

Minutes of the Open Session of the Finance Committee
Monday, November, 28, 2016
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms E&F

Members Present

Dennis Chiu, Chair
 Richard Juelis
 John Zoglin
 Joseph Chow
 Boyd Faust

Members Absent

William Hobbs

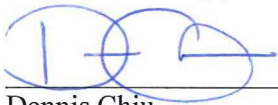
Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The Open Session meeting of the Finance Committee of El Camino Hospital was called to order at 5:33 pm by Chair Chiu. A silent roll call was taken. A quorum was present, Chiu, Chow, Faust, Juelis, Zoglin. Committee member William Hobbs was absent.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Chiu asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Motion: To approve the consent calendar: Meeting Minutes of the Open Sessions of the Finance Committee (September 26, 2016)</p> <p>Movant: Faust Second: Juelis Ayes: Chiu, Chow, Faust, Juelis, Zoglin Noes: None Abstentions: None Absent: Hobbs Recused: None</p>	<i>Consent Calendar approved</i>
5. REPORT ON BOARD ACTIONS		
6. FY17 PERIOD 4 FINANCIALS	<p>Iftikhar Hussain, CFO, reported on the financial results. The Dashboard page of the finance packet provides an overview of the financial results. Other than volume and payor mix, all areas are at or above target.</p> <p>Operating margin is \$19 million ahead of target with \$11 million from higher revenues and \$8 million from lower expenses. Revenues are higher due to \$6.5 million IGT payment which was expected in the prior year. The remaining revenue variance is due to improvement in revenue cycle operations including charge capture and reduction in denials.</p> <p>Volume is below budget but stable compared to prior year. We have not achieved the budgeted growth and experiencing a late flu season.</p>	<i>Motion to approve the Financials</i>

	<p>Payor mix – Inpatient commercial is slightly unfavorable (.9%) due primarily due to OB and ortho services.</p> <p>Cash position remains strong at 404 days. Days in AR are ahead of target.</p> <p>Don Sibery, CEO, was introduced to the committee</p> <p>Los Gatos revenues are low because the volume is weak. OB revenue is soft but low on surgery numbers.</p> <p>Motion: To recommend the Board approve the FY 17 period 4 financials.</p> <p>Movant: Faust Second: Juelis Ayes: Juelis, Faust, Chiu, Chow, Zoglin Noes: None Abstentions: None Absent: Hobbs Recused: None</p>	
<p>7. CAPITAL FUNDING REQUESTS</p>	<p>Ken King, CASO presented to the Committee.</p> <p>7a. Request for Funding Approval for New Main Hospital Lab Upgrades – Mr. King reported that several areas require reconfiguration including a ventilation system and the automated hematology line. The upgrades will improve safety and efficiency. He explained that his team is still in plan review and hoping to lock down on more favorable costs but will bring this not to exceed request to the Board in January.</p> <p>Motion: To recommend the Board approve the New Main Hospital Lab Upgrades at a cost not to exceed \$3.1 Million.</p> <p>Movant: Faust Second: Juelis Ayes: Juelis, Zoglin, Chiu, Chow, Faust Noes: None Abstentions: None Absent: Hobbs Recused: None</p> <p>7b. Medical Office Building Improvements – In 2014 four buildings were purchased near the Los Gatos Campus in two different transactions acquiring about 74,000 sq. ft. generating \$1.5 million in annual rental income. Under the signed letter of intent 12 physicians would like to locate their practice in the MOB. ADA compliance and code upgrades need to be done to make other suites more marketable.</p> <p>Motion: To recommend the Board approve Medical Office Building Upgrades at a cost not to exceed \$5 million, pending execution of a lease for 14,000 square feet.</p> <p>Movant: Zoglin Second: Faust</p>	<p><i>At 6pm Item 7a. was approved by Faust, Julius and Chiu</i></p>

	<p>Ayes: Juelis, Zoglin, Chiu, Chow, Faust Noes: None Abstentions: None Absent: Hobbs Recused: None</p> <p>7c. Replacement of the Stryker Laparoscopic Platform – presented by Shelly Reynolds (Director of Perioperative Services) and Joe Cistulli (Purchasing). The current Laparoscopic system in place was installed in 2009 and is reaching the end of its useful life. The \$1.54 million requested is \$1.4 million budgeted and \$123,000 unbudgeted.</p> <p>In response to questions, Ms. Reynolds reported that the new system will work hand in hand with the current Deviance system. Stryker platform is up to date and has a safety in place with an interface with EPIC. The end of life is anywhere from 2021-2023.</p> <p>Ms. Reynolds reported that the surgeons are excited about the new platform and the advanced safety that comes with the equipment.</p> <p>Motion: To recommend that the Board approve purchase of the 1588 Stryker Laparoscopic Platform by substituting \$1.4 million of budgeted items and \$123,000 in additional funds.</p> <p>Movant: Faust Second: Chiu Ayes: Juelis, Zoglin, Chiu, Chow, Faust Noes: None Abstentions: None Absent: Hobbs Recused: None</p>	<p><i>7b. Recommend approval of MOB Upgrades.</i></p> <p><i>7c Recommended approval of purchase of Stryker Platform</i></p>
8. ADJOURN TO CLOSED SESSION	Motion: To adjourn to closed session at 6:19pm.	<i>Adjourned to closed session at 6:19 pm.</i>
9. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT	Open session was reconvened at 7:40 pm. During the closed session, the Committee approved the Closed Session Minutes of the Finance Committee Meeting of September 26, 2016	
10. AGENDA ITEM 18: APPROVAL OF HOSPITALIST CALL COVERAGE AGREEMENT LG	<p>Motion: To approve the Hospitalist Call Coverage Agreement.</p> <p>Movant: Boyd Second: Juelis Ayes: Juelis, Zoglin, Chiu, Chow, Faust Noes: None Abstentions: None Absent: Hobbs Recused: None</p>	

11. AGENDA ITEM 19: FY17 FINANCE COMMITTEE PACING PLAN	<p>In January the Committee will cover Urology and Men's Health. The Committee would like staff to provide a standardized dashboard for the Service Line Reviews and an update on Bond financing and the strategy for how management plans for capital projects.</p> <p>Motion: To approve the Pacing Plan, but to standardize the dashboard for KPIs.</p> <p>Movant: Zoglin Second: Juelis Ayes: Juelis, Zoglin, Chiu, Chow, Faust Noes: None Abstentions: None Absent: Hobbs Recused: None</p>	
12. AGENDA ITEM 20 ADJOURNMENT	<p>Motion: To adjourn at 7:49 pm.</p> <p>Movant: Zoglin Second: Juelis Ayes: Juelis, Zoglin, Chiu, Chow, Faust Noes: None Abstentions: None Absent: Hobbs Recused: None</p>	<i>Meeting adjourned at 7:49pm.</i>

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



Dennis Chiu
Chair, Finance Committee