



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

Members Present

Joseph Chow
 Boyd Faust
 William Hobbs (By phone)
 Gary Kalbach
 John Zoglin, Chair

Members Absent

Richard Juelis

Others Present

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:30pm 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	<p>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.</p> <p>Item c: Progress Against Committee Goals</p> <p>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.</p> <p>Item e: Review Capital Projects in Progress</p> <p>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.</p> <p>Motion: To approve the consent calendar: Minutes of Open Session of Finance Committee Meeting (November 26, 2018); and FY 19 Period 5 Financials.</p> <p>Movant: Kalbach Second: Faust Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p>	<i>Consent Calendar approved with requested articles pulled.</i>
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	Ifitikhar 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	<i>FY 19 Period 6 Financials were approved</i>

	<p>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.</p> <p>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%.</p> <p>Productivity is favorable to target for December by 4.1% and 1.7% YTD.</p> <p>The cash position remains strong and revenue cycle operation consistently ahead of targets and benchmark</p> <p>Motion: To recommend the Board approve the FY19 Period 6 Financials.</p> <p>Movant: Kalbach Second: Faust Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p>	
<p>7. CAPITAL FUNDING REQUESTS</p>	<p>Mr. King, Chief Administrative Services Officer reviewed each of the Capital Funding Request to the Committee listed:</p> <ul style="list-style-type: none"> 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 <p>Motion: To recommend the Board of Directors approve the "a" Woman's Hospital Expansion not to exceed \$10M.</p> <p><i>The Committee requested the assumptions to be listed for Capital Funding "a" Woman's Hospital Expansion.</i></p> <p>Movant: Kalbach Second: Zoglin Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p> <p>Motion: To recommend the Board of Directors approve the "b" SVMD Clinic Site funding for improvements and replace equipment not to exceed \$8M.</p> <p>Movant: Kalbach Second: Chow Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p> <p>Motion: To recommend the Board of Directors approve both "c" Interventional Equipment Replacement not to exceed \$13M; "d" Imaging</p>	<p><i>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.</i></p>

	<p>Equipment Replacement not to exceed \$16.9M.</p> <p><i>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.</i></p> <p>Movant: Chow Second: Kalbach Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p> <p>Motion: To recommend the Board of Directors approve “e” Waste Water Storage Project not to exceed \$3.9M</p> <p>Movant: Kalbach Second: Chow Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p> <p>Motion: To recommend the Board of Directors approve “f” Purchase the Davinci Surgical Robot not to exceed \$1.5B</p> <p>Movant: Kalbach Second: Chow Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p>	
8. ADJOURN TO CLOSED SESSION	<p>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).</p> <p>Movant: Second: Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p>	<i>Adjourned to closed session at 7:07 pm</i>
9. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	<p>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.</p> <p>By a unanimous vote in favor by all present Committee Members (Chow, Faust, Kalbach, and Zoglin) and Hobbs by phone. Mr. Juelis was absent.</p>	

10. AGENDA ITEM 16: APPROVAL OF CONTRACTS	<p>Motion: To recommend that the Committee approve “b” Hospitalist Panel Agreement – LG not to exceed \$620,500K.</p> <p>Movant: Kalbach Second: Faust Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p> <p>Motion: To recommend that the Committee approve “c” Unassigned Newborn Panel Agreement –MV not to exceed the approximately \$63,875/year.</p> <p>Movant: Kalbach Second: Chow Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p>	<i>Physician Contracts approved</i>
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	<p>Motion: To adjourn at 8:29 pm</p> <p>Movant: Chow Second: Faust Ayes: Chow, Faust, Hobbs, Kalbach, and Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None</p>	<i>Meeting adjourned at 8:29 pm</i>

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



John Zoglin
Chair, Finance Committee