

**Minutes of the Joint Meeting of the
El Camino Hospital Board of Directors
and the Finance Committee**

Tuesday, May 31, 2016

**El Camino Hospital, 2500 Grant Road, Mountain View California
Conference Rooms E, F & G**

Board Members Present

Lanhee Chen
Dennis Chiu
Neal Cohen
Jeffrey Davis, MD
Peter C. Fung, MD
Julia Miller
David Reeder
Tomi Ryba
John Zoglin

Members Absent

None

Members Excused

None

Committee Members Present

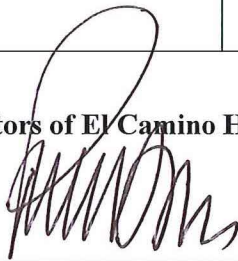
Dennis Chiu
William Hobbs
Richard Juelis
John Zoglin

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER	The Joint Session meeting of the Board of Directors of El Camino Hospital (the "Board") and the Finance Committee (the "Committee") was called to order at 5:30 pm by Chair Cohen.	
2. ROLL CALL	Roll call was taken. All Board and Committee members were present with the exception of William Hobbs who joined the meeting by telephone at 5:42 pm. Richard Juelis also participated by telephone. Director Fung left immediately after the meeting convened to attend to a patient emergency at the Los Gatos Campus.	
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Director Cohen asked if any Board or Committee member may have a conflict of interest on any of the items on the agenda. No conflicts were noted.	
4. FY 17 OPERATING AND CAPITAL BUDGET	<p>Tomi Ryba, CEO, reviewed the Proposed FY17 Strategic Themes and Strategic priorities as presented in the Board's materials. She also explained the Proposed FY17 Organizational Goals.</p> <p>Iftikhar Hussain, CFO, reported that the proposed FY17 budget provides for a 4.8% increase in net revenue and a 3.1% increase in total expenses compared to FY16. He explained that the increase in net revenue will come from a 6.0% increase in ECH pricing (remains at 35thile), 22% increase in Medi-Cal, 9.4% rate decrease in Medicare accounts and inpatient and outpatient volume increases. Expenses for group health and dental as well as pharmaceutical and medical supplies are expected to increase. Mr. Hussain also reported that he expects the operating margin to improve in FY17 because there will be no iCare go-live costs.</p> <p>Ms. Ryba described the Integrated Performance Improvement approach management will be using to review budget to actual on a monthly basis in FY17 and explained that every</p>	

	<p>department has 2-3 KPI's they are responsible for addressing if out of variance by a defined %. She indicated that a report on results will initially be brought to the Board monthly then perhaps quarterly.</p> <p>Director Zoglin commented that management needs to be more aggressive on managing increases in FTE's and to focus less through the lens of the hospital and more on continuum services, and requested more tracking on inpatient vs. outpatient. Director Zoglin also requested an explanation for substantial decrease in marketing budget for FY17 and Ms. Ryba agreed to follow-up with that information.</p> <p>The Board and Committee members discussed the importance of (1) managing not just the number of hires, but the skill mix and full-time in favor of part-time status; (2) managing productivity at the front-line level of the organization; (3) the 4% projection on investment returns; and using FY17 as a trajectory for a less hospital centric budget in FY18.</p>	
<p>5. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:45 pm.</p> <p>Movant: Chen Second: Davis Ayes: Chen, Chiu, Cohen, Davis, Hobbs, Juelis, Miller, Reeder, Ryba, Zoglin Nays: None Abstain: None Recused: None Absent: Fung</p>	
<p>6. RECONVENE OPEN SESSION/REPORT OUT</p>	<p>The Board did not take any action during the closed session.</p>	
<p>7. ADJOURNMENT</p>	<p>Motion: To adjourn the meeting at 7:07 pm. Movant: Miller Second: Chiu Ayes: Chen, Cohen, Chiu, Davis, Hobbs, Juelis, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	<p><i>Meeting adjourned at 7:07 pm.</i></p>

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


 Neal Cohen, MD
 Chair, ECH Board


 Peter C. Fung, MD
 ECH Board Secretary


 Dennis Chiu
 Chair, ECH Finance Committee