



Minutes of the Open Session
Finance Committee
Monday, January 25, 2016
El Camino Hospital, 2500 Grant Road, Mountain View, California
Conference Room A&B
and

Richard Juelis participated via telephone from 495 Wiley Post Way, Salt Lake City, Utah

Members Present

Dennis Chiu
 John Zoglin
 Richard Juelis (by phone)
 Bill Hobbs

Members Absent

Kathy Cain

Staff Present

Iftikhar Hussain
 Jeff Gruel
 Michelle McGowan
 Julie Johnston (phone)
 Mary Rotunno
 Mick Zdeblick
 Rich Katzman
 Helen Tam

Others Present

Agenda Item	Comments/Discussion	Approvals/Action
1. Call to order	The Open Session of the Finance Committee (“FC”) of El Camino Hospital (the “Committee”) was called to order by Chair Dennis Chiu at 6:30pm. Though it was anticipated that Mr. Zoglin would call in to the meeting, he was able to join in person. Mr. Juelis joined by phone from Salt Lake City.	
2. Agenda Item Potential Conflict of Interest Disclosure	Chair Chiu asked if any Committee members had a conflict of interest with any of the agenda items. There were none.	
3. Public Communication	Chair Chiu asked if there was any public communication. There was none.	
4. Consent calendar	There were no requests for removal of Open Session Consent Calendar items. Chair Chiu requested a motion to approve the Consent Calendar. Motion: To approve the Open Session Consent Calendar Movant: Hobbs Second: Zoglin Ayes: Chiu, Hobbs, Zoglin, Juelis (by phone), Noes: None Abstentions: None Absent: Cain Recused: None	
5. Report on Board Actions	<ul style="list-style-type: none"> ▪ A highly strategic land acquisition of 16 acres, within one mile of Kaiser Santa Teresa in south San Jose, as just completed for around \$ 24M. Technically, we have not yet decided to build anything on this property. With an anticipated increase of 40% growth in this area, this is a highly valuable and potentially lucrative purchase. ▪ The Board approved the recommended purchase of two robots. ▪ The iCare implementation discussion with the Board went 	

	<p>much better than anticipated. Post review was done, indicating that systems are working well and workflow is improving. IT brought on 60 new staff. The major focus is now on how to get the best out of the overall investment.</p> <ul style="list-style-type: none"> ▪ The status of Rotocare was discussed. Due to the changing nature of health care, along with a number of other issues, it has been increasingly difficult to sufficiently staff the Rotocare clinic. Rotocare has provided healthcare services to the community’s uninsured and underinsured patients with limited access to physicians, for nearly 40 years. It has been determined that Mayview, a federally qualified healthcare center, can provide more wrap around services for current patients. ECH is transitioning Rotocare patients to Mayview with as much care and sensitivity as possible, with the assurance that Mayview will be a better option in the long run. 	
<p>6. December 2015 Financials</p>	<p>Iftikhar Hussain reported on December 2015 Financials. December financials were much improved over November, which was expected to be low due to iCare implementation. \$3M of the \$5M we were behind on in November has already been recovered. Iftikhar also covered:</p> <ul style="list-style-type: none"> ▪ Revenue Financial Trends and Commentary ▪ ECH Operating Margin ▪ Summary of Financial Results ▪ ECH Volume Statistics ▪ Financial Metrics Trend ▪ Tracking Smart Growth ▪ Worked Hours per Adjusted Patient Day ▪ Capital spending FY 2011- FY 2015 <p>It was clear that strategic goals are not being met. Primary issues that define our current level of vulnerability are:</p> <ul style="list-style-type: none"> ▪ Two of our busiest surgeons were out for 2 months, so surgical volumes took a hit right at the beginning of the year. ▪ Maternal Child Health is struggling due to loss of referrals from Los Gatos area because of PAMF’s new facility that provides deliveries at Good Samaritan Hospital to our PAMF patients who reside in that area. <p>On the upside:</p> <ul style="list-style-type: none"> ▪ ECH has recruited 3 new surgeons who are raising volume. ▪ 2 new OBs have been signed, and 3 more are pending. It’s anticipated that by the end of the year, we will be at the level we want to be. ▪ The Electrophysiology Program (cardiac) has been expanded and 2 Stanford physicians are slowly beginning to move their case volume to ECH. 	

	<ul style="list-style-type: none"> ▪ ECH is actively recruiting independent OBs with income guarantees to reseed and draw in younger physicians to replace OB physicians who are aging out. <p>Further discussion followed regarding the status of current downtrends.</p> <ul style="list-style-type: none"> ▪ The bottom line affecting ECH’s market share is being directly affected by Stanford, Kaiser and Sutter/PAMF. As a single organization sitting among these larger systems, ECH is vulnerable. ▪ Chair Chiu stated for the record that the hospital’s executive team and Board of Directors are aware of this and are focused on developing a strategy to address this through diversification of our patient resources, both inpatient and outpatient, noting that this issue will continue to come before the Board for further discussion. <p>At this time, Chair Chiu requested a motion to approve the December 2015 Financial Report. Motion: Approval of December 2015 Financial Report Movant: Zoglin Second: Hobbs Ayes: Chiu, Hobbs, Zoglin, Juelis (by phone) Noes: None Abstentions: None Absent: Cain Recused: None</p>	<p><i>Motion approved unanimously with one absent</i></p>
<p>7. Update on Progress of Capital Projects that Exceed \$2.5M</p>	<p>This item will be continued to the next scheduled meeting.</p>	
<p>8. Development of KPIs for Outpatient Services</p>	<p>This item will be continued to the next scheduled meeting.</p>	
<p>9. Adjourn to Closed Session</p>	<p>Chair Chiu requested a motion to adjourn to Closed Session: Motion: To adjourn to Closed Session Movant: Hobbs Second: Cain Ayes: Chiu, Hobbs, Zoglin, Juelis (by phone) Noes: None Abstentions: None Absent: Cain Recused: None The meeting was adjourned to Closed Session at 7:06pm</p>	<p><i>Motion approved unanimously with one absent</i></p>
<p>10. Reconvene Open Session/Report Out</p>	<p>Open Session was reconvened at 7:46pm. Chair Chiu reported that the Consent Calendar for the Closed Session was approved.</p>	
<p>11. Recommendation for Approval of Urgent Care Clinics Fund Request</p>	<p>Chair Chiu called for a motion to recommend approval of funds to open three Urgent Care Clinics.</p>	

	<p>Motion: Recommendation for approval of funding request to open 3 Urgent Care Clinics Movant: Hobbs Second: Zoglin Ayes: Chiu, Hobbs, Zoglin, Juelis (by phone) Noes: None Abstentions: None Absent: Cain Recused: None</p>	<p><i>Motion to recommend approved unanimously with one absent</i></p>
<p>12. Committee Planning</p>	<p>There was no discussion requested regarding the FY2016 Pacing Plan or Goals.</p>	
<p>13. Meeting Adjournment</p>	<p>Chair Chiu requested a motion to adjourn. Motion: To adjourn the Finance Committee Meeting Movant: Zoglin Second: Hobbs Ayes: Chiu, Hobbs, Zoglin, Juelis (by phone) Noes: None Abstentions: None Absent: Cain Recused: None</p> <p>Meeting was adjourned at 7:53pm.</p>	<p><i>Motion approved unanimously with one absent</i></p>

Attest to the approval of the foregoing minutes by the FC Committee:



Dennis Chiu
 Chair, ECH Finance Committee