Minutes of the Open Session of the Finance Committee  
Monday, January 30 2019 
El Camino Hospital | Med Staff Conference Room 
2500 Grant Road, Mountain View, CA 94040  

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Members Absent</th>
<th>Others Present</th>
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<tbody>
<tr>
<td>Joseph Chow</td>
<td>Richard Juelis</td>
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<td>Boyd Faust</td>
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<td>William Hobbs (By phone)</td>
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<td>Gary Kalbach</td>
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<td>John Zoglin, Chair</td>
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**Agenda Item** | **Comments/Discussion** | **Approvals/Action** |
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1. **CALL TO ORDER/ROLL CALL** | The open session meeting of the Finance Committee of El Camino Hospital (the “Committee”) was called to order at 5:30pm by Chair John Zoglin. Mr. Hobbs joined by phone and Mr. Juelis was absent. All other Committee members were present. |  |
2. **POTENTIAL CONFLICT OF INTEREST DISCLOSURES** | Chair Zoglin asked if any Committee members have a conflict of interest with any of the items on the agenda. No conflicts were noted. |  |
3. **PUBLIC COMMUNICATION** | There were no comments from the public. |  |
4. **CONSENT CALENDAR** | Chair Zoglin asked if any member of the Committee or the public wished to remove an item from the consent calendar. Chair Zoglin requested item “c” Progress Against Committee Goals and item “e” Review Capital Projects in Progress, to be pulled for discussion.  
   Item c: Progress Against Committee Goals  
   In response to Chair Zoglin’s question, Mr. Hussain stated he will add an ongoing item for post implementation review 18 months after go live for major projects to the pacing plan.  
   Item e: Review Capital Projects in Progress  
   In response to Chair Zoglin’s question, Mr. King commented we have not actual communicated a revised target date. We originally had a July completion move in time frame for Behavioral Health, but we need to have licensing approve the final construction on the building.  
   **Motion:** To approve the consent calendar: Minutes of Open Session of Finance Committee Meeting (November 26, 2018); and FY 19 Period 5 Financials.  
   **Movant:** Kalbach  
   **Second:** Faust  
   **Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
   **Noes:** None  
   **Abstentions:** None  
   **Absent:** Juelis  
   **Recused:** None | **Consent Calendar approved with requested articles pulled.** |
5. **REPORT ON BOARD ACTIONS** | Chair Zoglin briefly reviewed the Report on Board Actions as further detailed in the packet. |  |
6. **FY19 PERIOD 6 FINANCIALS** | Iftikhar Hussain, CFO, reviewed the FY19 Period 6 Financials with the Committee members. Overall ECH operating margin was ahead of target for the month and the year. YTD adjusted discharges are favorable to budget 0.9% driven by favorable outpatient volume. YTD IP volume remain below budget by 3.0% due to lower MCH (deliveries) related to general decline in birth rates and General Medicine related to decline in flu. OP cases YTD favorable to | **FY 19 Period 6 Financials were approved** |
budget (306 cases or 0.4%). For December, ED Visits are below budget by 6%
due to lower level of flu activity than prior year. YTD favorability is driven by
Oncology, HVI, Rehab and Imaging activity.

Operating Expense is favorable to budget by 19.7% ($9.6M). Net Patient
Revenue is favorable to budget by 2.0% ($8.6M) driven primarily from OP
volumes. YTD operating expense are favorable to budget 0.9% ($3.5M. Payor
Mix – YTD Commercial Payor mix is slightly unfavorable to budget, within
1%.

Productivity is favorable to target for December by 4.1% and 1.7% YTD.

The cash position remains strong and revenue cycle operation consistently
ahead of targets and benchmark

**Motion:** To recommend the Board approve the FY19 Period 6 Financials.

**Movant:** Kalbach  
**Second:** Faust  
**Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** Juelis  
**Recused:** None

### 7. CAPITAL FUNDING REQUESTS

Mr. King, Chief Administrative Services Officer reviewed each of the Capital
Funding Request to the Committee listed:

- a. Woman’s Hospital Expansion  
- b. SVMD Clinic Site  
- c. Interventional Equipment Replacement  
- d. Imaging Equipment Replacement  
- e. MV Emergency waste Water Storage Project  
- f. Purchase of Davinci Surgical Robot

**Motion:** To recommend the Board of Directors approve the “a” Woman’s
Hospital Expansion not to exceed $10M.

The Committee requested the assumptions to be listed for Capital Funding “a”
Woman’s Hospital Expansion.

**Movant:** Kalbach  
**Second:** Zoglin  
**Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** Juelis  
**Recused:** None

**Motion:** To recommend the Board of Directors approve the “b” SVMD Clinic
Site funding for improvements and replace equipment not to exceed $8M.

**Movant:** Kalbach  
**Second:** Chow  
**Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** Juelis  
**Recused:** None

**Motion:** To recommend the Board of Directors approve both “c”
Interventional Equipment Replacement not to exceed $13M; “d” Imaging

The Capital Funding requests “a” through “f” has been
approved; however the Committee requested the
assumptions to be listed for Capital Funding “a”
Woman’s Hospital Expansion and “d” Imaging Equipment Replacement create
an ROI.
Equipment Replacement not to exceed $16.9M.

*The Committee requested the assumptions to be listed for payback on the years and projection if we lose ½ the business (show both sides) “d” Imaging Equipment Replacement create an ROI.*

**Movant:** Chow  
**Second:** Kalbach  
**Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** Juelis  
**Recused:** None  

**Motion:** To recommend the Board of Directors approve “e” Waste Water Storage Project not to exceed $3.9M

**Movant:** Kalbach  
**Second:** Chow  
**Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** Juelis  
**Recused:** None  

**Motion:** To recommend the Board of Directors approve “f” Purchase the Davinci Surgical Robot not to exceed $1.5B

**Movant:** Kalbach  
**Second:** Chow  
**Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** Juelis  
**Recused:** None

8. **ADJOURN TO CLOSED SESSION**

**Motion:** To adjourn to closed session at 7:07 pm pursuant to Gov’t Code Section 54957.2 for approval of the Minutes of Closed Session of Finance Committee Meeting (November 26, 2018).

**Movant:**  
**Second:**  
**Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** Juelis  
**Recused:** None

**Adjourned to closed session at 7:07 pm**

9. **AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT**

Open session was reconvened at 8:15 pm. Agenda items 10-13 were covered in closed session. During the closed session the committee approved the Minutes of the Closed Session of the Finance Committee (November 26, 2018); SVMD Administration Space Lease.

By a unanimous vote in favor by all present Committee Members (Chow, Faust, Kalbach, and Zoglin) and Hobbs by phone. Mr. Juelis was absent.
## 10. AGENDA ITEM 16: APPROVAL OF CONTRACTS

**Motion:** To recommend that the Committee approve “b” Hospitalist Panel Agreement – LG not to exceed $620,500K.

- **Movant:** Kalbach
- **Second:** Faust
- **Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin
- **Noses:** None
- **Abstentions:** None
- **Absent:** Juelis
- **Recused:** None

**Motion:** To recommend that the Committee approve “c” Unassigned Newborn Panel Agreement – MV not to exceed the approximately $63,875/year.

- **Movant:** Kalbach
- **Second:** Chow
- **Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin
- **Noses:** None
- **Abstentions:** None
- **Absent:** Juelis
- **Recused:** None

### 11. AGENDA ITEM 17: FY19 COMMITTEE PACING PLAN

Chair Zoglin reviewed the remaining meeting dates with the Committee for FY 2019.

### 12. AGENDA ITEM 18: ADJOURNMENT

**Motion:** To adjourn at 8:29 pm

- **Movant:** Chow
- **Second:** Faust
- **Ayes:** Chow, Faust, Hobbs, Kalbach, and Zoglin
- **Noses:** None
- **Abstentions:** None
- **Absent:** Juelis
- **Recused:** None

**Meeting adjourned at 8:29 pm**

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

[Signature]

John Zoglin
Chair, Finance Committee