d.)

At El Camino Health we support a total of 6 Intuitive da Vinci robotic surgical systems. The recommendation to support one additional system, in the amount not to exceed \$1,850,000 will support surgical growth for key services lines across the health system.

b. **Assessment:** In evaluating the need for an additional Intuitive da Vinci robotic surgical system, several considerations were evaluated including:

1. Evaluating of reallocation of existing robot capacity from current service lines to other service lines
2. Projecting new incremental cases to support the purchase of an additional system

3. The financial impact of the incremental cases and sensitivity analysis

The current robotic surgery demand requires the use of all existing robotic system plus the purchase of one additional robot. The current demand for general surgery, gynecological oncology, and urology gynecology supports the purchase of a new robotic system with an incremental 180 cases yielding a net margin of nearly 35% by year 5, a Net Present Value of \$6.5 million over 5 years, and a return on the initial investment in the second year of operations.

c. Outcomes: By approving the purchase of an additional da Vinci robotic surgical system, there will be additional capacity to support surgical growth for key service lines. Surgical growth is focused on key service lines including gynecology, urology, oncology, and general surgery.

d. **List of Attachments**:

Attached financial analysis.

4. **Suggested Board Discussion Questions**:

- a. Are there alternatives to this project?
- b. What is the timeline to begin using the new system?



Surgical Robot Purchase

Omar Chughtai, Chief Growth Officer

Bido Baines, Vice President of Operations, Los Gatos Hospital

November 27, 2023

Recommendation

- Requesting approval of \$1.85 million to purchase Intuitive da Vinci robotic surgical system to support additional surgical capacity

Background

- Intuitive, a pioneer in robotic-assisted surgery and maker of da Vinci surgical systems, was founded in 1995. Today, the company continues to create and refine robotic systems, giving surgeons the added benefits of technology that helps extend their capabilities. More than 60,000 surgeons around the world have been trained on da Vinci systems and have completed more than 10 million surgical procedures using da Vinci systems. (Robotic Assisted Surgery with Da Vinci Systems, n.d.)
- Da Vinci Robotic Systems support general surgery, cancer, gynecologic, ENT, thoracic, and urology
- In fact, 86% of urology residency programs in the U.S. have a da Vinci System. All 42 gynecologic oncology fellowship programs in the U.S. have a da Vinci System. (University of Cincinnati Health, n.d.)

Results of Analysis

- After evaluating current caseload, relocation of existing resources, incremental caseload, and financial performance – we have determined the recommendation to purchase an additional da Vinci system best supports patient care and financial performance.
- An incremental 180 cases yielding a net margin of nearly 35% by year 5, a Net Present Value of \$6.5 million over 5 years, and a return on the initial investment in the second year of operations support this purchase.

Pro Forma Development Process

- Evaluate Robotic Case trends at Mt. View / Los Gatos from FY2022 – FY2024
- Evaluate effective usage of 6 Surgical Robots and assess if an existing robot can be relocated to growth service line / site
- Project incremental cases that would be captured if an additional robot was purchased for the health system
 - Opportunity for additional incremental surgical cases in General, UroGyn, and GynOncology
- Evaluate the financial impact of the incremental cases and perform sensitivity analysis

Financial Analysis Assumptions

ASSUMPTIONS	NPV: \$6,555,196		
Project:	Acquisition of new Intuitive Surgical da Vinci Xi		
Time Frame	Baseline - FY23		
Equipment Cost	\$1,850,000	Net Price of New Xi System	
	5	Asset Life - for Depreciation Calculation	
	\$154,000	Annual Service Contract (Yrs 2-5)	
Case Volume Change	180	Increase Year 1 - Per Incremental Volumes sheet	
	0%	Volume Increases Yrs 2-5	
	100%	Percent Projected Incremental Volume increase achieved	
Other Program Costs	\$100,000	<i>Preliminary estimate</i>	
Discount Rate	14.0%		
Annual Revenue Increase	2.5%		
Annual Cost Increase	5.0%		
Patient Type Shift	10.0%	From Inpatient to Outpatient	
Patient Type Mix	Baseline	Change	Scenario
Inpatient	25.8%	-10.0%	15.8%
Outpatient	74.2%	10.0%	84.2%

Financial Analysis Results and Sensitivity Analysis

Acquisition of da Vinci Xi SUMMARY MODEL

	BASELINE	INCREMENTAL				
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Cases	983	180	180	180	180	180
PATIENT REVENUE	\$37,761,281	\$6,259,109	\$6,415,587	\$6,575,977	\$6,740,376	\$6,908,885
COST						
Direct Cost	\$14,843,721	\$2,383,958	\$2,503,156	\$2,628,313	\$2,759,729	\$2,897,716
Service Contract			\$154,000	\$154,000	\$154,000	\$154,000
Depreciation (5 yrs)		\$390,000	\$390,000	\$390,000	\$390,000	\$390,000
		\$ 2,773,958	\$3,047,156	\$3,172,313	\$3,303,729	\$3,441,716
Contribution Margin	\$22,917,560	\$3,485,151	\$3,368,431	\$3,403,663	\$3,436,647	\$3,467,170
Overhead Costs	\$5,479,593	\$874,732	\$918,468	\$964,392	\$1,012,611	\$1,063,242
Net Margin	\$17,437,968	\$2,610,420	\$2,449,963	\$2,439,271	\$2,424,036	\$2,403,928
Cash Flow						
Initial Investment	Yr 0 (\$1,950,000)					
Contribution Margin		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		\$2,610,420	\$ 2,449,963	\$2,439,271	\$2,424,036	\$2,403,928
		(\$1,950,000)	\$2,449,963	\$2,439,271	\$2,424,036	\$2,403,928
		\$660,420	\$3,110,383	\$5,549,654	\$7,973,690	\$10,377,618

NPV
\$6,555,196
IRR
128.1%

Acquisition of da Vinci Xi Sensitivity Analysis - Volume

	NPV in Millions
Original Volume	\$6.6
Minus 25%	\$4.4
Minus 50%	\$2.3

- With a reduction of 50% of the projected volume, pro forma continues to generate a positive NPV, \$2.3M
- Mix of 180 incremental cases generate a positive Net Margin %. Yr. 1: 41.7%, Yr. 5: 34.7%
- Over 5 years the NPV is \$6.5M with current assumptions

Questions