



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

**Monday, March 23, 2026 – 5:30 pm**

El Camino Health | 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: **1-669-900-9128, MEETING CODE: 957 4906 4669 #. No participant code.**  
**Just press #**

To watch the meeting, please visit: [Finance Committee Meeting Link](#)

Please note that the livestream is for meeting viewing only and there is a slight delay; to provide public comment, please use the phone number listed above.

**NOTE:** In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Committee member is participating in the meeting via teleconference.

**TIME ESTIMATES:** Except where noted as TIME CERTAIN, listed times are estimates only and are subject to change at any time, including while the meeting is in progress. The Committee reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting.

A copy of the agenda for the Regular Finance Committee 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) 988-3218** 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
1.	<b>CALL TO ORDER / ROLL CALL</b>	Don Watters, Chair	Information	<b>5:30 pm</b>
2.	<b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Don Watters, Chair	Information	<b>5:30</b>
3.	<b>PUBLIC COMMUNICATION</b> 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 Correspondence <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	<b>5:30</b>
4.	<b>CONSENT CALENDAR</b> a. <a href="#">Approve Minutes of the Open Session of the Finance Committee Meeting (02/06/2026)</a> b. <a href="#">Approve Minutes of the Open Session of the Special Finance Committee Meeting (03/04/2026)</a> c. <a href="#">Approve Amendment to Physician Financial Arrangements Policy</a> d. <a href="#">Receive FY2026 FC Pacing Plan</a> e. <a href="#">Receive Progress Against FY2026 FC Goals</a> f. <a href="#">Receive Article(s) of Interest</a>	Don Watters, Chair	<b>Motion Required</b>	<b>5:30 – 5:40</b>
5.	<b><u>FY26 PERIOD 8 FINANCIAL REPORT</u></b>	Raju Iyer, CFO	Information	<b>5:40 – 5:50</b>

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	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
6.	<a href="#"><u>FY26 COMMUNITY BENEFIT GRANT PROGRAM UPDATE &amp; MIDYEAR GRANT PERFORMANCE UPDATE</u></a>	Jon Cowan, Executive Director, Government Relations and Community Partnerships	Discussion	5:50 – 6:05
7.	<b>FY27 COMMITTEE PLANNING</b> a. <a href="#"><u>Proposed FY27 Committee Meeting Dates</u></a> b. <a href="#"><u>Proposed FY27 Committee Goals</u></a> c. <a href="#"><u>Proposed FY27 Committee Pacing Plan</u></a>	Don Watters, Chair	<b>Possible Motion</b>	6:05 – 6:15
8.	<b>RECESS TO CLOSED SESSION</b>	Don Watters, Chair	<b>Motion Required</b>	6:15
9.	<b>LOS GATOS REDEVELOPMENT UPDATE</b> <i>Health and Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i>	Tracey Lewis-Taylor, COO Jeff Missad, VP of Facilities	Discussion	6:15 – 6:25
10.	<b>MANAGED CARE UPDATE</b> <i>Health and Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i> <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation</i>	Joan Kezic, VP of Payor Relations and Managed Care	Discussion	6:25 – 6:35
11.	<b>SUMMARY OF PHYSICIAN FINANCIAL ARRANGEMENTS</b> <i>Health and Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i> <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation</i>	Mark Adams, MD, CMO Theresa Fuentes, CLO	Discussion	6:35 – 6:45
12.	<b>APPROVE MINUTES OF THE CLOSED SESSION OF THE FINANCE COMMITTEE</b> a. 02/06/2026 – Regular Finance Committee Meeting b. 03/04/2026 – Special Finance Committee Meeting  <i>Report involving Gov't Code Section 54957.2 for closed session minutes</i>	Don Watters, Chair	<b>Motion Required</b>	6:45 – 6:50
13.	<b>RECONVENE TO OPEN SESSION</b>	Don Watters, Chair	<b>Motion Required</b>	6:50
14.	<b>CLOSED SESSION REPORT OUT</b> To report any required disclosures regarding permissible actions taken during Closed Session.	Gabe Fernandez, Governance Services Coordinator	Information	6:50 – 6:51
15.	<b>COMMITTEE ANNOUNCEMENTS</b>	Don Watters, Chair	Information	6:51 – 6:55
16.	<b>ADJOURNMENT</b>	Don Watters, Chair	<b>Motion Required</b>	6:55 pm

**Upcoming Meetings:** April TBD, May 26, 2026



**Minutes of the Open Session of the  
Finance Committee Meeting  
Friday, February 6, 2026**

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

**Members Present**

**Don Watters, Chair**  
**Wayne Doiguchi**  
**Bill Hooper**  
**Cynthia Stewart**

**Members Absent**

**Peter Fung, MD**  
**Christina Lai**

**Staff Present**

**Raju Iyer**, Chief Financial Officer  
**Dan Woods**, Chief Executive Officer  
**Theresa Fuentes**, Chief Legal Officer  
**Mark Klein**, Chief Communications & Marketing Officer\*\*  
**Tracy Lewis Taylor**, Chief Operating Officer  
**Jeff Missad**, Vice President, Facilities Development & Real Estate  
**Andreu Reall**, VP, Strategy  
**Michael Walsh**, Controller  
**Victor Cabrera**, Senior Director, Decision Support & Business Analytics  
**Tracy Fowler**, Director, Governance Services\*\*  
**Gabriel Fernandez**, Coordinator, Governance Services

\*\*via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
<p><b>1. AGENDA ITEM 1: CALL TO ORDER/ ROLL CALL</b></p>	<p>The meeting of the Finance Committee of El Camino Hospital (the “Committee”) was called to order at 12:05 p.m. by Chair Don Watters. A verbal roll call was taken. Committee members Watters, Doiguchi, Hooper, and Stewart were present at roll call constituting a quorum. Dr. Fung and Ms. Lai were absent.</p>	<p><b><i>The meeting was called to order at 12:05 p.m.</i></b></p>
<p><b>2. AGENDA ITEM 2: POTENTIAL CONFLICT OF INTEREST</b></p>	<p>Chair Watters inquired whether any Committee member had a conflict of interest with respect to any item on the agenda. No conflicts were disclosed.</p>	
<p><b>3. AGENDA ITEM 3: PUBLIC COMMUNICATION</b></p>	<p>Chair Watters called for public comment on matters not listed on the agenda. No public comments were made, and no written correspondence was received.</p>	
<p><b>4. AGENDA ITEM 4: CONSENT CALENDAR</b></p>	<p>Chair Watters asked if there were any items to be removed from the consent calendar. No items were removed.</p> <p><b>Motion:</b> To approve the consent calendar.</p> <p><b>Movant:</b> Hooper <b>Second:</b> Doiguchi <b>Ayes:</b> Doiguchi, Hooper, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Fung, Lai <b>Recused:</b> None</p>	<p><b><i>Consent calendar approved.</i></b></p> <p><i>- Minutes of the Open Session of the FC Meeting (November 7, 2025)</i> <i>- Minutes of the Open Session of the Special FC Meeting (December 4, 2025)</i> <i>Received Items:</i></p>

		-FY26 Committee Pacing Plan - Progress against FY2026 Finance Committee Goals - Article(s) of Interest
<b>5. AGENDA ITEM 5: FY2026 PERIOD 6 FINANCIAL REPORT</b>	<p>Chair Watters welcomed Mr. Iyer to his new role as Chief Financial Officer. Mr. Iyer presented the FY2026 Period 6 Financial Report, noting strong year-to-date financial performance, favorable bottom-line results, and that most key metrics were meeting or exceeding expectations. He highlighted continued positive operating trends, including growth in outpatient volumes and the ongoing shift in care from inpatient to outpatient services.</p> <p><b>Motion:</b> To receive the Period 6 Financial Report.</p> <p><b>Movant:</b> Doiguchi <b>Second:</b> Hooper <b>Ayes:</b> Doiguchi, Hooper, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Fung, Lai <b>Recused:</b> None</p>	<b>FY2026 Period 6 Financial Report received.</b>
<b>6. AGENDA ITEM 6: RECESS TO CLOSED SESSION</b>	<p><b>Motion:</b> To recess to closed session at 12:16 p.m.</p> <p><b>Movant:</b> Stewart <b>Second:</b> Doiguchi <b>Ayes:</b> Doiguchi, Hooper, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Fung, Lai <b>Recused:</b> None</p>	<b>Recessed to closed session at 12:16 p.m.</b>
<b>7. AGENDA ITEM 12: RECONVENE OPEN SESSION/ REPORT OUT</b>	<p>Mr. Fernandez reported that the Finance Committee approved the closed session minutes of the prior meetings during the closed session.</p>	<b>Reconvened to Open Session at 1:02 pm</b>
<b>8. AGENDA ITEM 13: COMMITTEE ANNOUNCEMENTS</b>	<p>There were no additional comments from the Committee.</p>	

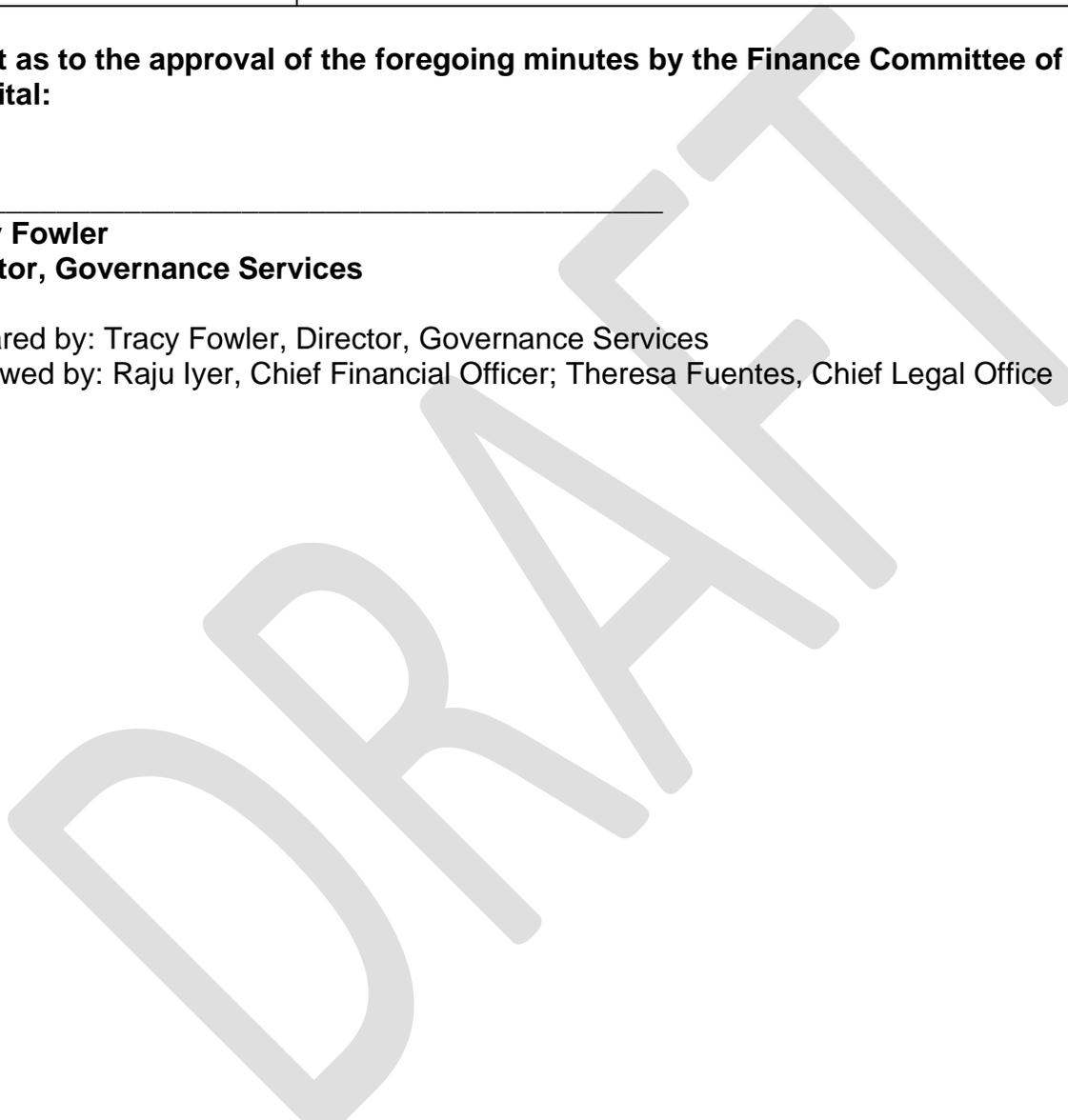
<p><b>9. AGENDA ITEM 14:                  ADJOURNMENT</b></p>	<p><b>Motion:</b> To adjourn at 1:03 pm.  <b>Movant:</b> Doiguchi  <b>Second:</b> Hooper  <b>Ayes:</b> Doiguchi, Hooper, Stewart, Watters  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung, Lai  <b>Recused:</b> None</p>	<p><b><i>Meeting                  adjourned at                  1:03 pm.</i></b></p>
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**Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:**

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**Tracy Fowler**  
**Director, Governance Services**

Prepared by: Tracy Fowler, Director, Governance Services  
 Reviewed by: Raju Iyer, Chief Financial Officer; Theresa Fuentes, Chief Legal Office





**Minutes of the Open Session of the  
Special Finance Committee Meeting  
Wednesday, March 4, 2026**

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

**Members Present**

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

**Staff Present**

**Raju Iyer**, Chief Financial Officer  
**Dan Woods**, Chief Executive Officer  
**Theresa Fuentes**, Chief Legal Officer  
**Ken King**, Chief Administrative Services Officer  
**Tracy Lewis Taylor**, Chief Operating Officer  
**AJ Reall**, VP, Strategy  
**Alan Muster, MD**, President, ECHMN  
**Elizabeth Kim**, VP, Strategy, ECHMN  
**Anne Yang**, Executive Director, Governance Services  
**Tracy Fowler**, Director, Governance Services \*\*  
**Gabriel Fernandez**, Coordinator, Governance Services

**Members Absent**

\*\*via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session Special Meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 2:02 p.m. by Chair Don Watters. A verbal roll call was taken. Committee members Watters, Doiguchi, Fung, Hooper, and Stewart were present at roll call and attended in person, constituting a quorum.	<b><i>The meeting was called to order at 2:02 p.m.</i></b>
<b>2. POTENTIAL CONFLICT OF INTEREST</b>	Chair Watters asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
<b>3. PUBLIC COMMUNICATION</b>	Chair Watters called for public comment on items not listed on the agenda. No public comments were made, and no written correspondence was received.	
<b>4. RECESS TO CLOSED SESSION</b>	<b>Motion:</b> To recess to closed session at 2:03 p.m. <b>Movant:</b> Lai <b>Second:</b> Hooper <b>Ayes:</b> Doiguchi, Fung, Hooper, Lai, Stewart, Watters <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None	<b><i>Recessed to closed session at 2:03 p.m.</i></b>
<b>5. AGENDA ITEM 8: CLOSED SESSION REPORT OUT</b>	Mr. Fernandez reported that the Finance Committee did not take any reportable actions during the closed session.	<b><i>Reconvened to Open Session at 2:43 pm</i></b>

<p><b>6. AGENDA ITEM 9:                  FY2026 PERIOD 7                  FINANCIAL REPORT</b></p>	<p>Mr. Iyer reported that YTD volumes were strong, and inpatient volume was in line with budget. Outpatient volume drove a \$28M increase in revenue. For the month of January, ECH missed budget by \$4M due to a slightly different payor mix (lower commercial), lower volume, and increase in repairs and maintenance. Mr. Iyer advised that these were not systemic issues. Mr. Iyer noted that there was no need for approval of monthly financials, only quarterly financials.</p>	
<p><b>7. AGENDA ITEM 10:                  RECOMMEND                  BOARD APPROVAL                  OF RESOLUTION                  APPROVING                  TRANSACTION TO                  PURCHASE                  CERTAIN ASSETS OF                  CARBON HEALTH                  TECHNOLOGIES INC.</b></p>	<p><b>Motion:</b> To recommend Board approval of the Board Resolution 2026-01 Approving Transaction to Purchase Certain Assets of Carbon Health Technologies, Inc.   <b>Movant:</b> Doiguchi  <b>Second:</b> Fung  <b>Ayes:</b> Doiguchi, Fung, Hooper, Lai, Stewart, Watters  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<p><b>8. AGENDA ITEM 11:                  ITEM 10:                  RECOMMEND                  BOARD APPROVAL                  OF PROPERTY                  ACQUISITION: APN#                  206-23-017</b></p>	<p><b>Motion:</b> To recommend approval by the Board of Directors, the purchase of property APN# 206-23-017 at a cost not to exceed \$20.1 million.   <b>Movant:</b> Fung  <b>Second:</b> Hooper  <b>Ayes:</b> Doiguchi, Fung, Hooper, Lai, Stewart, Watters  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<p><b>9. AGENDA ITEM 12:                  CLOSING                  COMMENTS</b></p>	<p>There were no additional comments from the Committee.</p>	
<p><b>10. AGENDA ITEM 13:                  ADJOURNMENT</b></p>	<p><b>Motion:</b> To adjourn at 2:55 pm.   <b>Movant:</b> Hooper  <b>Second:</b> Lai  <b>Ayes:</b> Doiguchi, Fung, Hooper, Lai, Stewart, Watters  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b>Meeting                  adjourned at                  2:55 pm.</b></p>

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

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**Gabriel Fernandez**  
**Coordinator, Governance Services**

Prepared by: Gabriel Fernandez, Coordinator, Governance Services  
Reviewed by: Raju Iyer, Chief Financial Officer

DRAFT



## EL CAMINO HOSPITAL BOARD OF DIRECTORS FINANCE COMMITTEE MEMO

**To:** ECH Finance Committee  
**From:** Theresa Fuentes, Chief Legal Officer  
**Date:** March 23, 2026  
**Subject:** Physician Financial Arrangements Policy Update

**Recommendation:** To review and recommend Board approval of an amendment to the Physician Financial Arrangements – Review and Approval Policy (the “Policy”), which has been modified to more explicitly apply to El Camino Health Medical Network (ECHMN)’s physician financial arrangements.

**Summary:** The Policy establishes processes and approvals that must be satisfied prior to El Camino Health, including ECHMN, entering into a direct or indirect financial arrangement with a physician to ensure financial transactions are negotiated and implemented in a manner which complies with Stark Law, Anti-Kickback, HIPAA, and all other Federal and State Laws.

The Policy has been updated to clarify applicability to ECHMN and that the ECHMN Board will approve any physician compensation arrangements entered into by ECHMN that exceed 75% of fair market value, or which deviate from the standard compensation model approved by ECHMN.

In addition, the Policy was updated for El Camino Hospital to clarify annual summary reporting requirements regarding Hospital physician arrangements.

### **Other Reviews:**

The Policy has been approved by ECHMN Board of Managers, the Hospital Compliance Committee and needs approval by the Hospital’s Finance Committee, and Hospital Board.

### **List of Attachments:**

1. REDLINE Physician Financial Arrangements Policy
2. CLEAN Physician Financial Arrangements Policy

# **Physician Financial Arrangements - Review and Approval Policy**

## **COVERAGE:**

~~All~~ El Camino Health, including El Camino Hospital and its wholly-owned affiliates or entities, and their staff, Contract Personnel, Physicians, employed or contracted Healthcare Providers, and the Governing Board.

## **PURPOSE:**

The purpose of this policy is to comply with the Stark law, Anti-Kickback, HIPAA and all other Federal and State Laws.

## **POLICY STATEMENT:**

This policy implements the overall compliance goals of the Hospital with respect to Physician financial arrangements.

This policy establishes administrative principles and guidelines, Board delegation of authority and oversight, and review processes and approvals that must be followed before ~~the Hospital enters~~ El Camino Health ("ECH") enter into a direct or indirect financial arrangement with an individual physician, a physician group, other organizations representing a physician, or a member of immediate family of a physician ("Physician"). Physician financial arrangements that involve any transfer of value, including monetary compensation, are subject to this and the following policies: 1) Signature Authority policy, 2) Reimbursement of Business Expenses policy, and 3) Physician Recruitment policy.

All financial arrangements of any kind involving Physician, including but not limited to, medical director, consulting, on-call arrangements, professional service agreements, education and training, conference reimbursement or real estate leases, will comply with the Stark law, Anti-Kickback, HIPAA and all other Federal and State Laws. All Physician financial arrangements are prohibited except those Physician financial arrangements that are approved and documented as provided in this Policy.

Physician financial arrangements may be entered into only where they are needed and serve the strategic goals (including quality and value) of ~~the Hospital~~ ECH. Each Physician financial arrangement must meet or exceed the complex and stringent legal requirements that regulate Physician financial relationships with the Hospital. All Physician financial arrangements between a physician and ~~the Hospital~~ El Camino Health must be in writing and meet fair market value, commercial reasonableness and the following requirements as applicable.

## **PROCEDURE:**

### A. Administrative Standards:

When creating or renewing a Physician financial arrangement, the following principles must be followed. This Policy applies to any Physician financial arrangement including, but not limit to: Medical Directorships, ED Call Panels, Professional Services, Panel

Professional Services, Consulting, Lease, Education and Training, Conference Payment, and Physician Recruitment.

1. All Physician Financial Arrangements:

- a. Each Physician financial arrangement (except Physician Lease Contracts) must provide a service that is needed for at least one of the following reasons: 1) it is required by applicable law, 2) required administrative or clinical services or oversight can only be provided by a qualified physician, 3) the administrative services to be provided support an articulated strategic goal of ~~the Hospital~~ECH, such as patient safety, 4) the arrangement must solve, prevent or mitigate an identified operational problem for ~~the Hospital~~ECH.
- b. The terms of the Physician financial arrangement must be fair market value and commercially reasonable and must not take into account the volume or value of any referrals or other business generated between the parties. All of the terms of the Physician financial arrangement must be in a written contract that details the work or activities to be performed and all compensation (of any kind) or the lease terms ("Physician Contracts"). The services contracted for may not exceed those that are reasonable and necessary for the legitimate business purposes of the Physician financial arrangement. If there is more than one Physician Contract with a Physician, the Physician Contracts must cross-reference one another (or be identified on a list of Physician Contracts) and be reviewed for potential overlapping commitments prior to negotiating additional agreements.

The process for determining Physician compensation for each Physician financial arrangement must be set forth in the Physician Contract file and identified in sufficient detail so that it can be objectively verified as meeting fair market value standards. Any compensation paid to or remuneration received by a Physician shall not vary based on the volume or value of services referred or business otherwise generated by the Physician and must reflect fair market value. All physician financial arrangements must be reviewed and approved by the Chief Medical Officer, Compliance, and Legal. ~~For the Hospital,~~ Compensation cannot exceed the seventy-fifth percentile of fair market value without prior approval from the Finance Committee of the Board of Directors.—~~Compensation and compensation~~ cannot exceed the ninetieth percentile without prior approval from the Finance Committee and the Board of Directors. For ECHMN, Compensation cannot exceed seventy-fifth percentile of fair

market value without prior approval from the ECHMN Board of Managers.—All Physician contracts should use local or regional market data, when available, to determine the seventy-fifth percentile of FMV.

In order to support reasonableness of compensation or remuneration, written fair market data must accompany the Physician Contract and show compensation paid by similar situated organizations and/or independent compensation surveys by nationally recognized independent firms.

- c. Compensation should not be revised or modified during the first twelve (12) months of any Physician financial arrangement. Exceptions on a case by case basis may be evaluated and approved by Legal and Compliance as long as such modification during the first twelve months adheres to the Stark Law requirements. If the compensation is revised thereafter, it must be evidenced by a written amendment to the Physician Contract, signed by both parties before the increase in compensation takes effect. For example, if the increase in compensation is to take effect on April 1, the amendment must be signed by both parties on or before April 1 and the original Physician Contract must have been effective on or before March 31 of the prior year. The compensation cannot be changed for twelve (12) months after the effective date of such amendment unless an exception is approved by Legal and Compliance and the change adheres to Stark Law requirements. Compensation shall include total combined annual known (e.g., fixed or base salary, bonuses, relocation assistance) and reasonably estimated (e.g., productivity-based) compensation under any Physician Contract.
- d. All Physician Contract renewals should- be signed before the expiration of the term of the existing Physician Contract. Exceptions on a case by case basis may be evaluated and approved by Legal and Compliance if the parties are engaged in ongoing negotiations and the exception complies with Stark Law requirements.
- e. Physician Contracts must be in writing and executed by the parties before commencement of services. Exceptions on a case by case basis may be evaluated and approved by Legal and Compliance as long as such exception complies with Stark Law requirements. Only the CEO of Hospital or designee or the President of ECHMN or designee by CEO may execute a Physician Contract for the Hospital, except

Physicians Contracts that are real estate or equipment leases with Physicians may be signed by the Chief Administrative Services Officer ("CASO"), and IT agreements may be executed by the Chief Information Officer (CIO). Execution of physician contracts by CEO, CMIO, CASO, or CEO designee must comply with the general signature authority and limits established in the Signature Authority policy.

- f. Physicians cannot be compensated for work performed, nor may a lease commence, prior to execution by both parties, unless a Stark Law exception applies, and the exception is reviewed and approved by Legal and Compliance.
- g. The Physician financial arrangement must not violate the Stark law, the anti-kickback statute (section 1128B(b) of the Act) or any Federal or State law or regulations.
- h. The Physician Contract will permit ~~the Hospital~~ECH to suspend performance under the Physician Contract if there is a compliance concern. Concerns about compliance should be directed to Compliance, Legal, or the office of the Chief Medical Officer ("CMO"). Performance under Physician Contracts deemed to not meet the administrative guidelines shall be suspended until the Physician Contract can be remedied.
- i. Physician Contracts must contain termination without cause provisions (except for real estate and equipment leases). Physician Contracts which grant an exclusive right to Hospital-based physicians to perform services may not exceed five years. If a Physician Contract is terminated, then the ~~Hospital~~contracting party may not enter into a new financial arrangement with the same Physician covering the same arrangement on different terms within twelve (12) months of the effective date of the terminated Physician Contract.
- j. Physicians with potential conflicts of interest must complete a conflict of interest form that must be reviewed by the Compliance Officer prior to entering into a Physician Contract. The conflict must be addressed and referenced in the Physician Contract. A conflict may prevent entry into a Physician Contract.
- k. All Physician Contracts must be prepared using the appropriate ~~Hospital~~ contract template prepared by Legal Services. All Physician Contracts must be drafted by personnel designated by Legal Services.

- l. All Physician Contracts must comply with the review and documentation process established through the contracts management system, as approved by Legal and Compliance. Physician Lease Contracts must also include a signed "Contract Certification" (Appendix B) and "Lease Contract Review Checklist" (Appendix C) to be reviewed and approved by Legal Services and Compliance.
  - m. All executed Physician Contracts must be scanned into the contract management system.
  - n. Payments may not be made to a Physician unless there is adherence with all of the requirements of this Policy.
  - o. Each Physician Contract shall comply with all applicable laws.
2. [Hospital](#) Medical Director Contracts: In addition to the criteria set forth above ~~(D.1)~~ for *All Physician Financial Arrangements*, the following must be met *prior* to creating, renewing or amending a [Hospital](#) Medical Directorship:
  - a. A Medical Directorship may not be intended or used as a means to recruit a Physician to practice at the Hospital.
  - b. A Medical Directorship must fit within a rational management framework that optimizes coordination of the Medical Director's knowledge and work efforts with Hospital needs and resources. To meet this requirement, the Medical Director must work with, and be accountable to, a supporting Hospital manager-partner who is a Hospital supervisor, manager or executive director who verifies the Medical Director's work and efforts. The Designated Manager shall participate in the negotiation of the Medical Director Contract, including setting duties and goals, and will be familiar with the details of the Medical Director contract. The CMO will evaluate and approve all Medical Director contracts.
  - c. The number of hours assigned to the Medical Directorship must be appropriate considering the work required. Medical Director contracts are typically a two-year term and upon renewal, an evaluation shall be conducted by the CMO and the Designated Manager to evaluate whether all such services are needed in any new or renewal term, whether new services are needed and if the hours are still reasonable and necessary for the legitimate business purpose of the Medical Directorship arrangement. The proposed services may not duplicate work that is provided to the Hospital by other

Physicians unless the total work under all arrangements is needed.

- d. Medical Director Contracts must require Physician completion and submission of a physician time study reports each month in the manner specified in the contract, and each such report must be approved by the Designated Manager and the Compliance Department before any compensation is paid. There must be one or more internal review processes to verify that the Medical Director is performing the expected duties and tasks, of which the required time report is one example. *Please refer to Appendix "D" 'Medical Director Time Report Guidelines' for more detailed guidance on completion of time report.*
- e. All Medical Director Contracts providing for total annual compensation of \$30,000 or more shall include two (2) annual quality incentive goals that support the Hospital's strategic initiatives, one of which shall be related to an outcome quality metric and the other shall be related to a process metric or milestone for service to patients, unless an exception is approved by the CMO for two (2) process goals. For Medical Director Contracts greater than \$100,000 in compensation per year, 20% of the total compensation will be held at risk based on the completion of the quality incentive goals. For Medical Director Contracts between \$50,000 to \$99,999 per year, 10% of the total compensation will be held at risk based on the completion of the goals. For Medical Director Contracts between \$30,000 to \$49,999 per year, 5% of the total compensation will be held at risk based on the completion of the goals.
- f. Medical Director Contracts must include a Hospital-approved HIPAA Business Associate Agreement.

3. Physician Consulting Contracts:

In addition to the criteria set forth in the *All Physician Financial Arrangements* section ~~(D-1)~~ above, the following criteria must be met *before* creating or renewing a Physician Consulting Contract:

- a. Physician Consulting Contracts must require concise deliverables and due dates and require completion of a physician time study report. The deliverables and due dates must be set for the duration of the Physician Consulting Contract before the services begin and the Physician Consulting Contract is signed.
- b. The number of hours assigned to the Physician Consulting Contract must be appropriate in light of the work required.

- c. Physician Consulting Contracts must include a Hospital-approved HIPAA Business Associate Agreement.
4. Physician Lease Contracts:  
In addition to the criteria set forth in the *All Physician Financial Arrangements* section above ~~(D-1)~~, the following criteria must be met *before* creating, amending, or renewing a Physician Lease Contract:
  - a. Attached to the final version of a Physician Lease Contract, and prior to execution, must be a completed "Lease Contract Review Checklist" (Appendix C) and an executed "Contract Certification" (Appendix B).
  - b. The Physician Lease Contract shall confirm total measurement of the space to be utilized by Physician under the lease.
  - c. The Physician Lease Contract must be supported by fair market value documentation from a property appraiser or brokers opinion of value.
  - d. Tenant Improvements must be incorporated into the Physician Lease Contract as a Tenant expense.
  - e. Physician must not use the space and the Hospital must not make the space available for use prior to the execution of the Physician Lease Contract by both parties.
  - f. The Physician Lease Contract shall require that all property taxes are to be paid by the Tenant for Triple Net leases.
  - g. Physician Lease Contracts are executed by the CEO or the CASO.
5. Physician Education, Training and Conference Payment Contracts:  
In addition to the criteria set forth in the *All Physician Financial Arrangements* section above ~~(D-1)~~, the following criteria must be met *before* creating a new Education, Training and Conference Reimbursement Contracts and prior to attendance:
  - a. Physician Education, Training and Conference Payment Contracts must be created and reimbursed in accordance with Hospital Policy Reimbursement of Business, Education and Travel Expenses.
  - b. ~~The Hospital's~~ECH's need for this training to be provided to the Physician shall be documented as part of the approval process.
6. Physician Recruitment Contracts:  
In addition to the criteria set forth in the *All Physician Financial*

*Arrangements* section above (D.1), the following criteria must be met *before* creating a new Physician Recruitment Contract:

- a. Physician Recruitment Contracts must be created in accordance with the Physician Recruitment Policy Program, and must be consistent with the recruitment plan approved by the Board. –

B. Approval of Physician Contracts:

1. Attached to the final version of a Physician Contract *before* CEO execution, must be a completed questionnaire in the contracts management system addressing terms, necessity, and fair market value. Documentation of fair market value must be submitted in the contracts management system. –
2. Attached to the final version of a Physician Lease Contract, *prior* to execution by the CEO or the CASO, must be a completed "Lease Contract Review Checklist" (Appendix C) and signed "Contract Certification" (Appendix B).
3. Corporate Compliance and Legal, as needed, will verify the checklist, certification, and documentation accompanying all Physician Contracts (including FMV) prior to execution by the CEO or the CASO. Incomplete or missing checklist and certifications will be returned to the originator for completion.
4. All proposed Physician Contracts lacking the appropriate documentation will be returned to the originator for completion. No services may be performed under the Physician Contract or leases implemented until the Physician Contract is fully executed, or an exception has been granted by Compliance and Legal in accordance with Stark Law requirements.
- ~~5. CEO Approval: The CEO or the CEO's designee will have authority to execute new, renewal and amended Physician Contracts (up to the authority as stated in the Signature Authority policy), except as set forth in Section 6) below.~~
- ~~6. Board Approval: The Board must approve prior to CEO or CEO designee execution of Physician Contracts for the following arrangements:~~
- ~~5. All physician financial arrangements, including Professional Services Agreements for the El Camino Health Medical Network that~~
  - a. ~~For the Hospital, all physician financial arrangements that~~ exceed 75% of fair market value (regardless of total annual compensation) must be reviewed by the Finance Committee of the Board. ~~–~~ Additionally, all physician financial arrangements that exceed 90% of fair market value must also be reviewed and approved by the Board. –
  - ~~b.1. A memo prepared by the Designated Manager that justifies the Hospital's needs shall be provided to the Finance Committee and/or Board of Directors as necessary for approval as part of the approval documents.~~

6.

~~e. The CEO Approval: The CEO or the CEO's designee will have authority to execute new, renewal and amended Physician Contracts for the Hospital (up to the authority as stated in the Signature Authority policy), except that the CEO may execute without Board approval a new, renewal or amended Professional Services Agreement (PSA) with ECHMNI Camino Health Medical Associates (ECMA) Network (ECHMN) so long as the total cash compensation to each individual physician is consistent with the approved PSA. ~~employed by ECMA/ECHMN does not exceed 75% percentile of fair market value or the CEO's signature authority.~~~~

7. For El Camino Health Medical Network, all physician financial arrangements that exceed 75% of fair market value (regardless of total annual compensation), or which deviate from the approved Compensation Structure must be reviewed and approved by the El Camino Health Medical Network Board.

8. A memo prepared by the Designated Manager that justifies the Hospital's El Camino Health's needs shall be provided to the Finance Committee and/or Board of Directors or Board of Managers as necessary for approval as part of the approval documents.

C. Board Oversight and Internal Review Process for Hospital based arrangements:

During the third quarter of each Hospital fiscal year, management and staff will prepare a summary report for all Hospital based Physician financial arrangements describing: 1) ~~the names of all such arrangements~~ Fair Market Value determinations and associated physician trends, 2) ~~the organizational need that justifies each arrangement,~~ 3) ~~the total amounts paid to each physician~~ Overall Budget and Goals /or group for each Physician Contract annually (and in total for duration on of contract term), 4) ~~3) current and prior year annual financial comparison, ,and~~ 5) any recommendations for changes to the Policy or any procedure.

~~For Medical Directorships, the summary report will also include: 1) the goals set forth for each Medical Directorship, 2) the contracted rate and hours, and 3) assessment of the performance goals of Medical Directors over the past year.~~

The CFO, COO ~~&~~, CLO, and CMO will review the information and prepare recommendations if any regarding specific actions or changes that will be implemented.

The report will then be reviewed by the CEO and presented to the Compliance and Finance committees of the Board of Directors for review ~~and approval~~ no later than the end of the following quarter fiscal year.

D. Exceptions:

There are no exceptions to this Policy except as indicated herein.

~~D.~~

E. Review and/or Validate:

The CEO and the Corporate Compliance Officer shall be responsible for reviewing the policy and guidelines as conditions warrant but at a minimum at least annually to assure consistency with Board expectations. The Compliance department will annually monitor organizations adherence to the policy and report to the Board.

F. Policy Enforcement

El Camino ~~Hospital's~~Health's Compliance Officer is responsible for monitoring enforcement of this policy. Any workforce member found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.



# Physician Financial Arrangements - Review and Approval Policy

## COVERAGE:

El Camino Health, including El Camino Hospital and its wholly-owned affiliates or entities, and their staff, Contract Personnel, Physicians, employed or contracted Healthcare Providers, and the Governing Board

## PURPOSE:

The purpose of this policy is to comply with the Stark law, Anti-Kickback, HIPAA and all other Federal and State Laws.

## POLICY STATEMENT:

This policy implements the overall compliance goals of the Hospital with respect to Physician financial arrangements.

This policy establishes administrative principles and guidelines, Board delegation of authority and oversight, and review processes and approvals that must be followed before El Camino Health ("ECH") enter into a direct or indirect financial arrangement with an individual physician, a physician group, other organizations representing a physician, or a member of immediate family of a physician ("Physician"). Physician financial arrangements that involve any transfer of value, including monetary compensation, are subject to this and the following policies: 1) Signature Authority policy, 2) Reimbursement of Business Expenses policy, and 3) Physician Recruitment policy.

All financial arrangements of any kind involving Physician, including but not limited to, medical director, consulting, on-call arrangements, professional service agreements, education and training, conference reimbursement or real estate leases, will comply with the Stark law, Anti-Kickback, HIPAA and all other Federal and State Laws. All Physician financial arrangements are prohibited except those Physician financial arrangements that are approved and documented as provided in this Policy.

Physician financial arrangements may be entered into only where they are needed and serve the strategic goals (including quality and value) of ECH. Each Physician financial arrangement must meet or exceed the complex and stringent legal requirements that regulate Physician financial relationships with the Hospital. All Physician financial arrangements between a physician and El Camino Health must be in writing and meet fair market value, commercial reasonableness and the following requirements as applicable.

## PROCEDURE:

### A. Administrative Standards:

When creating or renewing a Physician financial arrangement, the following principles must be followed. This Policy applies to any Physician financial arrangement including, but not limit to: Medical Directorships, ED Call Panels,



Professional Services, Panel Professional Services, Consulting, Lease, Education and Training, Conference Payment, and Physician Recruitment.

1. All Physician Financial Arrangements:

- a. Each Physician financial arrangement (except Physician Lease Contracts) must provide a service that is needed for at least one of the following reasons: 1) it is required by applicable law, 2) required administrative or clinical services or oversight can only be provided by a qualified physician, 3) the administrative services to be provided support an articulated strategic goal of ECH, such as patient safety, 4) the arrangement must solve, prevent or mitigate an identified operational problem for ECH.
- b. The terms of the Physician financial arrangement must be fair market value and commercially reasonable and must not take into account the volume or value of any referrals or other business generated between the parties. All of the terms of the Physician financial arrangement must be in a written contract that details the work or activities to be performed and all compensation (of any kind) or the lease terms ("Physician Contracts"). The services contracted for may not exceed those that are reasonable and necessary for the legitimate business purposes of the Physician financial arrangement. If there is more than one Physician Contract with a Physician, the Physician Contracts must cross-reference one another (or be identified on a list of Physician Contracts) and be reviewed for potential overlapping commitments prior to negotiating additional agreements.

The process for determining Physician compensation for each Physician financial arrangement must be set forth in the Physician Contract file and identified in sufficient detail so that it can be objectively verified as meeting fair market value standards. Any compensation paid to or remuneration received by a Physician shall not vary based on the volume or value of services referred or business otherwise generated by the Physician and must reflect fair market value. All physician financial arrangements must be reviewed and approved by the Chief Medical Officer, Compliance, and Legal. For the Hospital, Compensation cannot exceed the seventy-fifth percentile of fair market value without prior approval from the Finance Committee of the Board of Directors and compensation cannot exceed the ninetieth percentile without prior approval from the Finance Committee and the Board of Directors. For ECHMN, Compensation cannot exceed seventy-fifth percentile of fair market value without prior approval from the ECHMN Board of Managers. All Physician contracts should use local or



regional market data, when available, to determine the seventy-fifth percentile of FMV.

In order to support reasonableness of compensation or remuneration, written fair market data must accompany the Physician Contract and show compensation paid by similar situated organizations and/or independent compensation surveys by nationally recognized independent firms.

- c. Compensation should not be revised or modified during the first twelve (12) months of any Physician financial arrangement. Exceptions on a case by case basis may be evaluated and approved by Legal and Compliance as long as such modification during the first twelve months adheres to the Stark Law requirements. If the compensation is revised thereafter, it must be evidenced by a written amendment to the Physician Contract, signed by both parties before the increase in compensation takes effect. For example, if the increase in compensation is to take effect on April 1, the amendment must be signed by both parties on or before April 1 and the original Physician Contract must have been effective on or before March 31 of the prior year. The compensation cannot be changed for twelve (12) months after the effective date of such amendment unless an exception is approved by Legal and Compliance and the change adheres to Stark Law requirements. Compensation shall include total combined annual known (e.g., fixed or base salary, bonuses, relocation assistance) and reasonably estimated (e.g., productivity-based) compensation under any Physician Contract.
- d. All Physician Contract renewals should be signed before the expiration of the term of the existing Physician Contract. Exceptions on a case by case basis may be evaluated and approved by Legal and Compliance if the parties are engaged in ongoing negotiations and the exception complies with Stark Law requirements.
- e. Physician Contracts must be in writing and executed by the parties before commencement of services. Exceptions on a case by case basis may be evaluated and approved by Legal and Compliance as long as such exception complies with Stark Law requirements. Only the CEO of Hospital or designee or the President of ECHMN or designee may execute a Physician Contract, except Physicians Contracts that are real estate or equipment leases with Physicians may be signed by the Chief Administrative Services Officer ("CASO"), and IT agreements may be executed by the Chief Information Officer (CIO). Execution of physician contracts



by CEO, CMIO, CASO, or CEO designee must comply with the general signature authority and limits established in the Signature Authority policy.

- f. Physicians cannot be compensated for work performed, nor may a lease commence, prior to execution by both parties, unless a Stark Law exception applies, and the exception is reviewed and approved by Legal and Compliance.
- g. The Physician financial arrangement must not violate the Stark law, the anti-kickback statute (section 1128B(b) of the Act) or any Federal or State law or regulations.
- h. The Physician Contract will permit ECH to suspend performance under the Physician Contract if there is a compliance concern. Concerns about compliance should be directed to Compliance, Legal, or the office of the Chief Medical Officer ("CMO"). Performance under Physician Contracts deemed to not meet the administrative guidelines shall be suspended until the Physician Contract can be remedied.
- i. Physician Contracts must contain termination without cause provisions (except for real estate and equipment leases). Physician Contracts which grant an exclusive right to Hospital-based physicians to perform services may not exceed five years. If a Physician Contract is terminated, then the contracting party may not enter into a new financial arrangement with the same Physician covering the same arrangement on different terms within twelve (12) months of the effective date of the terminated Physician Contract.
- j. Physicians with potential conflicts of interest must complete a conflict of interest form that must be reviewed by the Compliance Officer prior to entering into a Physician Contract. The conflict must be addressed and referenced in the Physician Contract. A conflict may prevent entry into a Physician Contract.
- k. All Physician Contracts must be prepared using the appropriate contract template prepared by Legal Services. All Physician Contracts must be drafted by personnel designated by Legal Services.
- l. All Physician Contracts must comply with the review and documentation process established through the contracts management system, as approved by Legal and Compliance. Physician Lease Contracts must also include a signed "Contract Certification" (Appendix B) and "Lease Contract Review Checklist" (Appendix C) to be reviewed and approved by Legal Services and Compliance.



- m. All executed Physician Contracts must be scanned into the contract management system.
  - n. Payments may not be made to a Physician unless there is adherence with all of the requirements of this Policy.
  - o. Each Physician Contract shall comply with all applicable laws.
2. Hospital Medical Director Contracts: In addition to the criteria set forth above for *All Physician Financial Arrangements*, the following must be met *prior* to creating, renewing or amending a Hospital Medical Directorship:
- a. A Medical Directorship may not be intended or used as a means to recruit a Physician to practice at the Hospital.
  - b. A Medical Directorship must fit within a rational management framework that optimizes coordination of the Medical Director's knowledge and work efforts with Hospital needs and resources. To meet this requirement, the Medical Director must work with, and be accountable to, a supporting Hospital manager-partner who is a Hospital supervisor, manager or executive director who verifies the Medical Director's work and efforts. The Designated Manager shall participate in the negotiation of the Medical Director Contract, including setting duties and goals, and will be familiar with the details of the Medical Director contract. The CMO will evaluate and approve all Medical Director contracts.
  - c. The number of hours assigned to the Medical Directorship must be appropriate considering the work required. Medical Director contracts are typically a two-year term and upon renewal, an evaluation shall be conducted by the CMO and the Designated Manager to evaluate whether all such services are needed in any new or renewal term, whether new services are needed and if the hours are still reasonable and necessary for the legitimate business purpose of the Medical Directorship arrangement. The proposed services may not duplicate work that is provided to the Hospital by other Physicians unless the total work under all arrangements is needed.
  - d. Medical Director Contracts must require Physician completion and submission of a physician time study reports each month in the manner specified in the contract, and each such report must be approved by the Designated Manager and the Compliance Department before any compensation is paid. There must be one or more internal review processes to verify that the Medical Director is performing the expected duties and tasks, of which the required time report is one



example. Please refer to Appendix "D" 'Medical Director Time Report Guidelines' for more detailed guidance on completion of time report.

- e. All Medical Director Contracts providing for total annual compensation of \$30,000 or more shall include two (2) annual quality incentive goals that support the Hospital's strategic initiatives, one of which shall be related to an outcome quality metric and the other shall be related to a process metric or milestone for service to patients, unless an exception is approved by the CMO for two (2) process goals. For Medical Director Contracts greater than \$100,000 in compensation per year, 20% of the total compensation will be held at risk based on the completion of the quality incentive goals. For Medical Director Contracts between \$50,000 to \$99,999 per year, 10% of the total compensation will be held at risk based on the completion of the goals. For Medical Director Contracts between \$30,000 to \$49,999 per year, 5% of the total compensation will be held at risk based on the completion of the goals.
- f. Medical Director Contracts must include a Hospital-approved HIPAA Business Associate Agreement.

3. Physician Consulting Contracts:

In addition to the criteria set forth in the *All Physician Financial Arrangements* section above, the following criteria must be met *before* creating or renewing a Physician Consulting Contract:

- a. Physician Consulting Contracts must require concise deliverables and due dates and require completion of a physician time study report. The deliverables and due dates must be set for the duration of the Physician Consulting Contract before the services begin and the Physician Consulting Contract is signed.
- b. The number of hours assigned to the Physician Consulting Contract must be appropriate in light of the work required.
- c. Physician Consulting Contracts must include a Hospital-approved HIPAA Business Associate Agreement.

4. Physician Lease Contracts:

In addition to the criteria set forth in the *All Physician Financial Arrangements* section above, the following criteria must be met *before* creating, amending, or renewing a Physician Lease Contract:

- a. Attached to the final version of a Physician Lease Contract, and prior to execution, must be a completed "Lease Contract Review Checklist" (Appendix C) and an executed "Contract Certification" (Appendix B).



- b. The Physician Lease Contract shall confirm total measurement of the space to be utilized by Physician under the lease.
  - c. The Physician Lease Contract must be supported by fair market value documentation from a property appraiser or brokers opinion of value.
  - d. Tenant Improvements must be incorporated into the Physician Lease Contract as a Tenant expense.
  - e. Physician must not use the space and the Hospital must not make the space available for use prior to the execution of the Physician Lease Contract by both parties.
  - f. The Physician Lease Contract shall require that all property taxes are to be paid by the Tenant for Triple Net leases.
  - g. Physician Lease Contracts are executed by the CEO or the CASO.
5. Physician Education, Training and Conference Payment Contracts:  
 In addition to the criteria set forth in the *All Physician Financial Arrangements* section above, the following criteria must be met *before* creating a new Education, Training and Conference Reimbursement Contracts and prior to attendance:
- a. Physician Education, Training and Conference Payment Contracts must be created and reimbursed in accordance with Hospital Policy Reimbursement of Business, Education and Travel Expenses.
  - b. ECH's need for this training to be provided to the Physician shall be documented as part of the approval process.
6. Physician Recruitment Contracts:  
 In addition to the criteria set forth in the *All Physician Financial Arrangements* section above (D.1), the following criteria must be met *before* creating a new Physician Recruitment Contract:
- a. Physician Recruitment Contracts must be created in accordance with the Physician Recruitment Policy Program, and must be consistent with the recruitment plan approved by the Board.
- B. Approval of Physician Contracts:
- 1. Attached to the final version of a Physician Contract *before* execution, must be a completed questionnaire in the contracts management system addressing terms, necessity, and fair market value. Documentation of fair market value must be submitted in the contracts management system.



2. Attached to the final version of a Physician Lease Contract, *prior* to execution by the CEO or the CASO, must be a completed "Lease Contract Review Checklist" (Appendix C) and signed "Contract Certification" (Appendix B).
3. Corporate Compliance and Legal, as needed, will verify the checklist, certification, and documentation accompanying all Physician Contracts (including FMV) prior to execution by the CEO or the CASO. Incomplete or missing checklist and certifications will be returned to the originator for completion.
4. All proposed Physician Contracts lacking the appropriate documentation will be returned to the originator for completion. No services may be performed under the Physician Contract or leases implemented until the Physician Contract is fully executed, or an exception has been granted by Compliance and Legal in accordance with Stark Law requirements.
5. For the Hospital, all physician financial arrangements that exceed 75% of fair market value (regardless of total annual compensation) must be reviewed by the Finance Committee of the Board. Additionally, all physician financial arrangements that exceed 90% of fair market value must also be reviewed and approved by the Board.
6. The CEO Approval: The CEO or the CEO's designee will have authority to execute new, renewal and amended Physician Contracts for the Hospital (up to the authority as stated in the Signature Authority policy), except that the CEO may execute without Board approval a new, renewal or amended Professional Services Agreement (PSA) with ECHMN) so long as the total cash compensation to each individual physician is consistent with the approved PSA. For El Camino Health Medical Network, all physician financial arrangements that exceed 75% of fair market value (regardless of total annual compensation), or which deviate from the approved Compensation Structure must be reviewed and approved by the El Camino Health Medical Network Board.
7. A memo prepared by the Designated Manager that justifies El Camino Health's needs shall be provided to the Finance Committee and/or Board of Directors or Board of Managers as necessary for approval as part of the approval documents.

C. Board Oversight and Internal Review Process for Hospital based arrangements:

During the third quarter of each Hospital fiscal year, management and staff will prepare a summary report for all Hospital based Physician financial arrangements describing: 1) Fair Market Value determinations and trends, 2) Overall Budget and Goals 3) current and prior year annual financial comparison, and 4) any recommendations for changes to the Policy or any procedure.

The CFO, COO, CLO, and CMO will review the information and prepare recommendations if any regarding specific actions or changes that will be



implemented.

The report will then be reviewed by the CEO and presented to the Compliance and Finance committees of the Board of Directors for review no later than the end of the fiscal year.

D. Exceptions:

There are no exceptions to this Policy except as indicated herein.

E. Review and/or Validate:

The CEO and the Corporate Compliance Officer shall be responsible for reviewing the policy and guidelines as conditions warrant but at a minimum at least annually to assure consistency with Board expectations. The Compliance department will annually monitor organizations adherence to the policy and report to the Board.

F. Policy Enforcement

El Camino Health's Compliance Officer is responsible for monitoring enforcement of this policy. Any workforce member found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.



### FY26 Pacing Plan - Finance Committee

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG 8/25	SEP	OCT	NOV 11/7	DEC	JAN	FEB 2/2	MAR 3/23	APR	MAY 5/26	JUN
<b>CONSENT CALENDAR ITEMS</b>												
Prior Meeting Minutes		✓			✓			✓	✓	✓	✓	
Period Financials		✓			✓			✓	✓	✓	✓	
Progress Against Goals		✓			✓			✓	✓	✓	✓	
Pacing Plan		✓			✓			✓	✓	✓	✓	
Article(s) of Interest		✓			✓			✓	✓	✓	✓	
<b>APPROVAL/RECOMMENDATION FOR BOARD APPROVAL ITEMS</b>												
Physician Contracts		✓			✓			✓	✓	✓	✓	
Prior FY Results		✓										
Next FY Community Benefit Grant Program											✓	
Next FY Committee Governance: Goals, Dates, Pacing Plan									✓		✓	
Next FY Organization Finance Goals									✓		✓	
<b>DISCUSSION ITEMS</b>												
Financial Report (Pre-Audit Year-End Results)		✓										
Financial Performance JVs/ Business Affiliates		✓										
Progress on Opportunities/ Risks					✓							
Medical Staff Development Plan (odd years)												
Impact of Strategic Initiatives/Market Share								✓		✓		
Foundation Strategic Update								✓				
ECHMN Financials*		✓			✓			✓			✓	
Community Benefit Grant Application Process					✓				✓			
Progress Against FY Strategic Plan								✓			✓	
Managed Care Update									✓			
Long-Range Financial Forecast ( <b>Joint FC / IC Meeting</b> )									March 23 Mtg			
Next FY Budget and Preliminary Assumptions										✓		
Review FY Operational / Capital Budget for Recommendation to Board										✓	✓	
Summary Physician Financial Arrangements									✓			

\*Included in Quarterly Enterprise Financials



## FY2026 FINANCE COMMITTEE GOALS

### **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:** Raju Iyer, 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	STATUS
1. Summary of Physician Financial Agreements	Q3	March 2026	In progress - March
2. Review Progress on Opportunities / Risks identified by Management for FY2025 and Managed Care Update	Q2, Q3	Progress on Opportunities / Risks (November 2025), Managed Care update (March 2026)	Completed In progress – Moved to March
3. Review Strategy, Goals and Performance of ECHMN, Joint Ventures / Business Affiliates, Impact of Strategic Initiatives on Market Share and progress on Implementation of 2027 Strategic Plan	Q1	Overview & Financial Performance JVs / Business Affiliates (August 2025)	Completed
	Q3	Progress on 2027 Strategic Plan (February 2026), Foundation – Strategic Update (February 2026)	Completed
	Q3	Impact of Strategic Initiatives – Market Share Update (February 2026), ECHMN (February 2026), Hospital Community Benefits Program (February 2026),	Completed
	Q4	Progress on 2027 Strategic Plan (May 2026)	In progress
4. Fiscal Year End Performance Review	Q1	FYE 2025 Review of Operating, Financial and Balance Sheet Performance and KPIs (August 2025)	Completed

**SUBMITTED BY:** Chair: Don Watters | Executive Sponsor: Raju Iyer, Chief Financial Officer



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

**To:** El Camino Hospital, Finance Committee  
**From:** Raju Iyer, Chief Financial Officer  
**Date:** March 23, 2026  
**Subject:** Articles of Interest

**Purpose:** To share with the Finance Committee relevant articles highlighting current healthcare financial, regulatory, and operational trends that may impact El Camino Health's strategic and financial outlook.

### **Articles of Interest:**

#### **Becker's Hospital Review**

**"Hospital margins take a dive"** (March 12, 2026)

This article reports that hospitals and health systems in the U.S. faced worsening financial performance at the start of 2026, with operating margins dropping to their lowest point in a year. The decline was driven by expenses, especially non-labor and drug costs, rising faster than revenues. Smaller and larger hospitals were most affected, and overall patient volumes fell—most notably in emergency and inpatient services. However, some specialties, including ophthalmology, genetics, hematology, and cancer, saw increased demand, indicating potential areas for growth despite the broader financial challenges.

#### **Becker's Hospital Review**

**"14 large health systems growing bigger"** (March 13, 2026)

This article discusses the renewed acceleration of hospital consolidation in 2026, highlighting how large health systems are expanding through mergers, acquisitions, and partnerships to gain greater scale, access to capital, and broader geographic reach. It provides examples of 14 major health systems that have announced or are planning significant transactions this year, illustrating a trend where organizations are absorbing independent hospitals and reshaping regional healthcare markets to strengthen their competitive and financial positions.

These articles are provided for informational purposes and to support the Finance Committee's ongoing oversight of financial sustainability, reimbursement trends, and strategic risk considerations.

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Financial Management

# Hospital margins take a dive

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Hospitals and health systems had a rocky start to 2026. Patient demand and revenue growth slowed while expenses intensified, leading to an operating margins dip, according to Strata's Monthly Healthcare Industry Financial Benchmarks [report](#).

The firm gathered data from more than 1,900 hospitals across the U.S. and identified financial and operational trends in the month of January. Below are five big trends for hospital and health system executives to know, based averages gathered by Strata.

**1. Margins hit 12-month low.** Health system margins dropped to -0.6% from 1.3% in December, which was the biggest monthly decline over the last year. For most of last year, health system operating margins hovered above 1% and even reached 1.5% in November.

1.

Hospital margins also dropped 3.1 percentage points month over month and 2.4 percentage points year over year. Hospitals in the Northeast and South regions of the country had the smallest decline, about 1.2 percentage points, while Midwestern hospitals reported a 3.2 percentage point margin drop.

**2. Smallest and largest hospitals are under the most financial pressure.** Hospitals with less than 100 beds reported a 3.9 percentage point margin drop while hospitals with 500-plus beds reported a 2.5 percentage point decrease. Hospitals in between reported less steep declines.

**3. Expense growth outpaced revenue.** Total expenses increased 5.4% year over year in January while gross operating revenue rose 3.9%, leaving a significant gap for many organizations. Outpatient revenue jumped 4.4% while inpatient revenue increased a more moderate 2.5%.

**4. Non-labor and drug costs surged.** Non-labor expenses drove expense growth, at 6.4%. Labor expenses increased an average of 4.9% year over year and drug expenses were up 6.8%. Supply expenses increased just 4.6% in January.

**5. Overall patient volume declined but select specialties are booming.** Patient demand slowed, as inpatient admissions dropped 2.4% year over year and outpatient visits were down 2.5%. Emergency visits had the largest decline at 11.2% compared to the same period last year. Several specialties posted strong gains despite overall volume loss:

2.

- Ophthalmology: 17.5%
- Genetics: 12.8%
- Hematology: 12.2%
- Cancer: 10.6%
- Pulmonology: 2.4%



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# 14 large health systems growing bigger

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By: **Alan Condon** Friday, March 13th, 2026[Share](#)

After a brief post-pandemic lull, hospital consolidation is accelerating again, with large health systems expanding across state lines, absorbing independent hospitals and reshaping regional care markets.

From portfolio resets and strategic exits to cross-market mergers and billion-dollar investments, these moves reflect how scale, capital access and geographic reach are becoming critical advantages in today's healthcare landscape.

Here are 14 large health systems that have announced or plan to close strategic mergers, acquisitions or partnerships this year.

*Editor's note: This is not an exhaustive list.*

1. **[Universal Health Services](#)**, a for-profit system headquartered in King of Prussia, Pa., plans to acquire online behavioral health provider Talkspace in an \$835 million deal. Talkspace, which has a network of about 6,000 licensed behavioral health professionals, reported \$229 million in revenue and provided more than 1.6 million

patient sessions in 2025. UHS [includes](#) 29 acute-care hospitals, 346 behavioral health inpatient facilities, 35 freestanding emergency departments, a health plan (Prominence Health) and more than 130 outpatient facilities.

2. [Billings \(Mont.\) Clinic](#) plans to affiliate with Sheridan (Wyo.) Memorial Hospital, an [88-bed](#) acute care facility, with the after the Sheridan County Board of County Commissioners unanimously approving an agreement in March. Billings Clinic [merged](#) with Kalispell, Mont.-based Logan Health; the combined independent system now [encompasses](#) 25 hospitals, including 16 regional partnerships with critical access hospitals and clinics.

3. Little Rock, Ark.-based [Baptist Health](#) signed a definitive agreement to acquire South Arkansas Regional Hospital, a 151-bed facility in El Dorado. The acquisition would see Baptist Health increase the number of hospitals in its footprint to 13.

4. Memphis, Tenn.-based [Baptist Memorial Health Care](#) acquired OCH Regional Medical Center in Starkville, Miss., in March. The transaction increases the number of hospitals in the system's portfolio to 25. Baptist Memorial Health Care operates hospitals in Tennessee, Arkansas and Mississippi.

5. Ontario, Calif.-based [Prime Healthcare](#) [acquired](#) Lewiston-based Central Maine Healthcare, a three-hospital system, in February. Prime, now a [54-hospital system](#), also plans to acquire Franciscan Health Olympia Fields (Ill.), making it the system's ninth hospital in Illinois. In March 2025, Prime [acquired](#) eight hospitals from St. Louis-based Ascension. A ninth hospital, Ascension St. Elizabeth in Chicago, was included in that acquisition; however, the facility closed in February 2025.

6. St. Louis-based [Ascension](#) has [sold](#) or consolidated multiple hospitals over the last three years as it revamps its hospital portfolio, operating model and financial performance. However, the faith-based system is preparing to acquire ambulatory surgery center company AmSurg for about \$3.9 billion. The deal would significantly expand Ascension's footprint in the ASC space. AmSurg has a network of more than 250 surgery centers across 34 states and supports nearly 2,000 physicians, according to its [website](#).

7. Morgantown, W.Va.-based [WVU Health System](#) plans to acquire Greensburg, Pa.-based Independence Health System, which operates five hospitals. The transaction,

which is projected to close this fall, would see WVU Health expand significantly in Pennsylvania and increase the number of hospitals in its footprint to 30.

8. Corvallis, Ore.-based Samaritan Health Services plans to merge with Tacoma, Wash.-based [MultiCare Health System](#), creating an 18-hospital system with more than 33,000 employees. The transaction, which is expected to close in mid-2026, would bring Samaritan under the MultiCare umbrella.

9. Pittsburgh-based [UPMC](#) is in talks to acquire Steubenville, Ohio-based [Trinity Health System](#), a three-hospital system owned and operated by Chicago-based CommonSpirit. The acquisition would see UPMC enter the Ohio hospital market.

10. Columbus-based [OhioHealth](#) plans to acquire Lancaster, Ohio-based Fairfield Medical Center, which would be its 17th acute-care hospital. Last year, OhioHealth acquired Morrow County Hospital, a 25-bed critical access hospital in Mount Gilead, Ohio. It also recently acquired two other hospitals — Van Wert (Ohio) Hospital and Southeastern Medical Center in Cambridge — and opened Pickerington Methodist Hospital.

11. Irving, Texas-based [Christus Health](#), which comprises more than 60 hospitals, plans to acquire Titus Regional Medical Center. The board of the 173-bed hospital voted in February to proceed with the sale of the independent hospital to Christus.

12. Fort Wayne, Ind.-based [Parkview Health](#), a 15-hospital system, has signed a letter of intent with Goshen (Ind.) Health to explore a partnership. The transaction would make Goshen Health Parkview's largest hospital outside of Fort Wayne and establish it as a regional hub for care, access and growth.

13. West Orange, N.J.-based [RWJBarnabas Health](#) in January signed a definitive agreement to acquire Englewood Health. Under the agreement, RWJBarnabas Health would invest about \$500 million in Englewood Health to support expanded outpatient services and community health programs, as well as other strategic investments.

14. [NYC Health + Hospitals](#), New York City's public health system, plans to acquire Brooklyn, N.Y.-based Maimonides Health. Under the proposed deal, Maimonides would receive up to \$2.2 billion over five years through a state grant announced in

October. Maimonides and NYC Health + Hospitals are continuing to work with stakeholders toward a final deal, which would see NYC Health + Hospitals become a 14-hospital system.



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

**To:** Finance Committee  
**From:** Raju Iyer, CFO  
**Date:** March 23, 2026  
**Subject:** Financials: FY2026 – Period 8 (February 2026) & YTD FY2026 (as of 2/28/2026)

### Purpose:

To provide the Finance Committee with an overview of financial results for Period 8 and YTD FY2026, including comparisons to Budget and Prior Year (PY). This memo highlights key financial trends and governance-level considerations; detailed operational and variance analyses are provided in the attached materials.

### Executive Summary – Period 8 (February 2026)

#### Overall Performance

Period 8 revenue and operating margin performance continued to exceed budget, driven by outpatient services volume, supported by disciplined expense management and sustained labor productivity. Net income significantly exceeded budget, driven mostly by favorable non-operating investment performance.

#### Key Volume Observations

- Inpatient average daily census (ADC) remained below Budget and Prior Year, consistent with ongoing utilization trends.
- Outpatient volumes, including Interventional Services, Outpatient Surgical Services, and Outpatient Endoscopy Services exceeded both Budget and Prior Year and were the primary contributors to favorable revenue performance.
- Detailed volume trends by service line are included in the **Detailed Volume and KPI Dashboard**.

#### Financial Performance

- **Total Operating Revenue:** \$150.2M, favorable to Budget by \$5.9M (4.1%) and higher than PY by \$14.1M (10.4%).
- **Operating Margin:** \$14.0M, favorable to Budget by \$4.6M (48.4%) and slightly above PY by \$0.9M (6.5%).
- **Operating EBIDA:** \$22.2M, favorable to Budget by \$4.4M (24.6%) and slightly above PY by \$0.4M (2.0%).
- **Net Income:** \$44.5M, favorable to Budget by \$29.6M (197.6%) and higher than PY by \$15.4M (52.9%).

#### YTD FY2026 Performance (as of February 28, 2026)

#### Year-to-Date Overview

Through February 28, 2026, financial performance remains ahead of Budget across all major operating metrics. Revenue growth continues to be driven by outpatient activity, which was slightly offset by increased governmental payor mix. Expense performance reflects effective management

Period 8 Financial Report Memo  
March 23, 2026

of labor productivity and premium pay. A portion of year-to-date net income favorability is attributable to market-driven investment gains rather than recurring operating performance.

**Key Results**

- **Total Operating Revenue:** \$1,224.1M, favorable to Budget by \$22.2M (1.8%) and higher than PY by \$97.2M (8.6%).
- **Operating Margin:** \$123.6M, favorable to Budget by \$26.6M (27.4%) and higher than PY by \$9.7M (8.5%).
- **Operating EBIDA:** \$191.2M, favorable to Budget by \$24.1M (14.4%) and higher than PY by \$9.5M (5.2%).
- **Net Income:** \$295.6M, favorable to Budget by \$158.5M (115.6%) and higher than PY by \$78.7M (36.3%).

**Key Volumes:**

- **ADC:** CY 306 (1.5% unfavorable to Budget), PY 313 (2.1% lower)
- **Adjusted Discharges:** CY 30,908 (2.9% favorable to Budget), PY 29,553 (4.6% higher)
- **ED Visits:** CY 44,123 (6.0% favorable to Budget), PY 42,510 (3.8% higher)
- **OP Visits / Procedural Cases:** CY 111,871 (8.2% favorable to Budget), PY 100,988 (10.8% higher)

**Recommendation:** Finance Committee receive the Period 8 and YTD FY2026 financials.

**List of Attachments:**

1. Presentation: Period 8 & YTD FY2026 financials



# El Camino Health

## Summary of Financial Operations

*Fiscal Year 2026 – Period 8  
7/1/2025 to 02/28/2026*

# Financial Overview: YTD FY2026 (as of 2/28/2026)

## Consolidated Financial Performance

- Operating EBIDA is \$191.2M / 15.6% compared to the budget of \$167.1M / 13.9% and \$9.5M / 5.2% above prior year.
- Operating margin is \$123.6M / 10.1% compared to the budget of \$97.0M / 8.1% and \$9.7M / 8.5% above prior year.
- Operating expense is \$4.4M / 0.4% favorable to budget.
  - When adjusted for volume levels, Operating Expense per CMI Adjusted Discharge is \$20,688 which is 4.8% favorable to budget.
    - **Note: Excludes depreciation and interest expense**
- Key operating drivers:
  - Year-over-year operating margin is \$9.7M / 8.5% above the same period last year:
  - Favorable:
    - Continued strength in Interventional Services (13.7% fav to prior year), Outpatient Surgical Services (6.7% fav to prior year), and Outpatient Endoscopy Services (5.6% fav to prior year).
    - Expense management – Continued favorability in Labor Productivity and Premium Time.
  - Unfavorable
    - Continued shift to Governmental Payors
- Year-over-year net margin is \$78.7M / 36.3% higher than the same period last year.

# Operational / Financial Results: YTD FY2026 (as of 02/28/2026)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Year over Year change	YoY % Change	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'Aa3'	'AA'	'AA'	
Activity / Volume	ADC	306	311	(5)	(1.5%)	313	(7)	(2.1%)	---	---	---	---
	Adjusted Discharges	30,908	30,035	873	2.9%	29,553	1,355	4.6%	---	---	---	---
	OP Visits / OP Procedural Cases	111,871	103,389	8,482	8.2%	100,988	10,883	10.8%	---	---	---	---
	Percent Government (%)	59.2%	58.6%	0.6%	1.0%	59.3%	(0.2%)	(0.3%)	---	---	---	---
	Gross Charges (\$)	5,413,669	5,197,564	216,105	4.2%	4,822,827	590,843	12.3%	---	---	---	---
Operations	Cost Per CMI AD	20,688	21,724	(1,035)	(4.8%)	19,886	802	4.0%	---	---	---	---
	Net Days in A/R	51.2	54.0	(2.8)	(5.2%)	50.6	0.6	1.2%	47.5	47.4	47.8	
Financial Performance	Net Patient Revenue (\$)	1,180,391	1,156,353	24,037	2.1%	1,080,970	99,421	9.2%	2,904,361	5,355,479	---	
	Total Operating Revenue (\$)	1,224,079	1,201,865	22,215	1.8%	1,126,890	97,189	8.6%	3,427,739	5,580,653	2,947,267	
	<b>Operating Margin (\$)</b>	<b>123,604</b>	<b>96,989</b>	<b>26,615</b>	<b>27.4%</b>	<b>113,945</b>	<b>9,659</b>	<b>8.5%</b>	<b>68,555</b>	<b>195,323</b>	<b>100,207</b>	
	<b>Operating EBIDA (\$)</b>	<b>191,202</b>	<b>167,086</b>	<b>24,115</b>	<b>14.4%</b>	<b>181,747</b>	<b>9,455</b>	<b>5.2%</b>	<b>198,809</b>	<b>452,033</b>	<b>250,518</b>	
	Net Income (\$)	295,552	137,085	158,467	115.6%	216,900	78,652	36.3%	188,526	435,291	165,047	
	<b>Operating Margin (%)</b>	<b>10.1%</b>	<b>8.1%</b>	<b>2.0%</b>	<b>25.1%</b>	<b>10.1%</b>	<b>(0.0%)</b>	<b>(0.1%)</b>	<b>2.0%</b>	<b>3.5%</b>	<b>3.4%</b>	
	<b>Operating EBIDA (%)</b>	<b>15.6%</b>	<b>13.9%</b>	<b>1.7%</b>	<b>12.4%</b>	<b>16.1%</b>	<b>(0.5%)</b>	<b>(3.2%)</b>	<b>5.8%</b>	<b>8.1%</b>	<b>8.5%</b>	
	DCOH (days)	347	275	72	26.3%	282	65	23.2%	258	315	311	

**Moody's Medians:** Not-for-profit and public healthcare annual report; August 2025. 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 2025. 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 2025. Dollar amounts have been adjusted to reflect monthly averages.

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

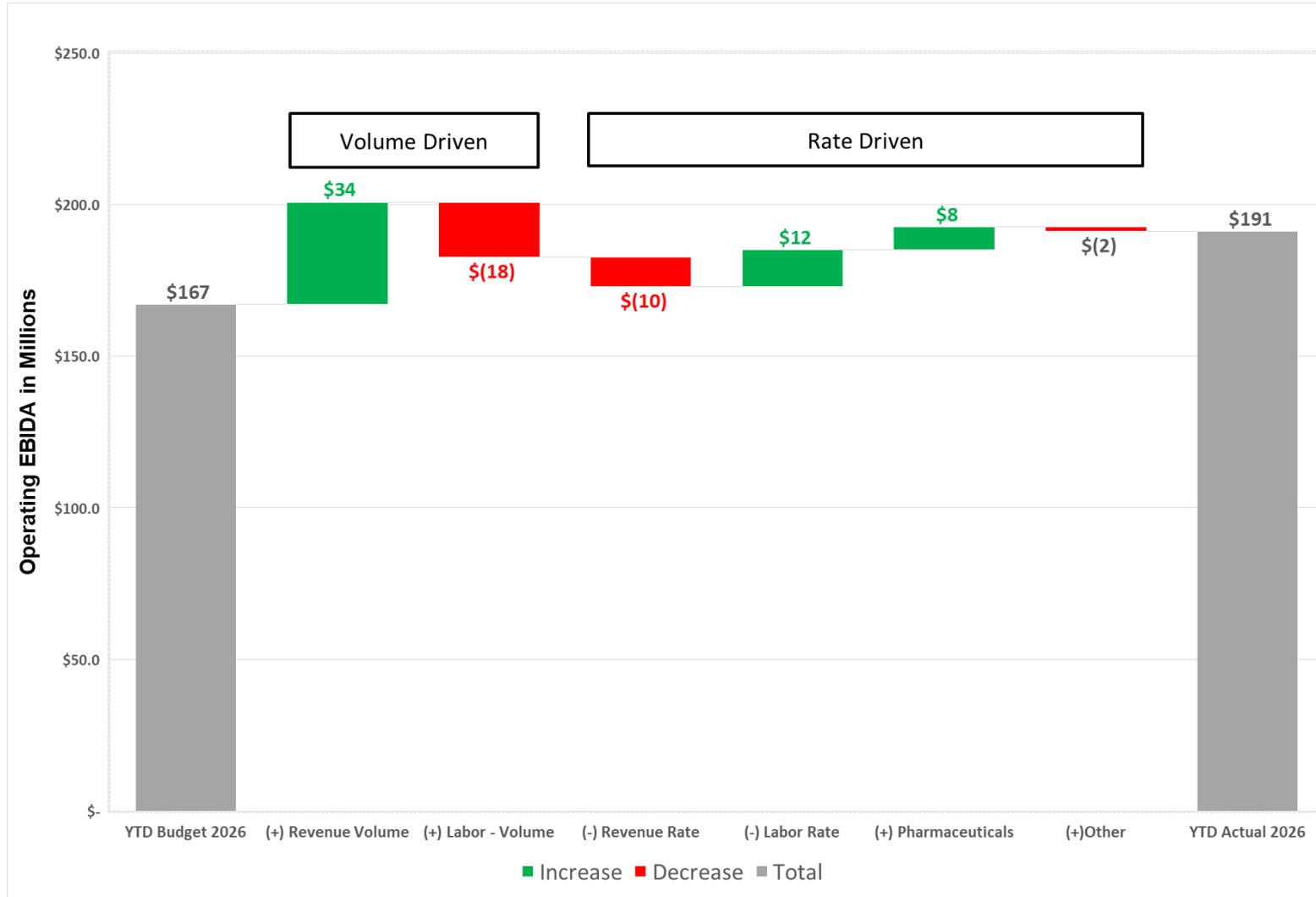
OP Visits / Procedural Cases includes Covid Vaccinations / Testing.

Unfavorable Variance < 3.49%
Unfavorable Variance 3.50% - 6.49%
Unfavorable Variance > 6.50%

# FY2026 YTD P8: Factors driving favorable Operating EBIDA

(Dollars in Millions)

\$191M (actual) vs. \$167M (budget) = \$24M / 14.4% favorable to budget



- ❑ **Revenue:**
  - ❑ Rate: Higher OP activity vs budgeted resulted in lower Revenue per Adjusted Discharge
  - ❑ Volume: Driven by 2.8% favorability to budget in hospital activity.
  
- ❑ **Labor:**
  - ❑ Rate: Rate per Adjusted Discharge 0.8% favorable to budget
  - ❑ Volume: Driven by 2.8% favorability to budget in hospital activity.
  
- ❑ **Pharmaceuticals:** FY26 Budget was increased to account for specialty drugs used in new clinics. Continued utilization shifts, cost savings initiatives, and improved contracting has produced favorable results.

# Operational / Financial Results: Period 8 – February 2026 (as of 02/28/2026)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Year over Year change	YoY % Change	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'Aa3'	'AA'	'AA'	
Activity / Volume	ADC	312	325	(14)	(4.3%)	330	(18)	(5.5%)	---	---	---	---
	Adjusted Discharges	3,757	3,606	151	4.2%	3,571	186	5.2%	---	---	---	---
	OP Visits / OP Procedural Cases	13,311	12,389	922	7.4%	12,318	993	8.1%	---	---	---	---
	Percent Government (%)	60.7%	58.7%	2.1%	3.5%	61.9%	(1.1%)	(1.8%)	---	---	---	---
	Gross Charges (\$)	664,288	630,249	34,039	5.4%	575,945	88,343	15.3%	---	---	---	---
Operations	Cost Per CMI AD	20,339	21,724	(1,384)	(6.4%)	20,751	(412)	(2.0%)	---	---	---	---
	Net Days in A/R	51.2	54.0	(2.8)	(5.2%)	50.6	0.6	1.2%	47.5	49.7	47.8	
Financial Performance	Net Patient Revenue (\$)	141,864	138,565	3,299	2.4%	130,295	11,569	8.9%	363,045	669,435	---	
	Total Operating Revenue (\$)	150,161	144,286	5,875	4.1%	136,068	14,093	10.4%	428,467	697,582	368,408	
	<b>Operating Margin (\$)</b>	<b>13,993</b>	<b>9,430</b>	<b>4,563</b>	<b>48.4%</b>	<b>13,144</b>	<b>850</b>	<b>6.5%</b>	<b>8,569</b>	<b>24,415</b>	<b>12,526</b>	
	<b>Operating EBIDA (\$)</b>	<b>22,190</b>	<b>17,814</b>	<b>4,375</b>	<b>24.6%</b>	<b>21,753</b>	<b>437</b>	<b>2.0%</b>	<b>24,851</b>	<b>56,504</b>	<b>31,315</b>	
	Net Income (\$)	44,547	14,969	29,578	197.6%	29,139	15,408	52.9%	23,566	54,411	20,631	
	<b>Operating Margin (%)</b>	<b>9.3%</b>	<b>6.5%</b>	<b>2.8%</b>	<b>42.6%</b>	<b>9.7%</b>	<b>(0.3%)</b>	<b>(3.5%)</b>	<b>2.0%</b>	<b>3.5%</b>	<b>3.4%</b>	
	<b>Operating EBIDA (%)</b>	<b>14.8%</b>	<b>12.3%</b>	<b>2.4%</b>	<b>19.7%</b>	<b>16.0%</b>	<b>(1.2%)</b>	<b>(7.6%)</b>	<b>5.8%</b>	<b>8.1%</b>	<b>8.5%</b>	
	DCOH (days)	347	275	72	26.3%	282	65	23.2%	258	315	311	

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

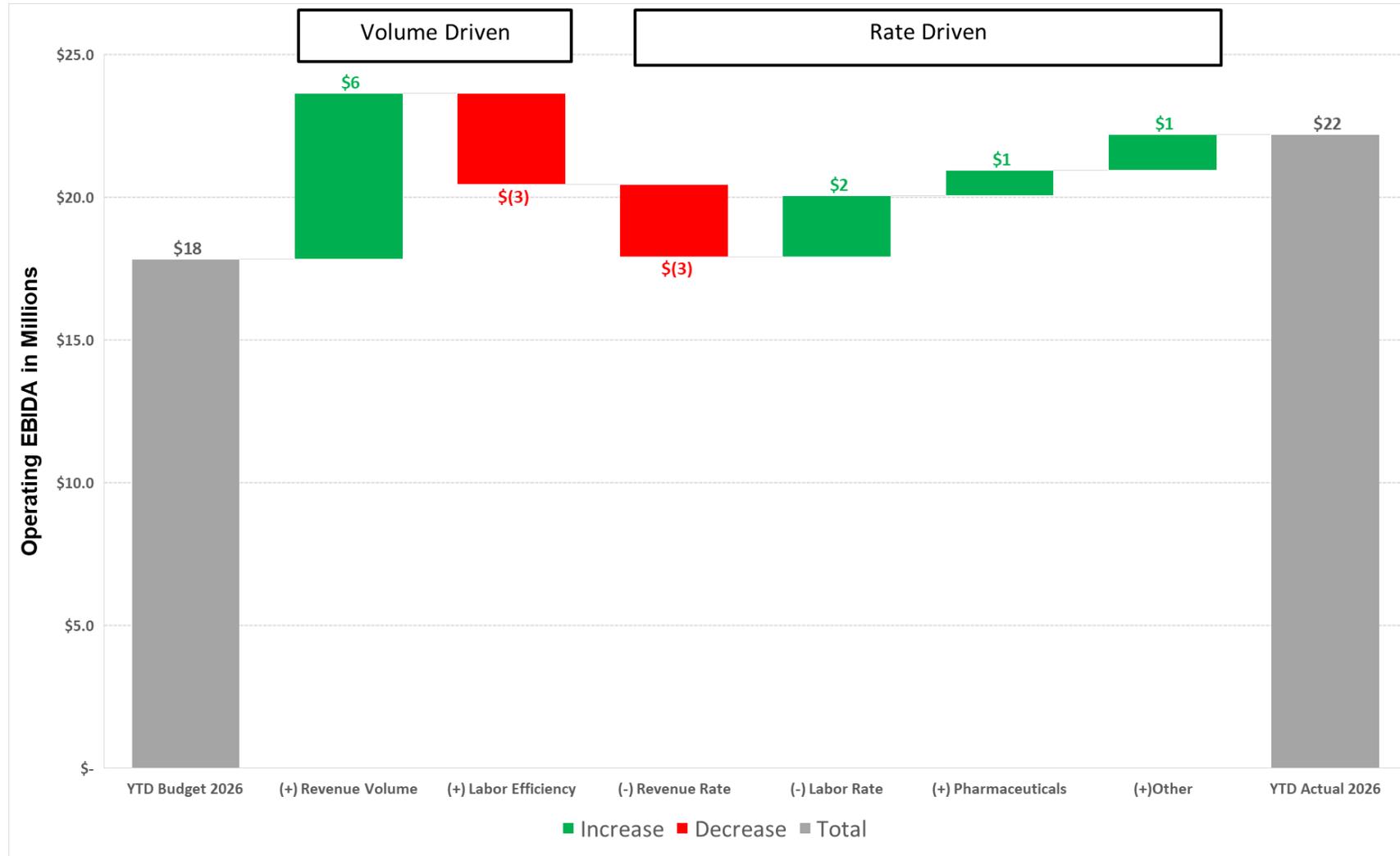
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Unfavorable Variance < 3.49%
Unfavorable Variance 3.50% - 6.49%
Unfavorable Variance > 6.50%

# FY2026 P8: Factors driving unfavorable Operating EBIDA

(Dollars in Millions)

**\$22M (actual) vs. \$18M (budget) = \$4M / 24.6% favorable to budget**



- Revenue:**
  - Rate: OP activity significantly favorable in Feb.
  - Volume impact: Feb hospital activity 4.2% higher than budget
  
- Labor:**
  - Rate: Rate per Adjusted Discharge 1.7% favorable to budget
  - Volume: Feb hospital activity 4.2% higher than budget

# APPENDIX

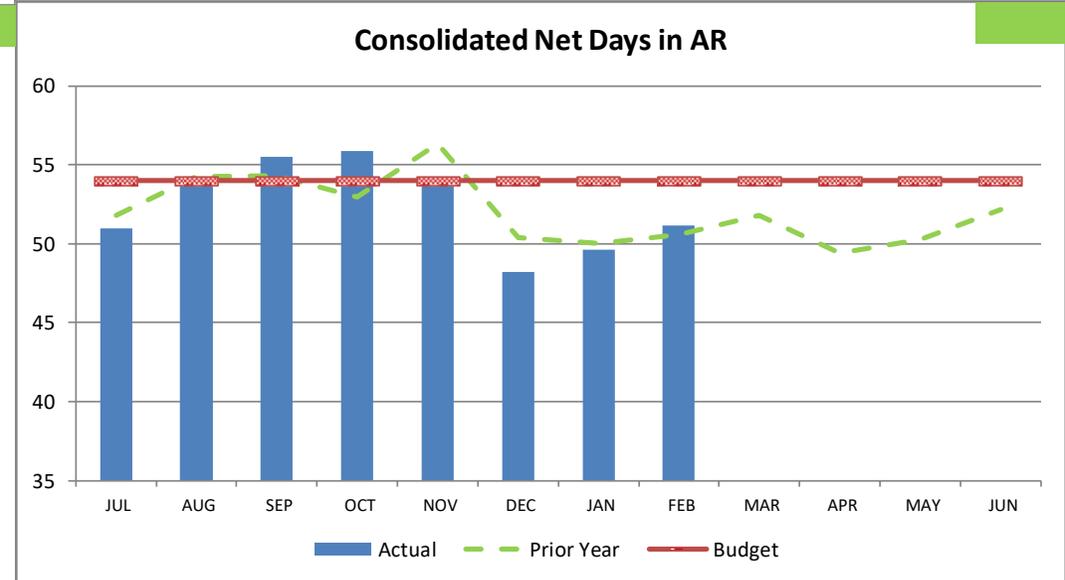
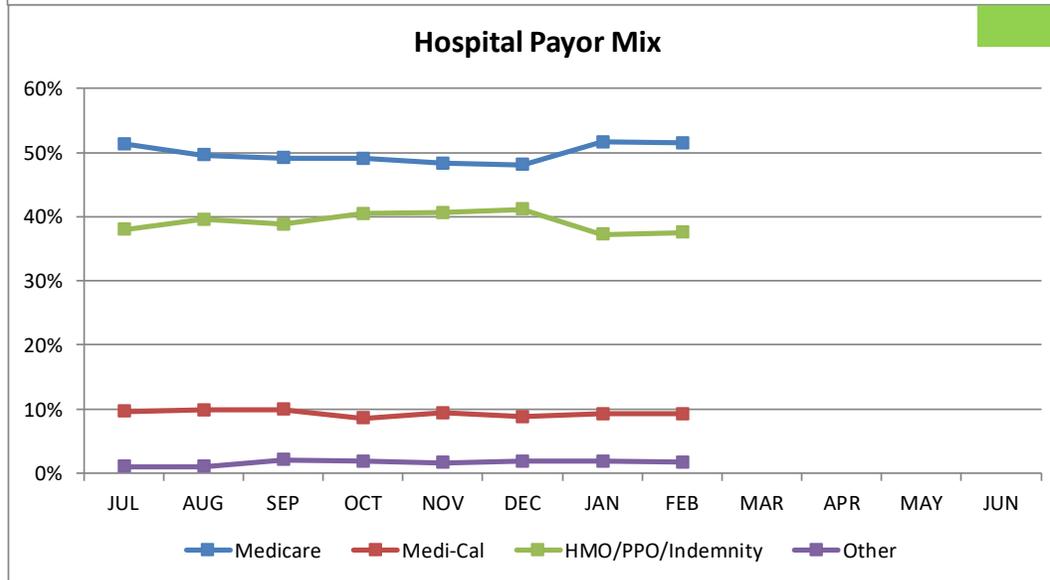
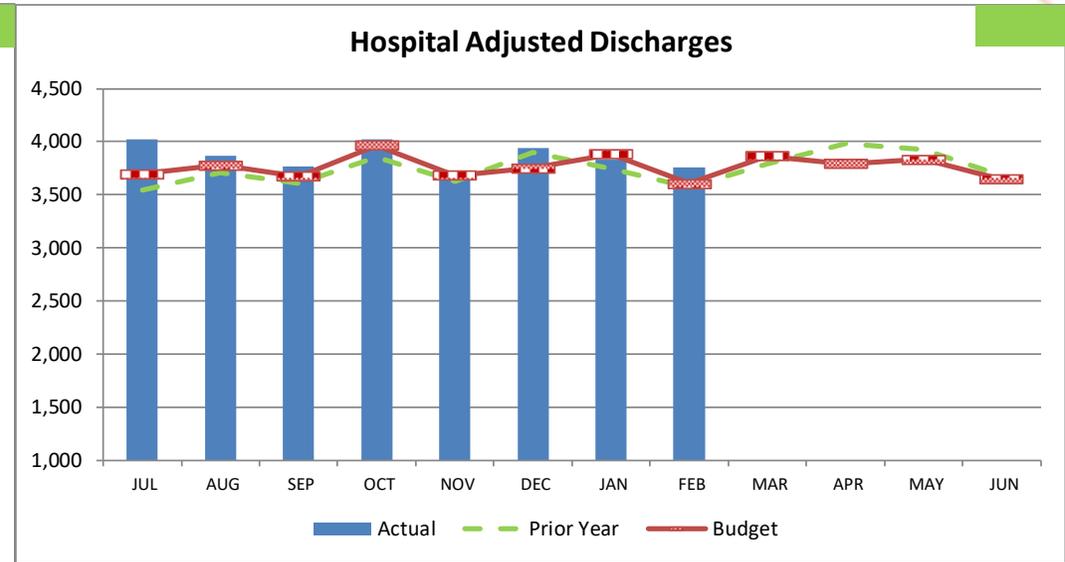
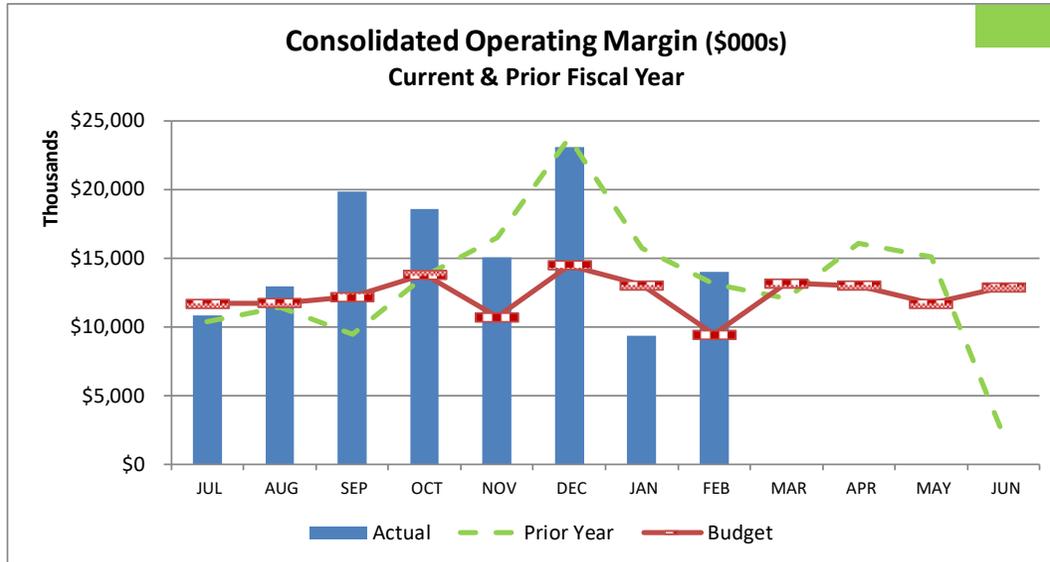
# Key Statistics: Period 8 and YTD (as of 02/28/2026)

Key Metrics	Month to Date			Variance (%)		Year to Date			Variance (%)	
	PY	CY	Budget	CY vs PY	CY vs Budget	PY	CY	Budget	CY vs PY	CY vs Budget
ADC	330	312	325	(5.5%)	(4.3%)	313	306	311	(2.1%)	(1.5%)
Utilization MV	82%	77%	82%	(5.8%)	(6.5%)	79%	76%	79%	(3.3%)	(3.1%)
Utilization LG	46%	41%	41%	(10.3%)	(0.8%)	41%	39%	40%	(3.6%)	(1.3%)
Utilization Combined	71%	66%	70%	(6.5%)	(5.3%)	67%	65%	67%	(3.2%)	(2.6%)
Adjusted Discharges	3,571	3,757	3,606	5.2%	4.2%	29,553	30,908	30,035	4.6%	2.9%
Total Discharges (Exc NB)	1,775	1,790	1,768	0.8%	1.3%	14,815	14,606	15,011	(1.4%)	(2.7%)
Total Discharges	2,119	2,125	2,108	0.3%	0.8%	17,694	17,580	18,017	(0.6%)	(2.4%)
<b>Inpatient Case Activity</b>										
MS Discharges	1,291	1,296	1,229	0.4%	5.4%	10,485	10,253	10,481	(2.2%)	(2.2%)
Deliveries	370	359	379	(3.0%)	(5.3%)	3,137	3,197	3,274	1.9%	(2.3%)
BHS	88	91	118	3.4%	(22.8%)	878	803	925	(8.5%)	(13.1%)
Rehab	40	38	42	(5.0%)	(8.6%)	319	364	331	14.1%	9.9%
<b>Outpatient Case Activity</b>										
Total Outpatient Cases	17,524	18,619	17,380	6.2%	7.1%	143,498	155,994	145,011	8.7%	7.6%
ED	5,206	5,308	4,991	2.0%	6.4%	42,510	44,123	41,622	3.8%	6.0%
OP Surg	642	671	526	4.5%	27.6%	5,351	5,712	4,412	6.7%	29.5%
Endo	287	295	286	2.8%	3.0%	2,385	2,518	2,237	5.6%	12.6%
Interventional	197	234	230	18.8%	1.6%	1,679	1,909	1,627	13.7%	17.4%
All Other	11,192	12,111	11,346	8.2%	6.7%	91,573	101,732	95,113	11.1%	7.0%
<b>Hospital Payor Mix</b>										
Medicare	52.0%	51.5%	48.9%	(0.9%)	5.0%	49.4%	49.8%	48.8%	0.9%	2.1%
Medi-Cal	9.9%	9.3%	9.8%	(6.5%)	(5.7%)	9.9%	9.3%	9.8%	(5.9%)	(5.1%)
Commercial	36.5%	37.5%	39.6%	2.8%	(5.5%)	38.7%	39.2%	39.6%	1.3%	(1.2%)
Other	1.7%	1.7%	1.8%	4.8%	(0.3%)	2.0%	1.7%	1.8%	(16.7%)	(7.0%)

Favorable to budget by 7.5%

Unfavorable to budget by 7.5%

# YTD FY2026 Financial KPIs – Monthly Trends





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

**To:** Finance Committee  
**From:** Jon Cowan, Executive Director of Government Relations & Community Partnerships  
**Date:** March 23, 2026  
**Subject:** FY2026 El Camino Health Community Benefit Midyear Grant Performance and Update

**Purpose:** To provide information regarding midyear grant performance and Community Benefit updates.

**Summary:**

1. **Situation:** To inform the Finance Committee about the Midyear FY2026 grant performance and other updates. At the midpoint of each fiscal year, Community Partnerships staff review midyear grant reports to assess metric and budget performance against targets as well as review qualitative information on program successes, challenges and trends. This analysis is important as it provides data to inform grant recommendations within the FY2027 Community Benefit Plan and Implementation Strategy which comes to the Finance Committee for approval in May 2026. Staff prepare a summary (below and Attachment 1) for the Finance Committee in the spring of each fiscal year.

2. **Authority:** The report is prepared by the Community Partnerships staff and approved by the Executive Director of Government Relations and Community Partnerships prior to the presentation to the Finance Committee.

3. **Background:**

In FY2026, El Camino Health invested \$3,310,000 in Community Benefit grants 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 state and federal regulations.

**A. Grants Overview:** \$3,310,000 for 47 grants:

- 11 Healthcare Access & Delivery grants at \$986,000
- 16 Behavioral Health grants at \$1,027,000
- 10 Diabetes & Obesity grants at \$945,000
- 4 Chronic Conditions treatment and prevention (other than diabetes and obesity) grants at \$155,000
- 6 Economic Stability grants at \$197,000

o **Acknowledgement of Funds:** FY2026 grant agreements include guidelines for acknowledging El Camino Health funds through a variety of channels, including building signage for grants ≥ \$200K and mobile van signage for grants ≥ \$50K.

- Grant partners were required to report on their acknowledgements in midyear reports and will do so again in their year-end reports.
- All eligible agencies have implemented email and building sign acknowledgments at midyear, continuing FY2025's strong yearend participation.

Community Benefit Midyear Grant Performance and Update  
March 23, 2026

- Asian Americans for Community Involvement (AACI) could not implement email signatures due to organizational policy; in lieu of email acknowledgement, they acknowledged ECH funds on high visibility lobby digital monitor.
    - Website and social media acknowledgement of funds both increased from FY2025 at midyear. *Note that not all agencies are active or have presence on social media.*
    - **Staff Innovation Grants (SIGs):**
      - **Economic Opportunity Internship Program-** Community Partnerships developed the Economic Opportunity Internship program in partnership with Human Resources in FY2023. It aims to support inclusive local hiring across ECH as well as address the need for better economic opportunities among underserved community members. This program provides career development opportunities to diverse, local high school, community college, college, and graduate students by placing them in internships at one of the El Camino Health campuses.
4. Assessment:
- A. **Grants Performance:**
- Community Health Themes
    - Many agencies reported rising demand for safety-net services amid funding uncertainty. They observed that more clients need help with food, housing, transportation, and preventive care, but changes to public benefits and government funding are increasing strain on community programs.
    - Workforce capacity and turnover continue to be barriers to delivery and growth. Many programs cited staffing shortages, turnover, medical leave, and the time required to onboard/train staff and interns, especially for bilingual and culturally competent roles.
    - Grantees reported continued challenges for clients trying to access preventive care and basic needs resources. Dental and vision care, immunizations, and screenings remain difficult to access for low-income, uninsured, and immigrant families. Additional challenges include voucher reductions (e.g., VSP vouchers), limited availability of providers, and systems that are difficult to navigate (including Medi-Cal changes).
    - Partners reported that behavioral health needs continue to increase. They noted mental health concerns (anxiety, trauma, school avoidance), ongoing substance use issues, and greater need for family engagement and higher levels of care.
    - Agencies mentioned that operational limitations and engagement challenges affected participation and measurement ability. Factors such as school schedules, absences, space/weather, housing turnover timing, and referral bottlenecks were cited as affecting service delivery. Partners shared that language barriers and trust concerns also likely reduced participation and survey response rates. To counteract this, some programs strengthened outreach and translation support.
    - Several grantees noted that uncertainty around immigration policy contributed to reduced follow-up and participation in preventive care

Community Benefit Midyear Grant Performance and Update  
March 23, 2026

among some Latino/Spanish-speaking communities. This was not a theme that partners mentioned in FY25 midyear reporting.

- All Programs:
  - 85% of grants met or exceeded 90% across all their metrics (FY2025 = 67%)
  - Over 17,700 community members served (FY2025: over 17,900 served)
- Largest grant programs (\$100k+):
  - 10 grants = \$1,710,000 (52% of total grants approved)
  - 90% of grants met or exceeded 90% across all their metrics (FY2025 = 90%)
  - Over 10,300 community members served (FY2025: over 9,800)

**B. Acknowledgement of Funds:** Staff have worked with grant partners to implement greater acknowledgement of ECH funds, with the following results to date:

- 100% of eligible agencies have implemented building signs acknowledging ECH (5 of 5 agencies with grants  $\geq$ \$200,000; 1 of 1 agency implemented a mobile sign with a grant  $\geq$ \$50,000).
- 100% of eligible agencies have implemented email signatures for positions funded at 0.75 FTE or more (9 of 9 agencies).
- 86% of agencies have listed ECH as a funder on their website (38 of 44 agencies)
  - **Website acknowledgement increased from 71% in FY2025 to 86% in FY2026**
- 48% of agencies have acknowledged ECH on social media (21 of 44 agencies)
  - **Social acknowledgement increased from 41% in FY2025 to 48% in FY2026**

**C. SIG Performance:**

- **Economic Opportunity Internship Program**-The internship program is currently in its fourth year, having started in FY2023, and through its growth and development it has continued to enhance the experience for both the host departments and intern participants. The grant program is run by ECH's HR team and is aiming for growth in FY2027 by submitting an additional application for an ECHD grant to expand capacity of the existing program. The program met all of its midyear metrics in FY2026. Through the first half of the year the program reported that intern students were able to gain professional experience as well as make meaningful professional connections. The high school interns, specifically, were able to gain work experience and job shadow opportunities to encourage the pursuit of healthcare careers. College interns gained professional skills, worked on meaningful projects and built professional relationships, attended the executive speaker series, and presented their work for the final presentation. Intern feedback showed that the team-building events provided valuable opportunities for collaboration and self-discovery.

5. Outcomes: See attachment

**List of Attachments:**

1. FY2026 Community Benefit Grant Program and Midyear Grant Performance Update PPT

Community Benefit Midyear Grant Performance and Update  
March 23, 2026

**Suggested Committee Discussion Questions:**

1. What additional background information do committee members need to satisfy their fiduciary duty related to approval of the FY2027 Community Benefit Plan & Implementation Strategy in May?
2. Are there any other critical items the committee members would like us to consider as management and staff develop the recommended FY2027 Community Benefit Plan & Implementation Strategy?



**FY2026 Community Benefit  
Midyear Grant Performance and Update**

*Finance Committee*

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

*March 23, 2026*

# FY2026 Community Benefit Grant Overview

CHNA Identified Health Need	Funding Amount
Healthcare Access & Delivery	\$986,000 (30%)
Behavioral Health	\$1,027,000 (31%)
Diabetes & Obesity	\$945,000 (29%)
Chronic Conditions (other than diabetes & obesity)	\$155,000 (5%)
Economic Stability	\$197,000 (6%)
<b>Total:</b>	<b>\$3,310,000 (100%)*</b> <b>– 47 grants</b>

# FY2026 Midyear Grant Performance

# FY2026 Midyear Grant Performance Metrics

Year-over-year performance comparison	FY2026 Midyear	FY2025 Midyear	3-year Average
Grants that met 90%+ of their metrics (all programs)	85%	67%	75%
Large grants that met 90%+ of their metrics	90%	90%	87%
Grants that met less than 75% of their metrics (all programs)	4*	3	4
Number of individuals served (all programs)	17,754	17,938	17,497
Number of new grant partners	4	5	4

# FY2026 School Grants



In **FY2026**, Community Partnerships invested **\$1,052,000** across **7 school grants**

- At midyear, **6,265 students** were provided services and **13,441 services** were rendered

## Strong School Grant Midyear Performance

**86%** of ECH school grants **met or exceeded 90%** of their midyear metrics

- This performance is **higher than the past 3-year average of 81%**
- The remaining school's overall score fell below 90% due to the timing of a **delayed outcome survey, not program performance**. The school met its midyear volume and impact targets and is on track overall
- School districts reported that targeted strategies, including early TK and primary grade behavioral supports, earlier health screenings, expanded staff training, and proactive outreach, helped them meet their performance metrics

## Student Health Service Programs: Improved Immunization Compliance

An average of **86%** of students out of compliance with required **immunizations became compliant, above the past 3-year average of 64%**

- While compliance rates have improved, school districts noted ongoing **challenges** to further expanding immunization access
- Barriers include **staffing** and **time limitations**, the need to support **uninsured** families, and continued **outreach** to parents about the importance of routine immunizations and annual flu vaccines amid misinformation

# FY2026 Staff Innovation Grant

## Economic Opportunity Internship Program:

The internship program is currently in its fourth year, having started in FY2023. Through its growth and development, it has continued to enhance the experience for both the host departments and intern participants. The grant program is run by ECH's HR team and is aiming for growth in FY2027 by submitting an additional application for an ECHD grant to expand capacity of the existing program.

- The program met all of its midyear metrics in FY2026.
- Through the first half of the year, the program reported that intern students were able to gain professional experience as well as make meaningful professional connections.
  - The **high school interns**, specifically, were able to gain work experience and job shadow opportunities to encourage the pursuit of healthcare careers.
  - **College interns** gained professional skills, worked on meaningful projects and built professional relationships, attended the executive speaker series, and presented their work for the final presentation.
  - Intern feedback showed that the team-building events provided valuable opportunities for collaboration and self-discovery.

# FY2026 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.

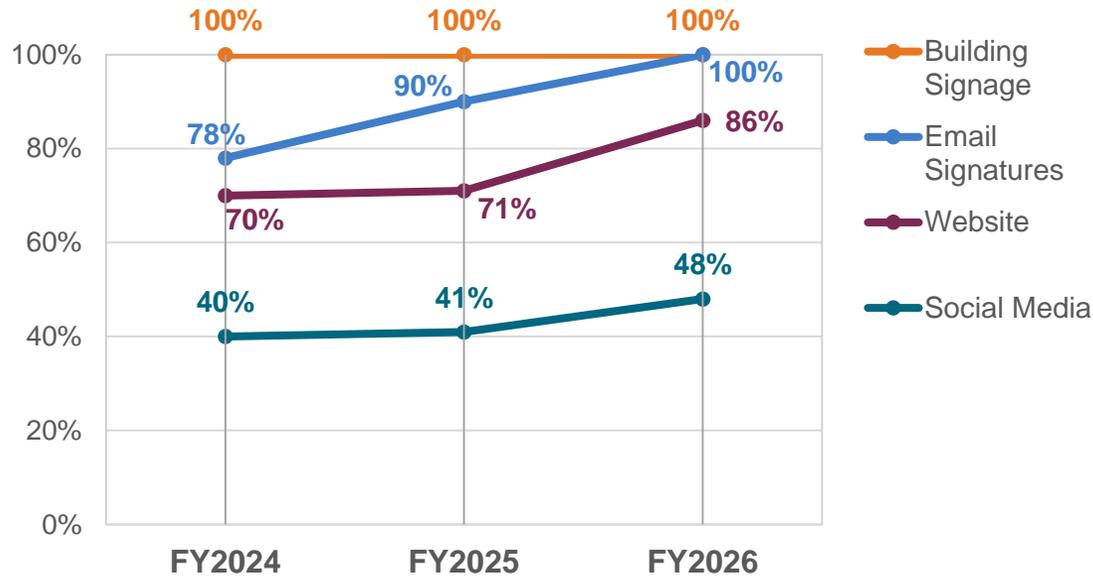


Grant partners were required to report on their acknowledgements in midyear reports.



Grant managers are reinforcing the guidelines and ensuring that grant partners follow through.

# FY2026 Acknowledgement of Funds (cont'd)



Partner **acknowledgement of El Camino Health funding** has **increased** across communication channels in the past three years, with building signage consistently at 100%.

### Midyear Data: FY2024 - FY2026

- **Building signage:** 100% implementation each year
- **Email signatures:** Increased from 78% → 100%
- **Website acknowledgement:** Increased from 70% → 86%
- **Social media acknowledgement:** Increased from 40% → 48%

# Acknowledgement of Funds | Select New Acknowledgements

JFS Silicon Valley  
September 9, 2025

Our Building Connections Mindfulness Meditation Mini-Series for older adults, 60+, continues a chance to pause, breathe, and care for your well-being. Join us tomorrow at 12:30 p.m.

Learn more about future dates.  
<https://www.jfssv.org/jewish-care-and-connection>

#JewishCommunity #StrongerTogether #MindfulnessPractice #SeniorCareSupport

## BUILDING CONNECTIONS

Intro to Mindfulness Meditation Mini-Series  
— reduce stress, cultivate ease.

A welcoming gathering twice a month for adults 60+  
**NEXT MEETING: September, 10<sup>TH</sup> 12:30 PM**

**El Camino Health**  
Funded by El Camino Health

Like Comment Share

**thank you**

**El Camino Health**

**FOR THE \$30,000 GRANT!**

THANK YOU FOR SUPPORTING PRG!

@pinkribbongood

**Pink Ribbon Good**  
October 30, 2025 · Dayton, OH ·

Because of generous partners like El Camino Health, we can continue to deliver meals, rides, and hope to families in need. Thank you for this \$30,000 grant of impact! #Grateful #PinkRibbonGood — at Pink Ribbon Good.

47 Likes · Comment · Share

Most relevant

Robyn LaPointe Horton  
Wonderful!  
16w · Like · Reply

Benita Greve Bailey  
Amazing!  
16w · Like · Reply

Write a comment...

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For helping us nourish Santa Clara County's food system and increase access to multi-ethnic vegetable seedlings for those in most need.

nsform schools by providing crucial support to create safe, welcoming and throughout the school day.

ment of our children, empowering them to thrive. Support levels range from one-time gifts, sponsoring one of our interscholastic wide involvement to regional support and even national initiatives.

Hana  
(Pronouns: she, her, hers)  
[Article: Why I Put Pronouns on my Email Signature](#)

Hana Tran  
Assistant Program Manager - Community Access to Resources and Education  
West Valley Community Services, Inc  
10104 Vista Drive, Cupertino, CA 95014  
Direct: 408-956-6110 | Main: 408.255.8033 | Fax: 408.366.6090  
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# FY2026 Community Benefit Updates

## FY2026 Progress Update | El Camino Health External Communications Plan

- Community Partnerships e-Newsletter
- Social media posts
- Annual Report microsite
- Press releases about grants awarded
- Partner Engagement



# FY2026 Progress Update | El Camino Health External Communications Plan (cont'd)

- **Community Connections Newsletter**

- 19 issues published
- August had the highest open rate at 42% with 537 unique opens
- 39% average open rate (above industry standard of good: >20%)
- 10% average click-through rate (above industry standard of good: >3%)

- **Social Media Activity**

- 9 Community Partnerships posts July 2025 through December 2025
- 49,879 impressions across platforms

- **Annual Report**

- Audience increased from 854 to 997
- Open rate stayed relatively steady (41% in 2024 and slightly over 40% in CY2025)
- Clicks slightly decreased (11% in 2024 vs 10% in CY2025)
- *National benchmarks show that any open rate above 25% and click rate about 5% is a good result.*

# Community Partner Convening | Summary

## Building Stronger Partnerships to Address Diabetes & Obesity – *Driving Cross-Agency Collaborations*

**Participants:** 22 attendees from 15 partner agencies delivering diabetes and obesity programs funded through the El Camino Health and El Camino Healthcare District grant program

**Format:** Presentations, Panel, Small-group break-out session activity, Group discussions

**Date & Location:** November 12, 2025, Los Altos Community Center

### Goal

**Convene** El Camino Health and El Camino Healthcare District **partners** to foster **discussion, share learnings, strengthen cross-agency collaboration, surface unmet needs**, and inform future partnership and strategic planning

### Event Highlights

- Featured data and context on the **prediabetes landscape** and its implications for prevention and care
- **Partner spotlights** highlighted complementary approaches:
  - *Gardner Health Services* - clinical and care-based interventions
  - *YMCA of Silicon Valley* - preventive, education, and physical activity-based programming
- Panel discussion explored real-world **partnership models, lessons learned** and scalable **collaboration opportunities**
- Interactive group activity (“Connecting the Dots”) surfaced **shared challenges, service gaps** and high-impact **opportunities** across agencies



# Community Partner Convening | Key Themes, Takeaways & Action Steps

## Key Themes Identified

### Collaboration is Essential

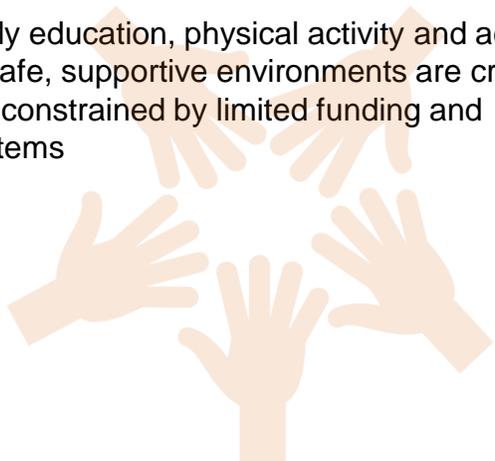
Stronger cross-sector partnerships are needed to align efforts, extend reach and reinforce consistent health messaging

### Access Drives Outcomes

Food insecurity, cost and limited access to culturally relevant prevention resources remain major barriers to addressing diabetes and obesity

### Prevention & Environment Matter

Early education, physical activity and access to safe, supportive environments are critical but constrained by limited funding and systems



## Key Takeaways & Action Steps

### Partners want to grow

Many expressed interest in expanding current programs and reaching additional communities. However, federal and state funding uncertainty may affect opportunities to scale

### Opportunity to strengthen connections

Partners are looking for clearer referral pathways and more connection across agencies to better serve clients

### High engagement and interest

The convening was well received, and partners are interested in staying connected and learning from one another

### Action Steps:

- Continue dialogue with grantees and facilitate introductions to support collaboration and referrals
- Captured grantee feedback – during and after the convening – that indicated strong interest in future convenings



# Los Gatos Older Adults 65+ | Current State & Opportunities

## ECH Grant Portfolio

- Approximately **one-third (34%)** of the ECH grant portfolio serves **older adults 65+ in Los Gatos**, though the level of reach varies significantly
- Only a few programs provide more comprehensive levels of support, specifically in **senior care management** and **caregiver support**

## Opportunities

There is limited LG older adult reach in the **Healthcare Access** and **Economic Stability** health needs in the current ECH portfolio, highlighting opportunity to identify grants that address:

- **Ageing in place / In-home support services** – transportation, health professional home visits, home modifications for safety and accessibility, care coordination, telehealth, legal or financial assistance, etc.
- **Older adult isolation** – regular in-person visitors, meal deliveries, digital education – learning computer, smartphone, social media skills to stay connected, social classes, etc.
- **Chronic conditions** like Alzheimer’s disease and dementia

# Regional Strategic Sponsorships

- Historically, Community Benefit sponsorships have focused on distinct annual events (celebrations, fundraisers)
- Regional Strategic Sponsorships represent a new category of sponsorships. These sponsorships are longer-term in nature, and offer a more durable branding opportunity



## National Fitness Campaign

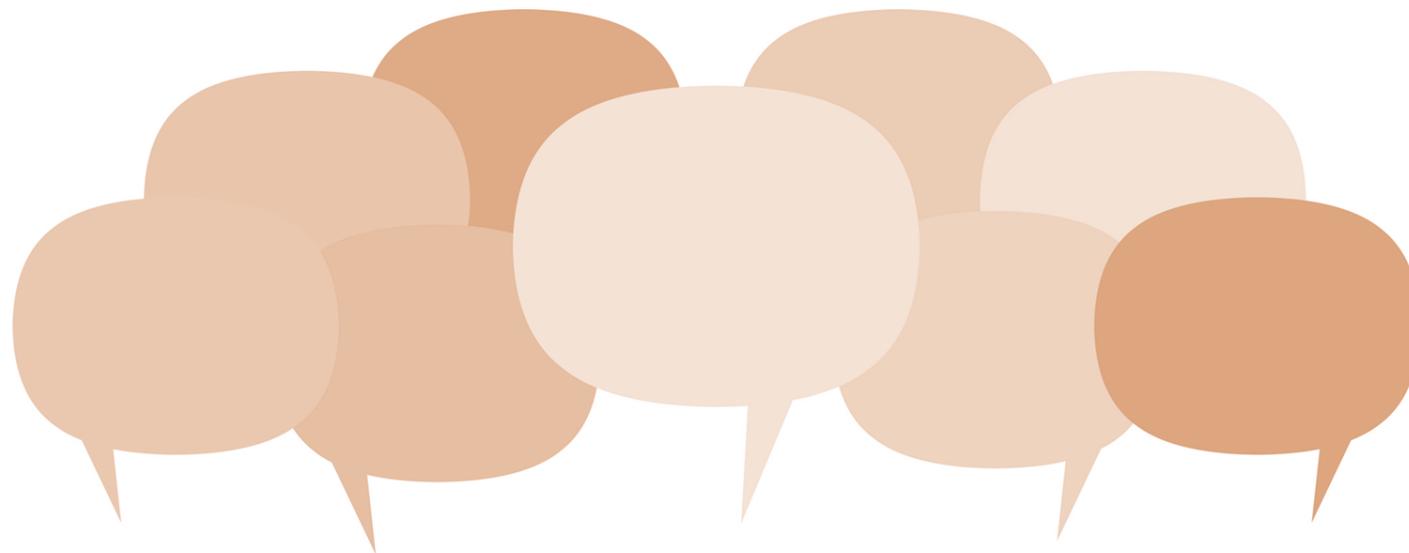
- NFC builds fitness courts in high visibility / high impact locations within the community.
- All courts have a permanent marketing & branding component; ECH entered an agreement to be the exclusive healthcare sponsor for Santa Clara County
- Anticipating up to 70 fitness courts over next several years

## Girls on the Run Silicon Valley (GOTRSV)

- Program-event hybrid; skill-building, ongoing physical and emotional education for girls in the 3rd-5th Grades across Santa Clara County and Santa Cruz County schools\*
- The sponsorship includes extensive branding opportunities, including logo placement across digital and print channels, web, social media, e-newsletters, and event-related materials.
- ECH entered an agreement to be the exclusive presenting/healthcare sponsor for GOTRSV Santa Clara County and Santa Cruz County
- Volunteer coaches facilitate lessons that blend physical activity with life skill development, including managing emotions, fostering friendships, and expressing empathy. At the end of the season, the team completes a Community Impact Project and a 5K together, which provides a tangible sense of accomplishment and sets a confident mindset into motion



# Discussion

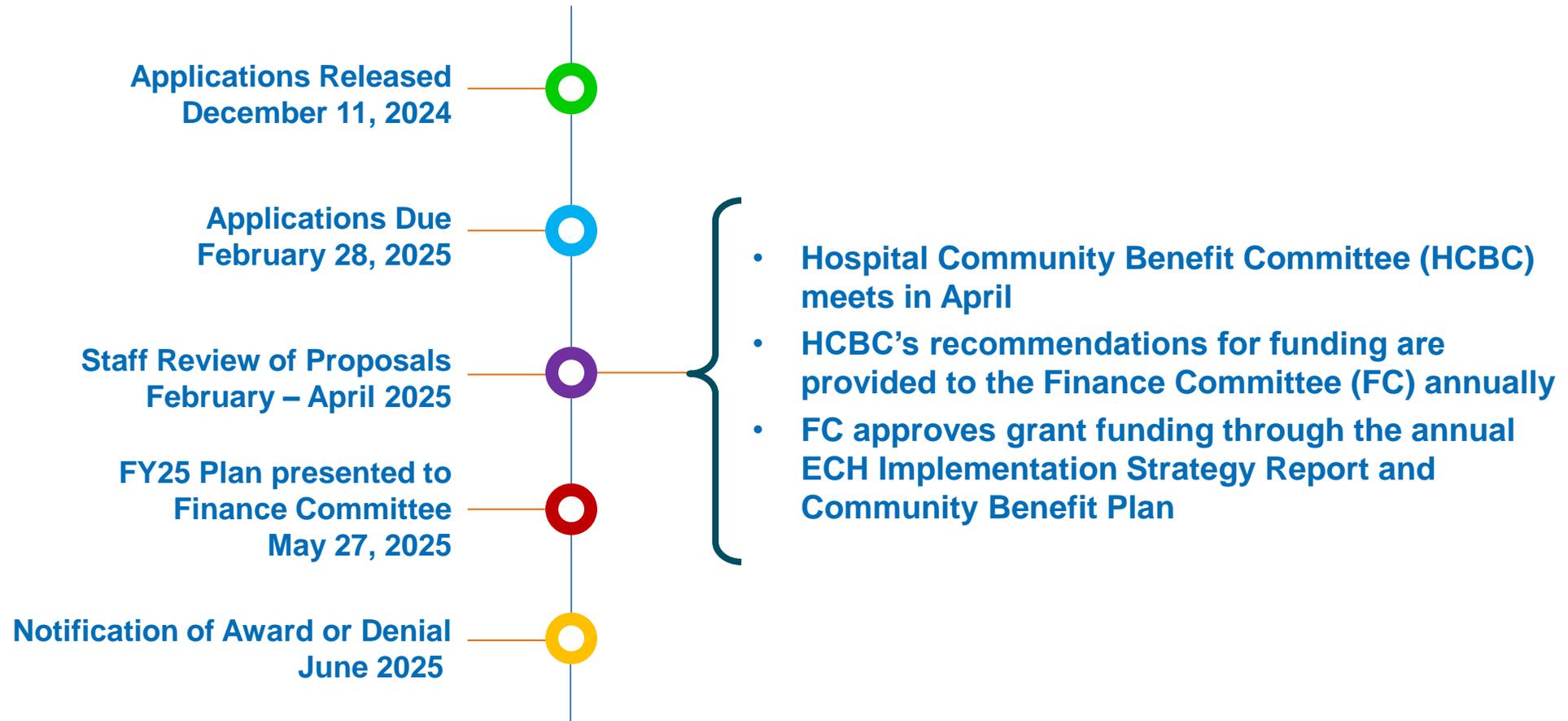


# Appendix

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# FY2026 Grant Review Timeline & Process



# ECH Geography Map – Grant Spend (thru Midyear FY2026)

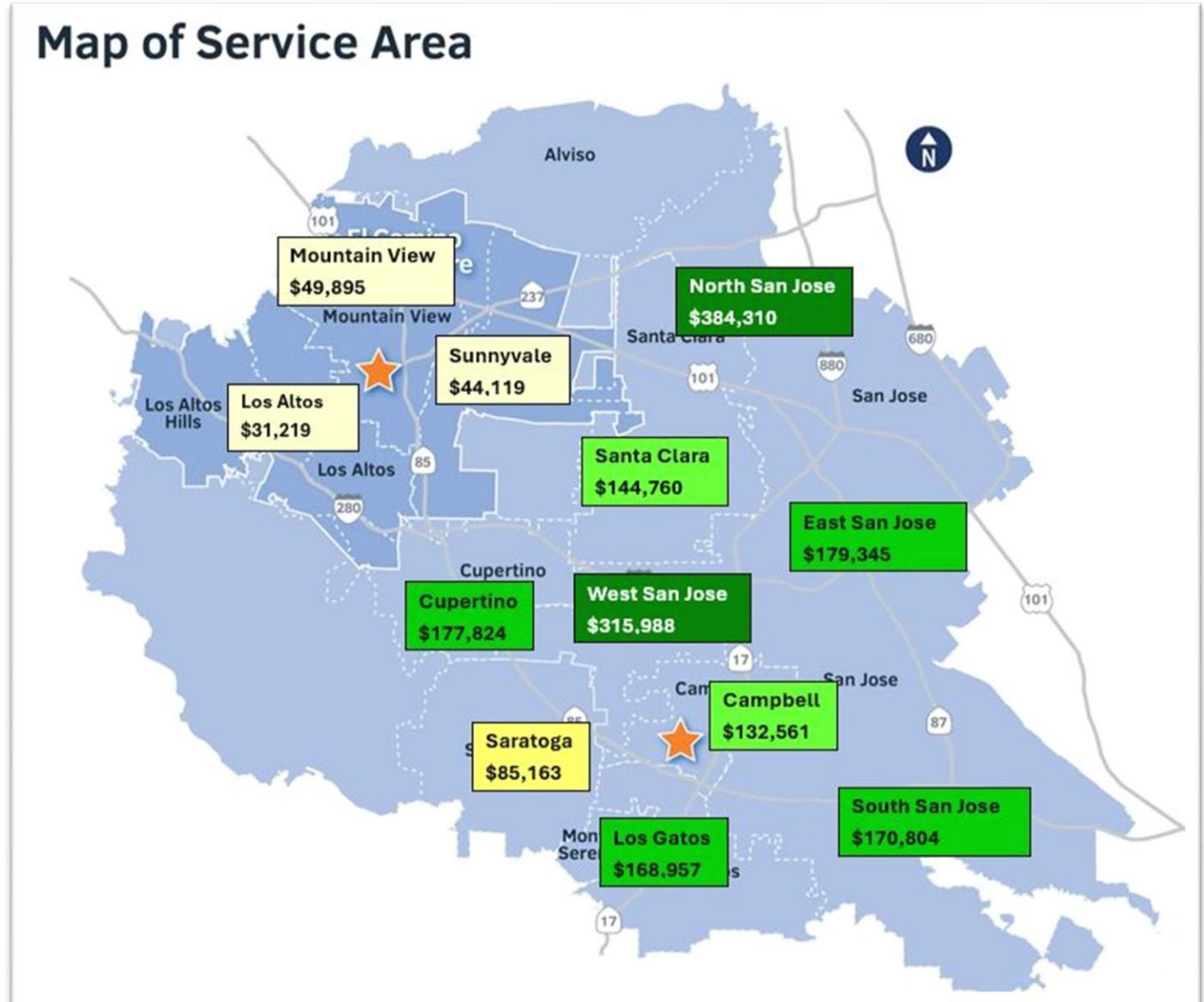
## Takeaways

- Half-year FY2026 data but anticipate the full-year to reflect a similar pattern.
- ECH grants largely fund outside of District boundaries
- To the extent this data can support FY2027 grant decisions, data suggests possible opportunity to explore additional grants closer to our Los Gatos facility (however, must still consider quality and geographic location of applicants)

### Legend:

	Under \$50,000
	\$50,000 - \$100,000
	\$100,000 - \$150,000
	\$150,000 - \$300,000
	Over \$300,000

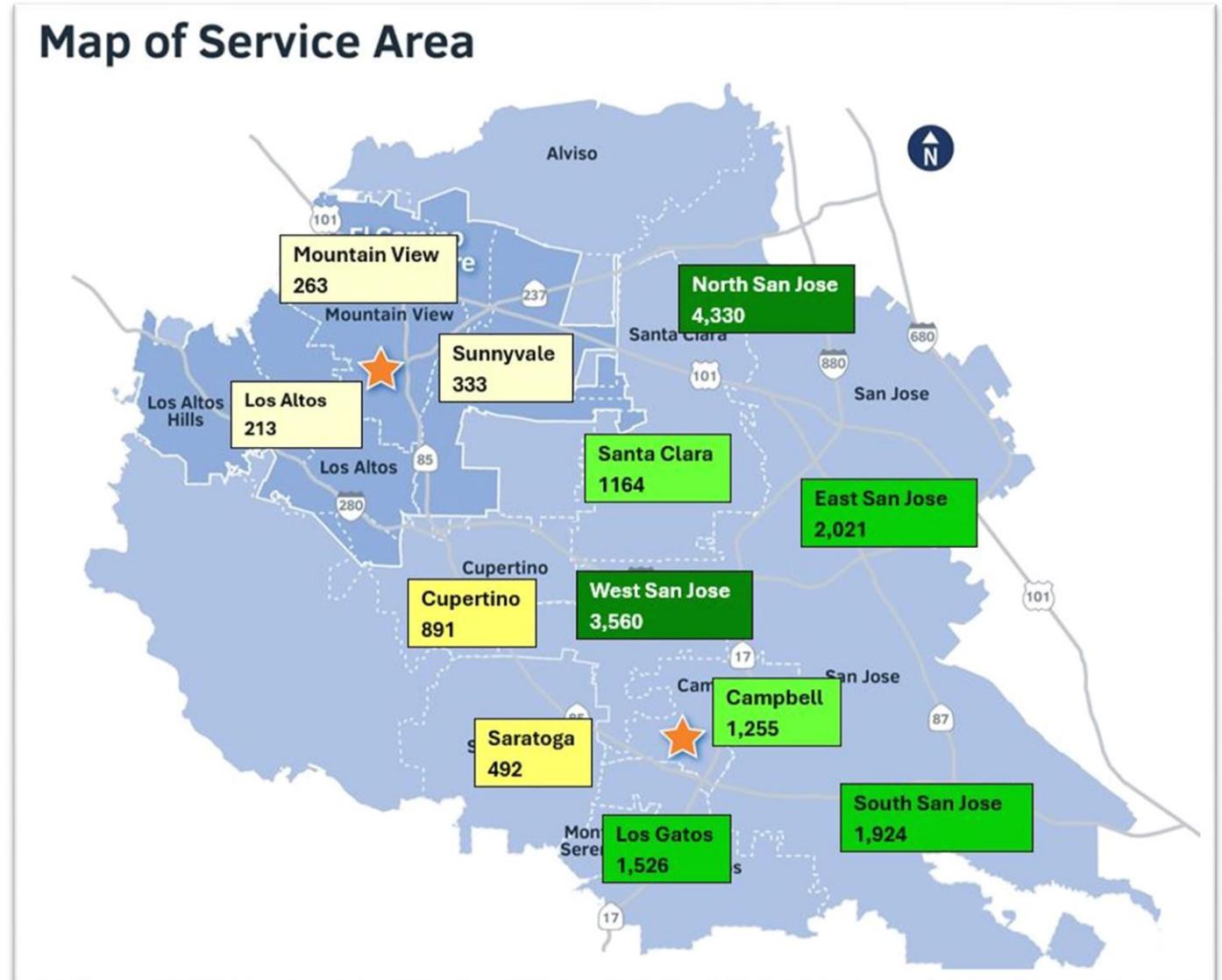
## Map of Service Area



# ECH Geography Map – Individuals Served (thru Midyear FY2026)

## Takeaways

- Similar distribution as the dollar amount distribution
- Slight differences in Cupertino (fewer individuals served relative to dollar amount spend likely driven by some higher cost/individual for grants in that area)
- Possible opportunity to invest in a Cupertino-focused grant with a lower cost/individual



## ECH Grants Providing Services for Los Gatos Older Adults

There are a limited number of current Hospital grant programs that provide in-depth services to older adults 65+ in Los Gatos. The overall reach varies widely across the 16 programs that serve the LG older adults

Program Area	Organization	% Los Gatos	% Older Adults 65+
Behavioral Health	<b>LGS Recreation – 55 Plus Program</b>	<b>58%</b>	<b>87%</b>
Diabetes & Obesity	<b>West Valley Community Services – CARE Senior</b>	<b>25%</b>	<b>100%</b>
Behavioral Health	<b>Cancer CAREpoint - Counseling for Cancer Patients, Survivors, Family Members, and Caregivers</b>	<b>15%</b>	<b>36%</b>
Chronic Conditions	<b>Hearts &amp; Minds Activity Center - Caregiver Support and Education</b>	<b>8%</b>	<b>95%</b>
Behavioral Health	<b>Jewish Family Services of Silicon Valley - Senior Care Management</b>	<b>5%</b>	<b>100%</b>
Diabetes & Obesity	<b>Chinese Health Initiative (CHI)</b>	<b>5%</b>	<b>55%</b>
Chronic Conditions	<b>Pink Ribbon Good, Inc. - Simply Fight™ and No Age, No Stage™</b>	<b>4%</b>	<b>30%</b>
Healthcare Access & Delivery	<b>Vista Center for the Blind and Visually Impaired - Vision Loss Rehabilitation Program</b>	<b>3%</b>	<b>75%</b>
Diabetes & Obesity	<b>South Asian Heart Center - AIM to Prevent</b>	<b>3%</b>	<b>11%</b>
Healthcare Access & Delivery	<b>Asian Americans for Community Involvement (AACI) - Increasing Access to Health Care and Health Care Delivery</b>	<b>1%</b>	<b>42%</b>
Healthcare Access & Delivery	<b>County of Santa Clara County - Better Health Pharmacy (BHP)</b>	<b>1%</b>	<b>26%</b>
Diabetes & Obesity	<b>Gardner Health Services - Down with Diabetes</b>	<b>1%</b>	<b>19%</b>
Economic Stability	<b>Midtown Family Services - Budgeting, Credit Counseling, and Benefits Navigation Services for Individuals/Families at Risk of Losing Housing in W. San Jose</b>	<b>1%</b>	<b>5%</b>
Healthcare Access & Delivery	<b>AINAK - Free Eye Care and Eyeglasses Program</b>	<b>1%</b>	<b>4%</b>
Behavioral Health	<b>Next Door Solutions to Domestic Violence - Comprehensive Services for Survivors of Domestic Violence</b>	<b>1%</b>	<b>1%</b>
Behavioral Health	<b>Parents Helping Parents - Support for Caregivers-a LMFT led support group for parents</b>	<b>1%</b>	<b>1%</b>



**Finance Committee**  
**Proposed FY2027 Meeting Dates**

<b>RECOMMENDED FC DATES</b>	<b>CORRESPONDING HOSPITAL BOARD DATE</b>
<b>Monday, August 10, 2026</b>	Wednesday, September 16, 2026
<b>Monday, November 9, 2026</b>	Wednesday, November 18, 2026
<b>Monday, February 8, 2027</b>	Wednesday, March 10, 2027
<b>Tuesday, March 23, 2027 (Joint FC-IC)</b>	
<b>Monday, May 10, 2027</b>	Wednesday, June 16, 2027



## DRAFT FY2027 FINANCE COMMITTEE GOALS

### **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:** Raju Iyer, 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	STATUS
1. Summary of Physician Financial Agreements	Q3	March 2027	
2. Review Progress on Opportunities / Risks identified by Management for FY2026 and Managed Care Update	Q2, Q3	Progress on Opportunities / Risks (November 2026), Managed Care update (March 2027)	
3. Review Strategy, Goals and Performance of ECHMN, Joint Ventures / Business Affiliates, Impact of Strategic Initiatives on Market Share and progress on Implementation of 2028 Strategic Plan	Q1	Overview & Financial Performance JVs / Business Affiliates (August 2026)	
	Q3	Progress on 2028 Strategic Plan (February 2027), Foundation – Strategic Update (February 2027)	
	Q3	Impact of Strategic Initiatives – Market Share Update (February 2027), ECHMN (February 2027), Hospital Community Benefits Program (February 2027)	
	Q4	Progress on 2028 Strategic Plan (May 2027)	
4. Fiscal Year End Performance Review	Q1	FYE 2026 Review of Operating, Financial and Balance Sheet Performance and KPIs (August 2026)	

**SUBMITTED BY:** Chair: Don Watters | **Executive Sponsor:** Raju Iyer, Chief Financial Officer



**DRAFT FY27 Pacing Plan - Finance Committee**

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<b>CONSENT CALENDAR ITEMS</b>												
Prior Meeting Minutes		✓			✓			✓	✓		✓	
Period Financials		✓			✓			✓	✓		✓	
Progress Against Goals		✓			✓			✓	✓		✓	
Pacing Plan		✓			✓			✓	✓		✓	
Article(s) of Interest		✓			✓			✓	✓		✓	
<b>APPROVAL/RECOMMENDATION FOR BOARD APPROVAL ITEMS</b>												
Physician Contracts		✓			✓			✓			✓	
Prior FY Results		✓										
Next FY Community Benefit Grant Program											✓	
Next FY Committee Governance: Goals, Dates, Pacing Plan								✓			✓	
Next FY Organization Finance Goals								✓			✓	
<b>DISCUSSION ITEMS</b>												
Financial Report (Pre-Audit Year-End Results)		✓										
Financial Performance JVs/ Business Affiliates		✓										
Progress on Opportunities/ Risks					✓							
Medical Staff Development Plan (odd years)											✓	
Impact of Strategic Initiatives/Market Share								✓				
Foundation Strategic Update								✓				
ECHMN Financials*		✓			✓			✓			✓	
Community Benefit Grant Application Process					✓				✓			
Progress Against FY Strategic Plan								✓			✓	
Managed Care Update								✓				
Long-Range Financial Forecast ( <b>Joint FC / IC Meeting</b> )									✓			
Next FY Budget and Preliminary Assumptions									✓			
Review FY Operational / Capital Budget for Recommendation to Board									✓		✓	
Summary Physician Financial Arrangements								✓				

\*Included in Quarterly Enterprise Financials