

**Minutes of the Open Session of the
Regular Meeting of the El Camino Hospital Board and
Wednesday, January 13, 2016
El Camino Hospital, 2500 Grant Road, Mountain View California
Conference Rooms E, F & G**

Director Lanhee Chen participated via teleconference from
The Ansonborough Inn, 21 Hasell Street, Charleston, SC 29401

Board Members Present

Lanhee Chen (joined at 9:05 pm)
Dennis Chiu
Jeffrey Davis, MD(arrived at 5:31pm)
Peter Fung, MD
Julia Miller
David Reeder
Tomi Ryba (arrived at 5:31pm)
John Zoglin

Board Members Absent

Neal Cohen

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ROLL CALL	The Open Session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:30 p.m. by Vice Chair Dennis Chiu. A verbal roll call was taken. Directors Chen, Davis, Ryba and Cohen were absent. Directors Davis and Ryba arrived at 5:31pm.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Chiu asked if any Board members may have a conflict of interest on any of the items on the agenda. No conflicts were noted.	
3. BOARD RECOGNITION	Vice Chair Chiu continued consideration of Resolution 2016-01 until the February 10, 2016 meeting.	<i>Resolution 2016-01 continued</i>
4. AGENDA ITEM 31 - BOARD COMMENTS	Director Miller presented a check in the amount of \$20,000 payable to the El Camino Hospital Foundation from ECH friends and donors Mike and Maryellen Fox. Director Ryba expressed her gratitude to Director Miller and to Mr. and Mrs. Fox. Director Reeder commented that the Foundation has raised \$25 million through Period 5 FY16 and is on pace with last year, which was a record year. He advised the Board that the Foundation's major fund raising events Norma's Literary Lunch (2/4/16) and the Sapphire Soiree (5/21/16) as well the South Asian Heart Center's Scarlet Nights fundraiser (3/19/16) are coming up.	
5. ADJOURN TO CLOSED SESSION	Motion: To adjourn to closed session at 5:37 pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session Hospital Board Meeting (11-4-15 and 11-11-15)); and pursuant to <i>Gov't Code Section 54956.8</i> for a conference with real estate	

	negotiator Ken King regarding real property (APN 702-02-55 and 702-02-56): Land Acquisition.	
6. RECONVENE OPEN SESSION	Open Session was reconvened at 6:30 pm. During the closed session, the Board approved the Closed Session Minutes of the Special Meeting of the Hospital Board to Conduct a Study Session Hospital of November 4, 2015 the Regular Meeting of the Hospital Board of November 11, 2015 by a vote of seven Board members in favor (Chiu, Davis, Fung, Miller, Reeder, Ryba and Zoglin) and two absent (Chen and Cohen).	
7. AGENDA ITEM 10 – LAND ACQUISITION	<p>Ken King, CASO, reported on management's efforts over the past year to locate property available for purchase that would provide for future growth opportunities to fulfill ECH's strategic objective to expand its community based services to the broader Silicon Valley. He noted that the populations of both Santa Clara County and the City of San Jose are expected to grow significantly by 2040 which will support expansion of services into South San Jose.</p> <p>Mr. King described two adjacent parcels that ECH has secured an opportunity to purchase and explained that the City of San Jose has approved a lot line adjustment with respect to the parcels and the seller's retained property.</p> <p>Iftikhar Hussain, CFO, reported that reasons to expand outside the El Camino Healthcare District included increasing volumes will enable ECH to continually improve quality, as well as improve financial results for the enterprise.</p> <p>Mr. King requested that the Board approve the purchase of the real property as presented. Vice Chair Chiu invited public comment. There was none.</p> <p>The Directors discussed the need to purchase the land to build clinical programs responsive to community needs, that ECH has a tradition of providing high quality care that attracts patients from both the District and throughout the South Bay, and how purchasing the Los Gatos campus has been financially beneficial to the enterprise. The Directors also discussed the importance of approving the purchase to fulfill ECH's strategy to serve the community as well as the importance of ensuring that only funds from ECH operations (not District tax revenues) be used to purchase the land or operate programs there.</p>	<i>Land acquisition approved, not to exceed \$24.1 million</i>

	<p>Motion: To approve the acquisition of 15.83 acres of undeveloped land in South San Jose on Santa Teresa Boulevard between San Ignacio Avenue and Great Oaks Boulevard (APN's 702-02-55 and 701-02-56) at a cost not to exceed \$24.1 million, including a 2% brokers' fee and due diligence expenses.</p> <p>Movant: Reeder</p> <p>Second: Davis</p> <p>Ayes: Chiu, Davis, Fung, Miller, Reeder, Ryba and Zoglin</p> <p>Noes: None</p> <p>Abstentions: None</p> <p>Absent: Chen and Cohen</p> <p>Recused: None</p>	
<p>8. AGENDA ITEM 11 – QUALITY COMMITTEE REPORT</p>	<p>Director Reeder, Chair of the Quality, Patient Care, and Patient Experience Committee, reported that the Committee received a report indicating that additional staff has been added in the pharmacy to address medication errors which are being reviewed weekly by the medication safety committee. The committee also received a report about patient falls which are not increasing.</p> <p>He also reported that the Committee will begin to focus more on the Patient and Family Centered Care ("Big Dot") project once iCare has reached stabilization in the next few months and will also be reviewing the Medical Staff Peer Review Process.</p>	
<p>9. AGENDA ITEM 12 – FINANCIAL REPORT PERIOD 5 FY16</p>	<p>Iftikhar Hussain, CFO, reported that, in the month of November, ECH's operating margin was \$7 million behind budget, but that early December numbers reflect a recovery of \$3 million. He further reported that revenues remain strong, but expenses are higher than budgeted related to variances in supply costs, non-recurring direct labor costs for iCare and inability to achieve planned efficiency/productivity goals during iCare implementation. He also reported that the hospital's cash position is strong and days in AR came down in November, went back up in December, and are stabilized in January. In response to Board members' questions, he reported that the \$7.8 million investment losses (YTD) include both realized and unrealized losses.</p> <p>Director Zoglin requested that the Board be provided with Capital Budget vs. Capital Spend for FY 11, 12, 13, 14 and 15.</p>	<p><i>Period 5 FY16 Financials Approved</i></p>

	<p>Motion: To approve the FY16 Period 5 Financial Report Movant: Ryba Second: Miller Ayes: Chiu, Davis, Fung, Miller, Reeder, Ryba and Zoglin Noes: None Abstentions: None Absent: Chen and Cohen Recused: None</p>	
<p>10. AGENDA ITEM 13 – iCARE UPDATE</p>	<p>Director Reeder, Chair of the iCare Ad Hoc Committee, reported that the iCare computer system is working well, but there are issues with process and work flow changes that are still being addressed. He also reported that operating costs are above budget, capital costs are lower than budget, the contingency will be at least partially used and stabilization of the system is projected for 3/1/16.</p> <p>Director Reeder further reported that clinical documentation is being done correctly, but not meeting all timelines, and physician order entry and medical reconciliation are better than target. In response to Director Miller’s question, Madeleine Fackler, iCare Consultant, commented that the number of open work orders is usual and decreasing. Director Fung requested that management consider facilitating better communication about which physicians are using order sets.</p>	
<p>11. AGENDA ITEM 14 – BOARD AND COMMITTEE MINUTES CONTENT</p>	<p>Director Zoglin commented that not including the discussion of each of the members in the Board and Committee minutes disadvantages the public and the Board with respect to future decision making, and that it is important to summarize the positions of each Board member in the minutes</p> <p>At Vice Chair Chiu’s request, Cindy Murphy, Board Liaison reported that she supports the new guidelines for Board and Committee Minutes content. She noted that there are several matters to consider including staff time required to repeatedly review meeting tapes in order to accurately quote members. Ms. Murphy noted that the purpose of recording minutes is to reflect information reported to the Board by management that would have served as a basis for decision making, to record what action the Board took and to record what follow-up information or management action the Board requested.</p> <p>Mary Rotunno, General Counsel, confirmed Ms. Murphy’s report regarding the purpose of the minutes as</p>	

	<p>the necessary components of the legal record and further commented that, in her experience, Boards do not record the discussions.</p> <p>In response to Director Chiu's question, Ms. Murphy reported that all Board meeting videotapes are archived on the website and that committee meeting audio tapes are destroyed as soon as the minutes are complete. The Board requested that staff prepare a draft policy for its consideration regarding retention of open session Board meeting videotapes.</p> <p>Other Board members commented that they are satisfied with the current level of detail reported in the minutes.</p> <p>The Board did not take any action.</p>	
12. PUBLIC COMMUNICATION	<p>Mr. Geoffrey Mangers asked Vice Chair Chiu whether he planned to run for office again, commented that he is a strong supporter of good mental health care and described penalties for HIPAA privacy violations.</p>	
13. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn the Open Session to Closed Session at 7:28 p.m. pursuant to <i>Health and Safety Code Section 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code Section 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Organizational Clinical Risks; pursuant to <i>Gov't Code Section 54957.6</i> conference with labor negotiator Kathryn Fisk: Labor Relations Update; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secrets: Strategic Update; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret: Long Term Financial Forecast; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret: Ad Hoc Committee Planning: Structure and Duration; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret, <i>Gov't Code Section 54956.9(d)(2)</i> for conference with legal counsel – pending or threatened litigation, and <i>Govt. Code Section 54957</i> for discussion and report on personnel performance matters: CEO Report; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret: Urology Call Panel; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret: Surgical Robot Purchase; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report involving</p>	<p><i>Motion to Adjourn to Closed Session approved</i></p>

	<p>health care facility trade secret: Pacing Plan; and pursuant to <i>Govt. Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p>Movant: Fung Second: Miller Ayes: Chiu, Davis, Fung, Miller Reeder, Ryba and Zoglin Noes: None Abstentions: None Absent: Chen and Cohen Recused: None</p>	
14. AGENDA ITEM 26 – RECONVENE OPEN SESSION/REPORT OUT	<p>Open Session was reconvened at 9:47 pm</p> <p>Agenda Items 17 - 25 were handled in closed session.</p> <p>During the closed session, the Board approved The Minutes of the Medical Staff Executive Committee Meeting of October 22, 2015 and the Credentials and Privileges Report of December 10, 2015 by a vote of seven Board members in favor (Chiu, Davis, Fung, Miller, Reeder, Ryba and Zoglin) and two absent (Chen and Cohen).</p>	
1 AGENDA ITEM 27 – CONSENT CALENDAR	<p>Vice Chair Chiu asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Reeder requested that item 27m “Primary Care Centers” be removed and Cindy Murphy, Board Liaison, requested that item 27a “Board meeting Minutes of November 4, 2015 and November 11, 2015” be removed.</p> <p>Motion: To approve consent calendar items 27b through 27l and 27n: Appointment of Foundation Board Member (R. Ahuja); Report on Educational Activity (J. Miller); Draft Revised ECH Bylaws Article IV, Sections 4.5 and 4.6; Consent to Action Amending Silicon Valley Medical Development LLC Articles of Organization and Operating Agreement; Advisory Committee Appointments; Reviewed and Recommended for Approval by the Executive Compensation Committee; Letter of Rebuttable Presumption; The Following Policies: Information Security Management, Access Control, Risk Management, Security Policy, Leadership Policy, Outside Services Providers, Receipt Summons and Complaint and Legal Documents, Confidentiality, Corporate Compliance Hotline, Code of Ethics, Government Investigations, Internal Investigations, Gifts and Business Courtesies From Vendors or Provided to Non Referral Sources, Gifts and Business Courtesies to Physicians; Gifts from Patients and Families, Direct</p>	Consent Calendar Approved

Patient Care Services Contractual Agreements, Use of Social Network Mediums by Employees, Confidentiality Form; Conflict of Interest, Charitable Donations to Outside Organizations, Identity Theft Misidentification Prevention, Code Definitions- FAS Paging Codes, Performance Improvement Plan, Work Group Responsibilities, Code Triage, Bioterrorism Response Preparedness, Mass Casualty Decontamination Plan, Administrative Authority to Activate and Terminate HICS, Evacuation Plan and Alternative Care, Regulatory Agency Notification, Exercises, Communications Plan, Supply and Equipment Plan, Emergency- Utility Failure Plan, Emergency- Drinking Water Supply; Employees' Responsibility for Emergency; Disaster Staffing Needs: Off Duty Employees, Volunteers and Physician Staffing, Volunteer Credentialing Policy for Use in Major Disaster, Plan for Medical Staff Office, Disaster Financial Recovery Tracking Plan, Response to Anthrax, Hazardous Material Exposure- Shelter In Place Emergency Operations Plan, Hospital Command Center, Emergency Coordination Plan- Key Area, Coordination with City, County and State, Security Plan, National Disaster Medical System, Food Service Plan, Food and Supplies Storage Locations, Dependent and Family Care Plan, Pet Care Plan, Plan for Auxiliary and Volunteers, Plan for Chaplaincy Services, Patient Discharge- Transfer Plan, Patient Registration and Tracking, Charge Entry Policy and Value Analysis Policy; Urology Call Panel; Surgical Robot Purchase and Medical Staff Report.

Movant: Ryba

Second: Miller

Ayes: Chen, Chiu, Davis, Fung, Miller, Reeder, Ryba and Zoglin

Noes: None

Abstentions: None

Absent: Cohen

Recused: None

27m – Primary Care Centers


In response to Director Reeder's question, Richard Katzman, CSO, explained that staff is requesting approval of the five clinics, which will have approximately five physicians in each clinic, developed over a three year period. Ms. Rotunno noted that the approval request includes the first physician contract and that subsequent physician contracts that are in excess of \$250,000/year will come to the Board for approval. Michelle McGowen, Senior Director of Strategic

	<p>Planning, explained that the request also includes \$5 million for tenant improvements for the five clinics. Ms. McGowen also reported that the Finance Committee voted to recommend approval of the request.</p> <p>Some of the Board members expressed unwillingness to approve funding for all five clinics at once and commented that they would be more comfortable with a staged approach of approval and development. Ms. Ryba said that management would be agreeable to obtaining approval of just the funding for the first clinic and the first physician contract.</p> <p>Motion: To approve \$1million for the establishment of the first clinic in addition to the compensation arrangement for the first physician for three years not to exceed \$370,000 per year.</p> <p>Movant: Ryba Second: Miller Ayes: Chen, Chiu, Davis, Fung, Miller, Reeder, Ryba and Zoglin Noes: None Abstentions: None Absent: Cohen Recused: None</p> <p><u>27a – Board Minutes of November 4, 2015 and November 11, 1015</u></p> <p>Ms. Murphy reported that Director Zoglin had requested clarification of Section 5 in the Minutes of November 11, 2015 and she recommended that the words “of total community benefit” be added after “5%” in the fourth full paragraph on page 3.</p> <p>Motion: To approve consent calendar item 27a Minutes of the Open Session of the Hospital Board Meetings of November 4, 2015 and November 11, 2015 as amended.</p> <p>Movant: Zoglin Second: Miller Ayes: Chen, Chiu, Davis, Fung, Miller, Reeder, Ryba and Zoglin Noes: None Abstentions: None Absent: Cohen Recused: None</p>	
<p>1 AGENDA ITEM 28 – AD HOC COMMITTEE PLANNING</p>	<p>Motion: To discontinue the Strategy Ad Hoc Committee. Movant: Ryba Second: Reeder</p>	<p><i>Strategy Ad Hoc Committee Discontinued.</i></p>

	<p>Ayes: Chen, Chiu, Davis, Fung, Miller, Reeder, Ryba, and Zoglin Noes: None Abstentions: None Absent: Cohen Recused: None</p>	
<p>17. AGENDA ITEM 29 – DRAFT RESOLUTION 2016-02 AUTHORIZING THE CEO TO EXECUTE ON-CALL AGREEMENT WITH PETER C. FUNG, MD</p>	<p>Director Fung recused himself from the meeting. Motion: To approve Resolution 2016-02 authorizing the CEO to execute an ED on call agreement with Peter C. Fung, MD. Movant: Ryba Second: Miller</p> <p>Mary Rotunno, General Counsel, advised the Board that the motion should be reworded to adopt a finding in accordance with the Government Code. Director Ryba withdrew her motion. Motion: To approve Resolution 2016-02 finding that Peter C. Fung MD’s stroke and neurology on–call panel agreement is fair and in the best interests of the Hospital. Movant: Ryba Second: Miller</p> <p>In response to Director Zoglin’s and Director Chiu’s questions, Ms. Rotunno reported that Director Fung is compensated at the same rate as the other physicians on the call panel. She reported that the per diem rate at the Mountain View campus is \$1040/day (9 physicians on the call panel) and at the Los Gatos Campus the per diem rate is \$624/day (5 physicians on the panel). Physicians are not permitted to be on call at both campuses on the same day. She also reported that she believed that assignments are made equitably, but was not sure precisely how the assignments are made or who might influence the assignment.</p> <p>The Directors ensued in a discussion about conflicts or undue influence that may arise from the nature of the on-call arrangement and scheduling assignments to the panel. Director Reeder suggested, in order not to disrupt service to patients, provisionally approving the Resolution, with the condition that further information regarding scheduling assignments to the panel be provided to the Board at the next Board meeting. Director Ryba withdrew her motion. Motion: To approve Resolution 2016-02 finding that Peter C. Fung MD’s stroke and neurology on–call panel agreement is fair and in the best interests of the Hospital</p>	

	<p>pending confirmation that the conflict issues that have been raised will be addressed and the General Counsel will provide further information at the February Board meeting.</p> <p>Movant: Reeder Second: Davis</p> <p>Following the motion, Director Zoglin commented that his concerns are not about Director Fung serving as a physician on the panel, but that is very important that the community, including the physician community, be assured that there is no conflict and the Board is not trying to burden them with undue interference by a Board member.</p> <p>Ayes: Chen, Chiu, Davis, Miller, Reeder, Ryba, and Zoglin Noes: None Abstentions: Zoglin Absent: Cohen Recused: Fung</p>	
18. AGENDA ITEM 30 – INFORMATIONAL ITEMS	Director Fung did not return to the meeting. In response to Director Reeder's question, Director Davis described the RFP process being used by the Executive Compensation Committee to consider the possible selection of a new Executive Compensation Committee Consultant	
19. AGENDA ITEM 31 – BOARD COMMENTS	This item was considered previously (out of order).	
20. AGENDA ITEM 32 – ADJOURNMENT	<p>Motion: To adjourn at 10:25 pm. Movant: Miller Second: Davis Ayes: Chen, Chiu, Davis, Miller, Reeder, Ryba, and Zoglin Noes: None Abstentions: None Absent: Cohen, Fung Recused: None</p>	<i>Motion to Adjourn Approved</i>

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Hospital:


Neal Cohen, MD
Chair, ECH Board


Peter C. Fung, MD
ECH Board Secretary

pared by: Cindy Murphy, Board Liaison