

## AGENDA

### Corporate Compliance /Privacy and Internal Audit Committee Meeting of the El Camino Hospital Board

**Thursday, March 17, 2016, 5:00 – 7:10 p.m.**

El Camino Hospital, Conference Room F (ground level)  
2500 Grant Road, Mountain View, California

Ramy Houssaini will participate via teleconference from the following address:  
46 Rue de la Montagne Saint Genvieve 75005, Paris, France

*Purpose: The Corporate Compliance/Privacy and Internal Audit Committee is responsible for providing direction for both the Corporate Compliance and Internal Audit programs at all locations of El Camino Hospital (ECH). Responsibilities include providing oversight on compliance issues requiring executive-level interaction, assessing physician relationship risk as it relates to compliance, reviewing HIPAA/Privacy laws as they relate to compliance and directing ECH on compliance strategies. The Committee also serves as the ad-hoc mobilization team for any external investigations and/or actions. Further, additional responsibilities include providing direction and oversight to ongoing internal audit activity and determining appropriate organizational response in order to identify and mitigate organizational risk.*

AGENDA ITEM	PRESENTED BY		
<b>1. CALL TO ORDER/ROLL CALL</b>	John Zoglin, Chair Corporate Compliance Committee		5:00 – 5:01 p.m.
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	John Zoglin, Chair Corporate Compliance Committee		5:01 – 5:02
<b>3. PUBLIC COMMUNICATION</b>	John Zoglin, Chair Corporate Compliance Committee		5:02 – 5:07
<b>4. REPORT ON BOARD ACTIONS</b>	John Zoglin, Chair Corporate Compliance Committee		5:07 – 5:10
<b>5. MEMBER VACANICES AND RECRUITMENT STATUS</b>	John Zoglin, Chair Corporate Compliance Committee		5:10 – 5:15
<b>6. CONSENT CALENDAR ITEMS</b> Any Committee Member may pull an item for discussion before a motion is made. <b>Approval:</b> a. <a href="#">Minutes of Corporate Compliance Meeting for January 21, 2016</a> b. <a href="#">FY:17 Committee Meeting Dates</a>	John Zoglin, Chair Corporate Compliance Committee	<i>public comment</i>	<b>motion for recommendation required</b> 5:15 – 5:20

A copy of the agenda for the Regular 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 650-988-7504 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		
<b>7. POLICIES FOR APPROVAL</b> i. <a href="#">Cover Sheet – Approval of Policies</a>  <i>Policies with Major Revisions</i> a. <a href="#">Meal and Rest Breaks</a> aa. <a href="#">Meal and Rest Breaks (Redline)</a> <i>Policies with Minor Revisions</i> b. <a href="#">Provisional Period</a>			
<b>8. REVIEW COMMITTEE CHARTER</b> <a href="#">ATTACHMENT 8</a>	Diane Wigglesworth, Compliance/ Privacy Officer	<i>public comment</i>	<b>possible motion for recommendation required</b> 5:20– 5:25
<b>9. REVIEW PROPOSED RECOMMENDATIONS FOR FY:2017COMMITTEE GOALS</b> <a href="#">ATTACHMENT 9</a>	Diane Wigglesworth, Compliance/ Privacy Officer	<i>public comment</i>	<b>possible motion for recommendation required</b> 5:25– 5:30
<b>10. REVIEW PROPOSED FY 2016 FINANCIAL AUDIT PLAN</b> <a href="#">ATTACHMENT 10</a>	Diane Wigglesworth, Compliance/ Privacy Officer	<i>public comment</i>	<b>information</b> 5:30– 5:35
<b>11. PROPOSAL REGARDING DELEGATING BOARD OVERSIGHT OF ORGANIZATIONAL POLICIES</b> <a href="#">ATTACHMENT 11</a>	Diane Wigglesworth, Compliance/ Privacy Officer		<b>information</b> 5:35– 5:40
<b>12. KEY PERFORMANCE INDICATORS, SCORECARD AND TRENDS</b> Memo, Scorecard, and Trend Graph <a href="#">ATTACHMENT 12</a>	Diane Wigglesworth, Compliance/ Privacy Officer		<b>information</b> 5:40 – 5:45
<b>13. NEW ARTICLES</b> a. Hospital Paid Ransom to Hackers <a href="#">ATTACHMENT 13</a>	Diane Wigglesworth, Compliance/ Privacy Officer		<b>information</b> 5:45 – 5:47
<b>14. ADJOURN TO CLOSED SESSION</b>			5:47
<b>15. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	John Zoglin, Chair Corporate Compliance Committee		5:47 – 5:48
<b>16. CONSENT CALENDAR</b> Any Committee Member may pull an item for discussion before a motion is made.	John Zoglin, Chair Corporate Compliance Committee		5:48 – 5:55
<ul style="list-style-type: none"> <li>▪ <b>Approval</b> Closed Session Minutes (1/21/16), Govt. Code Section 54957.2.</li> <li>▪ <b>Information</b> Conference with legal counsel – pending</li> </ul>			<b>motion required</b>   <b>information</b>

AGENDA ITEM	PRESENTED BY		
<p>or threatened litigation – Gov’t. Code Section 54956(d)(2).</p> <ul style="list-style-type: none"> <li>- Compliance and Privacy Logs</li> <li>- Internal Audit Follow Up</li> <li>- Internal Audit Work Plan</li> </ul>			
<p><b>17.</b> <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secrets.</p> <ul style="list-style-type: none"> <li>- Discussion on ERM Reporting</li> </ul>	Mick Zdeblick, Chief Operating Officer		<b>information</b> 5:55 – 6:15
<p><b>18.</b> Conference with legal counsel – pending or threatened litigation - <i>Gov’t. Code Section 54956.9(d)(2)</i>.</p> <ul style="list-style-type: none"> <li>- Report on OIG Work Plan Activity</li> </ul>	Diane Wigglesworth, Compliance/ Privacy Officer		<b>information</b> 6:15 – 6:20
<p><b>19.</b> Conference with legal counsel – pending or threatened litigation - <i>Gov’t. Code Section 54956.9(d)(2)</i>.</p> <ul style="list-style-type: none"> <li>- Report on Internal Audit Activity</li> </ul>	Diane Wigglesworth, Compliance/ Privacy Officer		<b>information</b> 6:20 – 6:25
<p><b>20.</b> Conference with legal counsel – pending or threatened litigation - <i>Gov’t. Code Section 54956.9(d)(2)</i>.</p> <ul style="list-style-type: none"> <li>- Summary of Physician Financial Arrangements</li> </ul>	Diane Wigglesworth, Compliance/ Privacy Officer		<b>possible motion for recommendation required</b> 6:25 – 6:30
<p><b>21.</b> Conference with legal counsel – pending or threatened litigation - <i>Gov’t. Code Section 54956.9(d)(2)</i>.</p> <ul style="list-style-type: none"> <li>- Discussion on IT Security</li> </ul>	Greg Walton, Chief Information Officer		<b>information</b> 6:30 – 6:40
<p><b>22.</b> Report involving - <i>Gov’t. Code Section 54957</i> for discussion and report on personnel matters</p> <ul style="list-style-type: none"> <li>- Discussion on CISO Reporting Structure</li> </ul>	Tomi Ryba, CEO		<b>information</b> 6:40 – 6:50
<p><b>23.</b> <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secrets.</p> <ul style="list-style-type: none"> <li>- Discussion on Pacing Calendar</li> </ul>	John Zoglin, Chair Corporate Compliance Committee		<b>information</b> 6:50 – 6:55
<p><b>24. RECONVENE OPEN SESSION</b> To report any required disclosures regarding permissible actions taken during Closed Session.</p>	John Zoglin, Chair Corporate Compliance Committee		6:55
<p><b>25. ERM REPORTING TOOL AND PLAN FOR CONTINUOUS MONITORING</b></p>	John Zoglin, Chair Corporate Compliance Committee	<i>public comment</i>	<b>possible motion for recommendation required</b> 6:55 – 7:00
<p><b>26. STATUS OF FY:16 COMMITTEE GOALS</b> <a href="#"><u>ATTACHMENT 26</u></a></p>	John Zoglin, Chair Corporate Compliance Committee		<b>information</b> 7:00 – 7:04
<p><b>27. COMMITTEE COMMENTS</b></p>	John Zoglin, Chair Corporate Compliance Committee		7:04 – 7:10

AGENDA ITEM	PRESENTED BY		
28. ADJOURNMENT	John Zoglin, Chair Corporate Compliance Committee		7:10 p.m.

**Upcoming Corporate Compliance Committee Meetings:**

- March 23, 2016 – Semi Annual Board and Committee Education
- May 21, 2016
- June 8, 2016 (Joint Session of Compliance Committee and Hospital Board)



# **Minutes of Corporate Compliance Meeting for January 21, 2016**

**Minutes of the Open Session**  
**Corporate Compliance, Privacy and Internal Audit Committee**  
**Thursday, January 21, 2016**  
**El Camino Hospital, 2500 Grant Road, Mountain View California**  
**Conference Room A/B**  
**and**  
**46 Rue de la Montagne Saint Genvieve 75005, Paris, France**

**Members Present**

John Zoglin  
Christine Sublett  
Sharon Anolik-Shakked  
Jeff Davis

**Members Present by Phone**

Ramy Houssaini

**Members Absent**

None

Agenda Item	Comments/Discussion	Approvals/Action
<b>1. CALL TO ORDER</b>	The Corporate Compliance, Privacy and Internal Audit (“CCPIA”) Committee of El Camino Hospital (the “Committee”) was called to order by Chair John Zoglin at 5:00 p.m. A quorum was present.	
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Zoglin asked if any Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.	
<b>3. PUBLIC COMMUNICATION</b>	Chair Zoglin asked if there was any public communication. There was none.	
<b>4. REPORT ON BOARD ACTIONS</b>	<p>Board Actions taken at the January Board meeting:</p> <ul style="list-style-type: none"> <li>Mick Zdeblick reported that as the initial implementation of iCare has been completed, and as we enter a period of stabilization, iCare challenges are being identified and addressed.</li> <li>A recent Joint Commission survey identified that Plans of Care were not as robust as needed. This will be addressed and The Joint Commission will return in 45 days to re-survey in this area.</li> <li>The El Camino Hospital District has purchased a highly sought after parcel of land in south San Jose (near Highway 85 and Great Oaks), which will allow us to extend our services to a greater part of the south valley. ECH was very fortunate to acquire this parcel over several high profile Silicon Valley tech companies.</li> <li>Due to a drop in the number of patients visiting the ECH Rotocare clinic (volume is down by 2/3, primarily due to the Affordable Care Act), Rotocare services for low income and uninsured members of the community will transition to Mayview Community Health Clinics.</li> </ul>	
<b>5. MEMBER VACANCIES AND RECRUITMENT RECOMMENDATIONS</b>	It was announced that Member Wes Alles has retired from the Committee. Member Ramy Houssaini, who calls into the meetings from Paris, France, will discuss retirement from the Committee with Chair John Zoglin. A brief discussion followed regarding a	

	<p>search for new Committee members:</p> <ul style="list-style-type: none"> <li>• Skill sets based on the Committee's core mission, and skills of the other current committee members will be taken into consideration in recruiting new members.</li> <li>• Specific skills sets recommended are auditing, compliance including fraud, waste and abuse identification because of the increase scrutiny that health care organizations are now facing.</li> <li>• The integration of physician practices and Stark issues into our system should also be taken into consideration.</li> <li>• It was suggested that job descriptions be reviewed, and updated if necessary, before recruitment begins.</li> <li>• Should referrals from committee members be considered before going to a search firm? Members Houssaini and Sublett indicated they can offer immediate candidate recommendations.</li> <li>• How many advisors/committee members are needed overall? Should we consider more to cover how the range of compliance needs is evolving?</li> <li>• It was noted that, depending on how many new Committee members it's determined are needed, changes to the Committee Charter may become necessary.</li> </ul> <p>Further discussion was tabled until the March meeting.</p>	
<b>6. CONSENT CALENDAR ITEMS</b>	<p>No items were requested to be removed from the Consent Calendar. A motion to approve the Consent Calendar was requested.</p> <p><b>Motion:</b> To approve the open session Consent Calendar  <b>Movant:</b> Anolik-Shakked  <b>Second:</b> Sublett  <b>Ayes:</b> Anolik-Shakked, Davis, Sublett, Zoglin, Houssaini (phone)  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>Motion passed</i></p>
<b>7. RECOMMENDATION REGARDING DEREGULATING BOARD OVERSIGHT OF ORGANIZATIONAL POLICIES</b>	<p>Mary Rotunno reported on research into how other similar organizations (John Muir, Stanford and Dignity Health hospitals) address oversight of organizational policies, indicating that there is no consistent format, and regulations regarding oversight of policies seem to fall into a gray area. Ms. Rotunno reported that the general interpretation of Title 22 and TJC regulations is that when policies need to be "approved by the Board", this applies to clinical policies. Administrative policies are not subject to board approval, but approval by management. Further discussion included the following for consideration:</p> <ul style="list-style-type: none"> <li>• The hospital board must receive, at a minimum, a list of policies being approved.</li> <li>• It should be clearly determine who recommends approvals, how frequently each policy is reviewed, and when summary would come to compliance committee.</li> </ul>	

	<ul style="list-style-type: none"> <li>• While the hospital Board is happy to delegate, do we have a comfort level of due diligence in allowing another body to review, or should this be done by subject experts. Most important is to make sure the right people are reviewing. Compliance issues should come to compliance. How these committees would be composed is important. They should probably be Board Committees exclusively designed to approve.</li> <li>• Suggested that clinical policies would need to go through a Board committee; administrative and management policies would go through other sources.</li> <li>• Alex Robison, from Protiviti, was asked his opinion, to which he stated that he has never seen policies go through a Board Committee, but instead through a Credentialing or Policies Committee.</li> <li>• It was requested that Ms. Rotunno and Ms. Wigglesworth come back with a straw model for Board Approval of clinical and non-clinical policies for the committee's input.</li> </ul>	
<b>8. POLICIES FOR APPROVAL</b>	<p>Discussion and recommendations on policies submitted for approval included:</p> <p>Member Anolik-Shakked requested that policies <b>8c Staff Non Participation</b> and <b>8m Provisional Period for New Employees</b> be pulled. Relative to 8c the committee requested more details on the process. , and recommended that the 8m was too ambiguous, and recommended this policy be reviewed/rewritten for clarity.</p> <p>Member Houssaini recommended that Steps 3 – 5 of the <b>Guideline Section D: Patient Request</b> be reviewed/rewritten for clarification regarding how ECH handles DNR orders from a procedural perspective when a staff member's personal conflict of bioethical care through DNR orders occurs.</p> <p>It was determined that these two policies pulled would be brought back to next meeting with changes.</p> <p><b>Motion:</b> Approval of Policies for Approval not pulled and recommendation of approval to the Board.</p> <p><b>Movant:</b> Anolik-Shakked</p> <p><b>Second:</b> Davis</p> <p><b>Ayes:</b> Anolik-Shakked, Davis, Sublett, Zoglin, Houssaini (phone)</p> <p><b>Noes:</b> None</p> <p><b>Abstentions:</b> None</p> <p><b>Absent:</b> None</p> <p><b>Recused:</b> None</p>	<i><b>Motion approved</b></i>
<b>9. KEY PERFORMANCE INDICATORS – SCORECARD AND TRENDS</b>	<p>Ms. Wigglesworth reviewed key performance indicators, indicating that there was an increase of concerns prior to Epic Go-Live and during staff training, and Compliance worked with the appropriate areas of the organization to address the issues. There will be further review in closed session.</p>	
<b>10. NEW ARTICLES</b>	<p>Ms. Wigglesworth briefly reviewed two articles: One from Moody's regarding cyber risks and one from KPMG on Healthcare</p>	

	and cybersecurity. Brief discussion followed.	
<b>11. ADJOURN TO CLOSED SESSION</b>	<p>Chair Zoglin requested a motion to adjourn to closed session.</p> <p><b>Motion:</b> To adjourn to closed session at 6:00pm  <b>Movant:</b> Anolik-Shakked  <b>Second:</b> Sublett  <b>Ayes:</b> Anolik-Shakked, Davis, Sublett, Zoglin, Houssaini (phone)  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<i>Motion approved</i>
<b>12. AGENDA ITEM 19 – RECONVENE OPEN SESSION/ CLOSED SESSION REPORT OUT</b>	<p>Open Session was reconvened at 7:25pm  Agenda Items 12 – 18 were addressed in closed session.  Chair Zoglin reported that the minutes of the closed session of November 12, 2015 and other consent items were approved.</p>	
<b>13. AGENDA ITEM 20 - STATUS OF FY16 COMMITTEE GOALS</b>	Ms. Wigglesworth reported that Committee goals are on track.	
<b>14. AGENDA ITEM 21 – COMMITTEE COMMENTS</b>	There were no additional comments by Committee members.	
<b>15. ADJOURNMENT</b>	<p>Chair Zoglin requested a motion to adjourn the meeting.</p> <p><b>Motion:</b> To adjourn the meeting of the Corporate Compliance Committee  <b>Movant:</b> Anolik-Shakked  <b>Second:</b> Sublett  <b>Ayes:</b> Anolik-Shakked, Davis Sublett, Zoglin, Houssaini (phone)  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p> <p>Meeting was adjourned at 7:33 p.m.</p>	<i>Motion passed</i>

**Attest as to the approval of the foregoing minutes by the CCPIA Committee and by the Board of Directors of El Camino Hospital:**

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John Zoglin  
Chair, ECH CCPIA Committee

## **FY:17 Committee Meeting Dates**

## Memorandum

DATE: March 9, 2016

TO: Corporate Compliance/Privacy and Internal Audit Committee

FROM: Diane Wigglesworth, Sr. Director Corporate Compliance

SUBJECT: Proposed Committee Meeting Dates FY: 17

BOARD ACTION: **MOTION FOR RECOMMENDATION**

Proposed Meeting Dates:

8/18/2016  
9/29/2016  
11/17/2016  
1/19/2017  
3/16/2017  
5/18/2017

# Cover Sheet – Approval of Policies



## COMPLIANCE COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Policy Approval
<b>Responsibility party:</b>	Diane Wigglesworth, Director Corporate compliance
<b>Action requested:</b>	Approval of Policies
<b>Background:</b> <p>As required by title 22 and Joint Commission the Hospital's governing body must review and approve all organizational policies at least every three years if there are no changes and if a policy is new or revised it must be approved by the Board before the Hospital can adopt. Policies are being brought to the appropriate board advisory committee for review and recommendation before being placed on the Hospital Board consent calendar for approval. All policies have been internal reviewed and have received appropriate approvals before being presented to a board committee.</p>	
<b>Committees that reviewed the issue and recommendation, if any:</b> <p>N/A</p>	
<b>Summary and session objectives :</b> <ul style="list-style-type: none"> <li>Review policies and recommend for Board approval</li> </ul>	
<b>Suggested discussion questions:</b> <ol style="list-style-type: none"> <li>None</li> </ol>	
<b>Proposed board motion, if any:</b> <p>Recommend that the Hospital Board approve the policy.</p>	
<b>LIST OF ATTACHMENTS:</b> <p>Complete policy attached</p>	

# Meal and Rest Breaks

**POLICY/PROCEDURE TITLE: HR- Rest and Meal Breaks****CATEGORY: Human Resources****LAST APPROVAL DATE: 02/2016**

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**SUB-CATEGORY: Human Resources****ORIGINAL DATE: 9/11/94****COVERAGE:**

El Camino Hospital non-exempt employees. If there is an applicable MOU with conflicting provisions, the applicable MOU will prevail unless this rest and meal break policy provides greater benefits to the employee, in which case the provisions of this policy shall prevail.

**PURPOSE:**

El Camino Hospital provides rest and meal breaks for non-exempt employees, in accordance with applicable provisions of the current Wage Order 5 issued by the California Industrial Welfare Commission (IWC) and the California Labor Code.

**STATEMENT:**

It is the policy of El Camino Hospital to provide all appropriate meal and rest periods.

**PROCEDURE:****A. Rest Breaks:**

1. Every non-exempt employee is authorized and permitted to take a paid duty-free rest break of fifteen (15) minutes for every four hours of work, or major fraction thereof (i.e., more than two hours). The rest break is to be taken, to the extent practicable, in the middle of each four-hour work period or major fraction thereof.
2. In order to minimize disruption to the department, management may designate scheduled rest breaks.
3. The employee may leave the work station but must return to work no later than the end of her/his rest break.
4. Rest break time is paid time.
5. Failure to provide the non-exempt employee with an opportunity to take a rest break for every four (4) hours of work or major fraction thereof (i.e., more than two hours) will require the employee to be paid one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period(s) is not provided. The employee must complete a

**POLICY/PROCEDURE TITLE:HR- Rest and Meal Breaks**

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*Notification of Missed Rest Break and/or Meal Break* form (see attached) and submit it to the manager on the day of the occurrence, and indicate the missed rest period on his or her in electronic time card see Human Resources Policy 2.05\_Electronic Time Cards). If the employee does not submit this form, El Camino Hospital will assume that he/she has taken all appropriate and timely rest breaks or has voluntarily chosen not to do so.

**B. Meal Breaks:**

Every non-exempt employee is provided an uninterrupted, duty-free unpaid meal break of at least thirty (30) minutes on any day in which she/he works more than five (5) hours, and the meal period must begin before the end of the fifth hour of work. In addition, a second 30-minute meal period is provided if the employee works more than ten (10) hours. The second meal period must begin before the end of the tenth hour of work. Management may designate scheduled meal breaks.

*Waiver of Meal Breaks.* All non-exempt employees must take the required full 30-minute unpaid meal period(s). However, if a non-exempt employee works more than five (5) hours but not more than six (6) hours in a day, that employee may voluntarily waive the meal period for that day by signing a written waiver. Similarly, if the non-exempt employee works more than ten (10) hours but not more than twelve (12) hours in a day, that employee may voluntarily waive the second meal period for that day by signing a written waiver, provided the first meal period was taken that day. Employees who work shifts in excess of eight (8) total hours in a workday may voluntarily waive their right to one of their two meal periods by entering into a written agreement that is voluntarily signed by both the employee and the Hospital; the employee may revoke the waiver at any time by providing the Hospital at least one day's written notice. The employee shall be fully compensated for all working time, including any on-the-job meal period, while such a waiver is in effect.

1. Meal periods are not counted as hours worked if:
  - The employee is completely relieved of all duties;
  - The employee is free to leave the work station and the work site; and
  - The meal period is at least thirty (30) minutes long.
2. When the non-exempt employee is required to work during her/his meal break, or is unable to take an uninterrupted meal break, she/he will be paid for the meal break as time worked.

**POLICY/PROCEDURE TITLE:HR- Rest and Meal Breaks**

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3. If overtime is incurred because of a meal break worked, the non-exempt employee will be paid in accordance with El Camino Hospital overtime policies.
  4. Failure to provide the non-exempt employee an opportunity to take meal period(s) according to the current IWC wage order will require the employee to be paid one (1) hour of pay at the employee's regular rate of compensation for each work day that the meal period(s) is not provided. The employee must complete a *Notification of Missed Rest Break and/or Meal Break* form (see attached) and submit it to the manager on the day of the occurrence and properly code the missed break in the electronic time card. If the employee does not submit this form, El Camino Hospital will assume that he/she has taken all appropriate and timely meal breaks or has voluntarily chosen not to do so.

**C. General Provisions - Rest/Meal Breaks**

1. The following practices are not permitted:
  - Combining rest breaks, or rest and meal breaks;
  - Omitting rest or meal breaks in order to report to work late or to leave work early during a scheduled work day; or
  - Dividing rest or meal breaks into smaller time segments.
2. Time used for smoking, leaving the immediate work area for reasons such as getting food or beverages, personal telephone calls, *etc.*, should be scheduled within and is considered to be included within the employee's rest and meal breaks.
3. Rest breaks are to be taken in designated employee break areas only. Break rooms and the cafeteria are acceptable areas for rest breaks. Meal or rest breaks shall not be taken in areas designated as patient or visitor waiting areas, consultation rooms or patient care areas. It is not permissible to take meal or rest breaks in patient or treatment rooms.
4. Employees who remain on hospital premises while on break must wear his or her badge visibly and identify themselves to management or security personnel if asked.

**D. Extended Rest Breaks for Breastfeeding Mothers**

1. California law requires the Hospital to provide any employee who is a nursing mother with a reasonable amount of break time and a private place to express breast milk. To this purpose, the Hospital provides a lactation room

**POLICY/PROCEDURE TITLE:HR- Rest and Meal Breaks**

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for the employee's personal use at Maternal Connections.

2. If the employee needs additional time beyond the normal paid rest break for expressing milk, they are required to make advance arrangements with their manager, and the time will be provided unpaid.
3. The employee may also choose to use their meal break time to express breast milk.

**POLICY/PROCEDURE TITLE:HR- Rest and Meal Breaks**

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<b>APPROVAL</b>	<b>APPROVAL DATES</b>
HR Committee:	12/2015
Medical Committee (if applicable):	n/a
ePolicy Committee:	12/2015
Pharmacy and Therapeutics (if applicable):	
Corporate Compliance Committee:	01/2016
Board of Directors:	02/2016

Historical Approvals: 9/11/94, 5/1/98, 3/14/01 (formerly numbered 3.16), 11/04/2003, 11/04/06, 03/09, 11/12

**ATTACHMENTS:**

Notification of Missed Rest Period and/or Meal Period – FORM (found on e-policy)

# Meal and Rest Breaks (Redline)





**POLICY/PROCEDURE TITLE: 3.09 Rest and Meal Breaks**

**CATEGORY: Human Resources**  
**LAST APPROVAL DATE: 06/15**

**SUB-CATEGORY: Human Resources**  
**ORIGINAL DATE: 9/11/94**

**COVERAGE:**

El Camino Hospital non-exempt employees. If there is an applicable MOU with conflicting provisions, if there is a conflict between the Hospital policy and the applicable MOU, the applicable MOU will prevail unless this rest and meal break policy provides greater benefits to the employee, in which case the provisions of this policy shall prevail.

**PURPOSE:**

El Camino Hospital provides rest and meal breaks for non-exempt employees, in accordance with applicable provisions of . Non-exempt employees are provided rest and meal breaks according to the current Wage Order 5 issued by the California Industrial Welfare Commission (IWC) and the California Labor Code.

**STATEMENT:**

It is the policy of El Camino Hospital to provide all appropriate ~~comply with all mandatory reporting requirements for meal and rest periods, s and breaks.~~

**PROCEDURE:**

DA. Rest Breaks:

- Every non-exempt employee is authorized and permitted to take a paid duty-free rest break of fifteen (15) minutes for every four hours of work, or major fraction thereof (i.e., more than two hours). The rest break is to be taken, to the extent practicable, in the middle of each four-hour work period or major fraction thereof.  
El Camino Hospital will provide a rest break of fifteen (15) minutes for every four (4) hours or substantial fraction thereof worked.
- In order to minimize disruption to the department, management may designate ~~scheduled~~ the rest breaks ~~periods~~.
- The employee may leave the work station but must return to work no later than the end of her/his rest break.
- Rest break time is paid time.

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**POLICY/PROCEDURE TITLE: 3.09 Rest and Meal Breaks**

5. Failure to provide the non-exempt employee with an opportunity to take a rest break period for every four (4) hours of work or major fraction substantive fraction thereof (i.e., more than two hours) worked will require the employee to be paid one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period(s) is not provided. The employee must complete a *Notification of Missed Rest Break and/or Meal Break* form (see attached) and submit it to the manager on the day of the occurrence, and indicate the missed rest period on his or her in electronic time card see Human Resources Policy 2.05 Electronic Time Cards). If the employee does not submit this form, El Camino Hospital will assume that he/she has taken all appropriate and timely rest breaks or has voluntarily chosen not to do so.

**B. Meal Breaks:**

Every non-exempt employee is provided an uninterrupted, duty-free unpaid meal break of at least thirty (30) minutes on any day in which, whenever she/he works more than is assigned a work schedule period of more than five (5) hours, and the meal period must begin before the end of the fifth hour of work. In addition, a second 30-minute meal period is provided if the employee works more than ten (10) hours. The second meal period must begin before the end of the tenth hour of work. Management may designate scheduled meal breaks.

**Waiver Of Meal Breaks.** All non-exempt employees must take the required full 30-minute unpaid meal period(s). However, if a non-exempt employee works more than five (5) hours but not more than six (6) hours in a day, that employee may voluntarily waive the meal period for that day by signing a written waiver. Similarly, if the non-exempt employee works more than ten (10) hours but not more than twelve (12) hours in a day, that employee may voluntarily waive the second meal period for that day by signing a written waiver, provided the first meal period was taken that day. Employees who work shifts in excess of eight (8) total hours in a workday may voluntarily waive their right to one of their two meal periods by entering into a written agreement that is voluntarily signed by both the employee and the Hospital; the employee may revoke the waiver at any time by providing the Hospital at least one day's written notice. The employee shall be fully compensated for all working time, including any on-the-job meal period, while such a waiver is in effect.

1. Meal periods are not counted as hours worked if:
- The employee is completely relieved of all duties;

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**POLICY/PROCEDURE TITLE: 3.09 Rest and Meal Breaks**

- The employee is free to leave the work station and the work site; and
  - The meal period is at least 30 minutes long.
2. When the non-exempt employee is required to work during her/his meal break, or is unable to take an uninterrupted meal break, she/he will be paid for the meal break as time worked.
3. If overtime is incurred because of a meal break worked, the non-exempt employee will be paid in accordance with El Camino Hospital overtime policies.
4. Failure to provide the non-exempt employee an opportunity to take meal period(s) according to the current IWC wage order will require the employee to be paid one (1) hour of pay at the employee's regular rate of compensation for each work day that the meal period(s) is not provided. The employee must complete a *Notification of Missed Rest Break and/or Meal Break* form (see attached) and submit it to the manager on the day of the occurrence and properly code the missed break in eTime. If the employee does not submit this form, El Camino Hospital will assume that he/she has taken all appropriate and timely meal breaks or has voluntarily chosen not to do so.

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**CF. General Provisions - Rest/Meal Breaks**

1. The following practices are not permitted:
  - Combining rest breaks, or rest and meal breaks;
  - Omitting rest or meal breaks in order to report to work late or to leave work early during a scheduled work day; or
  - Dividing rest or meal breaks into smaller time segments.
2. Time used for smoking, leaving the immediate work area for reasons such as getting food or beverages, personal telephone calls, *etc.*, should be scheduled within and is considered to be included within the employee's part of rest and meal breaks.
3. Rest breaks are to be taken in designated employee break areas only. Break rooms and the cafeteria are acceptable areas for rest breaks. Meal or rest breaks shall not be taken in areas designated as patient or visitor waiting areas, consultation rooms or patient care areas. It is not permissible to take meal or rest breaks in patient or treatment rooms.

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**POLICY/PROCEDURE TITLE: 3.09 Rest and Meal Breaks**

4. Employees who remain on hospital premises while on break must wear his or her badge visibly and identify themselves to management or security personnel if asked.

**D. Extended Rest Breaks for Breastfeeding Mothers**

1. California law requires the Hospital to provide any employee who is a nursing mother with a reasonable amount of break time and a private place to express breast milk. To this purpose, the Hospital provides a lactation room for the employee's personal use at Maternal Connections.
2. If the employee needs additional time beyond the normal paid rest break for expressing milk, they are required to make advance arrangements with their manager, and the time will be provided unpaid.
3. The employee may also choose to use their lunchmeal break time to express breast milk.

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**POLICY/PROCEDURE TITLE: 3.09 Rest and Meal Breaks**

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APPROVAL	APPROVAL DATES
Originating Committee or UPC Committee:	11/12
Medical Committee (if applicable):	
ePolicy Committee: (Please don't remove this line)	
Pharmacy and Therapeutics (if applicable):	
Medical Executive Committee:	
Board of Directors:	

Historical Approvals: 9/11/94, 5/1/98, 3/14/01 (formerly numbered 3.16), 11/04/2003, 11/04/06, 03/09, 11/12

**ATTACHMENTS:**

3.09a Notification of Missed Rest Period and/or Meal Period – FORM  
[HR- Missed Rest or Meal Period form](#)

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# Provisional Period

**POLICY/PROCEDURE TITLE:** 3.07 Provisional Period

**CATEGORY:** Human Resources

**LAST APPROVAL DATE:** 04/2015

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**SUB-CATEGORY:** Human Resources

**ORIGINAL DATE:** 9/11/94

**COVERAGE:**

El Camino Hospital employees, excluding managers, directors and executives. If there is a conflict between the Hospital policy and the applicable MOU, the applicable MOU will prevail.

**PURPOSE:**

The provisional period offers the supervisor the opportunity to assess and evaluate an employee's job performance during their initial employment and upon transfer to a new job or department, and to determine if the employee has demonstrated success during their orientation to the role. An employee may be terminated if they do not meet standards during the provisional period, and the employee may also use this opportunity to assess if she/he desires to continue in the job.

**STATEMENT:**

It is the policy of El Camino Hospital to require employees to complete a provisional period upon initial employment, promotion, transfer, reinstatement and/or rehire to determine suitability for employment or when changing positions within El Camino Hospital.

Employment with El Camino Hospital is a voluntary one and is subject to termination by the employee or the hospital at will, with or without cause, and with or without notice, at any time. Nothing in these policies shall be interpreted to be in conflict with or to eliminate or modify in any way the employment-at-will status of non-contractual employees.

This policy of employment-at-will may not be modified by any officer or employee and shall not be modified in any publication or document. The only exception to this policy is a written employment agreement approved at the discretion of the President or the Board of Directors, whichever is applicable. These personnel policies are not intended to be a contract of employment or a legal document.

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**POLICY/PROCEDURE TITLE: 3.07 Provisional Period****CATEGORY: Human Resources****LAST APPROVAL DATE: 04/2015****DEFINITIONS:**

1. **Reinstatement** - An employee will be considered "reinstated" when she/he previously worked for El Camino Hospital and returns to employment with El Camino Hospital following a break in service of less than one year.
2. **Rehire** - An employee will be considered "rehired" when she/he previously worked for El Camino Hospital and returns to employment with El Camino Hospital following a break in service of one year or more.

**PROCEDURE:**

1. Employees are provided ~~required to complete~~ a one hundred eighty (180) calendar day provisional period to provide an initial opportunity to assess their demonstrated work performance and competency for the position during initial employment regardless of status.
2. Employees who are reinstated, rehired, promoted, transferred, or who undergo a position change are also provided an additional ~~must also complete a new~~ one hundred eighty (180) day provisional period.
3. Failure to Satisfactorily Complete A Provisional Period.
  - a. New Employees. El Camino Hospital reserves the right to terminate employment at any time and for any reason during the one hundred eighty (180) day initial employment provisional period. El Camino Hospital also reserves the right to extend the duration of any initial employment provisional period up to one hundred eighty (180) additional days. El Camino Hospital retains sole and absolute discretion to determine when the above actions are appropriate.
  - b. Current Employees. El Camino Hospital reserves the right to extend the duration of any employment provisional period up to one hundred eighty (180) additional days. If at any time during the one hundred eighty (180) day employment provisional period, or extension, the manager determines the employee has not is failing to demonstrated competency and successful performance of the new position ly complete the new provisional period, the department may choose employee is subject to one of the following actions:
    - i. Management-Initiated Return of the Employee to Her/His Previous Position. If the employee's previous position is still vacant and the

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**POLICY/PROCEDURE TITLE: 3.07 Provisional Period****CATEGORY: Human Resources****LAST APPROVAL DATE: 04/2015**

employee's documented performance record in that job reflects a minimum rating of "meets expectations standards" or greater, management may, at their option, return the employee to her/his previous position. This is not intended to restrict the manager from taking action to fill the employee's previous position prior to, or during, the employee's new provisional period. There is no right to be returned to a previous position for an employee who is released from the new position.

- ii. Discipline and Termination. If none of the above options are is determined to not be appropriate or available, an employee who does not successfully demonstrate competency and successful performance during complete the one hundred eight (180) day provisional period may be released from the position and terminated from employment ~~may be terminated.~~

<b>APPROVAL</b>	<b>APPROVAL DATES</b>
HR Committee:	02/15
_____ Medical Committee (if applicable):	
ePolicy Committee: n/a policy under revision prior to start	
Pharmacy and Therapeutics (if applicable):	
Medical Executive Committee:	
Board of Directors:	04/2015

Historical Approvals: 9/11/94, 5/1/98, 3/14/01 (formerly numbered 3.12), 11/4/03, 12/4/06, 03/09, 11/12

**REFERENCES: (as applicable)****ATTACHMENTS:, ADDENDUMS:, EXHIBITS:, OR APPENDICES:**

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**POLICY/PROCEDURE TITLE:** 3.07 Provisional Period

**CATEGORY:** Human Resources

**LAST APPROVAL DATE:** 04/2015

in approval

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## ATTACHMENT 8

## **Corporate Compliance/Privacy and Internal Audit Committee Charter**

### **Purpose**

The purpose of the Corporate Compliance/Privacy and Audit Committee (“Compliance and Audit Committee”) is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its exercise of oversight by monitoring the compliance policies, controls and processes of the organization and the engagement, independence and performance of the internal auditor and external auditor. The Compliance and Audit Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

### **Authority**

All governing authority for ECH resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on compliance, privacy, IT security or audit related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

### **Membership**

- The Compliance and Audit Committee shall be comprised of two (2) or more Hospital Board members. The Chair of the Committee shall be a Hospital Board director who shall be appointed by the Board Chair, subject to approval by the Board.
- The Committee may also include 2-4 external (non-Hospital Board member) members with expertise in compliance, privacy, enterprise risk, IT security, audit and/or financial management expertise.

- All Committee members shall be appointed by the Board Chair, subject to approval by the Board, for a term of one year expiring on June 30<sup>th</sup> each year, renewable annually.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice-Chair from among the members of the Committee.

### **Conflict of Interest**

Members of the Committee shall be independent as to conflicts of interest with El Camino Hospital pursuant to the Conflict of Interest Policy. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board (see appendix).

Any member of a Board or Board committee who has a conflict of interest with respect to a proposed contract, transaction, relationship, arrangement or activity shall refrain from the deliberations and vote on any matter related to the contract, transaction or arrangement. Such member, however, may be present to answer questions and provide information needed by the Board or Board Committee for its deliberations. The Board Chair may appoint one or more qualified individuals to take the place of any affected member of a Board or Board Committee with regard to the matter or interest being considered. Any such reconstituted Committee shall be considered to have all rights, authority and obligations of the Corporate Compliance/Privacy and Audit Committee.

### **Staff Support and Participation**

The Director of Corporate Compliance/Privacy Officer (“Corporate Compliance Officer”) shall serve as the primary staff support to 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 Committee meetings upon the recommendation of the Corporate Compliance Officer and subsequent approval from both the CEO and Committee Chair.

### **General Responsibilities**

The Committee’s primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall develop dashboard metrics that will be used to measure and track corporate compliance, privacy, IT Security and enterprise risk management for the Committee’s review and subsequent approval by the Board. It is the management team’s responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make recommendations to the Board. The Committee is responsible for monitoring that performance metrics are being met to the Board’s expectations and requiring explanation of any deficiencies and reporting to the Board such deficiencies.

## **Specific Duties**

The specific duties of the Corporate Compliance/Privacy and Audit Committee include the following:

### **A. Corporate Compliance/Privacy**

- Oversee the activities of the Corporate Compliance program and all subcommittees providing support relative to corporate compliance, HIPAA/Patient Privacy and IT Security.
- Advise the organization on Enterprise Risk Management structure and provide oversight of Enterprise Risk reporting metrics and measurements to help monitor organizational risks.
- Advise the organization on corporate compliance implementation strategies. Review strategies for improving the corporate compliance program(s) and recommend for approval by the Board.
- Review with management the assessment of physician relationship risk as it relates to Stark laws, anti-kickback statutes, and other compliance rules and regulations.
- Encourage continuous improvement of policies and procedures for corporate accountability, integrity, and privacy. Review the organization's policy oversight guidelines and oversee the process being systematic and robust.

### **B. Internal Audit Functions**

- Provide direction related to findings and recommendations of internal audits performed.
- Provide direction for issues relating to internal audit responses by management.
- Review the annual internal audit priorities for the organization.
- Serve as the ad-hoc governance team regarding non routine investigations or action taken by external agencies and authorities against ECH.
- Recommend policies and processes for approval by the Board relating to systems of internal controls for finance.
- Oversee the work of independent compliance, audit and privacy staff.
- Provide escalation vehicle from any source to identify and address relevant issues.

### **C. External Audit Functions**

- Make recommendations to the Board regarding the external financial audit firm selection, retention and when necessary, replacement.
- Review the expected fee for the audit and assure that the fee is fair to the organization and is compatible with a full, complete and professional audit. Make recommendations to the Board.
- Review the scope and approach of the annual audit, including the identification of business and financial risks and exposures, with the external auditor.
- Meet with the auditor and management, as needed, to resolve issues regarding financial reporting, and make recommendations to the Board for discussion and action.
- Any services provided by the external auditors, outside the scope of the annual audit of financial statements must be presented to the Committee for pre-approval.
- Ensure that the external auditors have the opportunity to meet with the Board to present the annual audit report and financial statements.
- At the completion of the annual audit examination, review with management and the external auditors the following:
  - a. The organization's annual financial statements and related footnotes.
  - b. The external auditor's audit of the financial statements and the auditor's report thereon.
  - c. Judgments about the quality, not just the acceptability of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly the degree of aggressiveness or conservatism of accounting principles and underlying estimates.
  - d. Any significant changes in scope required in the external auditor's plan.
  - e. Any serious difficulties or disputes with management encountered during the course of the audit.
- Conduct an executive session if necessary to allow the Committee to meet privately with the auditor.
- Review all significant financial communications to external parties (e.g., public, press, lenders, creditors and regulators), ensuring they are prepared

in accordance with generally accepted accounting principles and fairly represent the financial condition of ECH.

- Review and recommend for approval by the Board the audit firm's annual engagement proposal and review the independent auditor's performance.

### **Independence of the External Auditor**

It is the Committee's responsibility to confirm the independence of the external auditor on an annual basis through a written statement. The statement shall confirm their independence and address services or relationships that may impact independence. The lead and concurring partner on the audit engagement team may not serve for more than five years unless special circumstances exist and with the approval of the Board. Members of the external audit team are prohibited from employment at ECH in a financial role within one year of leaving the external audit firm.

### **Committee Effectiveness**

The Committee is responsible for establishing its annual goals, objectives and workplan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

### **Meetings and Minutes**

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for review and approval.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24 hour notice.

Approved as Revised – June 11, 2014



## Appendix

### Definition of Independent Director – Compensation and Internal Audit Committee

(Approved on 02/10/10)

1. An independent director is a more limited and narrow classification of director than otherwise required by law and is not meant to expand or limit the definition of interested director for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on particular committees to independent directors to avoid even the appearance of a conflict of interest.
2. A member of the Board of Directors of El Camino Hospital shall be deemed to be an independent director so long as such director (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the director):
  - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a director;
  - ii. does not own an interest in an entity, or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a director is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the director in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each director appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent director as defined above.
5. Note: Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

Approved as Revised – June 11, 2014

**ATTACHMENT 9**

## Corporate Compliance/Privacy and Audit Committee Goals FY 2017

### Purpose

The purpose of the Corporate Compliance/Privacy and Audit Committee (“Compliance and Audit Committee”) is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its exercise of oversight by monitoring the compliance policies, controls and processes of the organization and the engagement, independence and performance of the internal auditor and external auditor. The Compliance and Audit Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

### Staff: Diane Wigglesworth, Director of Corporate Compliance

*The Director, Corporate Compliance/Privacy and Audit Committee shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chairs consideration. Additional members of the executive team or outside consultants may participate in the Committee meetings upon the recommendation of the Director, Corporate Compliance/Privacy and Internal Audit Committee and at the discretion of the Committee Chair.*

Goals	Timeline by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable.)	Metrics of Success Achieved
<ul style="list-style-type: none"> <li>Review and evaluate Hospitals Information Security Risk Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>Q2 2017</li> </ul>	<ul style="list-style-type: none"> <li>Committee reviews and approves plan.</li> </ul>
<ul style="list-style-type: none"> <li>Review and evaluate Patient Centered Medical Home (PCMH) Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Q3 2017</li> </ul>	<ul style="list-style-type: none"> <li>Committee reviews and approves plan.</li> </ul>
<ul style="list-style-type: none"> <li>Review and evaluate ERM Program activities, performance and execution</li> </ul>	<ul style="list-style-type: none"> <li>Q4 2017</li> </ul>	<ul style="list-style-type: none"> <li>Committee reviews and approves plan.</li> </ul>

### Submitted by:

John Zoglin, Chair, Corporate Compliance/Privacy and Audit Committee

Diane Wigglesworth, Executive Sponsor, Corporate Compliance/Privacy and Audit Committee

## **ATTACHMENT 10**

February 18, 2016

Audit Committee  
El Camino Healthcare District  
2500 Grant Road  
Mountain View, CA 94040

Re: 2016 Audit Planning Memo

To the Audit Committee:

In connection with our engagement to audit the consolidated financial statements of El Camino Healthcare District (the "District") as of and for the year ended June 30, 2016, professional standards require that we communicate certain items with you including our responsibilities with regard to the consolidated financial statement audit and the planned scope and timing of our audit. We would also appreciate the opportunity to meet with you to discuss this information further since two-way communication can provide valuable information in the audit process.

#### **Your Financial Audit Team Leaders**

##### ***Brian Conner, CPA – National Practice Leader, Hospitals***

- Brian has over 20 years' of experience in public accounting primarily focused on health care organizations. Brian's focus is on auditing and business consultation for integrated health systems, hospitals, outpatient care facilities and clinics, long-term psychiatric and convalescent care facilities, pharmacy benefit management companies, risk-based organizations, and medical equipment providers throughout the West Coast and Pacific Northwest. Brian currently serves as chair of the Health Care Financial Management Association's National Principles and Practices Board.

##### ***Joelle Pulver, CPA – Health Care Services Senior Manager***

- Joelle has over 13 years' experience in public accounting primarily focused on health care organizations. Joelle focus is on auditing rural and regionally integrated hospitals, district hospitals, primary care facilities, outpatient care facilities and senior living facilities. She has significant experience in tax-exempt bond offerings and debt compliance reporting.

#### **Your Benefit Plan Audit Team Leaders**

##### ***Bertha Minnihan, CPA – National Practice Leader, Employee Benefit Services***

- Bertha has over 20 years' experience in public accounting primarily focused on employee benefit plans. Bertha has extensive experience directing all phases of audits for a variety of benefit plans. Her ERISA expertise includes the specialized knowledge required for audits, Form 5500s, and related filings. She currently serves on the AICPA's Employee Benefit Plans Expert Panel, and has previously served on the AICPA Employee Baenefit Plan Audit Quality Center's Executive Committee, chaired the annual national AICPA Benefit Plan conference for several years, and served on the AICPA's Technical Standards Subcommittee, which assists with the Department of Labor's review of ERISA audits and auditors.

## MOSS-ADAMS<sub>LLP</sub>

El Camino Healthcare District  
February 18, 2016  
Page 2 of 5

### ***JoAnne Loughlin, CPA –Employee Benefit Services Senior Manager***

- JoAnne has over 19 years' experience in public accounting primarily focused on employee benefit plans. She has extensive experience managing all phases of audits to include compliance testing, field work, and report preparation for a variety of benefit plans, including defined contribution, defined benefit, and employee stock option plans. JoAnne maintains current knowledge of industry regulations through formal continuing education sponsored by the American Institute of Certified Public Accountants.

### **Audit Objectives**

- Opinion on whether the consolidated financial statements of the District, Hospital, Foundation, and CONCERN are reasonably stated in accordance with generally accepted accounting principles.
- District only financial statements are reported in the accompanying supplementary consolidating schedules. The District is required to be reported consolidated due to its control of the other entities.
- Required under bond and California state requirements.

### **2016 Audit Timeline**

- April 2016 – Initial planning and scoping
- April 25, 2016 through April 29, 2016 – Review control design and implementation
- June 20, 2016 through June 24, 2016 – Control testing and system documentation
- August 1, 2016 through August 26, 2016 – Audit fieldwork
- August 29, 2016 through September 9, 2016 – Financial statement preparation
- September 2016 – Present draft financial statements to Audit and Compliance Committee
- October 2016 – Present final financial statements to the Hospital and District Boards
- October 2016 – Final financial statements issued

### **2016 Deliverables**

- Report of Independent Auditors for consolidated El Camino Healthcare District
- Report of Independent Auditors for El Camino Hospital Foundation
- Report of Independent Auditors for CONCERN: EAP
- Report of Independent Auditors for El Camino Hospital Auxiliary, Inc.
- AU-C Section 260, *The Auditor's Communication with Those Charged with Governance*
- AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*

### **2016 Audit Emphasis**

- Accounts Receivable and Revenue
  - Estimation of future collections based on past results
  - Testing of collections on prior year Accounts Receivable balances
  - Detailed transaction testing
  - Ratio analysis
  - Predictive revenue analytics
  - Revenue cut-off testing



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El Camino Healthcare District  
February 18, 2016  
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- Long Term Debt
  - Classification
  - Bond refinance and calculation of Gain/Loss on the refinance
- Pensions
  - Significant actuarial assumptions
  - Disclosures requirements – Required Supplementary Information
  - New disclosures for new GASB pronouncements No. 68 and 71
- EPIC Implementation
  - Onsite IT review
  - Data Migration and Integrity

### **Recent Accounting Developments**

GASB Statement No. 72, *Fair Value Measurement and Application*, effective for financial statements for periods beginning after June 15, 2015.

- Addresses accounting and financial reporting issues related to fair value measurements
- Provides guidance for determining fair value measurement for financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for financial statements for periods beginning after June 15, 2016. Earlier adoption is encouraged.

- Improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information
- New information will enhance decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability and their transparency

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, effective for financial statements beginning after June 15, 2017.

- Establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015.

- Guidance addressing how certain state and local government external investment pools and participants in external investment pools may measure and report their investments in response to changes contained in US SEC rule due to take effect in April 2016

### **Pension Plans**

- El Camino Hospital Cash Balance Plan – December 31, 2015
- El Camino 403(b) Retirement Plan – December 31, 2015

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### **Pension Plans Fieldwork**

- May 2016 – Initial planning and scoping Pension Plans
- July 5, 2016 through July 8, 2016 – Audit fieldwork
- August 1, 2016 through August 15, 2016 – Financial statement preparation
- August 30 – Drafts of financial statements

### **2016 Pension Audit Emphasis**

- Internal controls
  - Plan operations
  - IT general controls
  - Payroll
  - Participant elections and changes
  - Census data
  - Eligibility and enrollment
  - Vendors; SOC-1 reports
- Analytical procedures
- Participant accounts
  - Definition of compensation
  - Allocations of employer contributions
- Timeliness of contributions
- Distributions, withdrawals, and loans
- Financial statement reporting and disclosure
- Participant data used by the actuary
- Actuarial methods and assumptions used

### **Recent Pension Accounting Developments**

ASU 2015-12- Plan Accounting: Defined Contribution Pension Plans (Topic 962) I. Fully Benefit Responsive Investment Contracts; II. Plan Investment Disclosures, and III. Measurement Date Practical Expedient. The amendments remove the requirement to:

- Report fully benefit-responsive guaranteed investment contracts at fair value
- Disclose individual investments held which exceed 5% of net assets available for benefits
- Disclose net appreciation in fair value of investments by type of investment held
- Disaggregate investments reported in the fair value hierarchy table by class of investment. They may be presented by general type only.
- Disclose investment strategy for investments for which fair value is measured using the NAV practical expedient, if they are Form 5500 Direct Filing Entities



**MOSS-ADAMS** LLP

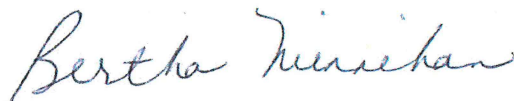
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We appreciate the opportunity to be of service to you. Please contact us if you have any questions.

Very truly yours,



Brian Conner, Partner, for  
Moss Adams LLP



Bertha Minnihan, Partner, for  
Moss Adams LLP



Joelle Pulver, Senior Manager, for  
Moss Adams LLP

Client # 60280

# ATTACHMENT 11

# **Attachment 11a Cover memo Delegating Board Oversight of Policies (v2)**

## COMPLIANCE COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Delegating Board Oversight of Organizational Policies
<b>Responsibility party:</b>	Diane Wigglesworth, Director Corporate compliance
<b>Action requested:</b>	Information only
<b>Background:</b> <p>The Board recommended that there would be value in having the Compliance Committee recommend a process for oversight of organizational policy review and approval. To be compliant with Joint Commission and California Code of Regulations Title 22 all policies must be reviewed at a minimum of every three years. The Board can establish a process for approval through delegation of authority. Management is proposing a process of delegation to designated committees. The Hospitals Regulatory Manager's and Director of Risk Management have reviewed and approved the proposal.</p>	
<b>Committees that reviewed the issue and recommendation, if any:</b> <p>N/A</p>	
<b>Summary and session objectives :</b> <ul style="list-style-type: none"> <li>• Discuss the proposed plan of delegation to designated committees policy approval</li> <li>• Discuss delegation of approval to Management for procedures and protocol and policies with non-substantive revisions.</li> </ul>	
<b>Suggested discussion questions:</b> <ol style="list-style-type: none"> <li>1. Is the proposed delegation of authority to the Board Advisory Committees appropriate for this organization?</li> </ol>	
<b>Proposed board motion, if any:</b> <p>None</p>	
<b>LIST OF ATTACHMENTS:</b> <p>Memo – Proposal regarding delegating Board oversight of organizational policies</p>	

## Memorandum

DATE: March 9, 2016

TO: Corporate Compliance/Privacy and Internal Audit Committee

FROM: Diane Wigglesworth, Sr. Director Corporate Compliance

SUBJECT: Proposal Regarding Delegating Board Oversight of Organizational Policies

BOARD ACTION: **INFORMATION ONLY**

The El Camino Hospital Board must have oversight of organizational policies and ensure that all policies are reviewed at a minimum of every three years to be compliant with Joint Commission and California Code of Regulations Title 22. The Board can establish a process for approval through delegation of authority to an appropriate Board Advisory Committee, the Medical Executive Committee or Management committee such as the e-Policy Committee. .

It is proposed that only policies<sup>1</sup> will be reviewed and approved by the designated committee with delegated authority, whereas procedures or protocols would be reviewed and approved by Management, without committee approval. Approval authority for non-substantive revisions to policies would also be delegated to Management through Management's e-Policy Committee and such non-substantive policy revisions would not require approval by the Board or any delegated Committee.

Policies that may be of significant interest to the Board from a governance standpoint (i.e. Charity Care or Standard of Conduct) may be forwarded to the Board for approval at the direction of the Chair of a delegated Board Advisory Committee following review by such Committee.

The following is a proposal of delegation of authority to approve Hospital policies to Board Advisory Committees and/or Medical Executive Committee based on the content of the policy:

Medical Executive Committee and Management's ePolicy Committee:

All Patient Care or Clinical Service policies would be delegated by the Board of Directors to the Medical Executive Committee and Management's ePolicy Committee for joint approval with a list of policies approved to be provided for information only to the Hospital Board monthly on the Medical Staff report.

Quality, Patient Care/Experience Board Advisory Committee

All non-clinical policies such as certain Environment of Care, Facilities, Life Safety, Transportation, Security, Guest Services, Nutrition Services, Education, and Infection Control policies would have delegated authority for approval by the Board's Quality Committee.

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<sup>1</sup> A policy is defined as a brief written statement of intent or principle that determines actions or decisions. Generally a policy is based on law, regulations, accreditations standards or leadership decisions.

### Finance Committee

All Patient Accounts, Registration, Financial Counselor, Accounting Services, Accounts Payable, Financial Planning, Strategic Planning and Materials Management would have delegated authority for approval by the Board's Finance Committee.

### Corporate Compliance, Privacy and Internal Audit

All non-clinical Employee Health Services, Human Resources, Health Information Management Services, Information Services, Information Security, Communication, Marketing, Corporate Compliance policies would have delegated authority for approval by the Board's Compliance Committee.

Management, when deemed appropriate will, from time to time bring to the Board's attention policies in emerging areas of interests for the Board's consideration as to whether to delegate authority for policy approval to a committee. Additionally, the Board shall periodically receive a list of all new non-clinical policies that have been approved by Committees.

## ATTACHMENT 12

## COMPLIANCE COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Key Performance Indicators
<b>Responsibility party:</b>	Diane Wigglesworth, Director Corporate Compliance
<b>Action requested:</b>	Information Only
<b>Background:</b> Key performance indicators were developed to track required elements from the Federal Sentencing Guidelines. These indicators help the committee monitor activity and review organizational trends.	
<b>Committees that reviewed the issue and recommendation, if any:</b> N/A	
<b>Summary and session objectives :</b> <p style="margin-left: 40px;">Objective is to review the trending of key indicators. With the activation of Epic there was an increase in documentation and charging concerns brought forth. The Epic team continues to work with departments on corrective action. Compliance is continuing ongoing monitoring of billing integrity. HIPAA reported issues YTD are up over the previous year however self-reported violations to CDPH have trended down from the previous year. Compliance is proactively monitoring Epic system access.</p>	
<b>Suggested discussion questions:</b> <p style="margin-left: 40px;">1. Are there any areas of concern?</p>	
<b>Proposed board motion, if any:</b> None	
<b>LIST OF ATTACHMENTS:</b> Corporate Compliance Scorecard and KPI 2 year trend graph	



# **Attachment 12b - Corporate Compliance Scorecard FY16**

## **Totals as of February 2016**

# Corporate Compliance Scorecard FY15

## El Camino Hospital

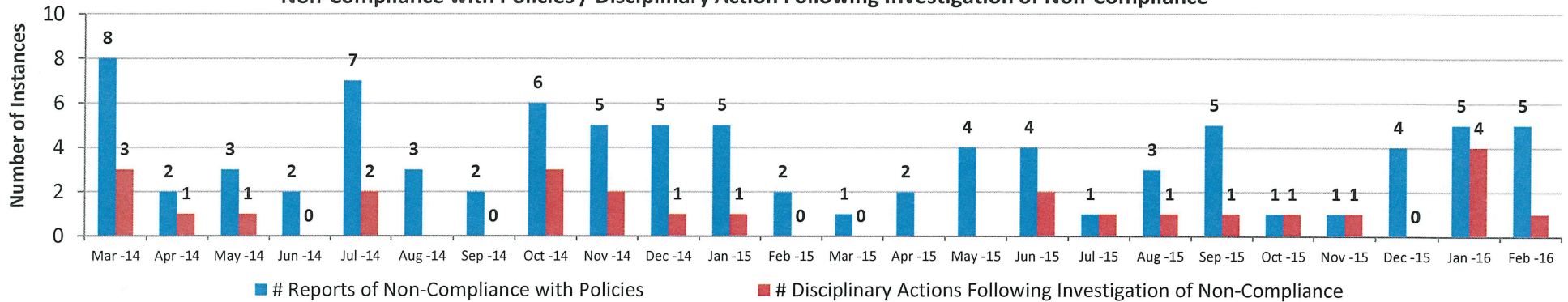
Key Performance Indicator	FY:16 Current Month	Current YTD Actual	Prior YTD Actual
<b>Total Number of Hospital Discharges (excluding normal newborn)</b>	<b>1,505</b>	<b>12,366</b>	<b>12,595</b>
<b>Core Elements</b>			
<b>Policies and Procedures</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>Jul - Feb FY:2015</b>
Number of reported instance when policies not followed	5	25	35
Number of disciplinary actions due to Investigations	1	9	9
<b>Education and Training</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>Jul - Feb FY:2015</b>
Percentage of new employees trained within 30 days of start date	100%	100%	100%
<b>Investigations</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>Jul - Feb FY:2015</b>
Total number of investigations	18	154	128
Investigations open	0	0	0
Investigations closed	18	154	128
Hotline concerns substantiated	2	15	21
Hotline concerns not substantiated	3	18	6
Average number of days to investigate concerns	6	6	5
<b>Reporting Trends</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>Jul - Feb FY:2015</b>
Anti-Kickback/Stark	6	29	27
EMTALA	0	4	2
HIPAA Reports	7	128	99
HIPAA Security Breaches	1	3	0
Billing or Claims	10	61	26
Conflict of Interest	0	3	0
<b>Reported Events to CMS</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>FY:15 Actual</b>
Number of total events self reported by ECH	0	0	1
Number of self reported events followed up by CMS	0	0	1
CMS initiated visits (separate from ECH self reported events)	0	0	0
Number of statement of deficiencies issued to ECH	0	0	0
Number of Actual Sanctions, fines or penalties	0	0	0
<b>Reported Events to CDPH</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>FY:15 Actual</b>
Number of total regulator events self reported by ECH	1	7	5
Number of self reported events followed up by CDPH	1	4	8
Number of total privacy breaches self reported by ECH	1	13	23
CDPH initiated visits (separate from ECH self reported events)	1	1	20
Number of statement of deficiencies issued to ECH	0	1	6
Number of Actual/Realized Sanctions, fines or penalties	0	0	0
<b>Monitoring and Audit Findings</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>FY:15 Actual</b>
Total number of Audit Findings	3	24	42
Number of findings identified has high severity	1	2	15
<b>Monitoring and Audit Findings</b>	<b>Feb. 2016</b>	<b>Jul - Feb FY:2016</b>	<b>FY: 15 Actual</b>
Number of Open Liability Claims	8	8	13
Number of Open Liability Lawsuits	10	10	8

**Attachment 12c Trend Graph**

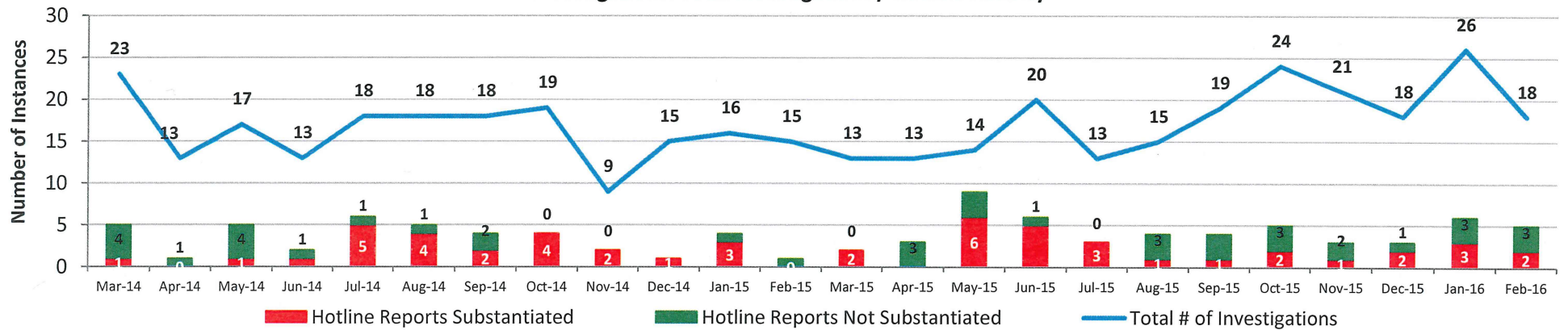
## Corporate Compliance

### Policies & Procedures

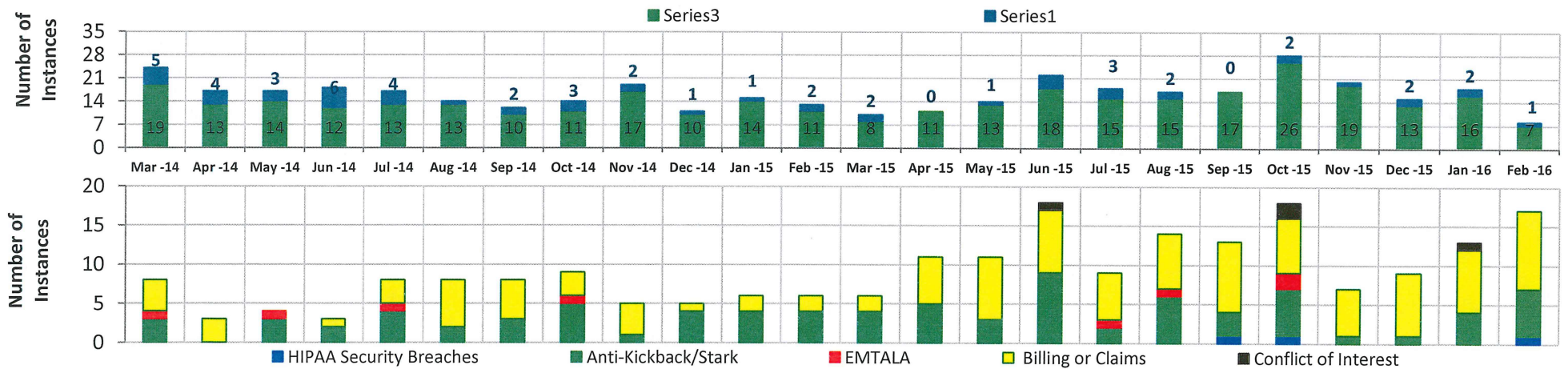
#### Non-Compliance with Policies / Disciplinary Action Following Investigation of Non-Compliance



#### Investigations: Total Investigations / Hotline Activity



#### Privacy Breaches Requiring Report to Outside Entity



## ATTACHMENT 13

**SFGATE** <http://www.sfgate.com/business/technology/article/Hospital-paid-17K-ransom-to-hackers-of-its-6837970.php>

## Hospital paid 17K ransom to hackers of its computer network

Andrew Dalton, Associated Press Updated 11:40 am, Friday, February 19, 2016



FILE - In this July 22, 2003, file photo, nurses evacuate a patient after a fire broke out on the third floor of the 434-bed formerly named Queen of Angels-Hollywood Presbyterian Medical Center, with visibly blackened windows, in the Hollywood section of Los Angeles. The FBI said Wednesday, Feb. 17, 2016, it is investigating a computer network extortion plot at the Los Angeles hospital. In the attacks known as "ransomware," hackers lock up an institution's computer network and demand payment to reopen them. FBI spokeswoman Laura Eimiller said Wednesday that the agency is investigating such a plot at the Hollywood Presbyterian Medical Center. less

LOS ANGELES (AP) — A Los Angeles hospital paid a ransom of about \$17,000 to hackers who infiltrated and disabled its computer network because paying was in the best interest of the hospital and the most efficient way to solve the problem, the medical center's chief executive said Wednesday.

Hollywood Presbyterian Medical Center paid the demanded ransom of 40 bitcoins — currently worth \$16,664 dollars — after the network infiltration that began Feb. 5, CEO Allen Stefanek said in a statement.

The FBI is investigating the attack, often called "ransomware," where hackers encrypt a computer network's data to hold it "hostage," providing a digital decryption key to unlock it for a price.

"The quickest and most efficient way to restore our systems and administrative functions was to pay the ransom and obtain the decryption key," Stefanek said. "In the best interest of restoring normal operations, we did this."

Ransomware attacks can happen to everyone from individuals to large institutions.

The hospital did not say whether anyone had recommended it pay off the hackers.

### RELATED STORIES



Obama creates  
cyber panel, says  
long-term  
vigilance needed

Computer security experts normally recommend people not pay the ransom, though at times law enforcement agencies suggest they do, said Adam Kujawa, Head of Malware Intelligence for Malwarebytes, a San Jose-based company that recently released anti-ransomware software.

**Man rescued by Disney ship is charged in hospital hacking**

**Disney cruise ship rescues 12 Cuban migrants in Caribbean**

It's difficult to know how many victims pay the ransom, because many who do don't reveal it.

"Unfortunately, a lot of companies don't tell anybody if they had fallen victim to ransomware and especially if they have paid the criminals," Kujawa said, "but I know from the experiences I hear about from various industry professionals that it's a pretty

common practice to just hand over the cash."

Bitcoins, the online currency that is hard to trace, is becoming the preferred way for hackers collect a ransom, FBI Special Agent Thomas Grasso, who is part of the government's efforts to fight malicious software including ransomware, told The Associated Press last year.

During 2013, the number of attacks each month rose from 100,000 in January to 600,000 in December, according to a 2014 report by Symantec, the maker of antivirus software.

A report from Intel Corp.'s McAfee Labs released in November said the number of ransomware attacks is expected to grow even more in 2016 because of increased sophistication in the software used to do it.

The company estimates that on average, 3 percent of users with infected machines pay a ransom. It's not clear how many of those users were individuals and how many companies. Some ransomware attacks go unreported because the victims don't want it publicized they were hacked.

Workers at Hollywood Presbyterian noticed the network problems on Feb. 5, and it became clear there was a malware infiltration that was disabling the network.

Computer experts and law enforcement were immediately informed, Stefanek said. On Monday, 10 days after the attack, the network was in full operation again, he said.

FBI spokeswoman Laura Eimiller said the agency is investigating the extortion plot, but she could not immediately provide further details.

Neither law enforcement nor the hospital gave any indication of who might have been behind the attack or whether there are any suspects.

Patient care was not affected by the hacking, and there is no evidence any patient data was compromised, Stefanek said.

The 434-bed hospital in the Los Feliz area of Los Angeles was founded in 1924. It was sold to CHA Medical Center of South Korea in 2004. It offers a range of services including emergency care, maternity services, cancer care, physical therapy, and specialized operations such as fetal and orthopedic surgeries.

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Associated Press Writer Amanda Lee Myers contributed to this report.

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**ATTACHMENT 26**



## Corporate Compliance/Privacy and Audit Committee

### Goals FY 2016

### Progress to Complete as of March 17, 2016

#### Purpose

The purpose of the Corporate Compliance/Privacy and Audit Committee (“Compliance and Audit Committee”) is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its exercise of oversight by monitoring the compliance policies, controls and processes of the organization and the engagement, independence and performance of the internal auditor and external auditor. The Compliance and Audit Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

#### Staff: Diane Wigglesworth, Director of Corporate Compliance

*The Director, Corporate Compliance/Privacy and Audit Committee shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chairs consideration. Additional members of the executive team or outside consultants may participate in the Committee meetings upon the recommendation of the Director, Corporate Compliance/Privacy and Internal Audit Committee and at the discretion of the Committee Chair.*

Goals	Timeline by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable.)	Metrics of Success Achieved
<ul style="list-style-type: none"> <li>Review and evaluate Hospitals audit plan for EPIC system access</li> </ul>	<ul style="list-style-type: none"> <li>Q1 2016 – Complete</li> </ul>	<ul style="list-style-type: none"> <li>Committee reviews and approves plan.</li> </ul>
<ul style="list-style-type: none"> <li>Review Enterprise Risk Management reporting tools and plan for continuous monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Q3 2016 – On Track. Committee to review and make recommendation for ERM reporting and continuous Monitoring to Board in Q4</li> </ul>	<ul style="list-style-type: none"> <li>Committee reviews ERM reporting tools and monitoring plan quarterly and then recommends a final version to the Hospital Board for approval by March 2016.</li> </ul>
<ul style="list-style-type: none"> <li>Review post EPIC IT security review and recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Q4 2016 – On Track to complete in Q4</li> </ul>	<ul style="list-style-type: none"> <li>Committee reviews post EPIC IT security review and recommendations.</li> </ul>

#### Submitted by:

John Zoglin, Chair, Corporate Compliance/Privacy and Audit Committee

Diane Wigglesworth, Executive Sponsor, Corporate Compliance/Privacy and Audit Committee