

AGENDA
MEETING OF THE EL CAMINO HOSPITAL BOARD
Wednesday, September 14, 2016 – 5:30 pm
 Conference Rooms E, F & G (ground floor)
 2500 Grant Road, Mountain View, CA 94040

John Zoglin will be participating via teleconference from Hotel Atacama Suites, Colipi 794, Copiapó, III Región, Chile

MISSION: To be an innovative, publicly accountable, and locally controlled comprehensive healthcare organization which cares for the sick, relieves suffering, and provides quality, cost competitive services to improve the health and well-being of our community.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER / ROLL CALL	Neal Cohen, MD, Board Chair		5:30 – 5:32 pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Neal Cohen, MD, Board Chair		5:32 – 5:33
3. BOARD RECOGNITION <i>Resolution 2016-08</i> The Board will recognize individual(s) who enhance the experience of the Hospital's patients and the community. ATTACHMENT 3	Cheryl Reinking, CNO	<i>public comment</i>	motion required 5:33 – 5:38
4. FY16 ORGANIZATIONAL GOAL ACHIEVEMENT ATTACHMENT 4	Mick Zdeblick, COO	<i>public comment</i>	motion required 5:38 – 5:43
5. FY17 ORGANIZATIONAL GOAL METRICS ATTACHMENT 5	Mick Zdeblick, COO	<i>public comment</i>	motion required 5:43 – 5:48
6. RESOLUTION 2016-09 <i>Resolution 2016-09</i> Regarding Extension of Letter of Credit Related to Series 2009A Revenue Bonds ATTACHMENT 6	Iftikhar Hussain, CFO	<i>public comment</i>	motion required 5:48 – 5:53
7. QUALITY COMMITTEE REPORT ATTACHMENT 7	Dave Reeder, Quality Committee Chair		information 5:53 – 5:58
8. INVESTMENT COMMITTEE REPORT ATTACHMENT 8	Jeff Davis, Investment Committee Member		information 5:58 – 6:03
9. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed 3 minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Neal Cohen, MD, Board Chair		information 6:03– 6:06
10. ADJOURN TO CLOSED SESSION	Neal Cohen, MD, Board Chair		motion required 6:06 – 6:07

A copy of the agenda for the Regular 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		ESTIMATED TIMES
11. CALL TO ORDER	Neal Cohen, MD, Board Chair		6:07 – 6:08
12. CONSENT CALENDAR <i>Any Board Member may remove an item for discussion before a motion is made.</i> <i>Gov't Code Section 54957.2.</i> a. Minutes of the Closed Session of the Hospital Board Meeting (August 10, 2016) b. Minutes of the Closed Session of the Hospital Board Meeting (August 27, 2016) <i>Gov't Code Sections 54957 and 54957.6 for a report involving personnel matters.</i> c. VP, Corporate & Community Health Services & President, CONCERN:EAP FY17 Incentive Goal Revision	Neal Cohen, MD, Board Chair		motion required 6:08 – 6:10
13. Report of the Medical Staff. <i>Health and Safety Code Section 32155.</i> Deliberations concerning reports on Medical Staff quality assurance matters: - Medical Staff Report	Rebecca Fazilat, MD, Mountain View Chief of Staff; J. Augusto Bastidas, MD, Los Gatos Chief of Staff		motion required 6:10 – 6:20
14. Report of the Medical Staff. <i>Health and Safety Code Section 32155.</i> Deliberations concerning reports on Medical Staff quality assurance matters: - Organizational Clinical Risks	Daniel Shin, MD, Director of Quality Assurance		discussion 6:20 – 6:30
15. <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: - Review of Physician Contracts	Daniel Shin, MD, Director of Quality Assurance; Will Faber, MD, CMO		discussion 6:30 - 6:35
16. <i>Gov't Code Section 54957.6</i> for a conference with labor negotiator Kathryn Fisk. - Labor Relations Update	Kathryn Fisk, CHRO		possible motion 6:35 – 6:45
17. <i>Gov't Code Section 54956.9(d)(2)</i> for a report involving conference with legal counsel – pending or threatened litigation: - FY16 Compliance Program Summary	Diane Wigglesworth, Sr. Director of Corporate Compliance; Mary Rotunno, General Counsel		possible motion 6:45 – 6:55
18. Discussion involving <i>Gov't Code Section 54957 and 54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for report involving health care facility trade secrets: - Informational Items	Tomi Ryba, President and CEO		discussion 6:55 – 6:58
19. Discussion involving <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secrets: - Strategic Priorities	Tomi Ryba, President and CEO		discussion 6:58 – 7:58

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
20. <i>Gov't Code Section 54956.8</i> - conference with real estate negotiator Ken King regarding property (APN 279-08-017) - Real Estate Lease	Ken King, CASO		possible motion 7:58 – 8:08
21. Discussion involving <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secrets: - El Camino Ambulatory Surgery Center Transaction	Iftikhar Hussain, CFO; Mary Rotunno, General Counsel		discussion 8:08 – 8:23
22. Discussion involving <i>Gov't Code Section 54657</i> and <i>54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for report involving health care facility trade secrets: - Proposed FY16 CEO Incentive Compensation Payout Amount	Lanhee Chen, Executive Compensation Committee Chair		information 8:23 – 8:28
23. Discussion involving <i>Gov't Code Section 54657</i> and <i>54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for report involving health care facility trade secrets: - Proposed FY17 CEO Salary Range	Lanhee Chen, Executive Compensation Committee Chair		discussion 8:28 – 8:38
24. Report involving <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters and <i>Health and Safety Code 32106(b)</i> for report involving health care facility trade secrets: - Interim CEO Search Ad Hoc Committee Report a. Recommendation Regarding Appointment of Interim CEO b. Appointment of CEO Search Ad Hoc Committee c. Retention of CEO Search Recruitment Firm	Lanhee Chen, Chair of Interim CEO Search Ad Hoc Committee; Kathryn Fisk, CHRO		possible motion(s) 8:38 – 9:38
25. Report involving <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: - Executive Session	Neal Cohen, MD, Board Chair		discussion 9:38 – 9:50
26. ADJOURN TO OPEN SESSION	Neal Cohen, MD, Board Chair		9:50 – 9:51
27. RECONVENE OPEN SESSION / REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Neal Cohen, MD, Board Chair		9:51 – 9:52

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
28. CONSENT CALENDAR ITEMS: <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i>	Neal Cohen, MD, Board Chair	<i>public comment</i>	motion required 9:52 – 9:55
<u>Approval</u> a. Minutes of the Open Session of the Hospital Board Meeting (August 10, 2016) b. Minutes of the Open Session of the Hospital Board Meeting (August 27, 2016) c. Draft Revised El Camino Hospital Foundation Bylaws d. Resolution 2016-10: Appointing Interim CEO Search Ad Hoc Committee e. Resolution 2016-11: Appointing CEO Search Ad Hoc Committee f. Physician Contracts - ED On-Call Neuro-Interventional Panel (MV) - ED On-Call Gastroenterology Panel (MV) <i>Reviewed and Recommended for Approval by the Corporate Compliance/Privacy and Internal Audit Committee</i> g. FY17 Internal Audit Work Plan <i>Reviewed and Approved by the Medical Executive Committee</i> h. Medical Staff Report <u>Information</u> i. FY17 Period 1 Financials			
29. RETENTION OF CEO SEARCH RECRUITMENT FIRM ATTACHMENT 29	Lanhee Chen, Chair of Interim CEO Search Ad Hoc Committee; Kathryn Fisk, CHRO	<i>public comment</i>	possible motion 9:55 – 9:57
30. APPROVAL OF SVMD PRIMARY CARE CLINIC AND PHYSICIAN CONTRACTS	Will Faber, MD, CMO; Jeff Gruer, Executive Director Business Development	<i>public comment</i>	possible motion 9:57 – 9:59
31. APPROVAL OF ECASC TRANSACTION	Iftikhar Hussain, CFO; Mary Rotunno, General Counsel	<i>public comment</i>	possible motion 9:59 – 10:01
32. PROPOSED FY16 CEO INCENTIVE COMPENSATION PAYOUT AMOUNT	Lanhee Chen, Executive Compensation Committee Chair	<i>public comment</i>	possible motion 10:01 – 10:03
33. PROPOSED FY17 CEO SALARY RANGE	Lanhee Chen, Executive Compensation Committee Chair	<i>public comment</i>	possible motion 10:03 – 10:05
34. INFORMATIONAL ITEMS a. CEO Report ATTACHMENT 34	Tomi Ryba, President and CEO		information 10:05 – 10:09
35. BOARD COMMENTS	Neal Cohen, MD, Board Chair		information 10:09 – 10:14
36. ADJOURNMENT	Neal Cohen, MD, Board Chair		motion required 10:14 – 10:15pm

Upcoming Meetings

- October 12, 2016
- October 26, 2016 (*Semi-Annual Board & Committee Educational Gathering*)
- November 9, 2016 (*Joint Meeting with Compliance Committee*)
- January 11, 2017

ATTACHMENT 3

EL CAMINO HOSPITAL BOARD

RESOLUTION 2016 - 08

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY

WHEREAS, the Board of Directors of El Camino Hospital values and wishes to recognize the contribution of individuals who enhance the experience of the hospital's patients, their families, the community and the staff, as well as individuals who in their efforts exemplify El Camino Hospital's mission and values.

WHEREAS, the Board wishes to honor and acknowledge the Orthopedic Institute at El Camino Hospital for their continued efforts to provide high-quality personalized care to patients undergoing orthopedic, joint, and spine procedures and their recent re-accreditation by The Joint Commission.

For a third consecutive time, the Orthopedic Institute was awarded The Joint Commission Disease-Specific Certifications for Hip Joint Replacement and Knee Joint Replacement. Los Gatos was also awarded certification for Spinal Fusion and Mountain View was awarded certification for Hip Fracture. The surveyor spent time in all departments where orthopedic patients are served, including the pre-op areas, operating room areas, and the orthopedic care units, and reviewed quality performance and patient satisfaction data.

The collaboration between physicians, nurses, care coordinators, occupational therapists, pharmacists, and physical therapists to ensure patients receive evidence-based, patient-centered care was recognized by the surveyor. The work of Orthopedic Program Coordinators, Debbie Smyth and Pamela Coye, to coordinate care and create order sets that work for various orthopedic procedures that all surgeons agreed on was also recognized.

In addition to achieving re-accreditation, the surveyor acknowledged the Orthopedic Institute's community outreach efforts and the Hospital's overall work to further improve patient-centered care.

WHEREAS, the Board would like to publically acknowledge the Orthopedic Institute for The Joint Commission accredited care they provide for patients with orthopedic, joint and spine conditions.

NOW THEREFORE BE IT RESOLVED that the Board does formally and unanimously pay tribute to:

Orthopedic Institute

FOR THEIR COMMITMENT TO PROVIDING EVIDENCE -BASED, PERSONALIZED CARE TO PATIENTS.

IN WITNESS THEREOF, I have here unto set my hand this **14TH DAY OF SEPTEMBER, 2016.**

EL CAMINO HOSPITAL BOARD OF DIRECTORS:

Lanhee Chen, JD, PhD
Dennis Chiu, JD
Neal Cohen, MD

Jeffrey Davis, MD
Peter Fung, MD
Julia Miller

David Reeder
Tomi Ryba
John Zoglin

PETER FUNG, MD
SECRETARY/TREASURER,
EL CAMINO HOSPITAL BOARD OF DIRECTORS



ATTACHMENT 4

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	FY16 Organizational Goal Achievement El Camino Hospital Board of Directors September 14, 2016
Responsible party:	Tomi Ryba, President and CEO Mick Zdeblick, COO
Action requested:	Motion Required
Background:	<ul style="list-style-type: none"> • The FY16 organizational goals for the Executive Performance Incentive Plan were approved by the Board prior to the beginning of the fiscal year. • Result data has been verified and reviewed by the Executive Leadership Team (ELT). • Organizational Goals account for 70% of executive performance pay, 90% of CEO's performance pay, and 50% of management staff's performance incentive pay. • Board approval of the score is dependent upon acceptance of the independent auditor's report.
Committees that reviewed the issue and recommendation, if any:	<ul style="list-style-type: none"> • The Executive Compensation Committee reviewed the goals and measurements.
Summary and session objectives :	<ul style="list-style-type: none"> • To review the organizational results against approved goals and measurements.
Suggested discussion questions:	<ul style="list-style-type: none"> • N/A
Proposed Committee motion, if any:	To approve the FY16 organizational goal scores.
Attachments:	<ol style="list-style-type: none"> 1. FY16 Scored Organizational Goals for Executive Performance Incentive Plan 2. Organizational Scores, 2010-2016

Recommendation regarding FY 2016 Organizational Score for Executive Performance Incentive Plan

Performance Measurement

Results and Scoring

Organizational Goals FY16	Benchmark	2015 ECH Baseline	Minimum	Target	Maximum	Weight	Evaluation Timeframe	Actual Year End	Performance Level Achieved	Weighted Score
Threshold Goals										
Joint Commission Accreditation	Standard Threshold	Full Accreditation	Full Accreditation			Threshold	FY 16	Full Accreditation	Met	N/A
Budgeted Operating Margin	90% threshold recommended by Exec Comp Consultant	Met	90% of Budgeted			Threshold	FY 16		Met	N/A
Patient Safety & iCare										
Achieve iCare Tier 1 Metric: Medication Reconciliation at Discharge	Epic Benchmark: 97% accuracy is 90%ile at stable state	May - Jun FY15 Actual	6 Months Post Go-Live: 60%	6 Months Post Go-Live: 75%	6 Months Post Go-Live: 90%	34%	May, 2016	97%	100%	34.0%
Achieve Medicare Length of Stay Reduction	Internal Improvement	Jan - June FY15 Actual for LOS: 5.17	.10 Day Reduction, Readmission at or below FY15	.20 Day Reduction, Readmission at or below FY15	.30 Day Reduction, Readmission at or below FY15	16.5%	Jan - Jun FY16	4.78 result. Reduction = 0.39 days	100%	16.5%
Maintain Current Readmission Rates for Same Population (One month delay for readmission- Based on Index Admit Date)	Internal Improvement	Jan - June FY15 Actual for Readmission: 12.67	Readmission at or below FY 15	Readmission at or below FY 15	Readmission at or below FY 15	16.5%	Jan - Jun FY16	11.50 (287/2496)	100%	16.5%
Smart Growth										
Achieve Enterprise Planned Growth (300 Discharges, 300 Outpatient Visits)	Internal Goal: 120 net, per each metric, is Threshold	FY15 Actual increase of 310 discharges and 145 procedures	80% (240/240)	100%	120% (360/360)	33%	FY 16	Decrease of 463 discharges and 660 procedures	0%	0.0%
TOTAL:						100%				67.0%

Percent of Maximum Achieved	67.0%
Percent of Target Achieved	100.5%

ORGANIZATIONAL PERFORMANCE INCENTIVE SCORES FY 2010-16
CONFIDENTIAL
Scores Reported as Percent of Maximum

Goal	Measure	FY 2016 Performance Incentive Goals	FY 2015 Performance Incentive Scores	FY 2014 Performance Incentive Scores	FY 2013 Performance Incentive Scores	FY 2012 Performance Incentive Scores	FY 2011 Performance Incentive Scores	FY 2010 Performance Incentive Scores
QUALITY AND PATIENT SAFETY								
Quality	Joint Commission Related Measures				89.00%			0.00%
Quality	Falls		100.00%	100.00%	100.00%			
Quality	HCAHPS Scores					66.70%		
Quality	Length of Stay	100.00%	0.00%	*	*	*	75.00%	
Quality	Readmissions	100.00%	0.00%	100.00%	0.00%	100.00%		
Safety	Pressure Ulcers					100.00%		
SERVICE AND EFFICIENCY								
Efficiency	ED Arrival to Admin			58.67%	80.00%			
Service	Patient Satisfaction/Service Metrics		87.40%	71.87%	44.00%		100.00%	100.00%
AFFORDABILITY								
Financial	Cost Saving Efforts						100.00%	
Financial	Operating Margin	Met Threshold	100.00%	100.00%	100.00%			0.00%
Growth	Discharges/Outpatient Visits	0.00%						40.00%
PEOPLE								
People	Biometrics			100.00%				
SYSTEMS								
Epic/iCare		100.00%	100.00%	100.00%				
Organizational Score		67.00%	63.60%	93.00%	71.00%	87.00%	93.00%	0.00%

Note: Hospital did not achieve financial trigger in FY 2010 and no payout was made

Seven Year Avg:

67.80%

ATTACHMENT 5

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	FY17 Organizational Goals El Camino Hospital Board of Directors September 14, 2016
Responsible party:	Mick Zdeblick, COO
Action requested:	Approval, see two options below
Background: <p>With the exception of some of the metrics, the FY2017 Organizational Goals were approved by the Board in June 2016 following recommendation by the Finance Committee, the Executive Compensation Committee and the Quality Committee. The metrics for the Pain Management goal have continued to be developed with extensive engagement from the Quality Committee. The metrics for one half of this goal, the HCAPHS Pain Patient Satisfaction goal, has been supported by the Committee. The other half of the goal, Pain Reassessment, was discussed at the August 29th Quality Committee with the following comments: 1) general support for the Pain Reassessment definition, 2) general support for the measurement period to be Q4, FY17, and 3) the Committee challenged the Pain Reassessment minimum, target, and maximum goals of 60%, 70%, and 90% proposed by management. The challenge was that current performance of 56% is pretty close to the minimum goal, therefore, management was asked to reassess the minimum and target goal for Pain Reassessment.</p>	
Board Advisory Committee(s) that reviewed the issue and recommendation, if any: <p>On August 29th, the Quality Committee reviewed and supported the LOS & Readmission goal as presented. At that same Quality Committee meeting, the Pain Reassessment goal was discussed and management was asked to revise the minimum and target goals. Management is recommending the goals be revised to 75%, 80%, and 90% (Min, Target, Max). The attached Draft FY17 Organizational Goals incorporates these changes.</p>	
Summary and session objectives : <ul style="list-style-type: none"> • Option 1: Approve the goals as presented. Revised goals incorporated the Quality Committee comments. • Option 2: Defer approval until the Quality Committee has reviewed the latest recommendation. The Quality Committee meets on October 3rd; therefore the final organizational goals could be approved at the October 12th Board meeting. 	
Proposed board motion, if any: <p>Option 1: To approve the FY17 Organizational Goals as presented.</p> <p>Option 2: To defer approval until the October Board Meeting.</p>	
LIST OF ATTACHMENTS: Draft FY17 Organizational Goals	

ECH FY17 Organizational Goals

DRAFT

Organizational Goals FY17		Benchmark	2016 ECH Baseline	Minimum	Target	Maximum	Weight	Performance Timeframe
Threshold Goals								
Budgeted Operating Margin		90% threshold <i>[Recommended by Exec Comp Consultant (FY16)]</i>	TBD	90% of Budgeted			Threshold	FY 17
Quality, Patient Safety & iCare								
Quality Pain Management	Pain Reassessment (%) Pain Reassessment Documented within 60 min on RN Flowsheet)	Internal Improvement	56%	75%	80%	90%	34%	Q4 FY17
	Pain Patient Satisfaction (CMS HCAPHS Pain Management % Scored Top Box)	Internal Improvement	72.9% <i>FY 2016 Q1 - Q3 [9-month measurement]</i>	73%	74%	76%		
LOS & Readmission	Achieve Medicare Length of Stay Reduction while Maintaining Current Readmission Rates for Same Population	Internal Improvement	FY16 Max Goal 4.86 LOS Readmission Target 12.39%	4.81 .05 Day Reduction from FY16 Max, Readmission at or below FY16 Target	4.76 .10 Day Reduction from FY16 Max, Readmission at or below FY16 Target	4.66 .20 Day Reduction from FY16 Max, Readmission at or below FY16 Target	33%	FY17
Smart Growth								
Achieve budgeted inpatient growth (surgical and procedural cases plus Deliveries and NICU), and budgeted outpatient growth (surgical and procedural cases plus infusion).		Internal Documentation	TBD	99% of Budgeted Volume	100% of budgeted Volume	102% of Budgeted Volume	33%	FY 17

ATTACHMENT 6

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Draft Resolution 2016-09 – Extension of Letter of Credit El Camino Hospital Board of Directors September 14, 2016
Responsible party:	Iftikhar Hussain, CFO
Action requested:	For Approval
<p>Background:</p> <p>As part of El Camino Hospital’s Plan of Finance, the Hospital is the borrower of the proceeds of the 2009A tax-exempt bonds in the amount of \$50,000,000 (“2009A Bonds”). The 2009A Bonds are variable interest rate bonds where the interest rate is reset weekly. The Bond Owners have the option to tender to the Remarketing Agent some or all of the 2009A Bonds each week. A requirement of the 2009A Bonds is that a credit facility be available to the Remarketing Agent to provide funding to purchase tendered 2009A Bonds and to purchase all 2009A Bonds in certain circumstances.</p> <p>Since the 2009A Bonds were issued, Wells Fargo Bank has provided the credit facility in the form of a Letter of Credit in the amount of \$50,000,000. The expiration date of the Letter of Credit is now April 6, 2017.</p> <p>So long as the remaining term of the Letter of Credit is less than one year, the amount owed on the 2009A Bonds is classified as short-term debt for accounting purposes. Moreover, on the expiration date, if a new credit facility has not been substituted as provided in the Bond Indenture, then the full amount of the 2009A Bonds would be due.</p>	
<p>Board Advisory Committee(s) that reviewed the issue and recommendation, if any:</p> <p>None.</p>	
<p>Summary and session objectives : To obtain approval of Draft Resolution 2016-09</p>	
<p>Suggested discussion questions: None</p>	
<p>Proposed board motion, if any: To Approve Draft Resolution 2016-09</p>	
<p>LIST OF ATTACHMENTS:</p> <p>Draft Resolution 2016-09</p>	

EL CAMINO HOSPITAL

RESOLUTION 2016-09

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL IN CONNECTION WITH THE SECOND AMENDMENT AND EXTENSION OF THE SERIES 2009A LETTER OF CREDIT WITH RESPECT TO AN OBLIGATION INCURRED BY EL CAMINO HOSPITAL IN CONNECTION WITH CERTAIN VARIABLE RATE REVENUE BONDS ISSUED BY THE SANTA CLARA COUNTY FINANCING AUTHORITY IN THE AMOUNT OF \$50,000,000; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF THE SECOND AMENDMENT AND EXTENSION OF THE SERIES 2009A LETTER OF CREDIT AND OTHER DOCUMENTS IN CONNECTION THEREWITH AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS.

WHEREAS, on November 8, 2006, the Board of Directors (“Board”) of El Camino Hospital (“Hospital”) duly passed and adopted Resolution 2006-13, as amended from time to time, approving a plan to obtain long-term financing for costs of the Hospital’s major facilities renovation and replacement project (the “Plan of Finance”);

WHEREAS, pursuant to the Plan of Finance, the Hospital would borrow the proceeds of the sale of tax-exempt insured revenue bonds in an aggregate principal amount not to exceed \$250 million from the Santa Clara County Financing Authority, a joint exercise of powers authority (“Authority”) in two separate transactions, the first installment issued in 2007 in the aggregate principal amount of \$150 million, and the second in the approximate principal amount of \$100 million, the proceeds of such bonds to be loaned to the Hospital;

WHEREAS, on March 27, 2007, the Santa Clara County Financing Authority, a joint exercise of powers authority (“Authority”) issued and sold the first installment of tax-exempt revenue bonds in the aggregate principal amount of one hundred fifty million dollars (\$150,000,000) (the “2007 Bonds”) as contemplated by the Plan of Finance, consisting of variable-rate bonds bearing interest at fluctuating rates set by periodic auctions, such variable-rate bonds to be hedged with a “forward starting swap” to manage a part of the risk of the increase in interest expense;

WHEREAS, a swap agreement was entered into with Citibank, National Association, dated as of March 7, 2007, which included three confirmations in the notional amount of fifty million dollars (\$50,000,000) each, and each later amended and restated as of March 15, 2008 (two of such swaps have since been terminated and one swap is currently outstanding);

WHEREAS, on May 15, 2008, the Authority remarketed the 2007 Bonds, converting the 2007 Bonds from variable-rate bonds bearing interest at fluctuating rates set by periodic auctions to a fixed rate mode;

WHEREAS, on January 14, 2009 the Board authorized the Hospital to structure the second installment of tax-exempt revenue bonds, to be issued by the Authority in the aggregate

principal amount of one hundred million dollars (\$100,000,000) so that up to one hundred percent (100%) of the bonds may be variable-rate bonds;

WHEREAS, on March 17, 2009 the Board approved the second installment of tax-exempt revenue bonds, to be issued by the Authority in the aggregate principal amount of fifty million dollars (\$50,000,000) of variable rate revenue bonds.

WHEREAS, on April 7, 2009, the Authority issued and sold tax exempt revenue bonds in the aggregate principal amount of fifty million dollars (\$50,000,000) (the "2009A Bonds") as contemplated by the Plan of Finance, consisting of variable rate bonds.

WHEREAS, the obligations of the Hospital with respect to the 2009A Bonds were evidenced and secured by (i) payments to be made by the Hospital pursuant to the Loan Agreements entered into with the Authority; (ii) the issuance of obligations under the Master Indenture as amended and supplemented, between the Hospital and Wells Fargo Bank, National Association, as master trustee; and (iii) by a grant of a security interest in the Hospital's Gross Revenues, as defined and as provided in the Master Indenture;

WHEREAS, in connection therewith and pursuant to a Reimbursement Agreement dated as of April 1, 2009, Wells Fargo, National Association, issued Irrevocable Letter of Credit No. NZ5637944, dated April 7, 2009 (the "Series 2009A LOC");

WHEREAS, the Series 2009A LOC was to expire on April 6, 2012 but was amended on February 14, 2012 to extend the expiration date of the Series 2009A LOC until April 6, 2017 pursuant to a Second Amendment to Reimbursement Agreement ("Second Amendment");

WHEREAS, the Series 2009A LOC expires on April 6, 2017 and ECH management proposes to extend the expiration date by at least three years with an annual fee of not to exceed 100 basis points pursuant to a Second Amendment to Reimbursement Agreement ("Second Amendment");

WHEREAS, in connection with the Second Amendment, and implementing other components of the Plan of Finance previously approved by the Board, the authorization of the execution, delivery and performance of various agreements and the approval of other actions, agreements and documents is required, including agreements, certificates and actions as the Authorized Officers (defined below) determine in their discretion to be necessary or advisable to carry out the Plan of Finance attached;

NOW, THEREFORE, BE IT:

RESOLVED, that each of the Chairperson, Secretary, Chief Executive Officer and Chief Financial Officer or any designee of any of them identified in writing to the Chair (each an "Authorized Officer"), in all cases acting singly, is hereby authorized to negotiate, execute and deliver, approve or acknowledge, as applicable, the Second Amendment, any related agreements, certificates or other documents for and in the name and on behalf of the Hospital, with such terms as described in this Resolution, provided that the Authorized Officer executing each such document may approve any other terms then set forth; be it further

RESOLVED, that each Authorized Officer, in all cases acting singly with the advice of counsel, is hereby authorized to negotiate with Wells Fargo Bank, National Association, and execute and deliver the final First Amendment, any related agreements, certificates or other documents; be it further

RESOLVED, that each Authorized Officer, in all cases acting singly, is hereby authorized to do any and all things, to execute and deliver any and all documents, instruments and certificates, and to enter into any and all agreements necessary or advisable to carry out, give effect to and comply with the terms and intent of this Resolution, the Plan of Finance and the transaction contemplated by the agreements, and any part of the transactions described herein or therein. The Secretary of the Board is hereby authorized to attest any signature of an Authorized Officer on any of the documents, instruments, certificates and agreements authorized by this Resolution; be it further

RESOLVED, that all actions heretofore taken by the officers, representatives or agents of the Hospital, including without limitation, the Authorized Officers, in connection with the Second Amendment are hereby ratified, confirmed and approved, including the approval of the terms of the First Amendment, any related agreements, certificates or other documents.

Duly passed and adopted at a regular meeting held on this ____ day of September 2016, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Secretary, ECH
Board of Directors

ATTACHMENT 7

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Quality, Patient Care and Patient Experience Committee (“Quality Committee”) Report El Camino Hospital Board of Directors September 14, 2016
Responsible party:	David Reeder, Quality Committee Chair
Action requested:	For Discussion
Background: The Quality Committee meets 10 times per year. The Committee last met on August 29, 2016 and meets next on October 3, 2016.	
Board Advisory Committee(s) that reviewed the issue and recommendation, if any: None.	
<p>Summary and session objectives: To update the Board on the work of the Committee.</p> <p>1. Progress Against Goals: The Committee is on track to complete its FY17 Goals.</p> <p>2. Summary of August 29, 2016 Meeting:</p> <ul style="list-style-type: none"> a. Overall Issues: The Committee was given red and orange alert updates. The Committee continued to discuss pain reassessment as a process measure and patient satisfaction scores of pain management as an outcome measure for a quality component of Patient Safety and iCare FY17 Organizational Goals. They also proposed a counter-measure for pain to assure narcotic safety. Further discussion regarding the definition and targets is scheduled for the October 3, 2016 meeting. Special Guest, Kelley Nguyen, RN, gave a presentation on updates in the Sepsis program at the hospital. Dr. Faber reviewed the possible organizational restructuring within his department, the new “exceptional report” highlighting that El Camino Hospital Heart Failure Readmission Reduction Program is in the Top 10 in the US, and the recruitment of Dr. Jenelle Jindal as the New Stroke Program Medical Director. b. Exception Report: Seven metrics are stable, yet responsiveness of hospital staff remains below average. Specimen labeling errors was proposed to be replaced with a new sepsis metric since this problem has resolved. The Committee discussed adding a pain management metric to FY17 exception reports. Both topics are on the agenda for further discussion at the next Quality Committee meeting on October 3, 2016. 	
Suggested discussion questions: None.	
Proposed Board motion, if any: None.	
LIST OF ATTACHMENTS: None.	

ATTACHMENT 8

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Investment Committee Report El Camino Hospital Board of Directors September 14, 2016
Responsible party:	Jeffrey Davis, MD, El Camino Hospital Board and Investment Committee Member
Action requested:	For Information
Background: <p>The Investment Committee meets 4 times per year. The Committee last met on August 8, 2016 and meets next on November 14, 2016. We will also have a joint meeting with the Finance Committee on January 30, 2017 to discuss funding needs for capital projects.</p>	
Board Advisory Committee(s) that reviewed the issue and recommendation, if any: <p>None.</p>	
Summary and session objectives: To update the Board on the work of the Committee. <u>1. Progress Against Goals:</u> <p>The Committee is on track to complete its FY 17 Goals.</p> <u>2. Other FY 17 Key Accomplishments Since Last Report To The Board:</u> <p>The Committee received an education session from Pavilion, ECH investment advisors, on investment strategies in low returns environments. The Committee considered private equity investment options with Pavilion, but did not make any changes to the asset allocation policy.</p> <u>3. Important Future Activities</u> <p>Align investment strategy with long term cash flow needs at the January joint meeting with the Finance committee.</p>	
Suggested discussion questions: <p>None.</p>	
Proposed Board motion, if any: <p>None.</p>	
LIST OF ATTACHMENTS: <p>None.</p>	

**a. Minutes of the Open Session of the Hospital Board
Meeting (August 10, 2016)**

**Minutes of the Open Session of the
 El Camino Hospital Board of Directors
 Wednesday, August 10, 2016
 2500 Grant Road, Mountain View, CA 94040
 Conference Rooms E, F & G**

Board Members Present

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

Board Members Absent

None

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 5:02pm by Chair Cohen. A silent roll call was taken. All Board members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Director Cohen asked if any Board members may have a conflict of interest on any of the items on the agenda. No conflicts were noted.	
3. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 5:03pm pursuant to <i>Health and Safety Code 32106(b)</i> for a discussion and report involving health care facility trade secrets: Strategic Development Discussion.</p> <p>Movant: Fung Second: Zoglin Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
4. AGENDA ITEM 7: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 5:34 pm.</p> <p>There were no actions taken during closed session.</p>	
5. AGENDA ITEM 8: BOARD RECOGNITION	Director Ryba provided an overview of some of the significant achievements in FY16, highlighting several metrics above market average and improved services to multiple previously under-served populations. Director Reeder commended Director Ryba and the leadership team on the implementation of iCare, their focus on targeting quality, and staying on budget. Director Miller congratulated the leadership team on their accomplishments and thanked them for their hard work.	

<p>6. AGENDA ITEM 9: FY16 PERIOD 12 FINANCIALS</p>	<p>Iftikhar Hussain, CFO, explained the new dashboard in the materials, highlighting volume and cost, the two areas where ECH is behind target for FY16. Productivity for FY16 is behind budget, but has improved after EPIC Go-Live, and exceeded targets in June.</p> <p>Operating margin for June was \$2.6M -- favorable compared to budget -- due to better charge capture with Epic, high collection rate and \$1.2M PRIME IGT accrual.</p> <p>In response to Director Fung's question, Mr. Hussain clarified non-operating income including: (1) investments, (2) community benefit, and (3) SWAP adjustments; he explained that long-term rate of investment is good and far exceeds cost of capital. He explained what a SWAP adjustment is. For a \$15 million variable rate bond, ECH purchased a SWAP to fix the rate on the bond. When interest rates go down, ECH incurs a loss.</p> <p>Motion: To approve the FY16 Period 12 Financials.</p> <p>Movant: Chiu Second: Fung Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>FY16 Period 12 Financials approved</i></p>
<p>7. AGENDA ITEM 10: CAPITAL FUNDING REQUESTS</p>	<p>Ken King, CASO, outlined the final funding requests for Behavioral Health Services Building, the Integrated Medical Office Building, and the Central Plant Upgrades. He provided a status update for the phases of work and approvals for each project.</p> <p>Mr. King noted that the price increases are largely due to escalation in construction costs (material, environmental mitigation measures and labor), highlighting a 29% increase in Bay Area costs since 2013; there are also additional healthcare-related construction costs (OSHDP, etc.).</p> <p>Motion: To approve the Capital Funding Requests, with the recommended budget as provided in the Board's materials.</p> <p>Movant: Davis Second: Reeder Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Capital Funding Requests approved</i></p>
<p>8. AGENDA ITEM 11: QUALITY COMMITTEE REPORT</p>	<p>Dave Reeder, Chair of the Quality Committee, welcomed Will Faber, MD, CMO, to the Committee and complimented him for his attendance at the meeting on his first day at ECH.</p> <p>Director Reeder reported that each Quality Committee meeting will feature a presentation from physicians and/or service line leaders. He described Dr. Chad Rammohan's presentation on the STEMI program and other innovative programs, and suggested bringing Dr.</p>	

	<p>Rammohan to the full Board.</p> <p>He explained that the Committee added pain assessment and pain satisfaction to its exception report dashboard for monitoring to match the organizational goals in those areas; the Committee continues to work on counter-measures for pain to assure narcotic safety.</p> <p>Director Reeder described improvements in nurse communication, difficulties with responsiveness due to iCare, and positive metrics for length of stay and readmission.</p> <p>Discussion topics for the next Quality Committee meeting include consideration of additional metrics to add to the scorecard for monitoring (e.g., delays in discharge, documentation issues and sepsis).</p> <p>The Board discussed the difficulty of measuring pain experience and pain management, CMS quality metrics, and the continuum of care beyond hospitalization.</p>	
<p>9. AGENDA ITEM 12: GOVERNANCE COMMITTEE REPORT</p>	<p>Peter Fung, MD, Chair of the Governance Committee, outlined the five priority areas of competencies for El Camino Hospital Board members for FY17 as determined by the Committee:</p> <ol style="list-style-type: none"> 1. Understanding of complex market partnerships 2. Long-range strategic planning 3. Healthcare insurance industry experience 4. Finance experience/entrepreneurship 5. Experience in clinical integration/continuum of care <p>Motion: To recommend that the District Board adopt the proposed priorities in the ECH Board Competency Matrix.</p> <p>Movant: Reeder Second: Miller Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Director Fung described the Committee's recommendation for the following clinical programs for the semi-annual Board and Committee educational gatherings this year, pending physician availability: Behavioral Health Program, Lung Program, Cath Lab/HVI Service Line, and Minimally Invasive Program.</p> <p>He also explained that the iCare Ad Hoc Committee has achieved the Committee's scope, purpose, and role. The iCare Ad Hoc Committee and the Governance Committee recommend the annual provision to the Board of an Information Technology Plan, which enables and supports organizational strategy. The review of the Technology Plan would be included as part of the Budget planning process followed by ongoing status updates at intervals of 1-2 times per year. This approach is in alignment with the precedent set by the annual review of the Marketing Plan.</p> <p>Motion: To discontinue the iCare Ad Hoc Committee and use a</p>	

	<p>semi-annual Technology Plan review to provide Board oversight of Information Technology.</p> <p>Movant: Fung Second: Reeder Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
10. AGENDA ITEM 13: FINANCE COMMITTEE REPORT	<p>Dennis Chiu, Finance Committee Chair, reported that the Finance Committee had a major conversation regarding bond financing for revenue bonds (\$270 million). The Committee received a presentation on the Integrated Performance Improvement (IPI) process, illustrating continuing efforts to contain costs and improve quality.</p> <p>Director Chiu described the interviews with two candidates for the Committee. He noted they both have interesting backgrounds, one with a direct hospital finance background and one in healthcare consulting. The Committee recommended appointing both candidates and therefore requested to amend its charter accordingly to allow for 2-4 community members to serve on the Committee.</p> <p>Motion: To approve the revisions to the Finance Committee Charter and the appointment of Mr. Joseph Chow and Mr. Boyd Faust to the Finance Committee for a term expiring June 30, 2017, renewable annually.</p> <p>Movant: Chiu Second: Miller Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
11. AGENDA ITEM 14: PUBLIC COMMUNICATION	<p>Mr. Geoffrey Mangers spoke regarding his concerns as mentioned in his prior written communication with Board.</p>	
12. AGENDA ITEM 15: TEMPORARY ADJOURNMENT	<p>Motion: To temporarily adjourn the meeting until the conclusion of the Healthcare District Board meeting.</p> <p>Movant: Davis Second: Fung Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting temporarily adjourned until the conclusion of the District Board meeting</i></p>
13. AGENDA ITEM 16: RECONVENE MEETING/ CALL TO ORDER	<p>The meeting was reconvened and called to order at 6:20pm by Chair Cohen. All Board members were present.</p>	
14. AGENDA ITEM 17:	<p>Motion: To adjourn to closed session at 6:20pm pursuant to <i>Gov't</i></p>	<p><i>Adjourned to</i></p>

<p>ADJOURN TO CLOSED SESSION</p>	<p><i>Code Section 54957.2</i> for approval of the Closed Session Minutes of the Joint Hospital Board and Finance Committee Meeting of May 31, 2016 and the Hospital Board Meeting of June 8, 2016; pursuant to <i>Health and Safety Code 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code 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> for a conference with labor negotiator Kathryn Fisk: Labor Relations Update; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Service Line Review; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Strategic Priorities – Market Partner Evaluation; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: El Camino Ambulatory Surgery Center Transaction; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Medicare Actuarial Study; pursuant to <i>Gov't Code Sections 54957</i> and <i>54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for report involving health care facility trade secrets: Informational Items; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p>Movant: Miller Second: Fung Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: Chen Recused: None</p>	<p><i>closed session at 6:20 pm.</i></p>
<p>15. AGENDA ITEM 29: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>Open session was reconvened at 10:52pm.</p> <p>Director Chen left the meeting.</p> <p>During the Closed Session, the Board approved the Closed Session Minutes of the Joint Hospital Board and Finance Committee Meeting of May 31, 2016, the Closed Session Minutes of the Hospital Board Meeting of June 8, 2016, and the Medical Staff Report by a vote of all members present (Directors Chen, Chiu, Cohen, Davis, Fung, Miller, Ryba, Reeder, and Zoglin).</p>	
<p>16. AGENDA ITEM 30: CONSENT CALENDAR</p>	<p>Director Cohen asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were pulled.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Joint Finance Committee and Hospital Board Meeting of May 31, 2016; Minutes of the Open Session of the Hospital Board Meetings of June 8, 2016 and June 14, 2016; FY16 Period 11 Financials; Physician Contracts – Pulmonary and Sleep Medicine Recruitment Agreement; and the Medical Staff Report.</p> <p>Movant: Reeder Second: Davis Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba,</p>	<p><i>Consent calendar approved</i></p>

	Zoglin Noes: None Abstentions: None Absent: Chen Recused: None	
17. AGENDA ITEM 31: APPROVAL OF PRN CONTRACT	Approval of the PRN Contract was deferred.	<i>PRN contract approval deferred</i>
18. AGENDA ITEM 32: INFORMATIONAL ITEMS	There were no comments on the informational items.	
19. AGENDA ITEM 33: BOARD COMMENTS	There were no additional comments from the Board.	
20. AGENDA ITEM 34: ADJOURNMENT	Motion: To adjourn at 10:53pm. Movant: Miller Second: Chiu Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Ryba, Zoglin Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 10:53 pm.</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

Prepared by: Cindy Murphy, Board Liaison
Sarah Rosenberg, Board Services Coordinator

**b. Minutes of the Open Session of the Hospital Board
Meeting (August 27, 2016)**

**Minutes of the Open Session of the
 El Camino Hospital Board of Directors
 Saturday, August 27, 2016
 2500 Grant Road, Mountain View, CA 94040
 Conference Rooms A & B**

Board Members Present

Lanhee Chen
 Dennis Chiu
 Neal Cohen, MD
 Peter C. Fung, MD
 Julia Miller
 David Reeder

Board Members Absent

Jeffrey Davis, MD
 Tomi Ryba

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 12:40 pm by Chair Cohen. A silent roll call was taken. Board members Davis and Ryba were absent.	
2. AGENDA ITEM 3: ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 12:41 pm pursuant to <i>Gov't Code Section 54957</i> for a discussion and report on personnel performance matters: CEO Performance Evaluation and Related Matters and Consideration of Employment Contract.</p> <p>Movant: Fung Second: Miller Ayes: Chen, Chiu, Cohen, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Davis, Ryba Recused: None</p>	
3. AGENDA ITEM 7: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 2:04 pm</p> <p>Cindy Murphy, Board Liaison, reported that, during the closed session, the Board voted not to renew Tomi Ryba, CEO's contract and that Ms. Ryba's last day of employment would be October 31, 2016 by a unanimous vote of all Directors present (Chen, Chiu, Cohen, Fung, Miller, Reeder, and Zoglin).</p>	
4. AGENDA ITEM 8: ADJOURNMENT	<p>Motion: To adjourn at 2:05 pm.</p> <p>Movant: Miller Second: Chiu Ayes: Chen, Chiu, Cohen, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Davis, Ryba Recused: None</p>	<i>Meeting adjourned at 2:05 pm.</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

Prepared by: Cindy Murphy, Board Liaison

c. Draft Revised El Camino Hospital Foundation Bylaws

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Revision to the El Camino Hospital Foundation Bylaws El Camino Hospital Board of Directors September 14, 2016
Responsible party:	Jodi Barnard, President, El Camino Hospital Foundation
Action requested:	For Approval, per the Bylaws
<p>Background:</p> <p>The Bylaws of the El Camino Hospital Foundation (“ECHF”) had not been reviewed nor updated since 2012. After review and discussion during the June 9, 2016 ECHF Governance Committee, the following revisions have been made to the document:</p> <p><u>Cover Page</u></p> <ul style="list-style-type: none"> ➤ Updated the address of the Foundation office from Willow Pavilion to Park Pavilion <p><u>Article III, Section 3</u></p> <ul style="list-style-type: none"> ➤ Updating approval process for the Foundation’s annual budget which now falls under the Hospital and Hospital Board approval processes <p><u>Article IV, Section 4</u></p> <ul style="list-style-type: none"> ➤ Removed “chief of medical staff” as a non-voting ex-officio member as this position is a member of the Hospital Quality Committee; no time to also serve on the Foundation Board ➤ Updated to appointing one Hospital Board liaison position as a non-voting, ex-officio member, in coordination with the Foundation Chair and President. <p><u>Article IV, Section 6 & 8</u></p> <ul style="list-style-type: none"> ➤ Updated to current practice for scheduling Board meetings and location of the meetings <p><u>Article VI</u></p> <ul style="list-style-type: none"> ➤ Removed the “CEO” from the Foundation President title which is the current title of the position; references throughout Article VI 	
<p>Board Advisory Committee(s) that reviewed the issue and recommendation, if any:</p> <p>At its June 9, 2016 meeting, the El Camino Hospital Foundation Governance Committee recommended revisions to the ECHF Bylaws. Following legal review, the El Camino Hospital Foundation Board of Directors reviewed and approved the proposed revisions on Sept. 1, 2016. With full approval from the Foundation Board, the revisions are now being passed to the El</p>	

ECH BOARD MEETING AGENDA ITEM COVER SHEET

	Camino Hospital Board for approval at its Sept. 14, 2016 meeting.
	Summary and session objectives : N/A
	Suggested discussion questions: N/A
	Proposed board motion, if any: To Approve the Draft Revised El Camino Hospital Foundation Bylaws.
	LIST OF ATTACHMENTS: El Camino Hospital Foundation Draft Revised Bylaws dated September 1, 2016

EL CAMINO HOSPITAL FOUNDATION
2500 GRANT ROAD, PARK PAVILION
TEL: (650) 940-7154
FAX: (650) 940-7144

EL CAMINO HOSPITAL FOUNDATION BYLAWS

SEPTEMBER 1, 2016

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BYLAWS OF
EL CAMINO HOSPITAL FOUNDATION

ARTICLE I

OBJECTS AND PURPOSES

The Corporation and all of its business and other activities are to be operated and conducted in the promotion of its charitable objects and purposes as specified in its articles of incorporation; and in the conduct of its affairs the management shall at all times be mindful of these public charitable objects and purposes. Consistent with, but without limiting the foregoing, the primary purpose of the Corporation shall be to support El Camino Hospital directly, or provide assistance in the operation of, such health care services as are necessary for the maintenance of good physical and mental health in the communities served by El Camino Hospital.

ARTICLE II

OFFICES AND SEAL

Section 1. Offices. The principal office for the transaction of the business of the Corporation shall be located at 2500 Grant Road, Mountain View, California 94040.

Section 2. Seal. The Corporation shall have a seal, and the same shall have inscribed thereon the words “El Camino Hospital Foundation, Incorporated May 10, 1982.”

ARTICLE III

MEMBERSHIP

Section 1. Generally.

(a) El Camino Hospital, a California nonprofit public benefit corporation, (the “Member”) shall be the sole member, as the term “member” is defined in Section 5056 of the California Nonprofit Corporation Law, of the Corporation. If less than a majority of the directorships of El Camino Hospital are reserved for persons who also serve as directors of the El Camino Hospital District, then, the Member of this Corporation shall be the El Camino Hospital District from and after the date that the El Camino Hospital District approves such change.

(b) The Board of Directors may by appropriate resolution from time to time define and establish auxiliaries, friends, and other support groups for the Corporation. None of such auxiliaries, friends or groups, or the constituents thereof, shall

be or have the rights and privileges of “members” within the meaning of Section 5056 of the California Nonprofit Corporation Law with respect to the Corporation.

(c) Article III of these bylaws may not be altered, amended, repealed or restated in any way without the advance express written consent of the Member.

Section 2. Dues and Assessments. There shall be no membership fee, dues or assessments levied against the Member.

Section 3. Additional Rights of the Member. The Member shall have all rights granted to a member under the California Nonprofit Corporation Law. Without limiting the generality of the foregoing, the Member shall have the right to approve the election of directors, to approve the disposition of all or substantially all of the assets of the Corporation or to approve a merger and dissolution of the Corporation and the other rights set forth in the articles of incorporation and bylaws. In addition, the Member shall have the following reserved rights over the operations and affairs of the Corporation, because the Corporation has been created for and operates to benefit the Member:

(a) Approval of the adoption of the annual operating and capital budgets of the Corporation;

(b) Approval of the expenditure of any amount in excess of \$25,000.00 that is not part of the approved operating or capital budgets of the Corporation; and

(c) Transfer of funds as a donation in excess of \$100,000.00.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Powers.

(a) Subject to any limitation set forth in the articles of incorporation, these bylaws or applicable laws of the State of California, all powers of the Corporation shall be exercised by or under direction of, its property controlled and its affair and activities conducted and managed by, a Board of Directors. The primary function of the Board of Directors shall be to establish corporate policies for the operation and management of the Corporation.

(b) The Board of Directors shall submit the proposed annual operating budget and quarterly financial reports for the Corporation to the Member for its prior approval.

Section 2. Number of Directors; Qualifications. The number of directors shall be not less than seven (7) and no more than thirty-six (36) directors. The precise number of directors shall be set, from time to time, by resolution of the Board of Directors.

(a) Qualifications. Directors of the Corporation must actively support the Objects and Purposes of the Corporation by, among other things, making annual financial gifts to the Corporation.

Section 3. Designation and Term of Office of Directors. The directors of the Corporation shall be those persons who have been elected to serve as directors by the Member. The Board of Directors may, from time to time, recommend a slate of directors to the Member for approval. A director's term shall commence when approved by the Member. The Secretary of the Corporation shall obtain an appropriate certification from the Secretary of the Member as to which persons have been approved by the Member to serve as directors of the Corporation. The Member may directly elect directors.

Except as provided below for the terms of the directors who are directors at the first Board meeting following the effective date of these Amended and Restated Bylaws, the term of office of each director of the Corporation shall be three (3) years and until his or her successor has been elected and qualified. Successors for directors whose terms of office are then expiring shall be elected at the annual meeting of the Member in the year such terms expire, but if any such annual meeting is not held or such directors are not elected at the meeting, the directors may be elected at any regular meeting of the Member. A director may succeed himself or herself in office but shall serve no more than three (3) consecutive terms of three (3) years. Notwithstanding the foregoing limitation, a director who is serving as Immediate Past Chair shall have a term as a director that ends at the later of when such director's term as a director would ordinarily end, or when his or her term of office as Immediate Past Chair has ended. A former director may be elected to serve as a director after having not served as a director for twelve (12) months.

At the first meeting of the Board following the effective date of these Amended and Restated Bylaws, the directors shall classify themselves into three groups for the purpose of providing, as nearly as numerically possible, for the election of one-third (1/3) of the directors in each year. The first group shall consist of directors whose term of office shall be one (1) year. The second group shall consist of directors whose term of office shall be two (2) years. The third group shall consist of directors whose term of office shall be three (3) years.

Section 4. Non-Voting Members of the Board.

(a) Ex Officio Directors. The following persons shall serve as Directors of this Corporation without the right to vote:

- i) Chief Executive Officer of the Member
- ii) President of the El Camino Hospital Auxiliary
- iii) One representative of the Member's Board of Directors ~~or of the Board of Directors of El Camino Hospital District~~, appointed by the Chair of the Member's Board of Directors and in coordination with Chair of the Corporation and President

Section 5. Vacancies.

(a) Definition. A vacancy shall be deemed to exist when a director resigns, is removed, dies, is incapacitated, forfeits his or her office, or otherwise is no longer serving as a director on the Board of the Corporation.

(b) Filling Vacancies. The Board of Directors may nominate persons to fill any vacancy and forward said nominations to the Member. A director's term shall commence when approved by the Member. The Member may directly elect directors.

Section 6. Place of Meetings. All regular meetings of the Board of Directors shall be held at the principal office of the Corporation, including one meeting at each hospital campus of the Corporation and special or adjourned meetings may be called at any other location within or outside the State of California.

Section 7. Annual Meeting. The annual meeting of the Board of Directors shall be held for the purpose of approval of officers and the transaction of such other business as may properly be brought before the meeting. The meeting shall be held at such time and place as the Board shall determine and as required by law.

Section 8. Regular Meetings. Regular meetings of the Board of Directors shall be held six times per year at such time as the Board shall determine at the principal office of the Corporation, including one meeting at each hospital campus of the Corporation.

Section 9. Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chair, the Secretary or any three directors of the Corporation.

Section 10. Notice of Special Meetings of the Board of Directors. Special meetings of the Board shall be held upon written notice by first-class mail or notice given personally to each member of the Board. Such notice shall be delivered personally at least

48 hours in advance or by first-class mail at least four days in advance and shall be received at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting. Such written notice may be dispensed with as to any director who at or prior to the time the meeting convenes files with the Secretary of the Corporation a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any director who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting. Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the Corporation or as may have been given to the Corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held.

Section 11. Consent to Meetings; Waiver of Notice. The transaction of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, and if, either before or after the meeting, each of the directors entitled to vote, not present in person, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any director who attends the meeting without protesting prior to or at the commencement of the meeting, the lack of notice to such director.

Section 12. Quorum; Act of Board of Directors. At all meetings of the Board of Directors a majority of the number of directors in office shall constitute a quorum for the transaction of business except to adjourn as provided in Section 13 of Article IV of these bylaws. If a quorum is present, the act of a majority of the directors present at the meeting shall be the act of the Board of Directors, unless a greater number is required by law. Notwithstanding the previous provisions of this Section 12, a meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for each meeting.

Section 13. Adjournment. A majority of the directors present at a meeting, whether or not a quorum is present, may adjourn any directors' meeting to another time and place.

Section 14. Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation of which such person is a director, except as otherwise prohibited by law.

Section 15. Removal of Directors. The Board of Directors may remove any director with or without cause. The Member may remove any director, with or without cause.

Section 16. Committees Generally.

(a) The Board of Directors may appoint one or more committees, each consisting of at least two directors and any other persons designated by the Board of Directors, to serve at the pleasure of the Board of Directors. The Board of Directors may delegate to such committees any of its authority, except that it may not delegate authority regarding:

(i) The approval of any action for which the California Nonprofit Public Benefit Corporation Law or the articles of incorporation or these bylaws also requires approval of the Member;

(ii) The filling of vacancies on the Board of Directors or in any committee;

(iii) The fixing of compensation of the directors for serving on the Board of Directors or on any committee;

(iv) The amendment or repeal of bylaws or the adoption of new bylaws;

(v) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(vi) The appointment of other committees of the Board of Directors or the members thereof;

(vii) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or

(viii) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law.

(b) Any such committee must be created, and the members thereof appointed, by resolution adopted by the Board of Directors, and any such committee may be designated by such other name as the Board of Directors shall specify. The Board of Directors may appoint, in the same manner, alternate members of any committee who may replace any absent committee member at any meeting of the committee. The Board of Directors shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of Article IV of these bylaws applicable to meetings and actions of the Board of Directors. Minutes shall be kept of each meeting of each committee.

(c) Persons who are not serving as directors may serve only as non-voting, advisory members of any such committee when the committee is exercising any authority delegated to it by the Board of Directors.

Section 17. Advisory Committees. Notwithstanding Section 16, Advisory Committees may be appointed by the Board of Directors, and may consist of one or more persons. Advisory Committee members may be directors and/or non-directors as long as at least one Advisory Committee member is a director. Committee members may also include non-voting members and alternate members. The chairman and other members of the Advisory Committees shall be appointed by the Chair of the Board of Directors of the Corporation. The Chair may appoint in the same manner, alternate members of an Advisory Committee who may replace any absent member at any meeting of the committee. The Board of Directors shall have the power to prescribe the manner in which proceedings of any such Advisory Committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board of Directors or such Advisory Committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of Article IV of these bylaws applicable to meetings and actions of the Board of Directors. Minutes shall be kept of each meeting of each committee.

Advisory Committees shall have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board of Directors.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a Chair, a Vice Chair, a Secretary, a Treasurer and an Immediate Past Chair. Such officers shall be chosen by, and hold office at, the pleasure of the Board of Directors, subject to rights, if any, of any officer under any contract of employment. One person may hold two or more offices except neither the Secretary nor the Treasurer may serve concurrently as the Chair. Each such officer must be a director.

Section 2. Appointment of Officers. The officers of the Corporation shall be nominated and elected annually by the Board of Directors from among the directors. Before the Chair of the Corporation takes office, he or she must first be approved by the Member. Any officer so elected or elected and approved shall hold office for a two-year term (except the Immediate Past Chair, who shall hold office for a one-year term) or until his or her successor shall be appointed and qualified to serve, or until he or she shall resign or shall be removed or shall no longer be a director or otherwise shall no longer be qualified to serve.

Section 3. Subordinate Officers. The Board of Directors may elect or authorize the appointment of such additional officers, subject to prior approval by the Member, as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the Board of Directors may from time to time authorize or determine.

Section 4. Chair. The Chair of the Corporation shall be the principal officer of the Corporation. The Chair shall preside at all meetings of the Board of Directors. The Chair shall have such other authority and perform such other duties as are customary to that office and as the Board of Directors may prescribe. Upon completing his or her term, the Chair shall become the Immediate Past Chair.

Section 5. Vice Chair. In the absence or disability of the Chair of the Corporation, the Vice Chair shall perform all the duties of the Chair of the Corporation and when so acting shall have all of the powers of and be subject to all the restrictions upon the Chair. In the event a vacancy occurs in the office of Chair, the Vice Chair shall automatically succeed to the office of Chair for the remainder of the former Chair's term of office. The Vice Chair shall have such other powers and perform such other duties as are customary to that office and as may be prescribed by the Board of Directors.

Section 6. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office of the Corporation, or at such other place as the Board of

Directors may order, of all meetings of the directors, with the time and place of holding, whether regular or special and if special how authorized the notice thereof given, the names of those present at directors meetings, the number of directors present and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board of Directors required by the bylaws, and he or she shall keep the seal of the Corporation in safe custody and have such other powers and perform such other duties as may be prescribed by the Board of Directors. The Secretary shall maintain the bylaws and keep them open to public inspection.

Section 7. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any director. The Treasurer shall deposit or cause to be deposited all money and other valuables in the name and to the credit of the Corporation in such depositaries as may be designated by the Board of Directors and required by law. He or she shall disburse or cause the disbursement of the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the Chair and to the directors, whenever they shall request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation, shall take or cause the taking of proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by law.

Section 8. Immediate Past Chair. The Immediate Past Chair shall provide advice and counsel to the Chair and the Board of Directors. The Immediate Past Chair shall generally assist the Chair and perform such other duties as may be assigned by the Board. The Immediate Past Chair shall assume the office of Immediate Past Chair immediately upon completing his or her term as Chair.

Section 9. Other Officers. Any other officers shall have such powers and duties as are customary to their offices and as the Board of Directors may prescribe.

Section 10. Removal and Resignation.

(a) Any officer may be removed, either with or without cause, at any time, by the Board of Directors. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract or employment of the officer.

Any officer may resign at any time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the

officer is a party. Any such resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the Chair, subject to approval of the Board of Directors; provided however, that if the Chair is vacant then the Board of Directors shall elect a new Chair who shall take office upon approval of the Member. Officers so appointed shall serve until the next annual meeting of the Board of Directors.

ARTICLE VI

PRESIDENT

Section 1. Generally. The President of the Corporation shall be selected and employed by the Member. The Chief Executive Officer of the Member shall consult with the Chair regarding such selection and employment. The President may carry out and perform his or her functions and duties through a designee whom he or she shall have the power to select and discharge. The President or his or her designee shall be the direct executive representative of the Board of Directors in the management of the Corporation. The President or his or her designee shall be given the necessary authority and be held responsible for the administration of the Corporation in all of its activities and departments, subject only to such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. The President, or his or her designee, shall also act as the “duly authorized representative” of the Board of Directors in all matters for which specific purpose the Board of Directors has not formally designated some other person.

Section 2. Authority and Duties. The authority, duties and accountabilities of the President to the Corporation, which authority and duties he or she may delegate to his or her designee, shall be as follows:

- (a) To perfect and submit to the Board of Directors for approval a plan of organization of the personnel and other concerns with the operation of the Corporation.
- (b) To prepare an annual written budget reflecting an annual operating budget and a three-year budget for capital expenditures.
- (c) To select, employ, control and discharge all employees authorized by the Board of Directors.

(d) To see that all physical properties are kept in a good state of repair and operating condition.

(e) To supervise all business affairs such as the records of financial transactions, collection of accounts, and purchase and issuance of supplies, and to ensure all funds are collected and expended to the best possible advantage.

(f) To attend all meetings of the Board of Directors.

(g) To submit regularly to the Board of Directors periodic reports showing the financial activities of the Corporation, and to prepare and submit such special reports as may be required by the Board of Directors.

(h) To perform any other duty that may be necessary in the best interest of the Corporation.

Section 3. Management. The President of this Corporation shall report to and be a subordinate of the Chief Executive Officer of the Member. The Chief Executive Officer of the Member may dismiss the President after consultation with the Chair of this Corporation.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Voting Shares. The Corporation may vote any and all shares held by it in any other corporation, and which it is permitted under law to hold, by such officer, agent, or proxy as the Board of Directors may appoint, or in the absence of any such appointment, by the Chair, Secretary or Chief Financial Officer, and, in such case, such officer may likewise appoint a proxy to vote said shares.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for payment or money, notes or other evidence of indebtedness issued in the name of or payable to the Corporation and any and all securities owned or held by the Corporation requiring signature for the transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

Section 3. Endorsement of Documents; Contracts. Any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Corporation and any other person, when signed by those members of the Board of Directors of the

Corporation as the Board of Directors shall specify, shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board of Directors, and, unless so authorized by the Board of Directors and permitted by law, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 4. Fiscal Year. The fiscal year of the Corporation shall commence on the first day of July in each year and shall end on the thirtieth day of June in the next succeeding year.

Section 5. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Corporation Law shall govern the construction of these bylaws.

ARTICLE VIII

INDEMNIFICATION

Section 1. Definitions. For the purposes of Article VIII of these bylaws “agent” means any person who is or was a director, officer, or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer, or employee of another foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; and “proceeding” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under Section 4 or 5(b) of Article VIII of these bylaws.

Section 2. Indemnification in Actions by Third Parties. In each case in which indemnification is sought under this Section 2, the directors shall determine or have determined by a court whether the person seeking indemnification has met the standard of conduct specified in this section. If the Corporation or the appropriate court determines that such standard of conduct has been met, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action

brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust), by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Indemnification in Actions by or in the Right of the Corporation. In each case in which indemnification is sought under this section, the directors shall determine or have determined by a court whether the person seeking indemnification has met the standard of conduct specified in this section. If the Corporation or the appropriate court determines that such standard of conduct has been met, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending or completed action by or in the right of the Corporation, or brought under 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonable entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 4. Indemnification Against Expenses. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of Article VIII of these bylaws or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. Required Determinations. Except as provided in Section 4 of Article VIII of these bylaws, any indemnification under this Article VIII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3 of Article VIII of these bylaws, by:

(a) A majority vote of a quorum of the Board of Directors consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

Section 6. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VIII.

Section 7. Other Indemnification. No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, bylaws, a resolution of members or directors, an agreement or otherwise, shall be valid unless consistent with this Article VIII. Nothing contained in this Article VIII shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 8. Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article VIII, except as provided in Section 4 or 5(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the articles of incorporation, these bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification;

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article VIII; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 10. Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VIII does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 1 of Article VIII of these bylaws. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of section 207 of the California General Corporation Law.

ARTICLE IX

AMENDMENT

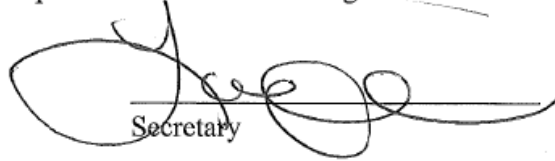
Section 1. Articles of Incorporation. The Board of Directors may propose the adoption, alteration, amendment, repeal or restatement of the articles of incorporation which action shall be effective only upon approval by the Member. The articles of incorporation and any part thereof may be adopted, altered, amended, repealed or restated by the Member.

Section 2. Bylaws. The Board of Directors may propose the adoption, alteration, amendment, repeal or restatement of the bylaws which action shall be effective only upon approval by the Member. These bylaws and any part thereof may be adopted, altered, amended, repealed or restated by the Member.

CERTIFICATE OF SECRETARY

I hereby certify that I am the secretary of the El Camino Hospital Foundation and that the foregoing Bylaws consisting of 16 pages were approved by Member on June 21, 2012 and are the Bylaws of the Camino Hospital Foundation containing all amendments to such Bylaws through the date hereof.

Dated: 7/5, 2012


Secretary

Full name of secretary signature

d. Resolution 2016-10: Appointing Interim CEO Search Ad Hoc Committee

**EL CAMINO HOSPITAL
RESOLUTION 2016-10**

**APPOINTMENT OF SPECIAL ADVISORY COMMITTEE FOR
LIMITED PURPOSE AND LIMITED DURATION**

RESOLVED, that a temporary advisory special committee (“The Interim CEO Search Committee”), consisting of three members is hereby established pursuant to Section 7.2 of the Bylaws of El Camino Hospital, to consider the appointment of an Interim CEO of El Camino Hospital.

RESOLVED, that the members of the temporary advisory special committee shall determine the time, place, date and frequency of such committee meetings; be it further

RESOLVED, that David Reeder and Peter C. Fung, MD are appointed members of the Interim CEO Search Committee; be it further

RESOLVED, that Lanhee Chen shall also serve as a member of the committee and as the Chairperson of the Interim CEO Search Committee.

DULY PASSED AND ADOPTED at a regular meeting held on September 14, 2016, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Peter C. Fung, MD, Secretary
ECH Board of Directors

e. Resolution 2016-11: Appointing CEO Search Ad Hoc Committee

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	<p>Draft Resolution 2016-11; Appointing CEO Search Ad Hoc Committee</p> <p>El Camino Hospital Board of Directors</p> <p>Board Meeting Date: September 14, 2016</p>
Responsible party:	Lanhee Chen, Chairperson, Interim CEO Search Ad Hoc Committee
Action requested:	For Approval
<p>Background:</p> <p>The Interim CEO Search Ad Hoc Committee would like to continue its work, and to be appointed to serve as the CEO Search Ad Hoc Committee, with Director Chen serving as Chair.</p>	
<p>Board Advisory Committee(s) that reviewed the issue and recommendation, if any:</p> <p>Interim CEO Search Ad Hoc Committee.</p>	
<p>Summary and session objectives :</p> <p>To obtain Board approval of Draft Resolution 2016-11</p>	
<p>Suggested discussion questions:</p> <p>None, this is a consent item.</p>	
<p>Proposed Board motion, if any:</p> <p>To Approve Draft Resolution 2016-11</p>	
<p>LIST OF ATTACHMENTS:</p> <p>Draft Resolution 2016-11</p>	

**(PROPOSED) EL CAMINO HOSPITAL
RESOLUTION 2016-11**

**APPOINTMENT OF SPECIAL ADVISORY COMMITTEE FOR
LIMITED PURPOSE AND LIMITED DURATION**

RESOLVED, that a temporary advisory special committee (“The CEO Search Committee”), consisting of three members is hereby established pursuant to Section 7.2 of the Bylaws of El Camino Hospital, to consider the appointment of a CEO of El Camino Hospital.

RESOLVED, that the members of the temporary advisory special committee shall determine the time, place, date and frequency of such committee meetings; be it further

RESOLVED, that David Reeder and Peter C. Fung, MD are appointed members of the CEO Search Committee; be it further

RESOLVED, that Lanhee Chen shall also serve as a member of the committee and as the Chairperson of the CEO Search Committee.

DULY PASSED AND ADOPTED at a regular meeting held on September 14, 2016, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

Peter C. Fung, MD, Secretary
ECH Board of Directors

ED On-Call Neuro-Interventional Panel (MV)

Memorandum

Date: September 14, 2016

To: El Camino Hospital Board of Directors

From: William Faber, MD, Chief Medical Officer

Re: **Neuro Interventional ED Call Panel – Mountain View**

1. **Recommendation:** We request that the Board of Directors approve delegating to the CEO the authority to enter into a two-year agreement for the provision of On Call Neuro-Interventional coverage services at the Mountain View Campus at a rate of \$1,500.00 per day. The physician group that will provide this service states that they are receiving this rate at two other Santa Clara County hospitals.
2. **Problem/Opportunity:** Eighteen years ago, care for patients with acute stroke consisted of giving them an aspirin and then treating the devastating downstream consequences of the stroke through rehabilitation. Since that time, studies have been done which show that administration of tPA (clot busting drugs) in an acute setting helps some stroke patients. This type of treatment has now become the standard of care across the country, and it is the basis for the Joint Commission's Primary Stroke designation at El Camino Hospital's Mountain View and Los Gatos facilities. Both facilities are scheduled for review and recertification in fall of 2016.

We continue to use tPA where appropriate but have been able to expand treatments through the neuro interventional program. Over the past three years, El Camino Hospital has been able to save and restore stroke patients to better function through the neuro interventional treatments provided at the ECH Mountain View facility. Now, the treatment of acute strokes is taking an even more dramatic evolution where stroke can be treated well past the old 2 hour window of time. We are actually beginning to see the emergence of more hospital centers capable of intervening with catheters during the acute stroke. There is currently a discussion about treating strokes only in Comprehensive Stroke Centers; much like trauma is only treated at trauma centers. To best serve our community the need to continue to build this program is important. It is good for patient care and right for the Hospital to continue delivering this comprehensive care

Unfortunately, in the past there have been days where no neuro interventional coverage was available because there was only one of these specialists in coverage. There is now a local group that will help provide full coverage without gaps in care by providing neuro interventional coverage 24/7/365.

3. **Authority:** According to Administrative Policies and Procedures 51.00, Board approval is required prior to CEO signature of physician agreements with an annual compensation greater than \$250,000.00 and greater than the 75th percentile for fair market value.
4. **Process description:** El Camino has been offering these interventional neuro-radiology services for three years and has expanded its Stroke Program and treatment capabilities. Through the vision, persistence, and support of the El Camino Board of Directors, El Camino Hospital will expand its capability of interventional neuro-radiology procedures and pursue moving from the current Joint Commission Primary Stroke Center certification to becoming a Joint Commission certified Comprehensive Stroke Center.

Upon Board approval, a Neuro-Interventional Call Coverage agreement will be developed with the physician group, and potentially others to cover the Hospital's Mountain View emergency department and inpatients for acute strokes at a not to exceed rate of \$1,500.00 per day for a two-year term effective October 1, 2016.

5. **Alternative Solutions which Includes Cost/Benefit/SWOT Analysis:** Alternative solutions include:
 - Provide no funding for On Call services.
 - Transfer these neurologically critical patients to other more specialized centers.
6. **Concurrence for recommendation:** As part of the Comprehensive Stroke Center development process, Dr. Tom Wolfe, Neurologist, Neuro Interventionist, and Terry Rutledge, Director, Ortho/Spine/Neuroscience, support this agreement and extension of services at El Camino Hospital.
7. **Outcome Measures and Deadlines:** Hospital call coverage contract in place and effective October 1, 2016 for two years.
8. **Legal Review:** Legal counsel will review the final Agreement prior to execution.
9. **Compliance Review:** Compliance will review and approve the proposed Agreement and compensation prior to execution.
10. **Financial Review:** Compensation will be constrained to a not to exceed amount of \$1,500.00 per day, \$547,500 annually, which is at the 90th percentile for fair market value according to 2016 MD Ranger reports and is \$2,500 above what was budgeted during fiscal year 2017. A term of two years will be proposed.

ED On-Call Gastroenterology Panel (MV)

Date: September 14, 2016

To: El Camino Hospital Board of Directors

From: William Faber, MD, Chief Medical Officer

Subject: **Gastroenterology (GI) ED Call Panel – Mountain View**

1. **Recommendation:** We request that the Board of Directors approve delegating to the CEO the authority to approve a Mountain View ED GI On-Call Agreement at a rate not to exceed \$1100/weekday and \$1300/weekend day.
2. **Problem/Opportunity Definition:** Currently, the Hospital has no gastroenterology (GI) ED Call Panel at the Mountain View campus to provide gastroenterologist response to emergency evaluations and interventions for patients in the emergency department. Historically, two independent GI physicians have been responding on an *ad hoc* basis to emergency consultations and are paid Medicare rates by the Hospital for patients who are uninsured or underinsured. One of those physicians is on a leave of absence and the other has communicated that he will stop responding to these emergency requests on September 15, 2016 due to the unsustainable number of requests.

Four medical staff gastroenterologists have agreed to provide ED call coverage at a rate of \$1100/weekday and \$1300/weekend day, which is also paid by at least one local competitor, however it is above the 90th percentile according to 2016 MD Ranger reports.

3. **Authority:** According to Administrative Policies and Procedures 51.00, Finance Committee review and Board approval is required prior to CEO signature of physician agreements with compensation above the 75th percentile of fair market value and an annual compensation greater than \$250,000. This has not yet gone to the Finance Committee but is going directly to the Board due to the urgent need of the request.
4. **Process Description:** Upon Board approval, a GI Call Panel Agreement for the Mountain View campus will be approved for two years, effective October 1, 2016 through September 30, 2018 at a rate not to exceed \$1100/weekday and \$1300/weekend day.

5. **Alternative Solution which Includes Cost Benefit/SWOT Analysis:** The alternative to providing reliable GI coverage for the MV Emergency Department is to continue to have to transfer unstable patients to other facilities, which poses liability and public perception risks.
6. **Concurrence for Recommendation:** Approval of an ED On-Call GI Call Agreement for the Mountain View campus a rate not to exceed \$1100/weekday and \$1300/weekend day is supported by the Medical Director, Quality and Physician Services.
7. **Outcome Measures and Deadlines:** Physicians will participate in the peer review process for consultations and subsequent procedures related to GI call.
8. **Legal Review:** Legal counsel will review the final Agreement prior to execution.
9. **Compliance Review:** Compliance will review and approve the proposed Agreements and compensation prior to execution.
10. **Financial Review:** Compensation will be constrained to not exceed the amount of \$1100/weekday and \$1300/weekend day, which is above the 90th percentile for fair market value in 2016 MD Ranger reports. A term of two years will be proposed. This is a new panel and was not budgeted for in fiscal year 2017.

FY17 Internal Audit Work Plan

ECH BOARD MEETING AGENDA ITEM COVER SHEET

Item:	FY 2017 Internal Audit Assessment and Work Plan El Camino Hospital Board of Directors Meeting Date: September 14, 2016
Responsible party:	Diane Wigglesworth, Sr. Director Corporate Compliance
Action requested:	Possible Motion
Background: Internal auditing is an independent, objective activity designed to add value and improve an organizations operations. Audits focus not only on detection of business control breakdowns but also provide recommendations for business control improvements. A risk assessment was conducted to identify potential organizational risks, vulnerabilities and weaknesses. Key areas were identified during the assessment and a fiscal year internal audit plan was developed prioritizing areas with adverse impact or likely hood on non-compliance.	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: The Corporate Compliance/Privacy and Audit Committee reviewed the assessment and internal audits plan and approved along with a recommendation to add an additional audit. The plan was changed to include the committee's recommendation and with the modification was recommended for approval to the Board.	
Summary and session objectives : <ul style="list-style-type: none"> • Review assessment and audit work plan. 	
Suggested discussion questions:	
Proposed Board motion, if any: To approve the Internal Audit Risk Assessment and FY 2017 work plan.	
LIST OF ATTACHMENTS: <ol style="list-style-type: none"> 1. Internal Audit Risk Assessment and FY 2017 Work Plan 	



El Camino Hospital®

THE HOSPITAL OF SILICON VALLEY

Internal Audit Risk Assessment and FY 2017 Work Plan

Diane Wigglesworth
Corporate Compliance Officer
Board of Directors September 14, 2016

Executive Summary

A number of factors were considered when forming the risk map and proposed internal audit plan. Considerations included the current healthcare regulated environment, the Office of Inspector General (OIG) 2016 Work Plan, risks common to the healthcare industry, findings from previously completed audits, and feedback from the executive leadership team.

Some of the business conditions and changes at El Camino hospital since the last risk assessment include:

- Implementation of Epic
- Implementation of ICD-10 Coding
- Payment tied to quality and government bundled payment initiative
- Opening of a new primary care clinic and development of Urgent Care Clinics
- Development of new outpatient wound care services
- Continued decline of Medicare reimbursement
- Significantly expanded government enforcement (RAC's, MAC's, etc.)
- Financial challenges to contain costs
- Upcoming major capital projects and bond acquisition
- Increased scrutiny of the OIG on clinical documentation and billing
- Growing consulting and professional fees related to physician and medical directorships.

Executive Summary

The risk assessment was conducted to proactively address potential organizational risks, vulnerabilities and weaknesses. Areas reviewed included:

- The strategic plan and targeted growth areas
- Financial risk
- Revenue cycle risks
- New technology and IT security risk
- Compliance risk
- Risk themes identified by the executive leadership team

Also considered were risks inherent to the industry and information gathered from third party resources such as HCCA, HFMA, AHIA OIG, and regulatory agencies. Common themes identified during those assessments included:

- General IT: Access to and integrity of data
- IT security exposures
- Clinical coding and documentation accuracy
- Physician contract compliance
- Case management competence
- Charge capture and verification
- Cost containment and management
- Competing priorities

Other Key Compliance and Emerging Risk Areas for Audit

(listed in no particular order of priority)

- Privacy and Data Security
- Meaningful Use Compliance/Readiness
- Release of Patient Health Information
- Business Information Analytics
- Completeness and Adequacy of Data Reporting
- Enterprise Risk Management
- Provider Based Billing
- RAC Program Effectiveness Reviews
- Privacy and Security Assessments HITECH / HIPAA
- Case Management / Length of Stay Management
- Patient Status Determination (IP,OP, Observation)
- Physician Contracting Reviews
- Fair Market Value Compensation/Payments
- Pharmacy Operations and Medication Security
- Accountable Care Organization (ACO) definition and readiness
- Adequacy of clinical documentation to support levels of care
- Payments Tied to Quality (BPCI)
- Declining Reimbursement / Cost Containment
- Charity Care and Community Benefit Determination
- Pricing Transparency and Collection Activity
- IT Governance
- Revenue Cycle Assessment
- Charge Capture Process Reviews
- IRB and Clinical Trial Billing
- Supply Chain Cost Management Review
- Compliance Program Effectiveness Reviews
- Pricing Assessments
- Fair Labor Standards Act
- Pay for Performance / Core Measures Reporting Effectiveness
- Joint Venture and Management Agreements
- Credentialing/Re-Credentialing
- ICD-10 Documentation and Coding

Historical Risk Areas Audited by Fiscal Year

Risk Area	Report Title	2016	2015	2014	2013	2012	2011	2010	2009	2008
Accounting	Accounts Payable & Spend Controls	x				x		x		
	Construction in Progress Accounting									x
	Controls Audits (Petty Cash, A/P & Payroll)				x					
	Vendor Payments: Purchasing / Accounting							x		
Administration	Business Continuity/Disaster Recovery Preparedness						x			
	ECH District Insurance Program Review				x					
	EMTALA Compliance							x		
	External Audit of Consolidated Financial Statements	x	x	x	x	x	x	x	x	x
	HIPAA Compliance								x	
	HR Employee Termination Process	x						x		
	Marketing Assessment	x								
	Strategic Project Valuation			x						
Finance	Case Management & Length of Stay		x							
	Risk Management								x	
	Charge Capture									x
	Charge Capture: Emergency Dept.		x							
	Charge Description Master Accuracy					x			x	
	Charge Description Master Maintenance	x								
	Contract Compliance: Cardinal									x
	Contract Compliance: Eclipsys									x
	Contract: Lucile Packard Operating Agreement					x				
	Internal Controls Over Financial Reporting			x						
	Pharmacy Operations Review			x						
Risk Area	Report Title	2016	2015	2014	2013	2012	2011	2010	2009	2008
HIM	Coding: Clinical Accuracy			x	x		x			
	Medical Records: Duplicate Records			x						
	Release of Protected Health Information					x				
IT	IT Asset Management				x					
	IT Data Security Incident Management				x					
	IT General Controls									x
	IT Vendor Management									x
	IT Vendor Security		x							
	IT: HIPAA Security Rule		x							
	Vendor - Business Associate Agreement Validation					x				
Patient Accounts	Admit and Registration								x	
	Billing: Accuracy for Transfers			x						
	Billing: Charity Care		x							
	Billing: Clinical Trials				x					
	Billing: OB ED Charges	x								
	Billing: OR Charges - Revenue Cycle				x					
	Billing: Provider Based		x							
	Billing: Radiology Revenue Cycle						x			
	Billing: Revenue Cycle Senior Health Center				x					
	Billing: Warranty Device			x						
	Contracting Audit: Managed Care & Contract Validation For Claims Collection	x								
	Denial Claims Management & Reporting				x					
	Medicare Secondary Payer Review	x								
Payroll	Payroll: E-Time Post Implementation Review				x					
	Payroll: Manual Timekeeping							x		
Physician Contracts	Real Estate: Physician Real Estate Lease	x			x					
	Contracting Audit: Payments to Physicians		x			x			x	

Prioritizing Audits

Other key themes highlighted by the ECH leadership during interviews included:

- The inherent risk associated with the end to end revenue cycle process
- The need to continue focusing on cost containment due to expected future decreases in reimbursement from Medicare and other third party payers
- Management of the electronic health record and security of PHI
- Data integrity, data analytics, and data governance
- Improving patient safety and patient satisfaction

To assist in prioritizing the potential audits, emphasis was placed on audits that focused on one or more of the following:

- Issues that could result in significant, adverse financial impact
- Incidents of non-compliance with regulations that could result in fines and/or impair the hospital's reputation
- Issues that are so significant the hospital would conclude immediate attention is required

Based on the information from the assessment, our current risks and priorities, and the results of historical audits, the following proposed audits and prioritization map were created.

Proposed Internal Audits

ICD-10 Coding

Risk of non-compliance with Medicare criteria for coding and risk of externally reporting inaccurate data. RAC has increased reviews for DRG assignment prior to the ICD-10 conversion and, with the complexity of new ICD-10 coding, more government scrutiny is anticipated.

Case Management Two – Midnight Rule

Risk of non-compliance with Medicare criteria for inpatient vs. outpatient designations could result in the need to re-pay reimbursement as well as loss of future revenues due to continuing issues with incorrect assignment. Continued modifications to the CMS outpatient prospective payment system (OPPS Final Rule) makes compliance a challenge.

Patient Centered Medical Home (PCMH)

Risk of not maintaining PCMH and NCQA standards and accreditation. Must validate chart documentation and operational processes to maintain accreditation and alignment with Meaningful Use Stage 2 requirements.

OCR IT Audit Readiness

The hospital received and completed the pre-audit questionnaire in preparation for the potential selection by OCR for an audit. Risk not being prepared or able to demonstrate compliance within required timeframe if selected for audit.

Financial Cash Controls

Risk that lack of proper internal controls could lead to theft, inaccurate information and/or financial misstatements.

Proposed Internal Audits *(continued)*

Release of Protected Health Information (PHI)

Risk of non-compliance with regulations regarding the release of protected health information which could result in fines, lawsuits and/or damage to reputation. With the implementation of Epic, internal controls and compliance with HIPAA requirements regarding release of PHI need to be validated.

EMTALA Compliance

Risk of sanctions or exclusions if the Hospital does not adhere to EMTALA guidelines by having good processes in place. Must validate whether stipulations in EMTALA are being complied with by the Hospital.

IRS Governance Standards for Insured Revenue Bonds

Risk of not being prepared for greater scrutiny regarding tax-exempt status. When securing new bonds, not-for-profit hospitals may be subjected to an IRS evaluation to evaluate the governance of tax-exempt organizations.

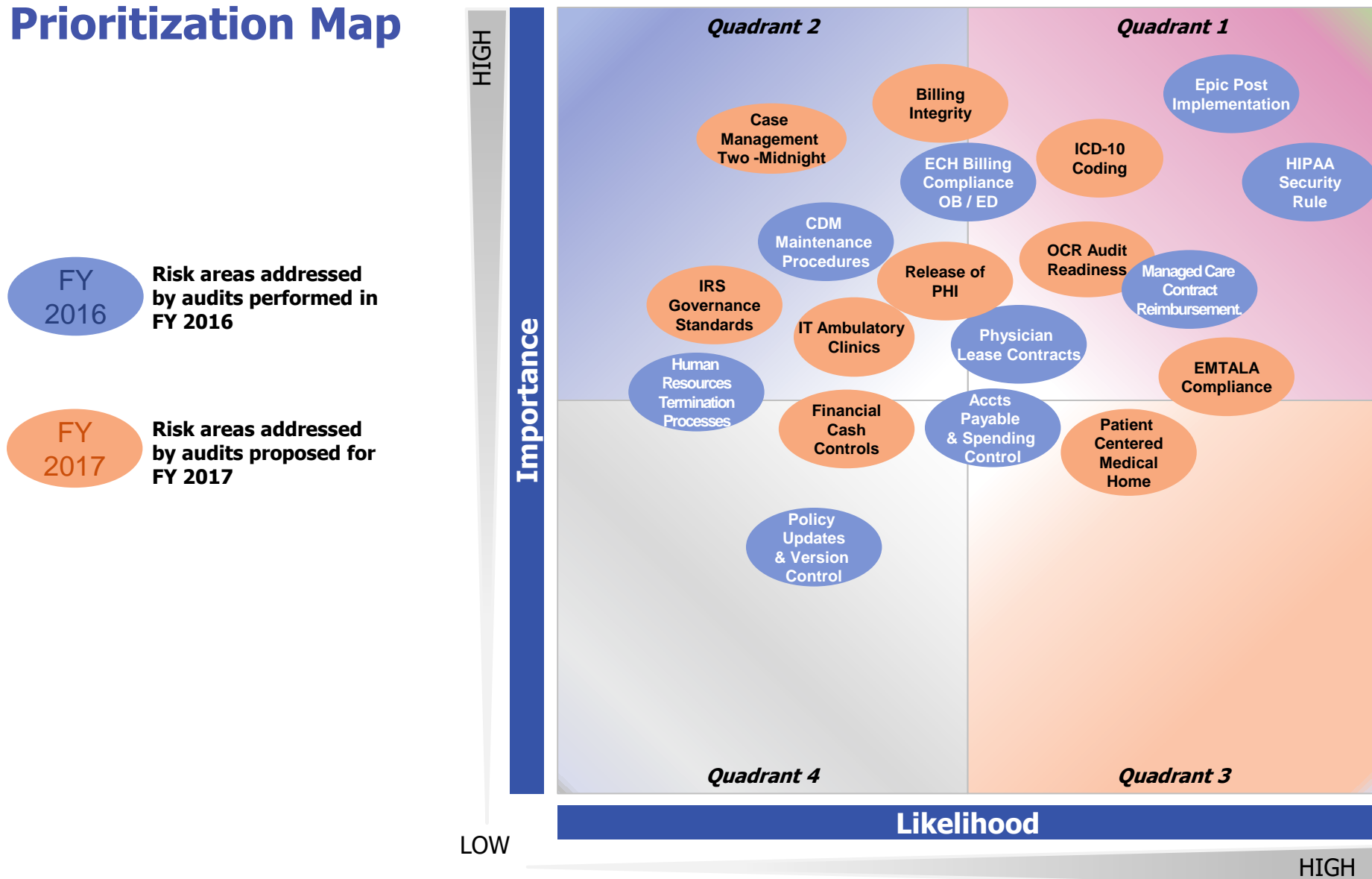
Billing Integrity

Risk that inadequate billing process can result in lost revenue or payments. Risk of not being prepared for OIG areas of focus could lead to poor results. The most recent OIG work plan recommends that organizations validate processes and accuracy of billing for Intensity Modulated Radiation Therapy (IMRT) as well as billing compliance for Part B Outpatient claims provided during inpatient stay.

IT System Integration of Ambulatory Clinics

Risk of not having IT systems sufficiently designed and executed to support outpatient strategic plans for implementation of ambulatory clinics.

Risk Assessment Process: Prioritization Map



Medical Staff Report

Board of Directors Open Session – September 14, 2016

To: El Camino Hospital Board of Directors

From: Rebecca Fazilat, MD, Chief of Staff MV
J. Augusto Bastidas, MD, Chief of Staff LG

Date: September 1, 2016

RE: REPORT FROM THE MEDICAL STAFF EXECUTIVE COMMITTEE

This report is based upon the Medical Staff Executive Committee meeting of **August 25, 2016**.

Request Approval of the Following:

A. Patient Care Policies & Procedures – Policy Summaries (pp. 3-8)

- **New Policies (attached)**
 - End of Life Option Act Policy (pp. 9-12)
- **Policies with Major Revisions (See Summary p.3)**
 - OBED-MV: Care of the Obstetric Patient in the OBED
- **Policies with Minor Revisions (See Summary pp. 3-5 & 7)**
 - OBED-MV: Care of the Obstetric Patient in the OBED
 - IV Pharmacy-Preparation of Antineoplastic
 - Antibiotic Renal Dosing per Pharmacy Protocol for Adult Patients (Non-Dialysis)
 - Aspect of Care
 - Guardianships
 - Scope of Services
 - Committee Structures
 - Relationship between ECH-LG and RehabCare
 - Admission Criteria Medical Inpatient Rehabilitation Program
 - Admission-Transfer-Discharge to Acute Documents
 - Re-Admission Policy
 - Re-Assessment of Patients Policy
 - Rehabilitation Team Documents
 - Documentation Time Frames
 - ADL Program
 - Social Work Case Management Services
 - Patient Planning and Feedback Process
 - Addressing Concerns about Sexuality
 - Patient Family Support Groups
 - Physician's Progress Notes

- Nursing Weekly Goals and Daily Assessment
 - Use and Cleaning of ADL Kitchen
 - Completion of IP Rehab Facility Patient Assessment Instrument
 - Resource Information for Patients and Families
 - Responding to Patient Care Emergencies
 - Stroke Program Admission Criteria
 - Stroke Program Discharge Criteria
 - Management of Stroke Rehab Program
 - Rehab Continuing Education Program
 - Utilization Review Plan
 - Care Coordination: Reporting of Child Abuse
 - Newborn and Infant Hearing Screening
 - Cancer Center: IFC to 4B
 - Imaging Services; Nuclear Medicine Dose List
 - Imaging Services: On Call Staffing
 - Reporting of Child Abuse
-
- **Policies with No Revisions (See Summary pp.5-8)**

SUMMARY OF POLICIES/PROTOCOLS FOR REVIEW AND APPROVAL

NEW POLICIES				
Policy Number	Policy Name	Department	Date	Summary of Policy Changes
POLICIES WITH MAJOR REVISIONS				
Policy Number	Policy Name	Department	Review or Revised Date	Summary of Policy Changes
	OBED-MV: Care of the Obstetric Patient in the OBED	Patient Care Services	7/21	1. Incorporated new AWHONN MFTI Triage Tool into OB ESI Triage Tool 2. Combined 4 policies into 1 policy This policy replaces: OBED Triage Advice Policy OBED Discharging Patients after Injection(s) OBED Discharge Criteria from OBED
POLICIES WITH MINOR REVISIONS				
Policy Number	Policy Name	Department	Review or Revised Date	Summary of Policy Changes
	IV Pharmacy -Preparation of Antineoplastic Chemotherapy	Pharmacy	7/1	Remove the brand name product Phaseal and add the rounding rule to 5% or nearest vial size
	Antibiotic Renal Dosing per Pharmacy Protocol for Adult Patients (Non-Dialysis)	Pharmacy	7/21	Changed cefepime dosing for clcr 30-60ml/min from 2g IV q24hrs to 1g IV q12h per guideline update.
	Aspect of Care	Acute Rehab	7/1	
	Guardianships	Acute Rehab	7/1	
	Scope of Services	Acute Rehab	7/1	Changed timeframes to match current practice. Made spelling and formatting changes. Includes content from archived policy "Our Commitment toYou"
	Committee Structures	Acute Rehab	7/1	Combined two meetings into one. Made spelling and formatting changes
	Relationship between ECH LG and RehabCare	Acute Rehab	7/1	Eliminated pictures and redundant flow sheets.

	Admission Criteria Medical Inpatient Rehabilitation Program	Acute Rehab	7/1	Changed language to "18 years and older" for consistency with other policy. Change name to "Acute Inpatient Rehab -Admsision Criteria"
	Admission-Transfer-Discharge to Acute Documents	Acute Rehab	7/1	Changed job title to "Clinical Liason" Clarified phrasing but no procedure changes.
	Re-Admission Policy	Acute Rehab	7/1	Clarified phrasing but no procedure changes
	Re-Assessment of Patients Policy	Acute Rehab	7/1	Eliminated incorrect topics
	Rehabilitation Team Documents	Acute Rehab	7/1	Made References to EMR
	Documentation Time Frames	Acute Rehab	7/1	Changed language of timeframes for consistency for case management
	ADL Program	Acute Rehab	7/1	Spelling Corrections
	Social Work Case Management Services	Acute Rehab	7/1	Changed EMR references
	Patient Planning and Feedback Process	Acute Rehab	7/1	Changed EMR references
	Addressing Concerns about Sexuality	Acute Rehab	7/1	Title Change and changed EMR references
	Patient Family Support Groups	Acute Rehab	7/1	Changed EMR references
	Physician's Progress Notes	Acute Rehab	7/21	Changed EMR references
	Nursing Weekly Goals and Daily Assessment	Acute Rehab	7/21	Changed EMR references
	Use and Cleaning of ADL Kitchen	Acute Rehab	7/21	Title Change
	Completion of IP Rehab Facility Patient Assessment Instrument	Acute Rehab	7/21	Title Change
	Resource Information for Patients and Families	Acute Rehab	7/21	Title Change
	Responding to Patient Care Emergencies	Acute Rehab	7/21	Changed timing of vehicle dispatch during a codeto coincide with code team determination
	Stroke Program Admission Criteria	Acute Rehab	7/21	Changed language
	Stroke Program Discharge Criteria	Acute Rehab	7/21	Title Change

	Management of Stroke Rehab Program	Acute Rehab	7/21	Title Change
	Rehab Continuing Education Program	Acute Rehab	7/21	Changes to align with HR Education Program Policy
	Utilization Review Plan	Acute Rehab	7/21	Title Change
	Care Coordination: Reporting of Child Abuse	Care Coordination	7/21	
POLICIES WITH NO REVISIONS - REVIEWED				
Policy Number	Policy Name	Department	Review or Revised Date	
	Input from those Served	Acute Rehab	7/1	
	Mission Statement	Acute Rehab	7/1	
	Program Description	Acute Rehab	7/1	
	Admission Waiting List Policy	Acute Rehab	7/1	
	Critical Interactions	Acute Rehab	7/1	
	Discharge Summary	Acute Rehab	7/1	
	Team Conference Meeting	Acute Rehab	7/1	
	Behavioral Intervention	Acute Rehab	7/1	
	Cognitive Rehabilitation	Acute Rehab	7/1	
	Dysphagia Program	Acute Rehab	7/1	
	Family Conferences	Acute Rehab	7/1	
	Home Evaluation	Acute Rehab	7/1	
	Management of the Agitated Patient	Acute Rehab	7/1	
	Insurance Management Services	Acute Rehab	7/1	
	Discharge Instructions and Post Discharge Care Needs	Acute Rehab	7/21	
	Admission Orders to Acute Rehab	Acute Rehab	7/21	
	Role of Medical Director	Acute Rehab	7/21	

	Physician Management of Acute Rehab Patients	Acute Rehab	7/21	
	Post Admission Physician Evaluation	Acute Rehab	7/21	
	Occupational Therapy Services	Acute Rehab	7/21	
	Physical Therapy Services	Acute Rehab	7/21	
	Policy and Procedure Manual Review	Acute Rehab	7/21	
	Concurrent Therapy Guidelines	Acute Rehab	7/21	
POLICIES TO ARCHIVE				
Policy Number	Policy Name	Department	DATE ARCHIVE	

SUMMARY OF POLICIES/PROTOCOLS FOR REVIEW AND APPROVAL

NEW POLICIES				
Policy Number	Policy Name	Department	Date	Summary of Policy Changes
	End of Life Option Act Policy	PatientCare Administration	6/16	New
POLICIES WITH MAJOR REVISIONS				
Policy Number	Policy Name	Department	Review or Revised Date	Summary of Policy Changes
POLICIES WITH MINOR REVISIONS				
Policy Number	Policy Name	Department	Review or Revised Date	Summary of Policy Changes
	Newborn and Infant Hearing Screening	MBU	8/16	Cleaned up overall naming of equipment and added missing attachments and updated ones that were outdated by the switch to EPIC
	Cancer Center: IFC to 4B Admission	Cancer Center	8/16	
	Imaging Services: Nuclear Medicine Dose List	Imaging Services	8/16	Updated Nuclear Medicine Dose List-Additions
	Imaging Services: On Call Staffing	Imaging Services	8/16	Added 2 phone numbers
	Reporting of Child Abuse	Care Coordination	8/16	Addition of Procedure for reporting
POLICIES WITH NO REVISIONS - REVIEWED				
Policy Number	Policy Name	Department	Review or Revised Date	
	Cancer Center: CAPRI Vaginal Cylinder High Dose Radiation	Cancer Center	8/16	
	Cancer Center: SAVI Breast High Dose Brachytherapy Management	Cancer Center	8/16	

	Cancer Center: Management of Failure of Radiation Therapy	Cancer Center	8/16	
POLICIES TO ARCHIVE				
Policy Number	Policy Name	Department	DATE ARCHIVE	

TITLE: End of Life Option Act Policy

CATEGORY: Patient Care Services

LAST APPROVAL: 2016 new

TYPE:



Policy



Protocol



Scope of Service/ADT



Procedure



Standardized Process/Procedure

SUB-CATEGORY:

OFFICE OF ORIGIN: Patient Care Administration

ORIGINAL DATE: 5/16

A. COVERAGE: All El Camino Hospital employees, volunteers and medical staff.

B. PURPOSE: To describe and inform El Camino Hospital employees, volunteers and medical staff as to El Camino Hospital Policy as related to the California End of Life Option Act.

1. The California End of Life Option Act (herein after the “Act”) allows an adult patient with capacity, who has been diagnosed with a terminal disease with a life expectancy of six months or less, and who meets other requirements, to request a prescription for a drug for the purpose of ending his or her life (aid-in-dying drug) through self-administration of the drug.
2. The purpose of this policy is to describe the requirements and procedures for compliance with the Act and to provide guidelines for responding to patient requests for information about aid-in-dying drugs in accordance with federal and state laws and regulations and The Joint Commission accreditation standards.
3. The requirements outlined in this policy do not preclude or replace other existing policies, including but not limited to Withdrawing or Foregoing Life Sustaining Treatment, Pain Management, Advance Directives /POLST, Resuscitation Status (DNR) or End-of-Life Care.

C. POLICY STATEMENT: It is the policy of El Camino Hospital to educate and support patients and providers regarding options available under the Act. However, El Camino Hospital shall not permit ingestion of an “aid-in-dying drug” as defined in the Act on any El Camino Hospital campus.

1. El Camino Hospital respects both patient and provider choices.
2. All providers practicing in and for El Camino Hospital should respond to any patient’s query about the Act with openness and compassion. The goal of El Camino Hospital is to ensure patients are educated thoroughly to make informed decisions about

TITLE:	End of Life Option Act Policy
CATEGORY:	Patient Care Services
LAST APPROVAL:	2016 new

options for and participating in end-of-life care, including Palliative Care and Hospice Care.

3. No patient will be denied other medical care or treatment because of the patient's participation in the Act.
4. El Camino Hospital neither encourages nor discourages participation in the Act; provider and patient participation is entirely voluntary. Only those providers who are willing and desire to participate should do so. Providers who do choose to participate under the Act are reminded that the overall goal is to support the patient's end-of-life wishes, and that participation may not necessarily result in aid-in-dying drugs being prescribed if the patient's needs can be met in other ways (e.g. pain management, hospice or palliative care). Medical staff members shall make an individual decision regarding the degree s/he participates in provision of services permitted under Act.
5. Physicians opting to not be an attending or consulting physician in respect to the Act should facilitate referral to an appropriate participating physician if they are aware of one or to Palliative Care for additional resources.
6. El Camino Hospital shall not permit ingestion of an "aid-in-dying drug" as defined in the End of Life Option Act on any El Camino Hospital campus. Aid in dying drugs cannot be dispensed by a physician in the inpatient setting. However, inquiry and discussion of such a request is permitted during a patient's hospitalization or in the clinic setting. An attending physician may prescribe the aid in dying drug after discharge so long as the requirements of the Act are fulfilled.
7. El Camino Hospital does not accept new patients solely for the purposes of accessing the Act. Eligible individuals should be current ECH patients receiving care for a terminal disease.

D. DEFINITIONS:

1. Aid-in-dying drug: a drug determined and prescribed by a physician for a qualified individual, which the qualified individual may choose to self-administer to bring about his/her death due to terminal disease.
2. Attending physician: physician who has primary responsibility for the health care of an individual and treatment of the individual's terminal disease.

TITLE: End of Life Option Act Policy

CATEGORY: Patient Care Services

LAST APPROVAL: 2016 new

3. Consulting physician: a physician who is independent from the attending physician and who is qualified by specialty or experience to make a professional diagnosis and prognosis regarding an individual's terminal disease.

E. PROCEDURE:

1. The End of Life Option Act applies only to adults age 18 years or older. All such adult patients may be provided with educational materials regarding end-of-life options to the degree the patient desires and at the patient's request.
2. When a patient makes an inquiry about or requests access to activities under the Act, the patient should be referred to the Palliative Care Department. The Palliative Care Department is able to assist patients in understanding the requirements of the Act, inform them about the process and provide educational material related to the patient's end of life options. This activity will augment, but not substitute for, the obligations of the attending and consulting physicians' roles. If the patient's physician chooses not to participate in the Act, which is his or her right under the law, Palliative Care can assist in the identification of an appropriate resource.
3. Any patient, family member, surrogate decision maker, employee, independent contractor, medical staff, or volunteer may contact Palliative Care for assistance.
4. Support is also available as needed from Spiritual Care Department and the Ethics Committee.
5. Patients who have met all obligations and all criteria as described in the Act, and desire to ingest "aid-in-dying drug" yet cannot be discharged from the hospital for an extenuating circumstance, will be evaluated on a case-by-case basis by a multi-disciplinary team of physicians, nursing, care coordination, Palliative Care as available, and Risk Management or Legal to develop an acceptable plan of care for the patients/family.
6. Discussions and care conferences with patients and families regarding the End of Life Option Act are to be documented in the electronic health record (EHR).
7. Risk Management and/or Legal should be contacted prior to an ECH provider providing an ECH patient a prescription for an aid in dying drug in an ECH outpatient clinic to ensure that all appropriate processes have been followed and documentation completed.

NOTE: Printed copies of this document are uncontrolled. In the case of a conflict between printed and electronic versions of this document, the electronic version prevails.

TITLE:	End of Life Option Act Policy
CATEGORY:	Patient Care Services
LAST APPROVAL:	2016 new

8. Risk Management and the Legal Department is available to provide guidance to providers regarding the requirements under the law, and may review records as necessary to ensure all the safeguards of the law have been followed along with appropriate documentation completed.

F. REFERENCES:

1. California ABX2-15: End of Life Option Act

G. APPROVAL:

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Originating Committee or UPC Committee	
(name of) Medical Committee (if applicable):	
ePolicy Committee:	
Pharmacy and Therapeutics (if applicable):	
Medical Executive Committee:	
Board of Directors:	
Historical Approvals:	
Pharmacy and Therapeutics Committee:	
Medical Executive Committee:	
Board of Directors:	

A. ATTACHMENTS (if applicable):

Note that Attachments not considered part of the actual policy and updates to the attachments do not require committee approval.

FY17 Period 1 Financials



El Camino Hospital

THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2017 – Period 1
7/1/2016 to 7/31/2016

Dashboard - ECH combined as of July 31, 2016

	Annual						Month			YTD		
	2013	2014	2015	2016	2017	2017	PY	CY	Bud/Target	PY	CY	Bud/Target
					Proj.	Bud/Target						
Volume												
Licensed Beds	443	443	443	443	443	443	443	443	443	443	443	443
ADC	240	238	246	242	235	245	229	230	235	229	230	235
Adjusted Discharges	28,906	28,602	29,051	28,358	28,247	29,446	2,392	2,354	2,453	2,392	2,354	2,453
Total Discharges	24,149	23,383	23,767	22,986	22,560	23,665	1,871	1,880	1,967	1,871	1,880	1,967
Inpatient Cases												
Total Discharges	17,243	16,594	17,052	16,819	16,452	17,285	1,369	1,371	1,440	1,369	1,371	1,440
Deliveries	5,472	5,373	5,273	4,916	4,728	5,055	405	394	421	405	394	421
BHS	861	857	901	806	840	755	74	70	68	74	70	68
Rehab	525	547	555	500	552	570	39	46	48	39	46	48
Outpatient												
ED	45,525	46,056	49,130	48,661	47,064	51,253	4,056	3,922	4,271	4,056	3,922	4,271
Procedural Cases												
OP Surg	5,852	6,403	6,488	6,074	5,916	6,004	547	493	500	547	493	548
Endo	2,242	2,492	2,520	2,322	1,656	2,479	221	138	207	221	138	206
Interventional	1,709	1,917	2,144	2,227	2,520	2,049	200	210	171	200	210	171
All Other	64,352	69,339	67,831	80,673	80,436	85,255	5,756	6,703	7,105	6,602	6,703	7,104
Financial Performance (\$000s)												
Net Revenues	686,327	721,123	746,645	772,020	782,234	789,585	59,196	65,187	62,947	59,195	65,186	62,947
Operating Expenses	632,353	669,680	689,631	743,044	695,711	758,807	58,164	57,976	61,390	58,163	57,976	61,390
Operating Income \$	69,126	70,305	78,120	52,613	106,947	55,837	3,305	8,913	3,693	3,305	8,912	3,693
Operating Margin	9.9%	9.5%	10.2%	6.6%	13.3%	6.9%	5.4%	13.3%	5.7%	5.4%	13.3%	5.7%
EBITDA \$	124,722	125,254	128,002	108,554	162,703	115,910	7,478	13,559	8,608	7,478	13,559	8,607
EBITDA %	17.8%	16.9%	16.7%	13.6%	20.3%	14.2%	12.2%	20.3%	13.2%	12.2%	20.3%	13.2%
IP Margin**	-1.1%	-3.2%	-4.5%	-6.6%	-8.5%	-1.0%	-3.3%	-8.5%	-1.0%	-3.3%	-8.5%	-1.0%
OP Margin**	25.9%	25.2%	28.1%	26.1%	31.8%	25.0%	31.6%	31.8%	25.0%	31.6%	31.8%	25.0%
Payor Mix												
Medicare	46.3%	44.6%	46.2%	46.6%	44.5%	46.4%	46.2%	44.5%	46.4%	46.2%	44.5%	46.4%
Medi-Cal	4.9%	6.0%	6.6%	7.4%	8.0%	6.5%	8.4%	8.0%	6.5%	8.4%	8.0%	6.5%
Commercial IP	25.3%	25.4%	24.2%	23.2%	23.3%	24.0%	23.2%	23.3%	24.0%	23.2%	23.3%	24.0%
Commercial OP	16.9%	18.6%	18.7%	18.7%	20.1%	19.0%	18.5%	20.1%	19.0%	18.5%	20.2%	18.5%
Total Commercial	42.2%	44.0%	42.9%	41.9%	43.4%	43.0%	41.8%	43.4%	43.0%	41.8%	43.5%	42.5%
Other	6.6%	5.4%	4.3%	4.1%	4.1%	4.1%	3.7%	4.1%	4.1%	3.7%	4.1%	4.1%
Cost												
Employees	2,289.0	2,435.6	2,452.4	2,542.8	2,480.3	2,466.4	2,563.4	2,480.3	2,466.4	2,563.4	2,480.3	2,466.4
Hrs/APD	29.72	29.31	30.45	30.35	30.36	30.92	30.69	30.36	30.92	30.69	30.36	30.92
Balance Sheet												
Net Days in AR	47.8	50.9	43.6	53.7	53.5	48.0	44.8	53.5	48.0	44.8	53.5	48.0
Days Cash	350	382	401	361	405	266	403	405	266	403	405	266
Debt to Capitalization	14.0%	12.6%	13.6%	13.8%	13.7%	17.3%	13.7%	13.7%	17.3%	13.7%	13.7%	17.3%
MADS	8.0	9.5	8.9	6.1	9.2	9.3	8.8	9.2	9.3	8.8	9.2	9.3
Affiliates - Net Income (\$000s)												
Hosp	88,820	118,906	94,787	43,043	20,285	67,032	4,571	20,285	4,626	4,571	20,285	4,626
Concern	371	1,862	1,202	1,823	379	2,604	268	379	210	268	379	210
ECSC	20,654	(5)	(41)	(282)	(3)	0	1	(3)	0	1	(3)	0
Foundation	1,545	3,264	710	982	514	(450)	269	514	(43)	269	514	(43)
SVMD	(114)	32	106	156	191	0	(1)	191	(1)	(1)	191	(1)

Inpatient volume is 3.0% below budget for the year primarily due to lower deliveries

Outpatient volume: ED visits are slightly higher than budget. Other OP services are below budget.

Operating margin for July was \$5.2M favorable to budget due to favorable revenue despite lower volume. Expenses were below budget due to favorable productivity, fees and purchased services (+\$1.2M) and supplies (+\$1.2M).

Productivity has improved after EPIIC go-live but remains favorable compared to budget .

AR days remain relatively flat from June to July.

*Includes Deliveries

** Due to timing of month end costing, In Patient and Out Patient Operating Margin % for FYTD 2017 are one month in arrears

Fiscal Year 2017 Fiscal Period 1 (7/1/2016-7/31/2016) Waterfall

		Month to Date (MTD)	
		Net Income Impact	% Net Revenue
\$ in Thousands			
Budgeted Hospital Operations FY2017		3,693	5.7%
Net Revenue		1,807	2.7%
	* Volumes down mainly in OB		
	* Net reimbursement favorable		
Labor and Benefit Expense Change		832	1.2%
	* Benefits on target, Mgmt/Techs salary is majority of savings.		
Professional Fees & Purchased Services		1,197	1.8%
	* Budgeted Medical Director fees/Consultants		
	* Repairs/Software		
Supplies		1,227	1.8%
	* Drug Exp		
	* Medical Supplies (Volumes)		
	* Misc Net Supplies (Food/Volumes)		
Other Expenses		(111)	-0.2%
	* Dues and Subscriptions		
	* MD ICARE Training		
	* MD Income Guarantee		
	* Advertising, Net other		
Depreciation & Interest		269	0.4%
Actual Hospital Operations FY2017		8,914	13.3%

El Camino Hospital (\$000s) ⁽¹⁾

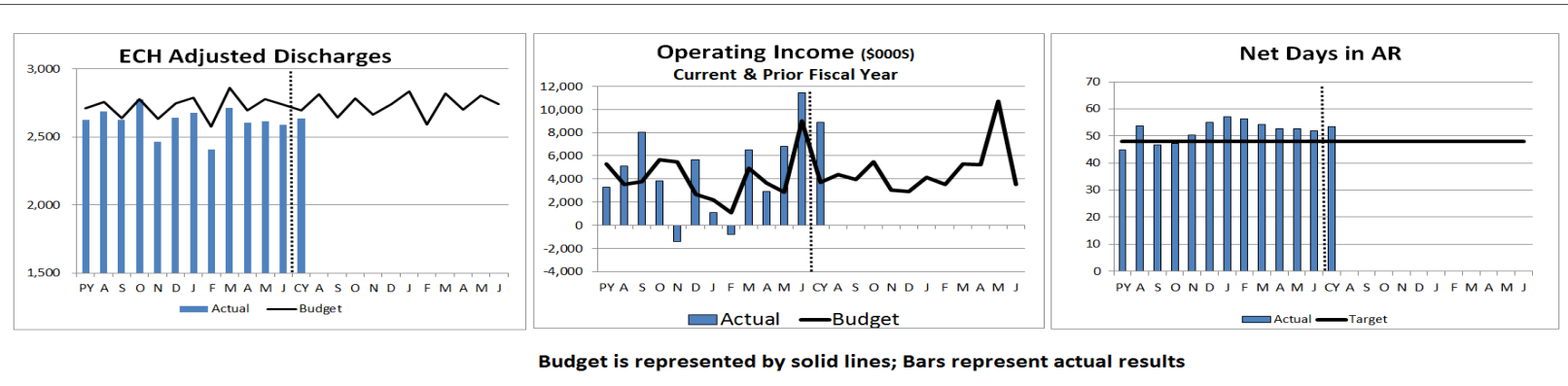
1 month ending 7/31/2016

PERIOD 1 FY 2016	PERIOD 1 FY 2017	PERIOD 1 Budget 2017	Variance Fav (Unfav)	Var%
216,966	231,262	233,418	(2,156)	-0.9%
(157,770)	(166,076)	(170,472)	4,396	1.0%
59,196	65,187	62,947	2,240	3.6%
2,274	1,702	2,136	(434)	-20.3%
61,469	66,889	65,082	1,806	2.8%
35,113	35,514	36,346	832	2.3%
9,714	8,441	9,668	1,227	12.7%
7,341	6,998	8,195	1,197	14.6%
1,822	2,377	2,266	(111)	-4.9%
451	616	602	(14)	-2.4%
3,722	4,030	4,313	283	6.6%
58,164	57,976	61,390	3,414	5.6%
3,305	8,913	3,693	5,221	141.4%
1,266	11,371	933	10,439	1119.0%
4,571	20,285	4,626	15,659	338.5%
12.2%	20.3%	13.2%	7.0%	
5.4%	13.3%	5.7%	7.7%	
7.4%	30.3%	7.1%	23.2%	

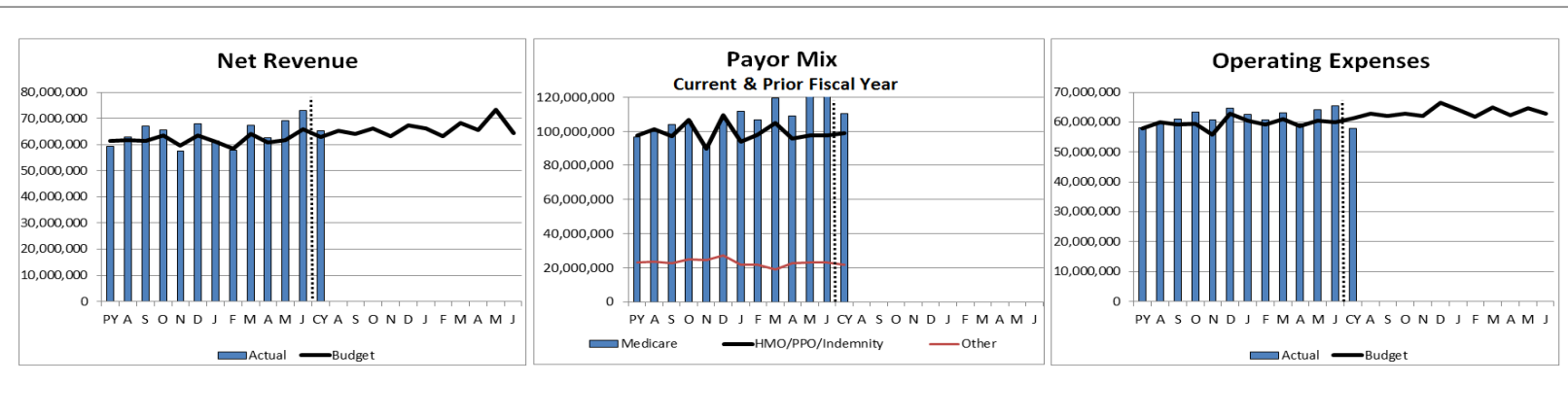
\$000s	YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
OPERATING REVENUE					
Gross Revenue	216,966	231,262	233,418	(2,156)	-0.9%
Deductions	(157,770)	(166,076)	(170,472)	4,396	-2.6%
Net Patient Revenue	59,196	65,187	62,947	2,240	3.6%
Other Operating Revenue	2,274	1,702	2,136	(434)	-20.3%
Total Operating Revenue	61,469	66,889	65,082	1,806	2.8%
OPERATING EXPENSE					
Salaries & Wages	35,113	35,514	36,346	832	2.3%
Supplies	9,714	8,441	9,668	1,227	12.7%
Fees & Purchased Services	7,341	6,998	8,195	1,197	14.6%
Other Operating Expense	1,822	2,377	2,266	(111)	-4.9%
Interest	451	616	602	(14)	-2.4%
Depreciation	3,722	4,030	4,313	283	6.6%
Total Operating Expense	58,164	57,976	61,390	3,414	5.6%
Net Operating Income/(Loss)	3,305	8,913	3,693	5,221	141.4%
Non Operating Income	1,266	11,371	933	10,439	1119.0%
Net Income(Loss)	4,571	20,285	4,626	15,659	338.5%
EBITDA	12.2%	20.3%	13.2%	7.0%	
Operating Margin	5.4%	13.3%	5.7%	7.7%	
Net Margin	7.4%	30.3%	7.1%	23.2%	

⁽¹⁾ Hospital entity only, excludes controlled affiliates

Monthly Financial Trends

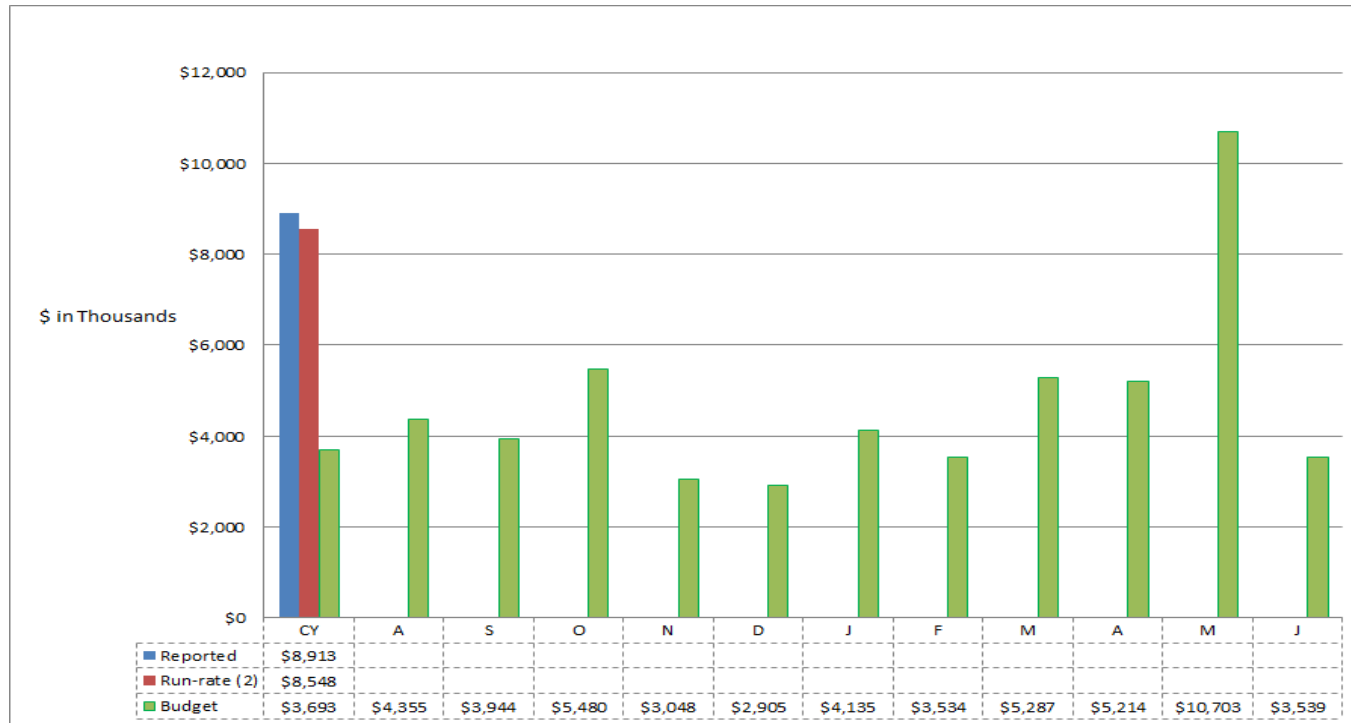


Volume is low mainly in surgeries, deliveries, and infusion treatments.
AR days remained relatively flat from June.



ECH Operating Margin

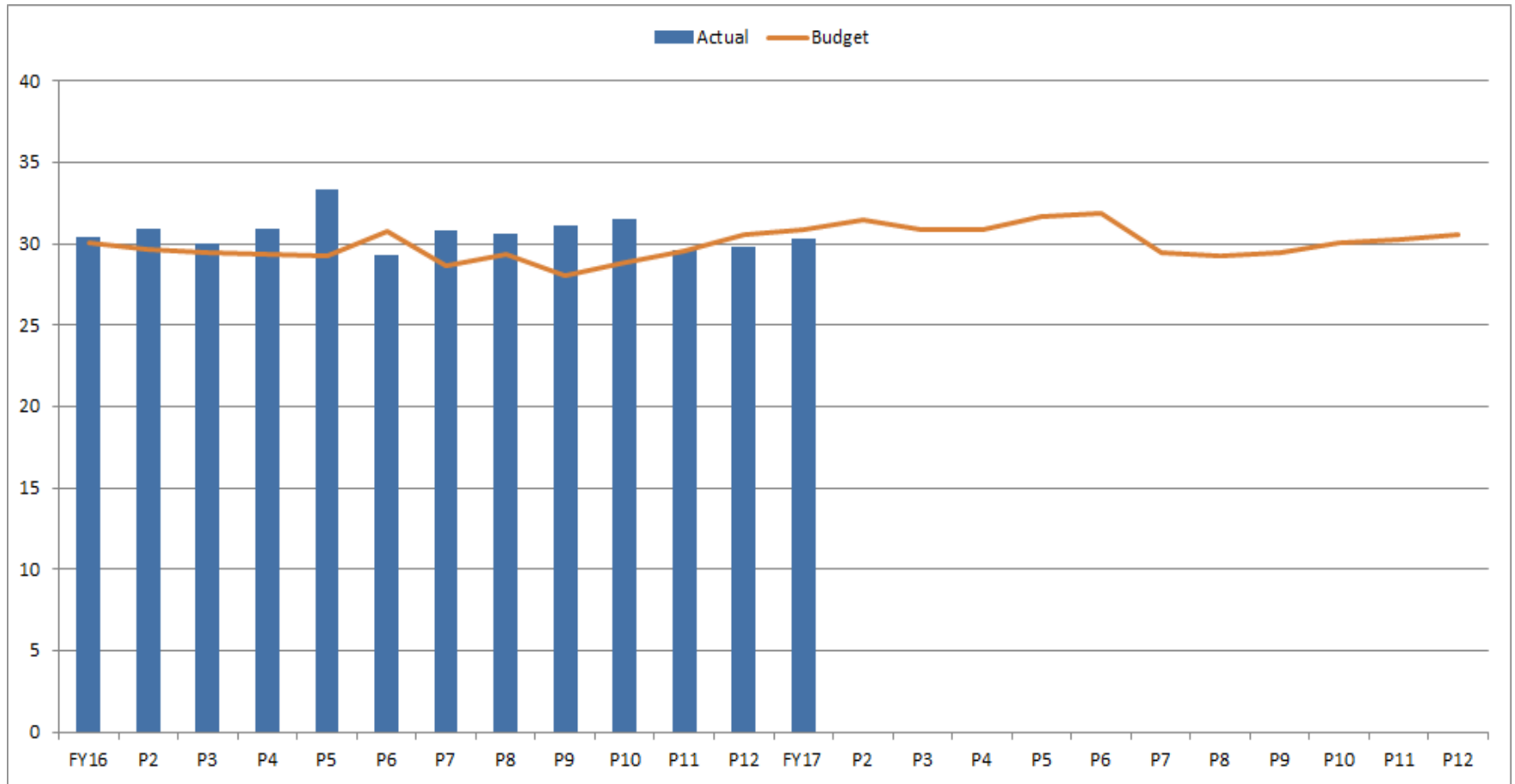
Run rate is booked operating income adjusted for material non-recurring transactions



FY 2017 Actual Run Rate Adjustments (in thousands)

		J	A	S	O	N	D	J	F	M	A	M	J
Revenue Adjustments	RAC Release	\$76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Insurance Overpayment Release Spine	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Mcare Settlmt/Appeal/Tent Settlmt/PIP	-\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	-\$31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expense Adjustments	Pay-For-Performance Bonus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Actuarial Exp for Workers Comp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Worked Hours per Adjusted Patient Day



Productivity has improved after EPIC go-live and is ahead of target in July .

Summary of Financial Results

\$ in Thousands

	Period 1 - Month			Period 1 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	7,717	2,677	5,041	7,717	2,677	5,041
Los Gatos	1,196	1,016	180	1,196	1,016	180
Sub Total - El Camino Hospital, excl. Affiliates	8,913	3,693	5,221	8,913	3,693	5,221
Operating Margin %	13.3%	5.7%		13.3%	5.7%	
El Camino Hospital Non Operating Income						
Investments	11,900	1,666	10,235	11,900	1,666	10,235
Swap Adjustments	(252)	0	(252)	(252)	0	(252)
Community Benefit	(131)	(283)	152	(131)	(283)	152
Other	(146)	(449)	304	(146)	(449)	304
Sub Total - Non Operating Income	11,371	933	10,439	11,371	933	10,439
El Camino Hospital Net Income (Loss)	20,285	4,626	15,659	20,285	4,626	15,659
ECH Net Margin %	30.3%	7.1%		30.3%	7.1%	
Concern	379	210	169	379	210	169
ECSC	(3)	0	(3)	(3)	0	(3)
Foundation	514	(43)	557	514	(43)	557
Silicon Valley Medical Development	191	(1)	192	191	(1)	192
Net Income Hospital Affiliates	1,080	166	914	1,080	166	914
Total Net Income Hospital & Affiliates	21,365	4,792	16,573	21,365	4,792	16,573

Actual to Budget Variance for hospital affiliates primarily due to drug, medical supplies, and EPIC labor/training expenses .

Smart Growth Summary

FY2017 P1

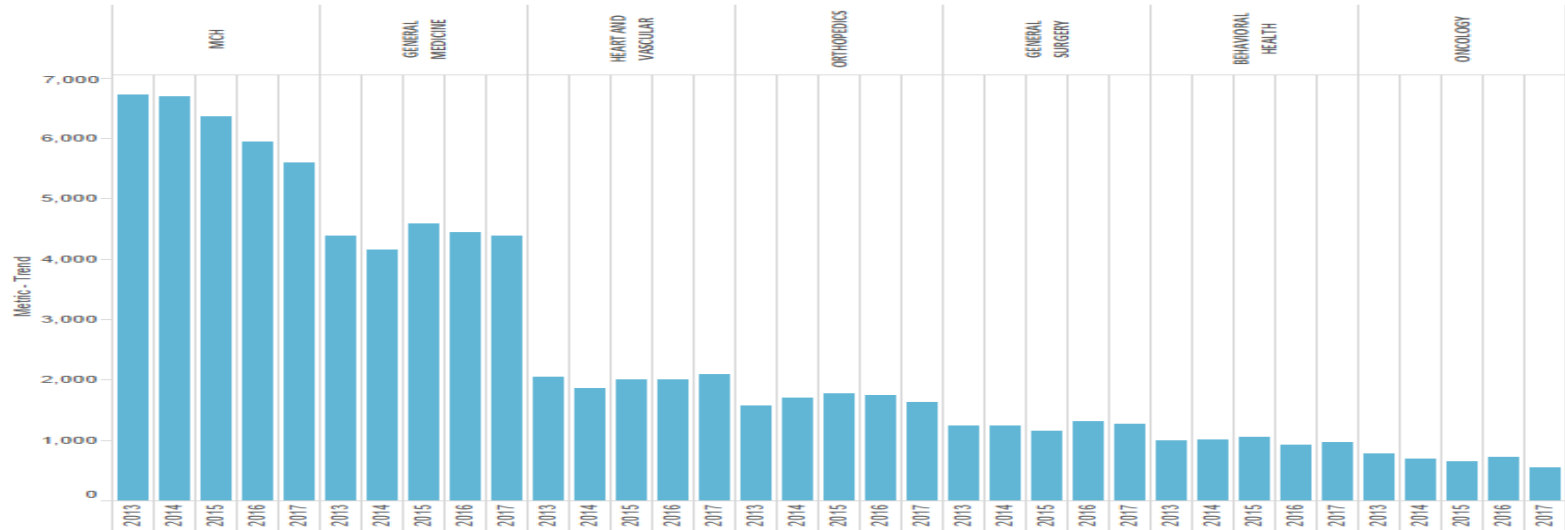
	Actual	Budget	Diff	Notes
Deliveries	359	413	(54)	Delivery charge codes based on post date
NICU Level 2 & 3 Days	186	257	(71)	NICU 173 & 174 charge codes by post date
Inpatient Surgeries	331	388	(57)	Inpatient surgeries by post date
Outpatient Surgeries	455	535	(80)	Outpatient surgeries by post date (excludes Endo in OR)
OP Cath Lab Cases	173	163	10	Charge codes by service date, count # of patients
OP Endo Cases	143	208	(65)	Charge codes by service date, count # of patients
OP Infusion Cases	321	329	(8)	Charge codes by service date, count # of patients
OP Intvl Bronch Procedures	37	39	(2)	Select charge codes by post date + EPIC location of Endo room

⁽¹⁾ Hospital entity only, excludes controlled affiliates

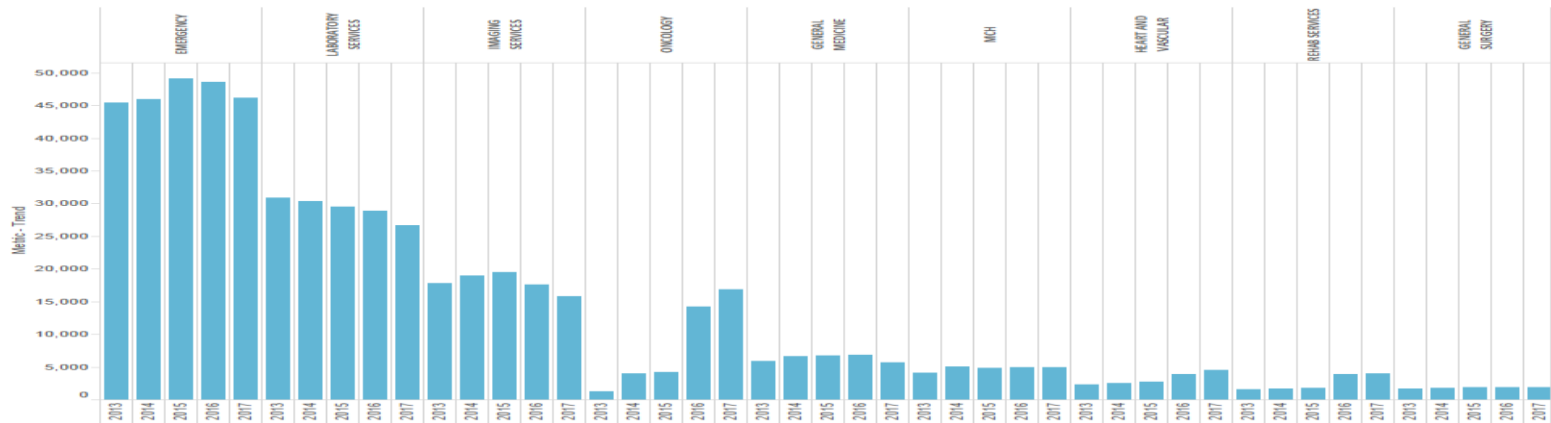
El Camino Hospital Volume Annual Trends

FY 2017 is annualized

IP



OP



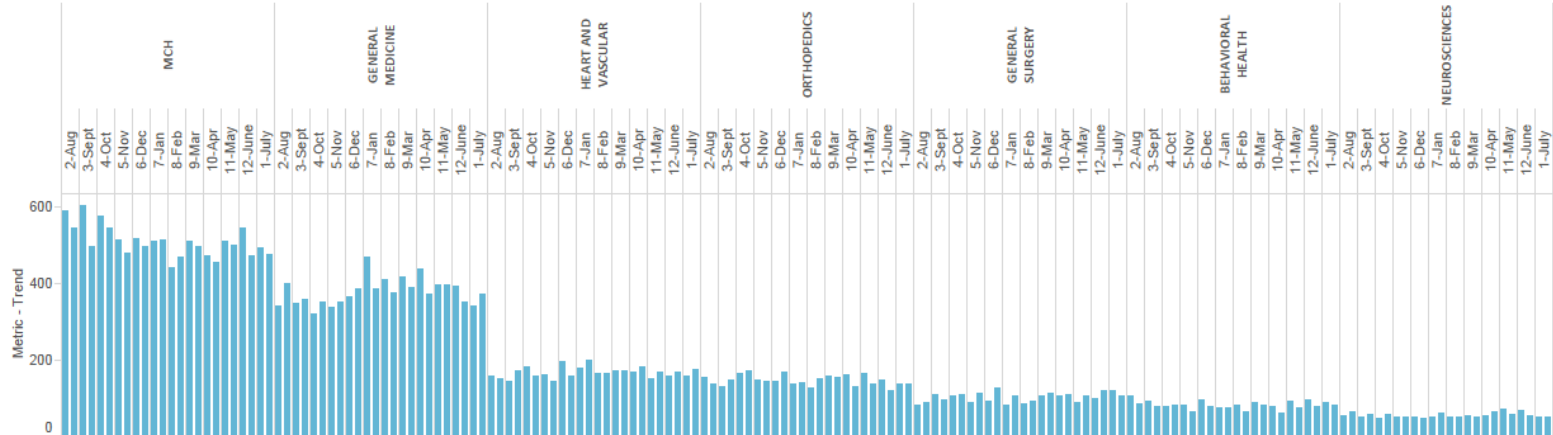
El Camino Hospital Volume Monthly Trends

Prior and Current Fiscal Years

Columns are in PY, CY Order

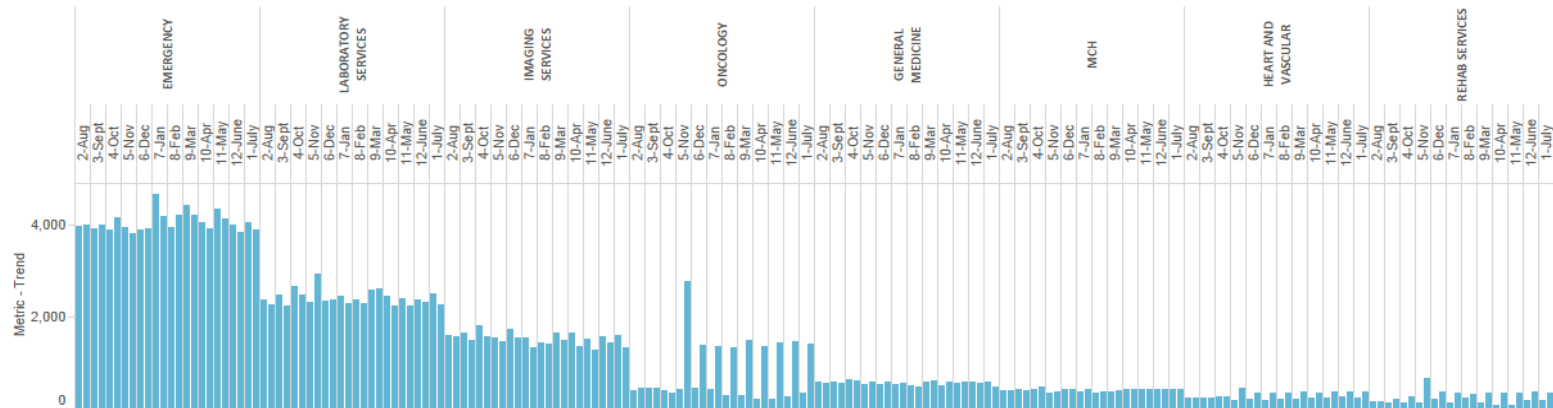
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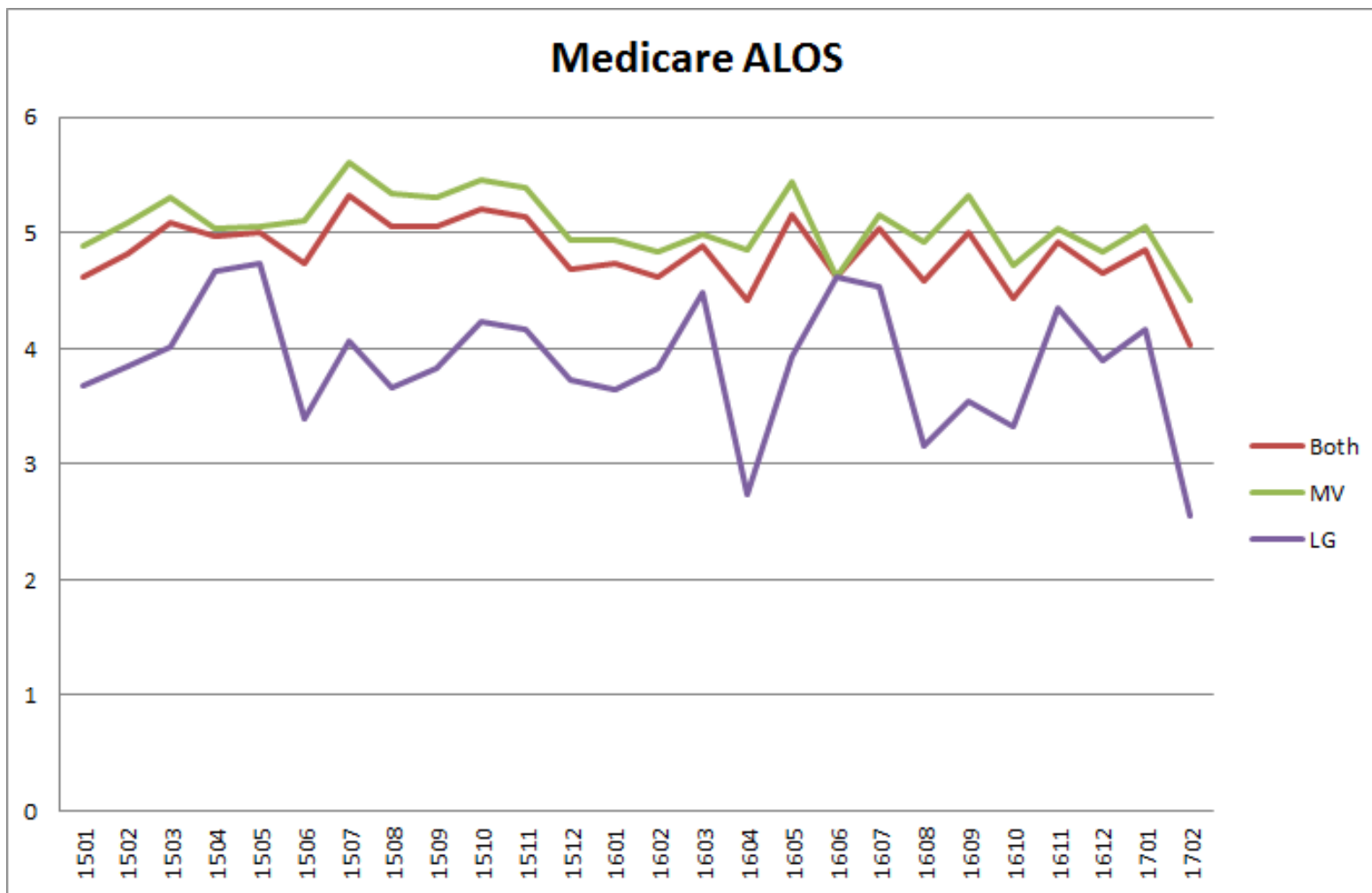
Service Line Trend - clicking on a service line excludes all others. Clicking a second time removes the filter. Filters apply to all graphs below.



OP

Service Line Trend - clicking on a service line excludes all others. Clicking a second time removes the filter. Filters apply to all graphs below.





- Medicare: Due to DRG reimbursement, financial results usually improve with decreased LOS

El Camino Hospital Investment Committee Scorecard

Updated Quarterly

June 30, 2016

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY16 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		2Q 2016		Fiscal Year-to-date		Since Inception (annualized)			Mar 2014/2012
Surplus cash balance & op. cash (millions)		\$727.7	--	--	--	--	--	\$699.8	--
Surplus cash return		1.8%	1.4%	0.1%	0.5%	4.4%	4.4%	4.0%	5.0%
Cash balance plan balance (millions)		\$221.5	--	--	--	--	--	\$224.2	--
Cash balance plan return		1.7%	1.4%	-0.3%	0.4%	7.0%	6.4%	6.0%	6.7%
403(b) plan balance (millions) ¹		\$330.6	--	--	--	--	--	--	--
Risk vs. Return		3-year				Since Inception (annualized)			Mar 2014/2012
Surplus cash Sharpe ratio		0.90	0.93	--	--	1.00	0.98	--	0.66
Net of fee return		4.3%	4.4%	--	--	4.4%	4.4%	--	5.0%
Standard deviation		4.7%	4.7%	--	--	4.4%	4.4%	--	7.2%
Cash balance Sharpe ratio		0.97	0.93	--	--	1.14	1.09	--	0.54
Net of fee return		6.2%	5.7%	--	--	7.0%	6.4%	--	6.7%
Standard deviation		6.4%	6.1%	--	--	6.0%	5.8%	--	10.6%
Asset Allocation		2Q 2016							
Surplus cash absolute variances to target		4.9%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		4.3%	< 10%	--	--	--	--	--	--
Manager Compliance		2Q 2016							
Surplus cash manager flags		15	< 18	--	--	--	--	--	--
Cash balance plan manager flags		16	< 18	--	--	--	--	--	--

El Camino Hospital

Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	FY 17 YTD Spent
CIP	EPIC Upgrade			6.1	0.0	0.0
IT Hardware, Software, Equipment*				5.4	0.0	0.3
Medical & Non Medical Equipment FY 16**				4.3	0.0	0.0
Medical & Non Medical Equipment FY 17				10.3	0.0	0.6
Facility Projects						
	1307 LG Upgrades	FY13	17.3	17.3	11.0	0.2
	1219 LG Spine OR	FY13	4.1	4.1	1.3	0.1
	1414 Integrated MOB	FY15	275.0	28.0	15.2	1.4
	1413 North Drive Parking Expansion	FY15	24.5	24.5	1.7	0.1
	1245 Behavioral Health Bldg	FY16	91.5	19.0	7.3	0.0
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	8.8	8.8	0.7	0.0
	1313/1224 LG Rehab HVAC System & Structural	FY16	3.7	3.7	1.8	0.0
	1502 Cabling & Wireless Upgrades	FY16	2.8	2.8	2.1	0.0
	1425 IMOB Preparation Project - Old Main	FY16	3.0	3.0	2.4	1.6
	1430 Women's Hospital Expansion	FY16	91.0	0.0	0.0	0.0
	1422 CUP Upgrade	FY16	9.0	1.5	1.0	0.0
	1503 Willow Pavilion Tomosynthesis	FY16	1.3	1.3	0.1	0.0
	1519/1314 LG Electrical Systems Upgrade	FY16	1.2	0.0	0.0	0.0
	1347 LG Central Sterile Upgrades	FY15	3.7	0.2	0.2	0.0
	1508 LG NICU 4 Bed Expansion	FY16	7.0	0.5	0.0	0.0
	1520 Facilities Planning Allowance	FY16	0.6	0.0	0.0	8.0
	1525 New Main Lab Upgrades		1.6	0.4	0.0	0.0
	1515 ED Remodel Triage/Psych Observation	FY16	1.6	0.0	0.0	0.0
	IR Room #6 Development		2.6	0.0	0.0	0.0
	1602 JW House (Patient Family Residence)		2.5	0.0	0.0	0.0
	1507 LG IR Upgrades	FY16	1.1	0.0	0.0	0.0
	LG Building Infrastructure Improvements		1.5	0.0	0.0	0.0
	1421 LG MOB Improvements (17)	FY15	5.9	0.0	0.0	0.0
	All Other Projects under \$1M		16.2	38.4	33.7	0.3
			577.5	153.4	78.4	11.7
GRAND TOTAL				179.5		12.6

*Excluding EPIC

** Unspent Prior Year routine used as contingency

El Camino Hospital⁽¹⁾

Balance Sheet (Thousands)

ASSETS

	July 31, 2016	Unaudited June 30, 2016
CURRENT ASSETS		
Cash	58,642	59,169
Short Term Investments	110,264	105,284
Patient Accounts Receivable, net	115,166	116,059
Other Accounts and Notes Receivable	3,384	4,369
Intercompany Receivables	1,241	2,200
Inventories and Prepaids	46,112	43,278
Total Current Assets	334,809	330,359
BOARD DESIGNATED ASSETS		
Plant & Equipment Fund	121,590	119,650
Women's Hospital Expansion	8,961	-
Operational Reserve Fund	100,196	100,196
Community Benefit Fund	14,435	13,037
Workers Compensation Reserve Fund	22,339	22,309
Postretirement Health/Life Reserve Fund	18,391	18,256
PTO Liability Fund	22,588	22,984
Malpractice Reserve Fund	1,800	1,800
Catastrophic Reserves Fund	14,617	14,125
Total Board Designated Assets	324,918	312,358
FUNDS HELD BY TRUSTEE	30,867	30,841
LONG TERM INVESTMENTS	211,302	207,597
INVESTMENTS IN AFFILIATES	31,568	31,148
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,174,439	1,171,372
Less: Accumulated Depreciation	(489,881)	(485,856)
Construction in Progress	41,422	46,009
Property, Plant & Equipment - Net	725,980	731,525
DEFERRED OUTFLOWS	22,468	22,518
RESTRICTED ASSETS - CASH	3	0
TOTAL ASSETS	1,681,912	1,666,346

LIABILITIES AND FUND BALANCE

	July 31, 2016	Unaudited June 30, 2016
CURRENT LIABILITIES		
Accounts Payable	19,610	28,519
Salaries and Related Liabilities	22,120	22,992
Accrued PTO	22,588	22,984
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,110	11,314
Intercompany Payables	67	105
Malpractice Reserves	1,936	1,936
Bonds Payable - Current	3,635	3,635
Bond Interest Payable	2,290	5,459
Other Liabilities	2,749	2,684
Total Current Liabilities	88,404	101,929
LONG TERM LIABILITIES		
Post Retirement Benefits	18,391	18,256
Worker's Comp Reserve	20,039	20,009
Other L/T Obligation (Asbestos)	3,646	3,637
Other L/T Liabilities (IT/Medl Leases)	-	-
Bond Payable	226,832	226,580
Total Long Term Liabilities	268,909	268,482
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	999,679	983,577
Board Designated	324,918	312,358
Restricted	3	0
Total Fund Bal & Capital Accts	1,324,599	1,295,935
TOTAL LIABILITIES AND FUND BALANCE	1,681,912	1,666,346

⁽¹⁾ Hospital entity only, excludes controlled affiliates

APPENDIX

Dashboard - Mountain View

	Annual						Month			YTD		
	2013	2014	2015	2016	2017 Projection	2017 Bud/Target	PY	CY	Bud/Target	PY	CY	Bud/Target
Volume												
Licensed Beds	300	300	300	300	300	300	300	300	300	300	300	300
Acute Patient Days	72,245	71,084	73,360	73,010	70,428	72,687	5,863	5,869	5,876	5,863	5,869	5,876
ADC	198	195	201	199	193	199	189	189	190	189	189	190
Adjusted Acute Discharges	24,366	23,864	24,275	23,759	23,904	24,505	2,018	1,992	2,041	2,018	1,992	2,041
Acute Discharges	14,521	13,852	14,239	14,093	13,980	14,381	1,165	1,165	1,198	1,165	1,165	1,198
Inpatient total												
Acute	14,521	13,852	14,239	14,093	13,980	14,381	1,165	1,165	1,198	1,165	1,165	1,198
Deliveries	4,701	4,550	4,573	4,260	4,116	4,393	352	343	366	352	343	366
BHS	861	857	901	806	840	755	74	70	68	74	70	68
Rehab	0	0	0	0	0	0	0	0	0	0	0	0
OP total												
ED	34,920	35,447	38,443	37,739	36,732	40,208	3,174	3,061	3,351	3,174	3,061	3,351
OP Surg	2,837	3,299	3,428	3,207	3,336	3,447	283	278	287	283	278	287
Endo	1979	2,300	2,365	2,231	1,644	2,320	207	137	193	207	137	193
Interventional	1698	1,900	2,122	2,203	2,520	2,006	199	210	167	199	210	167
All Other	59,478	63,862	62,072	73,407	72,480	77,032	5,273	6,040	6,419	5,273	6,040	6,419
Financial Performance (\$000s)												
Net Revenues	557,533	589,420	603,788	632,800	639,818	640,625	48,462	53,318	50,909	48,462	53,318	50,909
Operating Expenses	516,892	550,736	562,790	607,214	565,619	619,072	47,238	47,135	50,157	47,238	47,135	50,157
Operating Income \$	55,324	56,518	59,684	46,918	92,607	44,036	3,308	7,717	2,677	3,308	7,717	2,677
Operating Margin	9.7%	9.3%	9.6%	7.2%	14.1%	6.6%	6.5%	14.1%	5.1%	6.5%	14.1%	5.1%
EBITDA \$	105,938	105,814	103,637	96,770	141,871	96,900	6,981	11,822	7,055	6,981	11,823	7,055
EBITDA %	18.5%	17.4%	16.6%	14.8%	21.6%	14.6%	13.8%	21.6%	13.4%	13.8%	21.6%	13.4%
Payor Mix												
Medicare	42.0%	44.0%	46.4%	46.2%	46.7%	45.0%	43.8%	46.7%	45.0%	43.8%	46.7%	45.0%
Medi-Cal	5.4%	6.5%	7.1%	7.9%	7.7%	8.3%	8.6%	7.7%	8.3%	8.6%	7.7%	8.3%
Commercial IP	28.6%	25.7%	24.2%	23.6%	22.0%	23.6%	23.5%	22.0%	23.6%	23.5%	22.0%	23.6%
Commercial OP	19.2%	18.9%	18.4%	18.6%	19.7%	19.1%	19.9%	19.7%	19.1%	19.9%	19.7%	19.1%
Total Commercial	47.8%	44.6%	42.6%	42.2%	41.7%	42.7%	43.5%	41.7%	42.7%	43.5%	41.7%	42.7%
Other	4.8%	4.9%	3.9%	3.7%	4.0%	4.0%	4.1%	4.0%	4.0%	4.1%	4.0%	4.0%
Cost												
Employees	1,901.0	2,027.6	2,029.9	2,163.0	2,061.6	2,123.0	2,143.4	2,061.6	2,053.0	2,143.4	2,061.6	2,053.0
Hrs/APD	29.58	30.16	29.60	30.97	30.23	29.93	30.88	30.23	31.77	30.88	30.23	29.93

Dashboard - Los Gatos

	Annual						Month			YTD		
	2013	2014	2015	2016	2017 Projection	2017 Bud/Target	PY	CY	Bud/Target	PY	CY	Bud/Target
Volume												
Licensed Beds	143	143	143	143	143	143	143	143	143	143	143	143
ADC	42	43	45	43	42	46	40	41	45	40	41	45
Adjusted Acute Discharges	4,544	4,737	4,778	4,599	4,336	4,942	372	361	412	372	361	412
Acute Discharges	2,722	2,742	2,813	2,726	2,472	2,904	204	206	242	204	206	242
Inpatient total												
Acute	2,722	2,742	2,813	2,726	2,472	2,904	204	206	242	204	206	242
Deliveries	771	823	700	656	612	662	53	51	55	53	51	55
BHS	0	0	0	0	0	0	0	0	0	0	0	0
Rehab	525	547	555	500	552	570	39	46	48	39	46	48
OP total												
ED	10,605	10,609	10,687	10,922	10,332	11,045	882	861	920	882	861	920
OP Surg	3,015	3,104	3,060	2,867	2,580	2,557	264	215	213	264	215	261
Endo	263	192	155	91	12	159	14	1	13	14	1	13
Interventional	11	17	22	24	0	43	1	0	4	1	0	4
All Other	4,874	5,477	5,759	7,266	7,956	8,223	483	663	685	1,329	663	685
Financial Performance (\$000s)												
Net Revenues	128,794	131,702	142,858	139,221	142,416	148,960	10,733	11,868	12,038	10,733	11,868	12,038
Operating Expenses	115,461	118,944	126,841	135,830	130,092	139,735	10,925	10,841	11,232	10,925	10,841	11,232
Operating Income \$	13,802	13,787	18,436	5,695	14,340	11,801	-3	1,196	1,016	-3	1,195	1,016
Operating Margin	10.7%	10.4%	12.7%	4.0%	9.9%	7.8%	0.0%	9.9%	8.3%	0.0%	9.9%	8.3%
EBITDA \$	18,784	19,440	24,365	11,784	20,832	19,011	497	1,737	1,553	497	1,736	1,553
EBITDA %	14.5%	14.6%	16.8%	8.3%	14.4%	12.5%	4.6%	14.4%	12.7%	4.6%	14.4%	12.7%
IP Margin												
OP Margin												
Payor Mix												
Medicare	45.5%	44.0%	46.1%	48.2%	53.1%	47.5%	47.5%	53.1%	47.5%	47.5%	53.1%	47.5%
Medi-Cal	2.9%	3.5%	4.3%	5.1%	3.5%	4.7%	5.1%	3.5%	4.7%	5.1%	3.5%	4.7%
Commercial IP	25.3%	25.9%	23.8%	21.4%	20.6%	22.2%	22.3%	20.6%	22.2%	22.3%	20.6%	22.2%
Commercial OP	17.0%	19.1%	20.0%	19.4%	20.0%	20.2%	21.0%	20.0%	20.2%	21.0%	20.0%	20.2%
Total Commercial	42.3%	45.0%	43.8%	40.8%	40.5%	42.4%	43.3%	40.5%	42.4%	43.3%	40.5%	42.4%
Other	9.3%	7.5%	5.8%	5.9%	3.0%	5.5%	4.1%	3.0%	5.5%	4.1%	3.0%	5.5%
Cost												
Employees	388.0	408.1	422.6	421.8	418.7	413.4	420.0	418.7	413.4	420.0	418.7	413.4
Hrs/APD	29.13	27.65	28.00	29.34	28.21	27.50	29.34	28.21	27.31	29.34	28.21	27.50

El Camino Hospital – Mountain View (\$000s)⁽¹⁾

1 month ending 7/31/2016

PERIOD 1 FY 2016	PERIOD 1 FY 2017	PERIOD 1 Budget 2017	Variance Fav (Unfav)	Var%
179,020	193,631	189,826	3,805	2.0%
(130,557)	(140,313)	(138,917)	(1,396)	1.0%
48,462	53,318	50,909	2,410	4.7%
2,084	1,534	1,926	(392)	-20.3%
50,546	54,852	52,834	2,018	3.8%
29,173	29,540	30,256	716	2.4%
8,089	7,080	7,930	850	10.7%
5,999	5,652	6,886	1,235	17.9%
304	758	706	(51)	-7.3%
451	616	602	(14)	-2.4%
3,222	3,489	3,776	287	7.6%
47,238	47,135	50,157	3,023	6.0%
3,308	7,717	2,677	5,041	188.3%
1,266	11,371	933	10,439	1119.0%
4,574	19,089	3,610	15,479	428.8%
11.3%	19.3%	11.0%	8.3%	
6.5%	14.1%	5.1%	9.0%	
9.0%	34.8%	6.8%	28.0%	

\$000s OPERATING REVENUE

Gross Revenue	179,020	193,631	189,826	3,805	2.0%
Deductions	(130,557)	(140,313)	(138,917)	(1,396)	1.0%
Net Patient Revenue	48,462	53,318	50,909	2,410	4.7%
Other Operating Revenue	2,084	1,534	1,926	(392)	-20.3%
Total Operating Revenue	50,546	54,852	52,834	2,018	3.8%

OPERATING EXPENSE

Salaries & Wages	29,173	29,540	30,256	716	2.4%
Supplies	8,089	7,080	7,930	850	10.7%
Fees & Purchased Services	5,999	5,652	6,886	1,235	17.9%
Other Operating Expense	304	758	706	(51)	-7.3%
Interest	451	616	602	(14)	-2.4%
Depreciation	3,222	3,489	3,776	287	7.6%
Total Operating Expense	47,238	47,135	50,157	3,023	6.0%
Net Operating Income/(Loss)	3,308	7,717	2,677	5,041	188.3%
Non Operating Income	1,266	11,371	933	10,439	1119.0%
Net Income(Loss)	4,574	19,089	3,610	15,479	428.8%

EBITDA

Operating Margin

Net Margin

YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
179,020	193,631	189,826	3,805	2.0%
(130,557)	(140,313)	(138,917)	(1,396)	1.0%
48,462	53,318	50,909	2,410	4.7%
2,084	1,534	1,926	(392)	-20.3%
50,546	54,852	52,834	2,018	3.8%
29,173	29,540	30,256	716	2.4%
8,089	7,080	7,930	850	10.7%
5,999	5,652	6,886	1,235	17.9%
304	758	706	(51)	-7.3%
451	616	602	(14)	-2.4%
3,222	3,489	3,776	287	7.6%
47,238	47,135	50,157	3,023	6.0%
3,308	7,717	2,677	5,041	188.3%
1,266	11,371	933	10,439	1119.0%
4,574	19,089	3,610	15,479	428.8%
11.3%	19.3%	11.0%	8.3%	
6.5%	14.1%	5.1%	9.0%	
9.0%	34.8%	6.8%	28.0%	

⁽¹⁾ Hospital only, excludes controlled affiliates

El Camino Hospital – Los Gatos(\$000s) ⁽¹⁾

1 month ending 7/31/2016

PERIOD 1 FY 2016	PERIOD 1 FY 2017	PERIOD 1 Budget 2017	Variance Fav (Unfav)	Var%
37,946	37,631	43,593	(5,961)	-13.7%
(27,213)	(25,763)	(31,555)	5,792	-18.4%
10,733	11,868	12,038	(170)	-1.4%
189	168	210	(42)	-19.9%
10,923	12,037	12,248	(212)	-1.7%
5,940	5,974	6,090	116	1.9%
1,625	1,360	1,737	377	21.7%
1,343	1,347	1,309	(38)	-2.9%
1,518	1,619	1,560	(59)	-3.8%
0	0	0	0	0.0%
500	541	537	(4)	-0.8%
10,925	10,841	11,232	392	3.5%
(3)	1,196	1,016	180	17.7%
0	0	0	0	0.0%
(3)	1,196	1,016	180	17.7%
16.0%	24.8%	22.9%	1.9%	
0.0%	9.9%	8.3%	1.6%	
0.0%	9.9%	8.3%	1.6%	

\$000s

OPERATING REVENUE

Gross Revenue

Deductions

Net Patient Revenue

Other Operating Revenue

Total Operating Revenue

OPERATING EXPENSE

Salaries & Wages

Supplies

Fees & Purchased Services

Other Operating Expense

Interest

Depreciation

Total Operating Expense

Net Operating Income/(Loss)

Non Operating Income

Net Income(Loss)

EBITDA

Operating Margin

Net Margin

YTD FY 2016	YTD FY 2017	YTD Budget 2017	Variance Fav (Unfav)	Var%
37,946	37,631	43,593	(5,961)	-13.7%
(27,213)	(25,763)	(31,555)	5,792	-18.4%
10,733	11,868	12,038	(170)	-1.4%
189	168	210	(42)	-19.9%
10,923	12,037	12,248	(212)	-1.7%
5,940	5,974	6,090	116	1.9%
1,625	1,360	1,737	377	21.7%
1,343	1,347	1,309	(38)	-2.9%
1,518	1,619	1,560	(59)	-3.8%
0	0	0	0	0.0%
500	541	537	(4)	-0.8%
10,925	10,841	11,232	392	3.5%
(3)	1,196	1,016	180	17.7%
0	0	0	0	0.0%
(3)	1,196	1,016	180	17.7%
16.0%	24.8%	22.9%	1.9%	
0.0%	9.9%	8.3%	1.6%	
0.0%	9.9%	8.3%	1.6%	

⁽¹⁾ Hospital only, excludes affiliates

El Camino Hospital Capital Spending (in thousands) FY 2012 – FY 2016

Category	2012	2013	2014	2015	2016
IT Hardware/Software Equipment	7,289	8,019	2,788	4,660	6,483
Medical/Non Medical Equipment	11,203	10,284	12,891	13,340	11,846
Non CIP Land, Land I, BLDG, Additions	7,311	0	22,292	0	30,274

Facilities Projects CIP

0101 - Hosp Replace	313	0	0	0	0
0317 - Melchor TI's	117	0	0	0	0
0701 - Cyberknife	0	0	0	0	0
0704 - 1 South Upgrade	2	0	0	0	0
0802 - Willow Pavillion Upgrades	0	0	0	0	0
0805 - Women's Hospital Finishes	0	0	0	0	0
0809 - Hosp Renovations	0	0	0	0	0
0815 - Orc Pav Water Heater	0	0	0	0	0
0816 - Hospital Signage	0	0	0	0	0
0904 - LG Facilities Upgrade	41	2	0	0	0
0907 - LG Imaging Masterplan	162	244	774	1,402	17
1000 - LG Rehab Building	0	0	0	0	0
1104 - New Main CDU TV's	0	0	0	0	0
9900 - Unassigned Costs	279	734	470	3,717	0
0803 - Park Pav Foundation	270	0	0	0	0
1005 - LG OR Light Upgrd	108	14	0	0	0
1101 - Melchor Pavilion - Genomics	0	0	0	0	0
1102 - LG Joint Hotel	657	0	0	0	0
1106 - SHC Project	2,245	0	0	0	0
1108 - Cooling Towers	932	450	0	0	0
1115 - Womens Hosp TI's	50	0	0	0	0
1118 - Park Pav Roto Care	119	0	0	0	0
1120 - BHS Out Patient TI's	472	66	0	0	0
1122 - LG Sleep Studies	147	7	0	0	0
1129 - Old Main Card Rehab	400	9	0	0	0
0817 - Womens Hosp Upgrds	1,242	645	1	0	0
0906 - Slot Build-Out	0	1,003	1,576	15,101	1,251
1107 - Boiler Replacement	49	0	0	0	0
1109 - New Main Upgrades	589	423	393	2	0
1111 - Mom/Baby Overflow	267	212	29	0	0
1129 - Cardic Rehab Improv	0	0	0	0	0
1132 - Pneumatic Tube Prj	78	0	0	0	0
1204 - Elevator Upgrades	24	25	30	0	0
1210 - Los Gatos VOIP	1	147	89	0	0
0800 - Womens L&D Expansion	129	2,104	1,531	269	0
1116 - LG Ortho Pavillion	44	177	24	21	0
1124 - LG Rehab BLDG	11	49	458	0	0
1128 - LG Boiler Replacement	3	0	0	0	0
1131 - MV Equipment Replace	190	216	0	0	0
1135 - Park Pavilion HVAC	47	0	0	0	0
1208 - Willow Pav. High Risk	0	110	0	0	0
1213 - LG Sterilizers	0	102	0	0	0
1225 - Rehab BLDG Roofing	0	7	241	4	0
1227 - New Main eICU	0	96	21	0	0
1230 - Fog Shop	0	339	80	0	0
1247 - LG Infant Security	0	134	0	0	0
1307 - LG Upgrades	0	376	2,979	3,282	3,511
1308 - LG Infrastructure	0	0	114	0	0
1313 - LG Rehab HVAC System/Structural	0	0	0	0	1,597
1315 - 205 So. Drive TI's	0	0	500	2	0
0908 - NPCR3 Seismic Upgrds	554	1,302	1,224	1,328	240

Category	2012	2013	2014	2015	2016
Facilities Projects CIP cont.					
1125 - Will Pav Fire Sprinkler	9	57	39	0	0
1211 - SIS Monitor Install	0	215	0	0	0
1216 - New Main Process Imp Office	0	19	1	16	0
1217 - MV Campus MEP Upgrades FY13	0	0	181	274	28
1219 - LG Spine OR	0	0	214	323	633
1221 - LG Kitchen Refrig	0	0	85	0	0
1224 - Rehab Bldg HVAC Upgrades	0	11	202	81	14
1245 - Behavioral Health Bldg Replace	0	0	1,257	3,775	1,389
1248 - LG - CT Upgrades	0	0	26	345	197
1249 - LG Mobile Imaging	0	0	146	0	0
1301 - Desktop Virtual	0	0	13	0	0
1304 - Rehab Wander Mgmt	0	0	87	0	0
1310 - Melchor Cancer Center Expansion	0	0	44	13	0
1318 - Women's Hospital TI	0	0	48	48	29
1327 - Rehab Building Upgrades	0	0	0	15	20
1320 - 2500 Hosp Dr Roofing	0	0	75	81	0
1328 - LG Ortho Canopy FY14	0	0	255	209	0
1340 - New Main ED Exam Room TVs	0	0	8	193	0
1341 - New Main Admin	0	0	32	103	0
1344 - New Main AV Upgrd	0	0	243	0	0
1345 - LG Lab HVAC	0	0	112	0	0
1346 - LG OR 5, 6, and 7 Lights Replace	0	0	0	285	53
1347 - LG Central Sterile Upgrades	0	0	0	181	43
1400 - Oak Pav Cancer Center	0	0	0	5,208	666
1403 - Hosp Drive BLDG 11 TI's	0	0	86	103	0
1404 - Park Pav HVAC	0	0	64	7	0
1405 - 1-South Accessibility Upgrades	0	0	0	0	168
1408 - New Main Accessibility Upgrades	0	0	0	7	46
1413 - North Drive Parking Structure Exp	0	0	0	167	1,266
1414 - Integrated MOB	0	0	0	2,009	8,875
1415 - Signage & Wayfinding	0	0	0	0	106
1416 - MV Campus Digital Directories	0	0	0	0	34
1421 - LG MOB Improvements	0	0	0	198	65
1422 - CUP Upgrade	0	0	0	0	896
1423 - MV MOB TI Allowance	0	0	0	0	588
1425 - IMOB Preparation Project - Old Mai	0	0	0	0	711
1429 - 2500 Hospital Dr Bldg 8 TI	0	0	0	101	0
1432 - 205 South Dr BHS TI	0	0	0	8	15
1501 - Women's Hospital NPC Comp	0	0	0	4	0
1502 - Cabling & Wireless Upgrades	0	0	0	0	1,261
1503 - Willow Pavilion Tomosynthesis	0	0	0	0	53
1504 - Equipment Support Infrastructure	0	0	0	61	311
1523 - Melchor Pavilion Suite 309 TI	0	0	0	0	10
1526 - CONCERN TI	0	0	0	0	37
1550 - Land Acquisition	0	0	0	0	24,007
Subtotal Facilities Projects CIP	9,553	9,294	13,753	38,940	48,136
Grand Total	35,357	27,598	51,723	56,940	96,739
Forecast at Beginning of year	47,138	70,503	70,037	65,420	114,025

ATTACHMENT 29

**This document will be made available
when ready**

ATTACHMENT 34



Date: September 14, 2016

To: El Camino Hospital Board of Directors

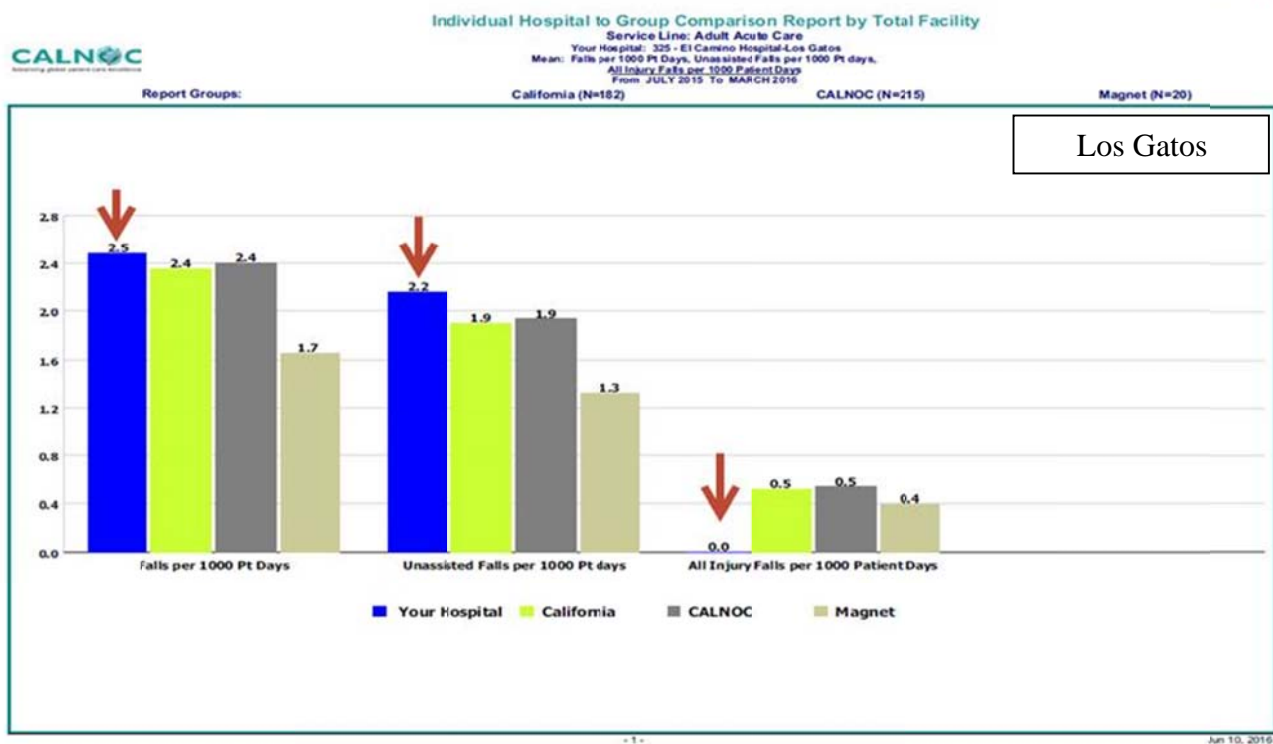
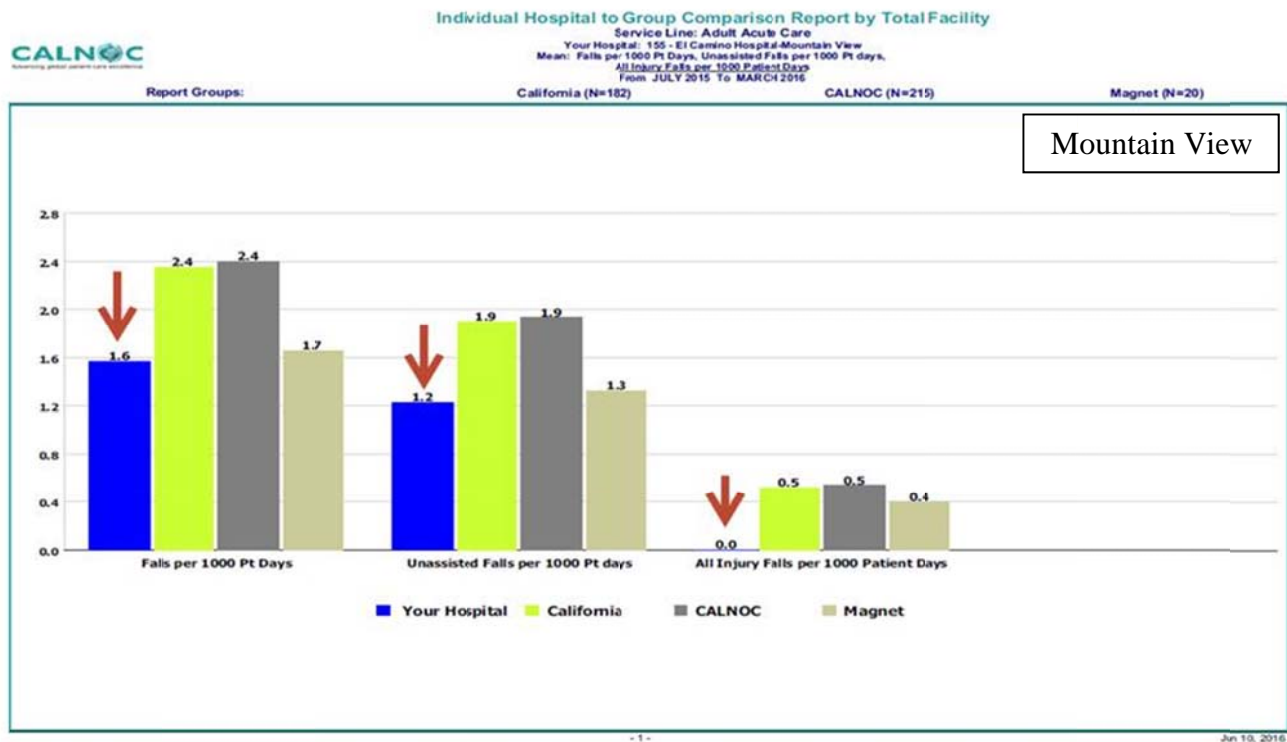
From: Tomi Ryba, CEO

Re: CEO Report - Open Session

Organizational Goals FY17		Benchmark	2016 ECH Baseline	Minimum	Target	Maximum	Weight	Performance Timeframe	FY17 through July	
Threshold Goals										
Budgeted Operating Margin		90% threshold <i>[Recommended by Exec Comp Consultant (FY16)]</i>	TBD	90% of Budgeted			Threshold	FY 17		Met
Quality, Patient Safety & iCare										
Quality Pain Management	Pain Reassessment (% Pain Reassessment Documented within 60 min on RN Flowsheet)	Internal Improvement	76.19% <i>Nov 2015 (post iCare go-live) to Apr 2016 [6-month measurement]</i>	76.19%	77.71%	79.24%	34%	Q4 FY 2017		61.31%
	Pain Patient Satisfaction (CMS HCAPHS Pain Management % Scored Top Box- 2 month delay)	Internal Improvement	72.9% <i>FY 2016 Q1 - Q3 [9-month measurement]</i>	73%	74%	76%				NA
LOS & Readmission	Achieve Medicare length of Stay Reduction while Maintaining Current Readmission Rates for Same Population (Readmission - 45 day delay)	Internal Improvement	FY16 Max Goal 4.86 LOS Readmission Target 12.39%	4.81 .05 Day Reduction from FY16 Max, Readmission at or below FY16 Target	4.76 .10 Day Reduction from FY16 Max, Readmission at or below FY16 Target	4.66 .20 Day Reduction from FY16 Max, Readmission at or below FY16 Target	33%	FY17		LOS: 4.84 Readmission: 10.78% (40/371)
Smart Growth										
Achieve budgeted inpatient growth (surgical and procedural cases plus Deliveries and NICU), and budgeted outpatient growth (surgical and procedural cases plus infusion).		Internal Documentation	TBD	95% of Budgeted Volume	100% of budgeted Volume	110% of Budgeted Volume	33%	FY 17		85.98% of Budgeted Volume

Patient Safety and Quality

- FY16 total of 210 falls (including assisted falls), and 93 CALNOC falls – a rate of 1.51 CALNOC fall rate.



- NICU Quality Projects Consulting Agreement – The Hospital has engaged LPCH to provide six neonatologists to work on quality projects for the NICU Program effective August 1, 2016.

Integrated Care

- Dr. Jamali started as Locums in the Patient Centered Medical Home and has asked for a permanent full-time position.
- Dr. Jenny Lin signed agreements; starts mid-October in the Patient Centered Medical Home.

Operations

- The South Asian Heart Center began Fremont office operations on Mondays, Tuesdays and Fridays.
- CONCERN released an employee portal on our website targeted specifically for employees and their dependents of our employer groups.
- The project to transition from the legacy Health Catalyst data warehouse to the Epic Cogito Data Warehouse will begin on 9/2/16.
- The North Addition Data Center evacuation is complete with all servers, storage, and network tasks completed
- Tiger Text has been identified as the vendor for the Secure Texting solution which is a key initiative for the Security Plan and the TeleHealth Project.
- AR is at 56 days with Candidate for Bill (CFB) at 6.1 days which is well below the goal.
- The Epic Version 2015 Upgrade is scheduled for go-live in January of 2017.
- Epic and the iCare Team completed the third Post Live Visit with a focus upon enhancements and features included in the version upgrade which will enhance user satisfaction and adoption.
- The SoftLab Laboratory System will undergo an upgrade in September to meet Meaningful Use requirements in 2017.
- Training for Pathways is in progress for the implementation of the Epic System which is on track for go-live on November 1, 2016.

- A structure has been developed to manage the Meaningful Use Program for El Camino Hospital.
- Cash remained strong in July collecting a historical record of over \$75M.
- iCare Improvement Projects Agreements – The Hospital has engaged three PAMF physicians, two CEP physicians, and two independent physicians for one year to provide consulting services to support improvements in Hospital's iCare electronic medical record.
- Neonatal Cardiology Panel – MV – The Hospital is in negotiations with Packard Children's Health Alliance to renew the Neonatal Cardiology Panel at the same rate for an additional two years. The current agreement expires August 31, 2016 with an anticipated renewal effective September.
- In comparing the Workers' Compensation Injuries of July 2016 from last year July 2015
 - Total number of injuries has decreased from 60 to 25
 - OSHA recordable injuries have decreased from 13 to 10
 - Number of incidents with lost time has decreased from 11 to 3.
- ASPIRE (Youth program):
 - 3 new services started this year; Currently 23 youth in the intensive programs, with significant parent engagement.
 - Additions: Census maintaining 8-12 without typical industry marketing, often referred by word of mouth from program graduates.
- MOMS
 - Census is nearing 20 mothers (and babies). Spousal group is occurring at Senior Health Center.
 - Some mothers driving distances including Berkeley, South San Francisco due to lack of services in those regions.

Community Outreach

- SAHC completed the following outreach events:
 - Livermore Temple Outreach (30 attended)- (monthly)
 - Sunnyvale Temple Outreach (75 attended)- (monthly)
 - ICC Oddfellows Outreach (50 attended)- (monthly)
 - BCT Corporate Outreach (54 attended)
 - Fremont Temple Outreach (100 attended)- NEW (monthly)
- Promotoras (bilingual community health workers) from the Challenge Diabetes Program grant promoted the program and provided education and the pre-diabetes risk assessment test at the Family Resource Fair in Mountain View (Castro School) and at a Wellness Fair and Fun Run at Cambrian School District in San Jose.

- Eight ECH employees received scholarships to attend city leadership programs in Mountain View, Los Altos/Los Altos Hills, Sunnyvale, Cupertino, Los Gatos, Santa Clara, and San Jose beginning in September. ECH participates in these programs as a way to reach out to the communities we serve. The participants learn more about the community leaders, elected officials, organizations and government entities that affect the quality of life in towns where they live. Every year we receive wonderful feedback from leadership program directors on the contribution ECH staff make to their leadership classes.
- Jazz on the Plazz concerts ended on August 24th with a total of 5 physician and clinical speakers participating from cancer, men's health, women's health, ortho and administration.

Smart Growth

Analysis of July was just completed. A summary of findings is provided below.

Smart Growth Summary				
FY2017 P1				
	Actual	Budget	Diff	Notes
Deliveries	359	413	(54)	Delivery charge codes based on post date
NICU Level 2 & 3 Days	186	257	(71)	NICU 173 & 174 charge codes by post date
Inpatient Surgeries	331	388	(57)	Inpatient surgeries by post date
Outpatient Surgeries	455	535	(80)	Outpatient surgeries by post date (excludes Endo in OR)
OP Cath Lab Cases	173	163	10	Charge codes by service date, count # of patients
OP Endo Cases	143	208	(65)	Charge codes by service date, count # of patients
OP Infusion Cases	321	329	(8)	Charge codes by service date, count # of patients
OP Intvl BronchProcedure	37	39	(2)	Select charge codes by post date + EPIC location of Endo room

- All areas, with the exception of Cath lab, are below budget. We have particular softness in Surgery, Endoscopy, and Deliveries. Some information to be aware of:
 - Independent physician delivery volume is down by 42 deliveries.
 - We are off from last year by 101 surgeries (in and outpatient) with most of the reduction in general surgery. We don't have a service line for those and we do need to better understand what has occurred with these physicians.

- Each service line leader has been assigned specialties to watch, physicians to contact by specialty so that we have a good idea of what is occurring. We will look for those findings and actions in our next weekly business development meeting which is scheduled for Thursday, September 1.
- Outpatient Endo is down by 76 cases –which is very dramatic. Most are Non-PAMF physician patients. The decline is significant enough to warrant a re-look, which is in process now. Expect results shortly.

**El Camino Hospital Auxiliary
Activity Report to the Hospital Board
Meeting of September 14, 2016**

August Highlights:

- The Auxiliary has worked with hospital staff to develop the “Getting to Know You Program” (in lieu of The Living History Project – which is proprietary). We have six volunteers who have expressed an interest in participating and began their training on September 8. The pilot will commence in nursing unit 2C, under the watchful eyes of nursing staff members Chris Tarver and Mae Dizon.
- We have re-staffed two vital staff positions in the Auxiliary Office. The first is the Auxiliary Services Coordinator position. Beverley Engelmann joined the team on August 15th and Brenda Moceyunas will become a member of the staff in the position of Auxiliary Administrative Services Coordinator in mid-September. We feel very fortunate to have these two capable women become part of our family.
- We have been working closely with the Marketing Department to develop a strategic ad to be used as a pop-up on Facebook. The support team (from an external company who has an expertise in profiling) has developed a way to track the results of this investment. We will be using them for a 3-month trial period. There will then be a short break. We will then evaluate the effectiveness of the ad, and based on results, perhaps renew our contract with them.
- Approximately 30 Road Runners and Shuttle Cart drivers attended a recognition barbeque on 8/25. Particularly at this stressful time, it is imperative that these individuals be available to help the patients and visitors with transportation to their destinations. Therefore, the Auxiliary wanted to show its gratitude for their commitment by hosting this fun event.

Memorandum

DATE: August 30, 2016

TO: El Camino Hospital Board of Directors

FROM: David Reeder, Hospital Board Liaison to the Foundation Board of Directors

SUBJECT: Report on Foundation Activities FY 2017 – Period 1

ACTION: For Information

The Foundation secured a total of \$3,396,437 in period 1 of fiscal year 2017, primarily due to the receipt of the remaining portion of Norma and Jack Melchor's charitable remainder trust. This represents 55% of the Foundation's fundraising goal of \$6,170,000 for the year, which will complete its strategic commitment to raise \$21 million in three years 2015-2017.

El Camino Heritage Golf Tournament – The next fundraising event is the El Camino Heritage Golf Tournament, which will take place on Monday, October 10, 2016 at Ruby Hill Golf Club in Pleasanton. Proceeds will go to the Scrivner Challenge to support adolescent mental health services at El Camino Hospital. Mary and Doug Scrivner's \$1 million challenge to the community expires on June 30, 2017. To date the Foundation has received \$710,000 in donations toward it. Golf tournament proceeds will help us cross the finish line. Please mark your calendars and plan to "tee up for teens."

Memorandum

DATE: August 30, 2016

TO: El Camino Hospital Board of Directors

FROM: Russ Satake, Chair, El Camino Hospital Foundation Board of Directors
Jodi Barnard, President, El Camino Hospital Foundation

SUBJECT: Report on Foundation Activities FY 2017 – Period 1

ACTION: For Information

In the first month of fiscal year 2017, the Foundation secured a total of \$3,396,437, attaining 55% of its fundraising goal of \$6,170,000 for the year.

Major Gifts

In July 2016, the Foundation received \$40,000 in major gifts, including a \$10,000 donation designated for the Cancer Center and a \$30,000 unrestricted gift.

Planned Gifts

In July, the Foundation reported \$3,521,942, which represents the remaining portion of the “benefit to charity” of the \$10.5 million Melchor charitable remainder trust (CRUT). Initial reporting of \$4 million was documented in a 2013 fundraising report. Adding together the gift amounts reported in 2013, FY16 period 12 and FY17 period 1, the projected total “benefit to charity” from the Melchor estate is \$8,662,642.

In addition, the Foundation received the latest quarterly distribution of \$51.81 from the 2001 pooled income fund that a grateful patient set up to benefit George Ting, MD. Dr. Ting redirects the distributions to El Camino Hospital Foundation.

Special Events

- ***Sapphire Soirée*** – During July, the Foundation received \$6,500 in payments for commitments made by attendees of Sapphire Soirée 2016.
- ***Scarlet Night*** – The Foundation received \$2,500 as a corporate matching gift from the company of an attendee of the 2016 gala benefit for the South Asian Heart Center.

Annual Giving

- In July, the Foundation raised \$11,789 from online giving, matching gifts and direct mail responses.

ECH Foundation Fundraising Report

FY17 Income figures through July 31, 2016 (Period 1)

ACTIVITY		FY17 YTD (7/1/16 - 7/31/16)	FY17 Goals	FY17 % of Goal	FY16 YTD (7/1/15 - 7/31/15)	FY15 YTD (7/1/14 - 7/31/14)
Major Gifts		\$40,000	\$2,500,000	2%	\$895,000	
Planned Gifts		\$3,251,994	\$1,000,000	325%	\$55	\$26,850
Special Events	Sapphire Soirée	\$6,500	\$850,000	1%	\$21,500	\$6,600
	Golf		\$325,000	0%		
	Scarlet Night	\$2,500	\$300,000	1%	\$1,660	
	Norma's Literary Luncheon		\$145,000	0%	\$50,000	
Annual Gifts		\$11,789	\$550,000	2%	\$27,122	\$12,379
Grants*		-	-	-	\$26,333	
Investment Income		\$83,655	\$500,000	17%	\$48,063	\$40,742
TOTALS		\$3,396,437	\$6,170,000	55%	\$1,069,733	\$86,561

*Beginning in FY17 Grants is no longer an activity line. Any grants received in the future will either be reflected in the Annual Gifts or Major Gifts activity line pending funding level.

El Camino Hospital Auxiliary
Membership Report to the El Camino Hospital Board
Meeting of September 14, 2016

Combined Data as of July 31, 2016 for Mountain View and Los Gatos Campuses

Membership Data:

Senior Members

Active Members	437	-8 relative to previous month
Dues Paid Inactive	104	(Includes Associates & Patrons)
Leave of Absence	20	
Subtotal	561	

Resigned in Month 14
Deceased in Month 1

Junior Members

Active Members	244	+14 relative to previous month
Dues Paid Inactive	0	
Leave of Absence	10	
Subtotal	254	

Total Active Members 681

Total Membership 815

Combined Auxiliary Hours from Inception (to July 31, 2016): 5,642,991
Combined Auxiliary Hours for FY2016 (to July 31, 2016): 7902
Combined Auxiliary Hours for July 2016: 7,902