

## AGENDA

### GOVERNANCE COMMITTEE MEETING OF THE EL CAMINO HOSPITAL BOARD

**Tuesday, August 1, 2017 – 5:30 pm**

El Camino Hospital | Conference Room A (ground floor)  
2500 Grant Road, Mountain View, CA 94040

**MISSION:** To advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition, i.e., the nomination and appointment/reappointment process. The Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<b>1. CALL TO ORDER / ROLL CALL</b>	Peter Fung, MD, Chair		<b>5:30 – 5:32 pm</b>
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Peter Fung, MD, Chair		<b>5:32 – 5:33</b>
<b>3. PUBLIC COMMUNICATION</b> 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	Peter Fung, MD, Chair		<b>information 5:33 – 5:36</b>
<b>4. CONSENT CALENDAR</b> <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> <b>Approval</b> a. <a href="#">Minutes of the Open Session of Governance Committee Meeting (April 4, 2017)</a> b. <a href="#">Minutes of the Open Session of the Governance Committee Meeting (June 6, 2017)</a> <b>Information</b> c. <a href="#">Progress Against FY18 Goals</a> d. <a href="#">El Camino Hospital Committee Recruitment</a>	Peter Fung, MD, Chair	<i>public comment</i>	<b>motion required 5:36 – 5:39</b>
<b>5. REPORT ON BOARD ACTIONS</b> a. Hospital Board Actions b. District Board Actions <b><a href="#">ATTACHMENT 5</a></b>	Peter Fung, MD, Chair		<b>information 5:39 – 5:49</b>
<b>6. ADJOURN TO CLOSED SESSION</b>	Peter Fung, MD, Chair		<b>motion required 5:49 – 5:50</b>
<b>7. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Peter Fung, MD, Chair		<b>5:50 – 5:51</b>
<b>8. CONSENT CALENDAR</b> <i>Any Committee Member may remove an item for discussion before a motion is made.</i> <b>Approval</b> <i>Gov’t Code Section 54957.2.</i> a. Minutes of the Closed Session of the Governance Committee Meeting (April 4, 2017) b. Minutes of the Closed Session of the Governance Committee Meeting (June 6, 2017)	Peter Fung, MD, Chair		<b>motion required 5:51 – 5:52</b>

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
<b>9.</b> <i>Health &amp; Safety Code 32106(b)</i> for a report and discussion involving health care facility trade secrets: - Report on Adoption of Strategic Framework and Strategic Planning	Michelle McGowen, Director, Strategic Planning		<b>discussion</b> <b>5:52 – 6:07</b>
<b>10.</b> <i>Health &amp; Safety Code 32106(b)</i> for a report and discussion involving health care facility trade secrets: - ECH Board Competency Gaps	Peter Fung, MD, Chair		<b>discussion</b> <b>6:07 – 6:27</b>
<b>11. ADJOURN TO OPEN SESSION</b>	Peter Fung, MD, Chair		<b>motion required</b> <b>6:27 – 6:28</b>
<b>12. RECONVENE OPEN SESSION / REPORT OUT</b>	Peter Fung, MD, Chair		<b>6:28 – 6:29</b>
To report any required disclosures regarding permissible actions taken during Closed Session.			
<b>13. RECOMMENDATION REGARDING ECH BOARD COMPETENCY GAPS</b>	Peter Fung, MD, Chair	<i>public comment</i>	<b>possible motion</b> <b>6:29 – 6:31</b>
<b>14. ECH BOARD STRUCTURE CHANGES IMPLEMENTATION PLAN</b> <a href="#">ATTACHMENT 14</a>	Peter Fung, MD, Chair		<b>discussion</b> <b>6:31 – 6:41</b>
<b>15. FY18 BOARD EDUCATION PLAN</b> a. Hospital Board b. Board Retreat c. Semi-Annual Board and Committee Educational Sessions <a href="#">ATTACHMENT 15</a>	Cindy Murphy, Director of Governance Services	<i>public comment</i>	<b>possible motion</b> <b>6:41 – 6:56</b>
<b>16. ASSESSMENT OF EXPANDED COMMITTEE STRUCTURE</b> <a href="#">ATTACHMENT 16</a>	Peter Moran, Committee Member		<b>discussion</b> <b>6:56 – 7:06</b>
<b>17. FY18 PACING PLAN</b> <a href="#">ATTACHMENT 17</a>	Peter Fung, MD, Chair	<i>public comment</i>	<b>possible motion</b> <b>7:06 – 7:11</b>
<b>18. ROUND TABLE DISCUSSION</b>	Peter Fung, MD, Chair		<b>discussion</b> <b>7:11 – 7:14</b>
<b>19. ADJOURNMENT</b>	Peter Fung, MD, Chair		<b>motion required</b> <b>7:14 – 7:15 pm</b>

**Upcoming Meetings**

- October 3, 2017
- February 6, 2017
- April 3, 2017
- June 5, 2017



**Minutes of the Open Session of the Governance Committee**  
**Tuesday, April 4, 2017**  
**El Camino Hospital | Conference Room A (ground floor)**  
**2500 Grant Road, Mountain View, CA 94040**

**Members Present**

**Lanhee Chen**  
**Peter C. Fung, MD, Chair**  
**Gary Kalbach, Vice Chair**  
**David Reeder**

**Members Absent**

**Christina Lai**  
**Pete Moran**

Agenda Item	Comments/Discussion	Approvals/Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	Committee Chair Peter C. Fung, MD called the Governance Committee of El Camino Hospital to order at 5:29 pm. Mr. Moran and Ms. Lai were absent. Mr. Chen joined the meeting at 5:44pm during Agenda Item 8: ECH Board Director Compensation.	
<b>2. POTENTIAL CONFLCITS OF INTEREST DISCLOSURES</b>	Chair Fung asked if any Committee member may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
<b>3. PUBLIC COMMUNICATION</b>	None.	
<b>4. CONSENT CALENDAR</b>	<p>This item was deferred until a quorum was present.</p> <p>Chair Fung asked if any member of the Committee wished to remove any items from the consent calendar. No items were removed.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (February 7, 2017), Proposed FY18 Governance Committee Dates; and for information: Progress Against FY17 Governance Committee Goals and Article of Interest.</p> <p><b>Movant:</b> Reeder  <b>Second:</b> Chen  <b>Ayes:</b> Chen, Fung, Kalbach, and Reeder  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Lai and Moran  <b>Recused:</b> None</p>	<i>Consent Calendar approved</i>
<b>5. REPORT ON BOARD ACTIONS</b>	Chair Fung referred to the written reports and highlighted the Hospital Board’s strategic study sessions and the District Board’s approval of the General Obligation Bonds refinancing.	
<b>6. ECH COMMITTEE RECRUITMENT UPDATE</b>	<p>Cindy Murphy, Board Liaison, reported that new Executive Compensation Committee member Jaison Layney has attended his first meeting and the Committee has recommended that the Board appoint Ms. Patricia Wadors.</p> <p>She noted that she has prompted all of the Committee Chairs to inquire whether Committee members would like to serve on their respective Committees for another year.</p>	

<p><b>7. ECH BOARD RECRUITMENT UPDATE</b></p>	<p>David Reeder, Chair of the District Ad Hoc Committee, reported that the Committee reviewed the resumes of potential candidates for Hospital Board positions and will be interviewing 7 candidates on April 19<sup>th</sup> and April 20<sup>th</sup>. The District Board plans to interview candidates at its May 22<sup>nd</sup> meeting.</p>	
<p><b>8. ECH BOARD MEMBER COMPENSATION POLICY</b></p>	<p>Cindy Murphy, Board Liaison, provided additional information to the Committee regarding national data for Board Director compensation and a recommendation from Don Sibery, Interim CEO for a flat Board Chair stipend and Committee Chair stipends for agenda preparation.</p> <p>Ms. Murphy noted that the CEO’s recommendation was based on his experience at a prior organization and the Board Chair’s activities, and that the Board Chair currently receives the least compensation of any Board member.</p> <p>The Committee was also asked to consider the stipend for attendance at Board meetings and the limitation on payment for videoconference or teleconference participation. Committee members noted that participation on the Board is in service to the community. Mr. Kalbach commented that the District Ad Hoc Committee hopes to appoint new members who are close to the District and are able to attend meetings in person.</p> <p>The Committee discussed their support of the Board Chair stipend because of the responsibilities of the position beyond meeting attendance (including the annual Board Retreat, agenda preparation calls, bi-weekly meetings with the CEO, other conference calls, occasional dinner meetings, etc.).</p> <p>In response to Chair Fung’s question, Ms. Murphy explained that the policy for the District Board is a separate policy, where a statute limits Board Director compensation to \$100 per meeting, up to 5 meetings per month.</p> <p><b>Motion:</b> To recommend to the Board to change the compensation for Chair to an annual \$12,000 stipend, payable in quarterly installments.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Chen  <b>Ayes:</b> Chen, Fung, Kalbach, and Reeder  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Lai and Moran  <b>Recused:</b> None</p> <p>The Committee discussed that the agenda preparation stipend for Committee Chairs should be counted separately from any meeting attendance payments, as sometimes the Chair prepares the agenda but is unable to attend the meeting.</p> <p><b>Motion:</b> To recommend that the Board add a \$100 stipend for Committee Chairs for participating in each agenda preparation call/meeting.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Reeder  <b>Ayes:</b> Chen, Fung, Kalbach, and Reeder</p>	<p><i>Board Chair and Committee Chair stipends recommended for Board approval</i></p>

	<p><b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Lai and Moran  <b>Recused:</b> None</p> <p>Committee members commented that the compensation policy provisions for limitations for participating via video or teleconference and the amount of the stipend for attendance at Board meetings should remain the same. They noted that limiting compensation for calling in to once per month helps encourage more engaged, in-person participation.</p>	
<p><b>9. PROPOSED REVISED ECH BOARD OFFICER ELECTION PROCEDURE</b></p>	<p>Mary Rotunno, General Counsel, joined the meeting via teleconference and explained that the Board officer election procedure includes revisions to clarify the dates for submission of declarations of interest and position statements to the Board Liaison and a revised process for voting that provides for an initial round of preliminary balloting by roll call vote as opposed to a written ballot. Ms. Rotunno and Ms. Murphy clarified that the voting as articulated in the procedure as revised will meet legal requirements.</p> <p>In response to Mr. Reeder’s question, Ms. Murphy commented that she preferred concrete dates in the procedure rather than the more abstract “two weeks before the May Board meeting.”</p> <p>In response to Director Fung’s questions, Ms. Rotunno explained that for an 8 member Board, a 5 vote majority is needed for a motion to pass and that an abstention is essentially the same as a “no” vote.</p> <p><b>Motion:</b> To recommend that the Board approve the Draft Revised Hospital Board Officers Nomination and Selection Procedures and Board Chair Competencies.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Reeder  <b>Ayes:</b> Chen, Fung, Kalbach, and Reeder  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Lai and Moran  <b>Recused:</b> None</p> <p>Ms. Rotunno left the meeting.</p>	<p><i>Draft Revised Hospital Board Officers Nomination and Selection Procedures and Board Chair Competencies recommended for Board approval</i></p>
<p><b>10. PROPOSED FY18 BOARD &amp; COMMITTEE MASTER CALENDAR</b></p>	<p>Ms. Murphy explained that the Proposed Board &amp; Committee Calendar is generally brought to the Committee for review in June, but is in the materials for reference early as the Committee considers the formation of the proposed Strategic Oversight Planning Committee.</p> <p>She noted that the Strategic Oversight Planning Committee, as proposed, would meet two weeks ahead of the Finance Committee meetings (6x per year), which includes a meeting in mid-July, when the Board has traditionally been dark.</p> <p>Ms. Murphy explained that the FY17 October Board &amp; Committee Educational Gathering was cancelled because of lack of attendance and the FY17 April session was cancelled because</p>	

	<p>of the strategic planning process.</p> <p>Mr. Reeder discussed scheduling Quality Committee meetings and the difficulty of balancing reporting the latest quality data and the quick turnaround of materials needed for the Board packets.</p> <p>The Committee agreed to examine the scope and deliverables of the proposed Committee first and then review potential scheduling.</p> <p>Ms. Murphy noted that the February Board meeting in 2018 will fall on Valentine’s Day.</p>	
<p><b>11. BOARD ADVISORY COMMITTEE GOAL SETTING PROCESS</b></p>	<p>Chair Fung referred to the written materials, noting that goals for each Advisory Committee are embedded in each Committee’s pacing plan. He explained Mr. Sibery’s recommendation to consider relying on pacing plans to guide Committee work and discontinue the development and use of Committee goals.</p> <p>The Committee discussed how each Committee’s annual goals are a summary view of the work of the Committee and provide mechanisms for 1) communication of a Committee’s priorities for the year to the Board and 2) tracking the Committees’ progress against those priorities without the Board reviewing the detail of the pacing plans.</p> <p>The Committee did not recommend any changes to the annual Board Advisory Committee Goal setting process.</p>	
<p><b>12. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 6:06pm.</p> <p><b>Movant:</b> Reeder  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Fung, Kalbach, and Reeder  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Lai and Moran  <b>Recused:</b> None</p>	<p><i>Adjourned to closed session at 6:06pm.</i></p>
<p><b>13. AGENDA ITEM 18: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Agenda items 13-17 were addressed in closed session.</p> <p>Open session was reconvened 7:04pm. During the closed session the Committee approved the Closed Session Minutes of the Committee’s February 7, 2017 meeting by a unanimous vote of 4 members present (Chen, Fung, Kalbach, and Reeder). Ms. Lai and Mr. Moran were absent.</p>	
<p><b>14. AGENDA ITEM 19: DRAFT STRATEGIC PLANNING OVERSIGHT COMMITTEE CHARTER</b></p>	<p>The Committee directed staff to pace the topic for further discussion after the Board considers adopting a new strategic plan (currently scheduled for June 28, 2017).</p>	
<p><b>15. AGENDA ITEM 20: FY17 PACING PLAN</b></p>	<p>There were no comments on the pacing plan.</p>	
<p><b>16. AGENDA ITEM 21: ROUND TABLE DISCUSSION</b></p>	<p>No comments were made.</p>	

<b>17. AGENDA ITEM 22: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 7:05 pm. <b>Movant:</b> Reeder <b>Second:</b> Kalbach <b>Ayes:</b> Fung, Kalbach, and Reeder <b>Noes:</b> None <b>Abstain:</b> None <b>Absent:</b> Lai and Moran <b>Recused:</b> None	<i>Meeting adjourned at 7:05pm.</i>
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**Attest as to the approval of the foregoing minutes by the Governance Committee of El Camino Hospital:**

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Peter C. Fung, MD  
Chair, ECH Governance Committee

DRAFT



**Minutes of the Open Session of the Governance Committee**  
**Tuesday, June 6, 2017**  
**El Camino Hospital | Conference Room A (ground floor)**  
**2500 Grant Road, Mountain View, CA 94040**

**Members Present**

**Peter C. Fung, MD**, Chair  
**Gary Kalbach**, Vice Chair  
**Christina Lai**  
**Pete Moran** (via teleconference)

**Members Absent**

**Lanhee Chen**  
**David Reeder**

Agenda Item	Comments/Discussion	Approvals/Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	Committee Chair Peter C. Fung, MD called the Governance Committee of El Camino Hospital to order at 5:30 pm. Mr. Chen and Mr. Reeder were absent. Mr. Moran joined the meeting during Agenda Item 4: Consent Calendar and participated via teleconference. All other Committee members were present.	
<b>2. POTENTIAL CONFLCITS OF INTEREST DISCLOSURES</b>	Chair Fung asked if any Committee member may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
<b>3. PUBLIC COMMUNICATION</b>	None.	
<b>4. CONSENT CALENDAR</b>	<p>Cindy Murphy, Board Liaison, explained that because there was no quorum present, the items to be addressed by the Committee can be forwarded to the Hospital Board with an indication regarding any the committee members present had any objection to the recommendations.</p> <p>The Committee discussed whether or not the Committee had completed its goal related to making a recommendation to the Hospital Board on the governance structure. Chair Fung requested that the FY17 goals be updated to note that all of the Governance Committee goals were completed.</p> <p>The minutes will be brought back to the Committee for approval at its August meeting.</p>	
<b>5. REPORT ON BOARD ACTIONS</b>	<p>Chair Fung referred to the written reports and highlighted the District Board’s decision to change the Hospital Board’s structure by adding two more appointed members.</p> <p>Chair Fung described the District Board’s reasoning for voting to make the CEO a non-voting member of the ECH Board. Don Sibery, Interim CEO described his experiences as a CEO with a vote on the Board.</p> <p>The Committee members expressed concerns about the CEO as a non-voting member and fundamentally changing the relationship between the CEO the Board, especially in the midst of the CEO search.</p> <p>Chair Fung also noted that the District Board appointed Mr. Robert Rebitzer to the Hospital Board and that the Hospital Board elected its officers for two year terms beginning July 1, 2017 (Lanhee Chen, Board Chair; John Zoglin, Vice Chair, and Julia Miller Secretary/Treasurer).</p>	



<p><b>6. ECH BOARD RECRUITMENT UPDATE</b></p>	<p>Chair Fung reported that items to discuss included the timeline to fill the additional two seats on the ECH Board (recently added by the District Board at its May 15, 2017 meeting), whether or not to revisit the competency evaluation used in selecting additional Directors, and whether or not to appoint an already identified qualified candidate.</p> <p>The Committee discussed the timing of a new appointment and desired competencies, including:</p> <ul style="list-style-type: none"> <li>- The formation of a new District Ad Hoc Committee</li> <li>- Historical implications when multiple Board members have been on-boarded at the same time</li> <li>- Desired competencies including: those lost with Dennis Chiu’s departure from the District Board, scenario planning related to health care uncertainty</li> <li>- Ms. Gini Deshpande’s competencies and how they complement, rather than duplicate, Mr. Bob Rebitzer’s competencies</li> <li>- The potential of losing a fully vetted, well-qualified candidate if the process does not progress quickly enough</li> <li>- A stable Board for an incoming CEO</li> </ul> <p>Though a quorum was not present, Committee members Kalbach, Lai, and Moran each commented that the District Board should appoint Ms. Desphande to the Hospital Board at its June 20, 2017 meeting following the approval of the bylaws changes.</p> <p>For the remaining vacancy (an appointed member of the Hospital Board), the Committee discussed and recommended that the District Ad Hoc Committee to be formed at the District Board’s June 20<sup>th</sup> meeting should employ a procedure that includes assessment of competency gaps, public notification of an opening, and use of a recruiting firm, if necessary.</p>	<p><i>Process recommendations to be forwarded to the District Board</i></p>
<p><b>7. ECH BYLAWS REVISION</b></p>	<p>Mary Rotunno, General Counsel, explained that the Corporations Code (as amended January 1, 2016) specifies that a non-voting ex officio member of the Board is not a Director, and the revisions reflect this clarification. She also noted the revisions include a new category, “2017 Directors,” which describe the 2 new director positions added by the District Board at its May 15, 2017 meeting.</p> <p>The Committee members present stated that the proposed changes correctly reflect the decisions made by the District Board on May 15, 2017. However, Mr. Kalbach, Mr. Lai, and Mr. Moran expressed serious concerns about having the CEO as a non-voting member and stated that they strongly believe that the CEO should remain as an ex-officio Director with full voting rights and would not support those revisions to the bylaws.</p>	<p><i>Committee comments regarding the bylaws to be forwarded to the Hospital and District Boards</i></p>
<p><b>8. UPDATE ON BOARD PROCESSES ASSESSMENT WORK</b></p>	<p>Ms. Murphy reported that Via Consulting’s recommendations have been implemented, though some have been used more consistently than others. She recommended more consistency with executive presentations, especially following templates. She noted that Board meeting evaluation forms were discontinued as the Board did not find them useful.</p> <p>She also reviewed the summary in the packet that detailed meeting and material lengths over time. Mr. Sibery commented</p>	

	<p>that if Committees were not only advisory, that could reduce meeting lengths. Ms. Murphy noted that some Committee work is being repeated at the Board level. In response to Mr. Moran’s question, Ms. Murphy explained that the strategic planning sessions primarily occurred in closed session, which has contributed to the increase in percentage of meeting time in closed session.</p>	
<p><b>9. PROPOSED FY18 GOVERNANCE COMMITTEE GOALS</b></p>	<p>The Committee discussed recent cancelations of the Board &amp; Committee Educational Gatherings and that they have been very useful. Ms. Murphy explained that these two meetings are part of the FY18 master calendar and the Committee will be asked to review an educational plan at its August meeting.</p> <p>Ms. Murphy explained that ideas from Mr. Moran were incorporated into the proposed goals.</p> <p>The Committee discussed proposed goals including:</p> <ul style="list-style-type: none"> <li>- Evaluating the effectiveness and usefulness of the expanded Committee structure</li> <li>- To assess the District board’s plan to implement ECH Board Structure expansion and make recommendations (Q1); assess the effectiveness of the plan over the course of FY18 and make recommendations (Q4)</li> <li>- To make recommendations for assessment of Board/management relationships; the Committee recommended delaying this review until FY19 when a new CEO has been in place</li> </ul> <p>The Committee and staff discussed the difficulty to prepare for simultaneously on-boarding a new CEO and an undetermined number of new Board members in the next few months.</p>	<p><i>Governance Committee goals forwarded for Hospital Board review and approval</i></p>
<p><b>10. PROPOSED FY18 ADVISORY COMMITTEE GOALS</b></p>	<p>Mr. Moran discontinued participation in the meeting.</p> <p>In response to Ms. Lai’s question, staff clarified the Investment Committee’s executive dashboard.</p> <p>Ms. Murphy reported that the Finance and Quality Committees had just finalized their goals and will be forwarded to the Board for review and approval. There were no further questions on the Compliance, Executive Compensation, and Investment Committee goals and the Committee members present voiced no concerns.</p>	<p><i>Advisory Committee goals forwarded for Hospital Board review and approval</i></p>
<p><b>11. REVIEW BOARD DIRECTOR COMPENSATION POLICY</b></p>	<p>The Committee noted that they are comfortable with the prior Committee discussions and decisions regarding the compensation policy. No further recommendations are being considered or advanced by the Committee.</p>	
<p><b>12. ADJOURN TO CLOSED SESSION</b></p>	<p>The meeting was adjourned to closed session at 6:50pm.</p>	<p><i>Adjourned to closed session at 6:50pm.</i></p>
<p><b>13. AGENDA ITEM 16: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Agenda items 13-15 were addressed in closed session.</p> <p>Open session was reconvened 6:53pm. There were no actions taken during the closed session.</p>	
<p><b>14. AGENDA ITEM 20: FY17 PACING PLAN</b></p>	<p>Mr. Moran rejoined the meeting via teleconference.</p> <p>In response to Director Fung’s question, Ms. Murphy noted that while the ECH strategic planning update is currently paced for</p>	

	August FY18, it may be more appropriate for staff to bring the report later in the year.  She also noted that the Board/Management relationship assessment and recommendations will be paced for Q1 FY19.	
<b>15. AGENDA ITEM 21: ROUND TABLE DISCUSSION</b>	No comments were made.	
<b>16. AGENDA ITEM 22: ADJOURNMENT</b>	The meeting was adjourned at 6:56 pm.	<i>Meeting adjourned at 6:56pm.</i>

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

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Peter C. Fung, MD  
Chair, ECH Governance Committee

DRAFT

**FY18 COMMITTEE GOALS**  
Governance Committee

**PURPOSE**

The purpose of the Governance Committee is to advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition, *i.e.*, the nomination and appointment/reappointment process. The Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards.

**STAFF:** **Donald Sibery**, Interim Chief Executive Officer; **Cindy Murphy**, Director of Governance Services

*The CEO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional members of the Executive Team or outside consultants may participate in the meetings upon the recommendation of the CEO and at the discretion of the Committee Chair.*

<b>GOALS</b>	<b>TIMELINE by Fiscal Year</b> (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable)	<b>METRICS</b>
<p><b>1.</b> Review the governance structure of the Hospital Board, conduct research, and make recommendations on preferred competencies.</p>	<ul style="list-style-type: none"> <li>• Q1 FY18</li> <li>• Q4 FY18</li> <li>• Q1 FY18</li> <li>• Q4 FY18</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendation for high-priority Board member competencies made to Hospital and District Board (8/1/17 Agenda)</li> <li>• Chair nominates Governance Committee member to serve on District Board Ad Hoc Committee and participate in the Non-District Board Member recruitment/interview process as requested by the District Board. COMPLETE</li> <li>• Assess District’s plan to implement ECH Board Structure and make recommendations. (8/1/17)</li> <li>• Assess effectiveness of plan.</li> </ul>
<p><b>2.</b> Promote enhance and sustained competency-based, efficient, effective governance.</p>	<ul style="list-style-type: none"> <li>• Q1 – Q4 FY18</li> <li>• Q1 FY19</li> </ul>	<ul style="list-style-type: none"> <li>• FY18 Self-Assessment Tool (Committees and Board) recommended to the Board and surveys completed (Q1-Q2)</li> <li>• Reports are completed and made available to the Board and the District Board (Q3-Q4)</li> <li>• Assess effectiveness of expanded Committee structure (Q2-Q3) (8/1/17)</li> <li>• Make recommendations for assessment of Board/management relationships and effectiveness and make recommendations for improvements. (Q1 FY19)</li> </ul>
<p><b>3.</b> Finalize Board and Committee Education plan for FY18 and develop FY19 Plan</p>	<ul style="list-style-type: none"> <li>• Q1 FY18</li> <li>• Q2 FY18</li> <li>• Q4 FY18</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and recommend FY18 Board Education Plan (8/1/17)</li> <li>• Recommend FY18 Annual Retreat Agenda to the Board</li> <li>• Make recommendations for FY19 Board Education Plan</li> </ul>

**SUBMITTED BY:**

Peter Fung, MD  
Donald Sibery

**Chair**, Governance Committee  
**Executive Sponsor**, Governance Committee

**Approved by the ECH Board of Directors on June 14, 2017**

## ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Report on Committee Recruitment Governance Committee August 1, 2017
<b>Responsible party:</b>	Cindy Murphy, Director of Governance Services
<b>Action requested:</b>	Information
<b>Background:</b>	<p><u>Quality Committee</u></p> <p>At its August 2017 meeting, the Quality Committee will discuss appointing additional patient representative/advocate members who will be brought forward by Cheryl Reinking, RN, CNO. No other Committee recruitments are underway or anticipated at this time.</p>
<b>Board Advisory Committees that reviewed the issue and recommendation, if any:</b>	None.
<b>Summary and session objectives :</b>	To update the Governance Committee on the status of Advisory Committee recruitment activities.
<b>Suggested discussion questions:</b>	None. This is an informational item.
<b>Proposed Committee motion, if any:</b>	None.
<b>LIST OF ATTACHMENTS:</b>	None.

## ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Report on ECH and ECHD Board Actions Governance Committee August 1, 2017
<b>Responsible party:</b>	Cindy Murphy, Director of Governance Services
<b>Action requested:</b>	For Information
<b>Background:</b>	In FY16, we added this item to each Board Committee agenda to keep Committee members informed about Board actions via a verbal report by the Committee Chair. This written report is intended to supplement the Chair's verbal report.
<b>Other Board Advisory Committees that reviewed the issue and recommendation, if any:</b>	None.
<b>Summary and session objectives :</b>	To inform the Committee about recent Board actions.
<b>Suggested discussion questions:</b>	None.
<b>Proposed Committee motion, if any:</b>	None. This is an informational item.
<b>LIST OF ATTACHMENTS:</b>	<ol style="list-style-type: none"> <li>1. Report on ECH June 2017 Board Actions</li> <li>2. Report on ECHD June 2017 Board Actions</li> </ol>

## **June 2017 ECH Board Actions\***

1. June 14, 2017
  - a. Approved the FY17 Period 10 Financials
  - b. Approved the FY18 Operating and Capital Budget
  - c. Approved the FY18 Community Benefit Plan, awarding approximately \$3.2 million in grants and sponsorships.
  - d. Approved the FY18 CEO and Executive Salary Ranges
  - e. Approved recommended revisions to the Executive Benefits Design Plan increasing Long-Term Disability Benefits
  - f. Approved Funding for the Xi Da Vinci Robot, 828 Winchester Tenant Improvements, Los Gatos MRI Replacement, and Initial Development Steps for Patient Family Residence
  - g. Approved FY18 Board Committee Appointments and Re-Appointments
  - h. Approved FY18 Advisory Committee Goals
  - i. Approved Recommended Revisions to the Physician Financial Arrangements Review and Approval Policy authorizing the CEO to execute certain agreements not to exceed \$1 million.
  - j. Approved the FY18 Organizational Goals
  - k. Approved the Management of Serious Events and Red Alert Patient safety Policy
  - l. Approved Employment of Dan Woods as El Camino Hospital's CEO.
  
2. June 28, 2017
  - a. Approved the El Camino Hospital Strategic Framework.
  - b. Adopted a Resolution acknowledging Neal Cohen's 5 years of service on the Hospital Board.

\*This list is not meant to be exhaustive, but includes agenda items the Board voted on that are most likely to be of interest to or pertinent to the work of El Camino Hospital's Board Advisory Committees.

## June 2017 ECHD Board Actions\*

1. June 14, 2017
  - a. Approved the Selection of Dan Woods as El Camino Hospital's CEO.
  
2. June 20, 2017
  - a. Approved the FY18 El Camino Hospital Capital and Operating Budget
  - b. Approved the FY18 Community Benefit program, awarding approximately \$7 million in grants and sponsorships
  - c. Elected Board Officers:
    - i. Chair – Peter C. Fung, MD
    - ii. Vice Chair – Julia E. Miller
    - iii. Secretary/Treasurer – John Zoglin
  - d. Voted to fill the vacancy on the ECHD Board created by Dennis Chiu's resignation by appointment at a meeting scheduled for August 16, 2017.
  - e. Elected John Zoglin and Dave Reeder to serve on an Ad hoc Committee that will make recommendations to the District Board regarding selection of ECH Board Members. Christina Lai, a member of the Hospital's Governance Committee, will serve as Advisor to the Committee.
  
3. June 28, 2017
  - a. Approved the El Camino Hospital Strategic Framework.
  - b. Adopted a Resolution acknowledging Dennis Chiu's nearly 5 years of service on the District and Hospital Boards.
  - c. Approved a revision to the El Camino Hospital Bylaws expanding the Board to 10 seats, but removing the CEO as a voting member of the Board.

\*This list is not meant to be exhaustive, but includes agenda items the Board voted on that are most likely to be of interest to or pertinent to the work of El Camino Hospital's Board Advisory Committees.



## ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	ECH Board Structure Changes Implementation Plan Governance Committee August 1, 2017
<b>Responsible party:</b>	Peter C. Fung, MD, Committee Chair
<b>Action requested:</b>	Information/Discussion
<p><b>Background:</b></p> <p>At its June 20<sup>th</sup> meeting, the El Camino Healthcare District (ECHD) Board discussed a timeline for implementation of revisions to the El Camino Hospital (ECH) Bylaws providing for a Board of up to 10 members (2 new seats) and removing the CEO as an ex-officio member of the ECH Board.</p> <p>The ECHD Board took note of the following factors:</p> <ol style="list-style-type: none"> <li>1. The importance of ensuring that there is an appropriate and broad range of competencies represented on the ECH Board.</li> <li>2. The impact of imminent addition of new members on Board dynamics (<i>i.e.</i>, likely appointment of new member of ECHD Board in August 2017 following Dennis Chiu's resignation, appointment of new ECH Board member Bob Rebitzer effective July 1, 2017).</li> <li>3. Arrival of new ECH CEO Dan Woods on or about September 1, 2017.</li> </ol> <p>Following discussion, the ECHD Board decided to adhere to its customary process (gap analysis etc.) for filling the two new seats on the ECH Board over an undetermined period of time, but with work beginning in early FY17 facilitated by an Ad Hoc Committee composed of John Zoglin and Dave Reeder with advice from Governance Committee member Christina Lai.</p>	
<b>Other Board Advisory Committees that reviewed the issue and recommendation, if any:</b> None.	
<b>Summary and session objectives :</b> To update the Governance Committee on the status of the District Board's ECH Board Structure Changes Implementation Plan	
<b>Suggested discussion questions:</b> None.	
<b>Proposed Committee motion, if any:</b> None.	
<b>LIST OF ATTACHMENTS:</b> None.	

## ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Proposed FY18 Board Education Plan Governance Committee August 1, 2017
<b>Responsible party:</b>	Cindy Murphy, Director of Governance Services
<b>Action requested:</b>	Possible Motion
<b>Background:</b>	<p>Per the Committee’s charter, the Governance Committee is to recommend an annual plan for Hospital Board and Committee Member education, training and development.</p> <p>ECH’s Board and Advisory Committee Continuing Education Policy (“the policy,” last revised May 2015) provides an annual budget of \$4,000 per Board Member for individual continuing education and \$4,000 per Committee for either group or individual education. The Committees have never used their budgets. Between 1 and 3 Board members use their individual budgets each year. Attendance at the Estes Park Conference is most common. Staff is not recommending any revisions to the budget or to policy at this time.</p> <p>The policy also provides for group continuing education. Staff is recommending the following for FY18:</p> <ol style="list-style-type: none"> <li>1. <b>October 29 – November 1, 2017:</b> full Board and CEO attendance at the Estes Park Institute Conference in San Francisco, CA</li> <li>2. Continue with Semi-Annual Board &amp; Committee Education Session to include Committee roundtable discussion and an educational topic:             <ol style="list-style-type: none"> <li>a. <b>October 25, 2017:</b> Dan Woods, CEO – State of the Organization: Initial Findings and Impressions and Update on Strategic Framework and Implementation Plan</li> <li>b. <b>April 25, 2017</b> - TBD</li> </ol> </li> <li>3. <b>March 3, 2018</b> Board Retreat – Topic and Agenda TBD</li> </ol>
<b>Other Board Advisory Committees that reviewed the issue and recommendation, if any:</b>	None.
<b>Summary and session objectives:</b>	To obtain the Committee’s recommendation to approve the proposed FY18 Board education plan as well as suggestions for educational topics of interest to the Board and Committees.
<b>Suggested discussion questions:</b>	<ol style="list-style-type: none"> <li>1. Should the Board and CEO attend the Estes Park Conference?</li> <li>2. What educational topics are the most important for FY18?</li> </ol>
<b>Proposed Committee motion, if any:</b>	<ol style="list-style-type: none"> <li>1. To recommend that the Board approve the proposed FY18 Board Education Plan, including attendance of the Board and CEO at the Estes Park Conference.</li> <li>2. To direct staff to develop a plan for bringing forth some or all of the following educational topics to the Board and Committees and report back at the Committee’s next meeting.             <ol style="list-style-type: none"> <li>a. _____</li> </ol> </li> </ol>
<b>LIST OF ATTACHMENTS:</b>	<ol style="list-style-type: none"> <li>1. Estes Park Brochure, November 2017</li> </ol>

# HEALTH CARE

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## AT A HISTORIC CROSSROAD



*San Francisco, California*  
October 29 – November 1, 2017



THE ESTES PARK INSTITUTE  
ESTESPARK.ORG

# Health Care at a Historic Crossroad

*Every hospital serves a COMMUNITY.* Whether the hospital is large or small; rural or urban; independent or system affiliated, the leaders and staff of a hospital care for the health and well-being of the people in their community.

How you do this depends on you. The strength of a leadership team, the culture that is created, the relationships that are built, technology, quality and safety, health reform—these all impact your patients and the community.

This is in addition to simultaneously dealing with the operational side of running a hospital or health system.

This year, Estes Park Institute focuses on helping you meet the changes caused by both of these challenges while maintaining a strong bottom line.

*Estes Park Institute*

# Conference Sessions



An Estes Park Institute conference is designed to be able to meet each individual health care organization and leader's educational goals. We offer a variety of session types and topics, including:

## General Sessions

*All conference participants come together to hear the latest information from the health care front and are inspired by experts that have been testing and implementing innovative strategies and finding solutions to solve complex problems and challenges affecting health care delivery as a whole.*

### *Washington Insiders*

Our Washington insiders debate from both sides of the aisle.

### *...And Other Major Health Care Topics*

Featuring new guest presenters

## Breakouts

*Registrants self-divide for each of three sets of breakouts—by hospital size and type, by role, and by essential issue. This provides an opportunity to learn and share ideas with other hospitals that understand their particular challenges, exchange information and solutions with those who share their role, and explore the topics that concern them most.*

### ...by Hospital

- Health Care Systems and Their Hospitals
- Independent Hospitals
- Rural Hospitals and Critical Access Hospitals

### ...by Role

- Board Members
- Physicians/Providers
- CEOs and Executive Team

### ...by Essential Issue

- Ambulatory Issues
- Medical Staff Future
- Finance and Payment
- Energizing the Workforce
- Quality, Safety, Patient Experience, and Excellence
- ACOs, Bundles, and MACRA

***“Excellent presentation. I gained many takeaways to assist with building the right culture at my facility – need to improve on our respect and accountability.”***

— Chief Operating Officer

# Conference Sessions

(continued)

## Workshops

*In these small groups, the Estes Park Institute faculty and registrants “roll up their sleeves” and dive into the nuts and bolts of specific issues. Using case studies and success stories, the facilitator engages participants in discussion, enabling them to ask questions that relate to their own organization and leave with a plan to tackle the specific challenge of each workshop. A partial list follows:*

- Update on Wellness and Nutrition
- Optimizing the Physician Office Network
- Gainsharing, Contracting, and Quality Improvement
- Government Audit of Hospital-Owned Facilities
- Bundled Payments – A Transition from Volume to Value
- How to Lobby at Home
- Applying EMTALA to On-Call Doctors
- CEO Roundtable
- CMO Roundtable
- Board Chair Roundtable
- Hospital Actions in the Opioid Crisis
- Seven Habits for Safety in Ambulatory Health Care
- Patient-Centered Care – Making the Invisible Visible
- Dealing with Physicians and Health Workers’ Burnout
- Can Exchanges Work? If Not, What Then?
- An ACO for Rural and Critical Access Hospitals
- Imposing Quality and Excellence While Lowering Costs

## *Fundamentals for New Board Members*

Are you a new board member or just feel like you missed out on establishing a firm foundation for serving your hospital? Don’t miss our new Board Member Fundamentals, a special session held before the conference opening that will bring you up to speed and prepare you to delve into more complex topics covered throughout the conference.

## *Fundamentals for New Physician Leaders*

Your colleagues’ respect led to your recruitment to leadership. Your clinical skills made you an attractive candidate. Your devotion to your patients and the hospital was the reason you agreed to serve. So, what’s missing?

What is Leadership? What are new leaders supposed to know? To do? What are priorities? Is there a tool kit? Our Physician Leadership 1.0 is designed to orient you to your new job and the expectations it carries.



## *San Francisco, California*

The Ritz-Carlton, San Francisco | October 29 – November 1, 2017

### *Sunday*

- 1:00 PM - 5:00 PM..... CONFERENCE REGISTRATION
- 3:00 PM - 5:00 PM..... FUNDAMENTALS FOR NEW BOARD MEMBERS  
FUNDAMENTALS FOR NEW PHYSICIAN LEADERS
- 5:30 PM - 6:30 PM..... GENERAL SESSION (all registrants together)
- 6:30 PM - 7:30 PM..... CONFERENCE RECEPTION

### *Monday*

- 6:30 AM - 8:00 AM ..... CONTINENTAL BREAKFAST
- 8:00 AM - 9:00 AM ..... GENERAL SESSION (all registrants together)
- 9:00 AM - 9:15 AM ..... 15-MINUTE BREAK
- 9:15 AM - 10:30 AM..... BREAKOUTS BY HOSPITAL TYPE
- 10:30 AM - 10:45 AM ..... 15-MINUTE BREAK
- 10:45 AM - 12:00 PM ..... BREAKOUTS BY INDIVIDUAL LEADERSHIP ROLE

### *Tuesday*

- 6:30 AM - 8:00 AM ..... CONTINENTAL BREAKFAST
- 8:00 AM - 9:40 AM ..... GENERAL SESSION (all registrants together)
- 9:40 AM - 10:00 AM..... 20-MINUTE BREAK
- 10:00 AM - 12:00 PM ..... BREAKOUTS BY ESSENTIAL ISSUE
- 12:00 PM - 1:30 PM ..... LUNCH (*on own*)
- 1:30 PM - 5:00 PM..... WORKSHOPS (Sessions 1-3)

### *Wednesday*

- 6:30 AM - 8:00 AM ..... CONTINENTAL BREAKFAST
- 8:00 AM - 10:15 AM..... WORKSHOPS (Sessions 4 & 5)
- 10:15 AM - 10:30 AM ..... 15-MINUTE BREAK
- 10:30 AM - 11:15 AM..... GENERAL SESSION – “Where We Are Going”
- 11:15 AM ..... CONFERENCE ADJOURNS

# Schedule

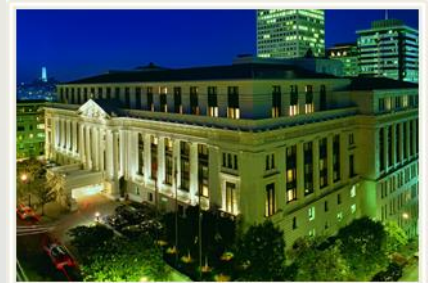


THE  
**ESTES  
PARK**  
INSTITUTE

# *San Francisco, California*



The Ritz-Carlton, San Francisco  
October 29 – November 1, 2017



**The Estes Park Institute begins a new conference year at a San Francisco historic landmark.** Located in the heart of downtown, The Ritz-Carlton, San Francisco is one of the finest hotels to call Nob Hill home. This 1909 Neoclassical building has been transformed into a beautiful retreat of modern classic design. With commanding views of the city, timeless elegance, and impeccable service, this award-winning AAA Five-Diamond hotel is the perfect downtown location. And it's easy to explore the "City by the Bay's" spirited atmosphere and diverse cultural experiences as the historic cable car stops right outside the hotel doors.





THE  
**ESTES  
PARK**  
INSTITUTE

## *Conference Objective*

The objective of an Estes Park Institute conference is for health care leaders to learn and explore—with our health care experts—the current trends, changes, innovations, and solutions to help navigate the challenges presented by health reform and a rapidly changing health care environment.

## *Target Audience*

The Estes Park Institute conference experience is for the entire leadership team—executives, physicians, and trustees. With the future of the community hospital so dependent on cooperation among governance, administration, and physician leaders—especially employed physicians—the Estes Park Institute is committed to the development of these teams.

## *Community Representatives*

Community involvement is another important aspect of health care. When you work together with community leaders and organizations to implement programs that promote health and well-being, everyone benefits.

Tackling the opioid crisis with your local police force, promoting health and wellness through the school district, engaging with government officials to impact legislation—initiatives like these require a more advanced level of understanding for all involved. **That's why, for each conference registrant, we offer complimentary registration for a community representative.**

Community representatives will learn more about the challenges you face as a health care leader and hear innovative ideas for improving public health. This insight and knowledge will lead to improved cooperation and spark ideas for additional collaborative efforts.

## *Mission*

The Estes Park Institute believes health care must have a moral center, and that health care leaders and professionals have the highest duty and responsibility in our society. The mission of Estes Park Institute is to educate teams of health care executives, physicians, and trustees so that they can better serve their patients and all of the people in their local communities, and can exercise leadership in this field. We fulfill that mission by presenting up-to-the-minute information, analysis, and insight into the problems, opportunities, and changes that shape health care in the United States.

# Continuing Education

**CME/ACCME:** This activity has been planned and implemented in accordance with the Essential Areas and Policies of the Accreditation Council for Continuing Medical Education (ACCME) through the joint sponsorship of the University of Pittsburgh School of Medicine and the Estes Park Institute. The University of Pittsburgh School of Medicine is accredited by the ACCME to provide continuing medical education for physicians.

**ACHE:** The Estes Park Institute is authorized to award approximately 16 hours of pre-approved ACHE Qualified Education credit (non-ACHE) for this program toward advancement or recertification in the American College of Healthcare Executives. Participants in this program wishing to have the continuing education hours applied toward ACHE Qualified Education credit should indicate their attendance when submitting application to the American College of Healthcare Executives for advancement or recertification.

**NAMSS:** This program has been approved by the National Association of Medical Staff Services for approximately 16 hours of continuing education units. Medical staff services and credentialing professionals are responsible for verifying attendance at continuing education activities relative to their recertification. For your convenience, we will provide a certificate as proof of attendance.

*Thank you to our sponsors:*



*"This conference session provided me with a much better understanding of MACRA... will be able to explain to others."*

— Physician Leader

# Registration Information

## *Each Registration Includes:*

- Attendance at one Estes Park Institute conference and complimentary attendance for a community representative
- Continental breakfast each morning for registrants and guests
- Opportunities to network with the Estes Park Institute faculty and registrants
- Online access to all presentation, reference, and resource materials
- CME/ACCME, ACHE, and NAMSS credit

## *Tuition*

\$6,700 (each team of four)

\$1,895 (single)

Upon registration, you will be sent hotel reservation information. Tuition for a physician, health care executive, or board member includes attendance at one Estes Park Institute conference and complimentary admittance for a community representative who is not directly affiliated with the health care organization, but who may be involved in community health initiatives.

## *Faculty Disclosure*

In accordance with the Accreditation Council for Continuing Medical Education requirements on disclosure, information about relationships of presenters with commercial interests (if any) will be included in materials distributed at the time of the conference.

## *Americans With Disabilities Act Statement*

We encourage participation by all individuals. If you have a disability, advance notification of any special needs will help us to better serve you. Please notify us of your needs at least two weeks in advance of the program.



*"All relates to my current position as a medical staff leader. I will soon lead both employed and non-employed providers and must work to bridge the working relationship between providers and the hospital."*

— Employed Physician Leader

# Conference Registration



THE ESTES PARK INSTITUTE

**1 ONLINE:**  
EstesPark.org

**2 CALL:**  
800-727-8225

**3 FAX THIS FORM TO:**  
724-548-1383

**4 MAIL THIS FORM TO:**  
Estes Park Institute  
P.O. Box 400  
Englewood, CO 80151

Select Conference:

\_\_\_\_\_ **San Francisco, CA**  
The Ritz-Carlton, San Francisco  
October 29 - November 1, 2017

\_\_\_\_\_ **Naples, FL**  
The Ritz-Carlton, Naples  
January 21-24, 2018

\_\_\_\_\_ **Maui, HI\***  
Grand Wailea  
February 11-16, 2018

\_\_\_\_\_ **Phoenix, AZ**  
Arizona Biltmore  
March 18-21, 2018

\_\_\_\_\_ **San Antonio, TX**  
Hilton Palacio del Rio  
April 22-25, 2018

\*At the Hawaii conference, Wednesday is an open day for hospital group activities. An additional day of sessions will take place on Thursday, and Wednesday sessions will take place on Friday.

_____ Contact Name		_____ Contact Title	
_____ Contact Email		_____ Contact Phone	_____ Fax
_____ Health Care Organization			_____ Number of Beds
_____ Street Address			
_____ City	_____ State	_____ Zip	
_____ CEO Name		_____ CEO Title	
_____ CEO Email		_____ Name of System (if applicable)	

## METHOD OF PAYMENT

- Bill hospital/health system  
 Check enclosed (payable to: Estes Park Institute)

## TOTAL PAID REGISTRANTS:

\_\_\_\_\_ \$6,700 (each team of four)      \_\_\_\_\_ \$1,895 (single)

**TOTAL AMOUNT DUE: \$** \_\_\_\_\_

Upon registration, you will be sent accommodation information.

### COMMUNITY REPRESENTATIVE

Tuition for a physician, health care executive, or board member includes attendance at one Estes Park Institute conference and complimentary admittance for a community representative who is not directly affiliated with the health care organization, but who may be involved in community health initiatives.

### CANCELLATION POLICY

All cancellations must be confirmed in writing. Written cancellations received by the Estes Park Institute 30 or more days prior to the opening of the conference are eligible to receive a refund, less a processing fee of \$150 per person. Cancellations received within 15-29 days of the opening of the conference are not eligible for a refund, but money will be held on account up to 12 months for transfer to another Estes Park Institute conference. Cancellations within 14 days of the opening of the conference and "no show" registrants are not eligible for refund or transfer.

## REGISTRANT NAMES

(Space may be reserved and names submitted at a later date. Additional names may be attached on a separate sheet.)

_____ Registrant Name	_____ Registrant Name
_____ Registrant Title	_____ Registrant Title
_____ Registrant Email	_____ Registrant Email
_____ Community Representative	_____ Community Representative
_____ Registrant Name	_____ Registrant Name
_____ Registrant Title	_____ Registrant Title
_____ Registrant Email	_____ Registrant Email
_____ Community Representative	_____ Community Representative

## ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Assessment of Expanded Board Advisory Committee Structure Governance Committee August 1, 2017
<b>Responsible party:</b>	Cindy Murphy, Director of Governance Services
<b>Action requested:</b>	For Discussion
<p><b>Background:</b> In 2012, the Board expanded its Committee structure to include six standing Advisory Committees (Governance, Compliance, Executive Compensation, Finance, Investment, and Quality) and to recruit outside subject matter experts from the community to serve on the committees. One of the metrics for measurement of achievement of the Committee’s FY18 Goal #2 (to promote, enhance, an sustained competency-based, efficient, effective governance) is to assess the effectiveness of the Board’s expanded Committee structure. Each year, the Board conducts a self-assessment and every other year a Committee Self-Assessment is included. The Committee Self-Assessment is due in FY18.</p>	
<p><b>Other Board Advisory Committees that reviewed the issue and recommendation, if any:</b> N/A</p>	
<p><b>Summary and session objectives :</b></p> <ol style="list-style-type: none"> <li>1. To develop a plan to assess the effectiveness of the expanded Committee structure</li> <li>2. To give staff direction regarding next steps to implement the plan</li> </ol>	
<p><b>Suggested discussion questions:</b></p> <ol style="list-style-type: none"> <li>1. What are the qualities of an effective advisory committee structure?</li> <li>2. Is the expanded Committee structure efficient, <i>i.e.</i> has it delivered on expectations and at what cost?</li> <li>3. What questions should be asked?</li> <li>4. What methods of assessment might be the most effective? Survey? Interview?</li> <li>5. Who should participate in this deeper assessment of the effectiveness of expanded committee structure? Board only? Committee Chairs? All Committee Members? Executive Team?</li> </ol>	
<p><b>Proposed Committee motion, if any:</b> None. This is a discussion item.</p>	
<p><b>LIST OF ATTACHMENTS:</b></p> <ol style="list-style-type: none"> <li>1. 2011 Nygren Memo to the ECH Board</li> <li>2. Article – Getting the Most from the Evaluation Process</li> <li>3. Article – Seven Steps to Effective Board Evaluations</li> <li>4. FY16 ECH Board and Committee Self- Assessment Survey Tool</li> </ol>	

**(Provided to ECH Board in 2011)**

## **ECH Board of Directors - Governance Improvement Project**

In keeping with good governance, the ECH board decided to undergo a process to review its operations and policies with the goal of updating and improving how the board contributes to and engages with the organization. Our engagement over the course of this new fiscal year involves four specific bodies of work: Committee Charters, Committee Composition, Board/Committee Development, and Board Assessment. We will partner with the Governance Committee to assist the Board in accomplishing the goals set forth in each of these areas. A high-level roadmap of the governance improvement project is provided below.

### **Committee Charters**

- Verify that the charters reflect best practices in committee functions and providing input to strengthen the charters
- Develop goals for each committee
- Develop clear roles and responsibilities vis-à-vis the management team
- Collaborate with management and the board in determining what metrics are necessary to be effective fiduciaries
- Anticipated Completion Date: At the August Board meeting, the Board will vote on the new set of charters

### **Committee Composition**

- Develop criteria for recruiting external members to serve on the committee
- Develop a recruiting strategy for populating each committee
- Develop a rating sheet that can be used to assess each candidate for committee placement
- Anticipated Completion Date: Sept/Oct

### **Board and Committee Development**

- Develop a board calendar to establish a meeting cadence
- Conduct a half-day training session with all new committee members and board directors.
- Participate in board meetings every other month and provide real-time coaching with regard to board effectiveness and governance best practices.

- Anticipated Completion Date: On-going

### **Board and Committee Assessment**

- Design the board assessment around the existing survey from The Governance Institute, which was used in the previous year. Design a survey tool for evaluating each committee.
- Provide year-over-year comparison when we generate our findings. We will also design a survey tool for evaluating each committee. We will present the findings at the May board meeting and lead a discussion around next steps and priorities for board development.
- We will present the findings at the May board meeting and lead a discussion around next steps and priorities for board development.
- Anticipated Completion Date: April /May

### **Board Meetings Nygren Consulting Will Attend**

A member of the Nygren Consulting team will attend the following Hospital Board meetings, as well as a number of committee meetings:

- September 14, 2011
- November 8, 2011
- January 11, 2011
- March 14, 2012
- May 9, 2012

We will also conduct working sessions each quarter with the Governance Committee to ensure we are on track and meeting the Board's expectations.



# Seven steps to effective board and director evaluations

By **Geoffrey Kiel**, Professor, University of Queensland;  
 Founder and Chairman, Competitive Dynamics Pty Ltd; and  
**James Beck**, Managing Director, Competitive Dynamics Pty Ltd

- *A practical framework of key questions that boards should consider when planning an evaluation*
- *The value of properly conducted board evaluations*
- *The importance of the board evaluation process in providing meaningful results*

Board assessment is too often viewed as a necessary evil — a mechanical process of checking off items on a list that ultimately has little real value for the board apart from meeting compliance requirements. However ... an effective board assessment process has the potential to be transformational.<sup>1</sup>

When a corporate crisis occurs, such as that experienced recently at AWB Limited, it is to the board that the shareholders, media, regulators and community look for answers. As the ultimate decision-makers in the corporation, the board is responsible for the corporation's actions and performance.

The challenge for boards today is to add value to the organisations they govern. Performance evaluation is a means by which boards can ensure they have the knowledge, skills and ability to meet this challenge. This is recognised in numerous best practice guides and standards. For example, APRA prudential standards APS 510, GPS 510 and LPS 510 require boards to assess their performance and that of individual directors on at least an annual basis.

This article will provide a practical approach to effective board and director evaluations using a seven-step framework (Figure 1) that asks the key questions all boards should consider when planning an evaluation.

Even good boards can benefit from a well-conducted evaluation. As summarised in Table 1, a properly conducted evaluation can contribute

significantly to performance improvements on three levels: the organisational, board and individual director levels. It must be stressed, however, that these benefits can only be achieved through a properly executed board evaluation; if incorrectly executed, an evaluation can lead to distrust among board members and between the board and management.

Although boards may differ in the severity of their governance problems and the range of issues they face, there are still a number of key decisions that are relevant to all boards implementing an evaluation process. An effective framework relies on the board reaching agreement on the answers to the seven key questions illustrated in Figure 1. While these questions must be asked for all board evaluations, the combined answers can be quite different. Therefore, while the questions are common to each, evaluations can range markedly in their scope, complexity and cost.

Although the framework below is depicted sequentially, in practice most boards will not follow such a linear process. Some of these decision areas will be reached simultaneously; for example, 'Who will be evaluated' may be decided at the same time as 'Who will conduct the evaluation'. However, at some point, each of these questions will need to be answered.

**Figure 1: Framework for a board evaluation<sup>2</sup>**





**Table 1: Potential benefits of board evaluation<sup>3</sup>**

<b>Benefits</b>	<b>To organisation</b>	<b>To board</b>	<b>To individual directors</b>
<b>Leadership</b>	<ul style="list-style-type: none"> <li>• Sets the performance tone and culture of the organisation</li> <li>• Role model for CEO and senior management team</li> </ul>	<ul style="list-style-type: none"> <li>• An effective chairperson utilising a board evaluation demonstrates leadership to the rest of the board</li> <li>• Demonstrates long-term focus of the board</li> <li>• Leadership behaviours agreed and encouraged</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates commitment to improvement at individual level</li> </ul>
<b>Role clarity</b>	<ul style="list-style-type: none"> <li>• Enables clear distinction between the roles of the CEO, management and the board</li> <li>• Enables appropriate delegation principles</li> </ul>	<ul style="list-style-type: none"> <li>• Clarifies director and committee roles</li> <li>• Sets a board norm for roles</li> </ul>	<ul style="list-style-type: none"> <li>• Clarifies duties of individual directors</li> <li>• Clarifies expectations</li> </ul>
<b>Teamwork</b>	<ul style="list-style-type: none"> <li>• Builds board/CEO/management relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Builds trust between board members</li> <li>• Encourages active participation</li> <li>• Develops commitment and sense of ownership</li> </ul>	<ul style="list-style-type: none"> <li>• Encourages individual director involvement</li> <li>• Develops commitment and sense of ownership</li> <li>• Clarifies expectations</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>• Improved stakeholder relationships (eg investors, financial markets)</li> <li>• Improved corporate governance standards</li> <li>• Clarifies delegations</li> </ul>	<ul style="list-style-type: none"> <li>• Focuses board attention on duties to stakeholders</li> <li>• Ensures board is appropriately monitoring organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures directors understand their legal duties and responsibilities</li> <li>• Sets performance expectations for individual board members</li> </ul>
<b>Decision-making</b>	<ul style="list-style-type: none"> <li>• Clarifying strategic focus and corporate goals</li> <li>• Improves organisational decision-making</li> </ul>	<ul style="list-style-type: none"> <li>• Clarifying strategic focus</li> <li>• Aids in the identification of skills gaps on the board</li> <li>• Improves the board's decision-making ability</li> </ul>	<ul style="list-style-type: none"> <li>• Identifies areas where director skills need development</li> <li>• Identifies areas where the director's skills can be better utilised</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Improves stakeholder relationships</li> <li>• Improves board-management relationships</li> <li>• Improved board-CEO relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Improves board-management relationships</li> <li>• Builds trust between board members</li> </ul>	<ul style="list-style-type: none"> <li>• Builds personal relationships between individual directors</li> </ul>
<b>Board operations</b>	<ul style="list-style-type: none"> <li>• Ensures an appropriate top-level policy framework exists to guide the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• More efficient meetings</li> <li>• Better time management</li> </ul>	<ul style="list-style-type: none"> <li>• Saves directors' time</li> <li>• Increases effectiveness of individual contributors</li> </ul>

### Step 1: What are our objectives?

Step 1 is to establish what the board hopes to achieve. Clearly identified objectives enable the board to set specific goals for the evaluation and make decisions about the scope of the review. Such issues as the complexity of the performance problem, the size of the board, the stage of organisational life cycle and significant developments in the firm's competitive environment will determine the issues the board wishes to evaluate. Similarly, the scope of the review (how many people will be involved, how much time and money to allocate) will be determined by the severity of the problems facing the board and the availability of sufficient resources to carry out an evaluation.

The first decision for most boards to consider is the overriding motivation for the evaluation process. Generally, the answer to this question will fall into one of the following two categories:

- corporate leadership — for example, 'We want to clearly demonstrate our commitment to performance management', or
- problem resolution — for example, 'We do not seem to have the appropriate skills, competencies or motivation on the board'.

### Step 2: Who will be evaluated?

Comprehensive governance evaluations can entail reviewing the performance of a wide range of individuals and groups. Boards need to consider three groups:

- the board as whole (including committees)
- individual directors (including the roles of chairperson), and
- key governance personnel.

Considerations such as cost or time constraints, however, often preclude such a wide-ranging review.

Alternatively, a board may have a very specific objective for the review process that does not require the review of all individuals and groups identified. In both cases, an effective evaluation requires the board to select the most appropriate individuals or groups to review, based on its objectives. To make this decision, we recommend that a list of possible review participants be gradually filtered down to a pragmatic selection of review subjects.

A common issue in deciding who to evaluate is whether to concentrate on board-as-a-whole only or also include individual director assessment. Regular board-as-a-whole evaluation can be seen as a process that ensures directors develop a shared understanding of their governance role and responsibilities. Although board-as-a-whole evaluation is excellent as a

familiarisation tool for inexperienced boards, one disadvantage is that group evaluation may give only limited insight into any performance/governance problems. Consequently, some boards choose to progress to the evaluation of board committees, individual directors and the chairperson to gain greater insight into how their board is functioning.

To gain an objective view of individual director performance, peer evaluation is preferable, since by having members of the board evaluate each other, it is possible to gain a more holistic picture of the strengths and weaknesses of each director and their contribution to the effectiveness of the board. It can also be used to identify skills gaps on the board or communication issues between directors. Should an individual director evaluation be conducted, it is paramount that the outcomes of this review be correlated with the whole-of-board outcomes to validate the appropriateness of any recommendations.

### Step 3: What will be evaluated?

Having established the objectives of the evaluation and the people/groups that will be evaluated to achieve those objectives, it is then necessary to elaborate these objectives into a number of specific themes to ensure that the evaluation:

- clarifies any potential problems
- identifies the root cause(s) of these problems, and
- tests the practicality of specific governance solutions, wherever possible.

This is necessary whether the board is seeking general or specific performance improvements, and will suit boards seeking to improve areas as diverse as board processes, director skills, competencies and motivation, or even boardroom relationships.

We suggest that boards consider their specific objectives in light of a best practice corporate governance framework such as Standards Australia's *Good Governance Principles (AS 8000-2003)* or the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*. The framework acts as a 'lens' through which to view the objectives and allows the board to develop a comprehensive list of potential areas for investigation.

Of course, a comprehensive list of areas for investigation will need to be balanced with the scope of the evaluation and the resources available for the project. At this stage a realistic assessment of the resources available, a component of which is the time availability of directors and other key governance personnel, can be made.

#### Step 4: Who will be asked?

The vast majority of board and director evaluations concentrate exclusively on the board (and perhaps the CEO) as the sole sources of information for the evaluation process. However, this discounts other potentially rich sources of feedback. Participants in the evaluation can be drawn from within or from outside the company. Internally, board members, the CEO, senior managers and, in some cases, other management personnel and employees may have the necessary information to provide feedback on elements of a company's governance system. Externally, owners/members and even financial markets can provide valuable data for the review. Similarly, in some situations, government departments, major customers and suppliers may have close links with the board and be in a position to provide useful information on its performance.

After examining all potential sources of information along with their relative advantages and disadvantages, the facilitator must decide which sources to include in the review. This requires an understanding of three issues:

- in light of the specific questions identified in the previous step, who has the knowledge needed to make a valid and reliable assessment
- what is the level of board experience with, and openness to, the evaluation process and what is the impact on who should be asked, and
- what resources are available to collect the information from the required sources.

Performance evaluation  
is becoming  
increasingly important  
for boards and  
directors and has  
benefits for individual  
directors, boards and  
the companies for  
which they work.

#### Step 5: What techniques will be used?

Depending on the degree of formality, the objectives of the evaluation, and the resources available, boards may choose between a range of qualitative and quantitative techniques. Quantitative data are in the form of numbers. They can be used to answer questions of how much or how many. Questions of 'what', 'how', 'why', 'when' and 'where' employ qualitative research methods.

Most boards undertake evaluations without a clear view of the issues before them. When the evaluation's objectives are to identify the key governance problems, screen alternative solutions and/or uncover new approaches, qualitative research comes to the fore. Qualitative data does, however, have several drawbacks.

The major drawback is that interpreting the results requires judgment on the part of the person undertaking the review and analysis. This is best addressed by using experienced researchers for the task and having several participants review the conclusions for bias. Bias can also be mitigated by using both quantitative and qualitative techniques.

The three main methods used for collecting qualitative data in governance evaluations are interviews, board observation and document analysis:

- the interview provides a unique opportunity to collect complex and rich data. It is an excellent way of assessing directors' perceptions, meaning and constructions of reality by asking for information in a way that allows them to express themselves in their own terms
- observation of a board meeting is especially useful when the evaluation objectives relate to issues of boardroom dynamics or relationships between individuals
- documents can also be a rich source of information in the governance evaluation process. It can be a method of triangulation for use in conjunction with other data collection techniques.

While quantitative data lack the richness of qualitative data, they have the advantage of being specific and measurable. Surveys are by far the most common form of quantitative technique used in governance evaluations and can be an important information-gathering tool. It is vital to understand, however, that surveys are attitudinal instruments.

There is no best methodology. Research techniques need to be adapted to the evaluation objectives and board context.

#### Step 6: Who will do the evaluation?

The next consideration is to decide who the most appropriate person is to conduct the evaluation. If the review is an internal one, the chairperson may conduct the evaluation.

However, for reasons of impartiality there are times when it may be more appropriate to delegate either to a non-executive or lead director, or to a board committee. Depending on the previous steps, and decisions made in Step 7 as to the audience for the results, mature boards are more frequently considering engaging in external evaluations to provide a level of independence and advice to proactively improve overall governance and board dynamics.

In the case of external evaluations, specialist consultants or other general advisers with expertise

in the areas of corporate governance and performance evaluation lead the process. However, the specialised nature of a board review often requires skills outside the customary scope of many general advisers. Similarly, a consultant engaged specifically to carry out the evaluation can be perceived as more independent than a reviewer with an existing relationship with the firm (such as a general counsel or auditor). Specialist consultants will also have a broad range of exposure to different boardroom practices and performance benchmarks.

### **Step 7 What do you do with the results?**

The review's objectives should be the determining factor when deciding to whom the results will be released.

Most often the board's central objective will be to agree a series of actions that it can take to improve governance. Since the effectiveness of an organisation's governance system relies on people within the firm, communicating the results to internal stakeholders is critical for boards seeking performance improvement. Given that virtually all governance reviews are conducted with a view to improving the governance system, boards are rarely faced with the decision of whether to communicate the results internally. Rather, the decision is who within the organisation needs to know the results.

Since the board as a whole is responsible for its performance, the results of the review will be released to the board in all but the most unusual of circumstances. Where the evaluation objectives are focused entirely on the board, board members will simply discuss the results among themselves. Normally, the board, CEO and Company Secretary will review the findings around the boardroom table, and there may be no need to communicate the results to anyone else. Where the results of the evaluation concern individual director performance, the generally accepted approach is for the chairperson and/or facilitator to discuss them individually with each director. Directors may be asked to discuss their own results around the board table, a process that can lead to a much greater extent of mutual understanding.

In circumstances where the objective of the board evaluation is to assess the quality of board-management relationships, results of the evaluation will generally be shared with the senior management team. Some organisations choose to communicate a summary of the board evaluation results more widely in the organisation.

In certain circumstances, the board will have an objective of building its reputation for transparency and/or developing relationships with external stakeholders. In such circumstances, the board

should consider communicating some or all of the results of its review to those stakeholders. Communicating the results of the evaluation demonstrates that the board takes governance seriously and is committed to improving its performance. Obviously a balance needs to be struck between transparency on the one hand and the need for owners or members to retain faith in the board's ability and effectiveness on the other hand.

### **In summary**

Aside from the seven key questions in an evaluation, boards need to consider how often they should evaluate their performance. The annual review is the most commonly recommended form of assessment, with some regulators, such as APRA, mandating annual or biennial reviews.

Performance evaluation can be an ongoing process, not just an annual event. High-performing boards tend to devise other mechanisms apart from an annual review to ensure ongoing performance improvement. One option is to review the effectiveness of each board meeting. This is a simple technique for keeping performance issues 'front of mind' for the board. It is an easy way to gain quick feedback and to encourage discussion and interaction between board members, and it requires little time or effort to put in place.

Performance evaluation is becoming increasingly important for boards and directors and has benefits for individual directors, boards and the companies for which they work. Boards also need to recognise that the evaluation process is an effective team-building, ethics-shaping activity. Our observation is that boards often neglect the process of engagement when undertaking evaluations; unfortunately, boards that fail to engage their members are missing a major opportunity for developing a shared set of board norms and inculcating a positive board and organisation culture. In short, the process is as important as the content.

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### **Notes**

- 1 Nadler, D A, Behan, B A, and Nadler, M B, *Building Better Boards: A Blueprint for Effective Governance*, Jossey-Bass, San Francisco, 2006, p 230
- 2 Kiel, G C, Nicholson, G J, and Barclay, M A, *Board, Director and CEO Evaluation*, McGraw-Hill, Sydney, 2005, p 17
- 3 Kiel, Nicholson, and Barclay, 2005, pp 13–14 ●

# Harvard Law School Forum on Corporate Governance and Financial Regulation

## Getting the Most from the Evaluation Process

Posted by John F. Olson, Gibson, Dunn & Crutcher LLP, on Monday, June 6, 2016

**Tags:** [Board communication](#), [Board evaluation](#), [Board performance](#), [Boards of Directors](#), [Council of Institutional Investors](#), [Disclosure](#), [ISS](#), [Proxy disclosure](#), [Surveys](#)

**More from:** [John Olson](#), [Gibson Dunn](#)

**Editor's Note:** [John Olson](#) is a founding partner of the Washington, D.C. office at Gibson, Dunn & Crutcher LLP and a visiting professor at the Georgetown Law Center. This post is based on a Gibson Dunn alert.

More than ten years have passed since the New York Stock Exchange (NYSE) began requiring annual evaluations for boards of directors and “key” committees (audit, compensation, nominating/governance), and many NASDAQ companies also conduct these evaluations annually as a matter of good governance. [1] With boards now firmly in the routine of doing annual evaluations, one challenge (as with any recurring activity) is to keep the process fresh and productive so that it continues to provide the board with valuable insights. In addition, companies are increasingly providing, and institutional shareholders are increasingly seeking, more information about the board’s evaluation process. Boards that have implemented a substantive, effective evaluation process will want information about their work in this area to be communicated to shareholders and potential investors. This can be done in a variety of ways, including in the annual proxy statement, in the governance or investor information section on the corporate website, and/or as part of shareholder engagement outreach.

To assist companies and their boards in maximizing the effectiveness of the evaluation process and related disclosures, this post provides an overview of several frequently used methods for conducting evaluations of the full board, board committees and individual directors. It is our experience that using a variety of methods, with some variation from year to year, results in more substantive and useful evaluations. This post also discusses trends and considerations relating to disclosures about board evaluations. We close with some practical tips for boards to consider as they look ahead to their next annual evaluation cycle.

## Common Methods of Board Evaluation

As a threshold matter, it is important to note that there is no one “right” way to conduct board evaluations. There is room for flexibility, and the boards and committees we work with use a variety of methods. We believe it is good practice to “change up” the board evaluation process every few years by using a different format in order to keep the process fresh. Boards have increasingly found that year-after-year use of a written questionnaire, with the results compiled and summarized by a board leader or the corporate secretary for consideration by the board, becomes a routine exercise that produces few new insights as the years go by. This has been the most common practice, and it does respond to the NYSE requirement, but it may not bring as much useful information to the board as some other methods.

Doing something different from time to time can bring new perspectives and insights, enhancing the effectiveness of the

process and the value it provides to the board. The evaluation process should be dynamic, changing from time to time as the board identifies practices that work well and those that it finds less effective, and as the board deals with changing expectations for how to meet its oversight duties. As an example, over the last decade there have been increasing expectations that boards will be proactive in oversight of compliance issues and risk (including cyber risk) identification and management issues.

Three of the most common methods for conducting a board or committee evaluation are: (1) written questionnaires; (2) discussions; and (3) interviews. Some of the approaches outlined below reflect a combination of these methods. A company's nominating/governance committee typically oversees the evaluation process since it has primary responsibility for overseeing governance matters on behalf of the board.

## 1. Questionnaires

The most common method for conducting board evaluations has been through written responses to questionnaires that elicit information about the board's effectiveness. The questionnaires may be prepared with the assistance of outside counsel or an outside advisor with expertise in governance matters. A well-designed questionnaire often will address a combination of substantive topics and topics relating to the board's operations. For example, the questionnaire could touch on major subject matter areas that fall under the board's oversight responsibility, such as views on whether the board's oversight of critical areas like risk, compliance and crisis preparedness are effective, including whether there is appropriate and timely information flow to the board on these issues. Questionnaires typically also inquire about whether board refreshment mechanisms and board succession planning are effective, and whether the board is comfortable with the senior management succession plan. With respect to board operations, a questionnaire could inquire about matters such as the number and frequency of meetings, quality and timeliness of meeting materials, and allocation of meeting time between presentation and discussion. Some boards also consider their efforts to increase board diversity as part of the annual evaluation process.

Many boards review their questionnaires annually and update them as appropriate to address new, relevant topics or to emphasize particular areas. For example, if the board recently changed its leadership structure or reallocated responsibility for a major subject matter area among its committees, or the company acquired or started a new line of business or experienced recent issues related to operations, legal compliance or a breach of security, the questionnaire should be updated to request feedback on how the board has handled these developments. Generally, each director completes the questionnaire, the results of the questionnaires are consolidated, and a written or verbal summary of the results is then shared with the board.

Written questionnaires offer the advantage of anonymity because responses generally are summarized or reported back to the full board without attribution. As a result, directors may be more candid in their responses than they would be using another evaluation format, such as a face-to-face discussion. A potential disadvantage of written questionnaires is that they may become rote, particularly after several years of using the same or substantially similar questionnaires. Further, the final product the board receives may be a summary that does not pick up the nuances or tone of the views of individual directors.

In our experience, increasingly, at least once every few years, boards that use questionnaires are retaining a third party, such as outside counsel or another experienced facilitator, to compile the questionnaire responses, prepare a summary and moderate a discussion based on the questionnaire responses. The desirability of using an outside party for this purpose depends on a number of factors. These include the culture of the board and, specifically, whether the boardroom environment is one in which directors are comfortable expressing their views candidly. In addition, using counsel (inside or outside) may help preserve any argument that the evaluation process and related materials are privileged communications if, during the process, counsel is providing legal advice to the board.

In lieu of asking directors to complete written questionnaires, a questionnaire could be distributed to stimulate and guide discussion at an interactive full board evaluation discussion.

## 2. Group Discussions

Setting aside board time for a structured, in-person conversation is another common method for conducting board evaluations. The discussion can be led by one of several individuals, including: (a) the chairman of the board; (b) an independent director, such as the lead director or the chair of the nominating/governance committee; or (c) an outside facilitator, such as a lawyer or consultant with expertise in governance matters. Using a discussion format can help to “change up” the evaluation process in situations where written questionnaires are no longer providing useful, new information. It may also work well if there are particular concerns about creating a written record.

Boards that use a discussion format often circulate a list of discussion items or topics for directors to consider in advance of the meeting at which the discussion will occur. This helps to focus the conversation and make the best use of the time available. It also provides an opportunity to develop a set of topics that is tailored to the company, its business and issues it has faced and is facing. Another approach to determining discussion topics is to elicit directors’ views on what should be covered as part of the annual evaluation. For example, the nominating/governance could ask that each director select a handful of possible topics for discussion at the board evaluation session and then place the most commonly cited topics on the agenda for the evaluation.

A discussion format can be a useful tool for facilitating a candid exchange of views among directors and promoting meaningful dialogue, which can be valuable in assessing effectiveness and identifying areas for improvement. Discussions allow directors to elaborate on their views in ways that may not be feasible with a written questionnaire and to respond in real time to views expressed by their colleagues on the board. On the other hand, they do not provide an opportunity for anonymity. In our experience, this approach works best in boards with a high degree of collegiality and a tradition of candor.

## 3. Interviews

Another method of conducting board evaluations that is becoming more common is interviews with individual directors, done in-person or over the phone. A set of questions is often distributed in advance to help guide the discussion. Interviews can be done by: (a) an outside party such as a lawyer or consultant; (b) an independent director, such as the lead director or the chair of the nominating/governance committee; or (c) the corporate secretary or inside counsel, if directors are comfortable with that. The party conducting the interviews generally summarizes the information obtained in the interview process and may facilitate a discussion of the information obtained with the board.

In our experience, boards that have used interviews to conduct their annual evaluation process generally have found them very productive. Directors have observed that the interviews yielded rich feedback about the board’s performance and effectiveness. Relative to other types of evaluations, interviews are more labor-intensive because they can be time-consuming, particularly for larger boards. They also can be expensive, particularly if the board retains an outside party to conduct the interviews. For these reasons, the interview format generally is not one that is used every year. However, we do see a growing number of boards taking this path as a “refresher”—every three to five years—after periods of using a written questionnaire, or after a major event, such as a corporate crisis of some kind, when the board wants to do an in-depth “lessons learned” analysis as part of its self-evaluation. Interviews also offer an opportunity to develop a targeted list of questions that focuses on issues and themes that are specific to the board and company in question, which can contribute further to the value derived from the interview process.

For nominating/governance committees considering the use of an interview format, one key question is who will conduct the interviews. In our experience, the most common approach is to retain an outside party (such as a lawyer or consultant) to conduct and summarize interviews. An outside party can enhance the effectiveness of the process because directors may be more forthcoming in their responses than they would if another director or a member of management were involved.

## Individual Director Evaluations


Another practice that some boards have incorporated into their evaluation process is formal evaluations of individual directors. In our experience, these are not yet widespread but are becoming more common. At companies where the nominating/governance committee has a robust process for assessing the contributions of individual directors each year in deciding whether to recommend them for renomination to the board, the committee and the board may conclude that a formal evaluation every year is unnecessary. Historically, some boards have been hesitant to conduct individual director evaluations because of concerns about the impact on board collegiality and dynamics. However, if done thoughtfully, a structured process for evaluating the performance of each director can result in valuable insights that can strengthen the performance of individual directors and the board as a whole.

As with board and committee evaluations, no single “best practice” has emerged for conducting individual director evaluations, and the methods described above can be adapted for this purpose. In addition, these evaluations may involve directors either evaluating their own performance (self-evaluations), or evaluating their fellow directors individually and as a group (peer evaluations). Directors may be more willing to evaluate their own performance than that of their colleagues, and the utility of self-evaluations can be enhanced by having an independent director, such as the chairman of the board or lead director, or the chair of the nominating/governance committee, provide feedback to each director after the director evaluates his or her own performance. On the other hand, peer evaluations can provide directors with valuable, constructive comments. Here, too, each director’s evaluation results typically would be presented only to that director by the chairman of the board or lead director, or the chair of the nominating/governance committee. Ultimately, whether and how to conduct individual director evaluations will depend on a variety of factors, including board culture.

## Disclosures about Board Evaluations

Many companies discuss the board evaluation process in their corporate governance guidelines. [2] In addition, many companies now provide disclosure about the evaluation process in the proxy statement, as one element of increasingly robust proxy disclosures about their corporate governance practices. According to the 2015 Spencer Stuart Board Index, all but 2% of S&P 500 companies disclose in their proxy statements, at a minimum, that they conduct some form of annual board evaluation.

In addition, institutional shareholders increasingly are expressing an interest in knowing more about the evaluation process at companies where they invest. In particular, they want to understand whether the board’s process is a meaningful one, with actionable items emerging from the evaluation process, and not a “check the box” exercise. In the United Kingdom, companies must report annually on their processes for evaluating the performance of the board, its committees and individual directors under the UK Corporate Governance Code. As part of the code’s “comply or explain approach,” the largest companies are expected to use an external facilitator at least every three years (or explain why they have not done so) and to disclose the identity of the facilitator and whether he or she has any other connection to the company.

In September 2014, the Council of Institutional Investors issued a report entitled Best Disclosure: Board Evaluation (available [here](#) ) , as part of a series of reports aimed at providing investors and companies with approaches to and examples of disclosures that CII considers exemplary. The report recommended two possible approaches to enhanced disclosure about board evaluations, identified through an informal survey of CII members, and included examples of disclosures illustrating each approach. As a threshold matter, CII acknowledged in the report that shareholders generally do not expect details about evaluations of individual directors. Rather, shareholders “want to understand the process by which the board goes about regularly improving itself.” According to CII, detailed disclosure about the board evaluation process can give shareholders a “window” into the boardroom and the board’s capacity for change.

The first approach in the CII report focuses on the “nuts and bolts” of how the board conducts the evaluation process and analyzes the results. Under this approach, a company’s disclosures would address: (1) who evaluates whom; (2) how often the evaluations are done; (3) who reviews the results; and (4) how the board decides to address the results. Disclosures under this approach do not address feedback from specific evaluations, either individually or more generally, or conclusions



that the board has drawn from recent self-evaluations. As a result, according to CII, this approach can take the form of “evergreen” proxy disclosure that remains similar from year to year, unless the evaluation process itself changes.

The second approach focuses more on the board’s most recent evaluation. Under this approach, in addition to addressing the evaluation process, a company’s disclosures would provide information about “big-picture, board-wide findings and any steps for tackling areas identified for improvement” during the board’s last evaluation. The disclosures would identify: (1) key takeaways from the board’s review of its own performance, including both areas where the board believes it functions effectively and where it could improve; and (2) a “plan of action” to address areas for improvement over the coming year. According to CII, this type of disclosure is more common in the United Kingdom and other non-U.S. jurisdictions.

Also reflecting a greater emphasis on disclosure about board evaluations, proxy advisory firm Institutional Shareholder Services Inc. (“ISS”) added this subject to the factors it uses in evaluating companies’ governance practices when it released an updated version of “QuickScore,” its corporate governance benchmarking tool, in Fall 2014. QuickScore views a company as having a “robust” board evaluation policy where the board discloses that it conducts an annual performance evaluation, including evaluations of individual directors, and that it uses an external evaluator at least every three years (consistent with the approach taken in the UK Corporate Governance Code). For individual director evaluations, it appears that companies can receive QuickScore “credit” in this regard where the nominating/governance committee assesses director performance in connection with the renomination process.

## What Companies Should Do Now

As noted above, there is no “one size fits all” approach to board evaluations, but the process should be viewed as an opportunity to enhance board, committee and director performance. In this regard, a company’s nominating/governance committee and board should periodically assess the evaluation process itself to determine whether it is resulting in meaningful takeaways, and whether changes are appropriate. This includes considering whether the board would benefit from trying new approaches to the evaluation process every few years.

Factors to consider in deciding what evaluation format to use include any specific objectives the board seeks to achieve through the evaluation process, aspects of the current evaluation process that have worked well, the board’s culture, and any concerns directors may have about confidentiality. And, we believe that every board should carefully consider “changing up” the evaluation process used from time to time so that the exercise does not become rote. What will be the most beneficial in any given year will depend on a variety of factors specific to the board and the company. For the board, this includes considerations of board refreshment and tenure, and developments the board may be facing, such as changes in board or committee leadership. Factors relevant to the company include where the company is in its lifecycle, whether the company is in a period of relative stability, challenge or transformation, whether there has been a significant change in the company’s business or a senior management change, whether there is activist interest in the company and whether the company has recently gone through or is going through a crisis of some kind. Specific items that nominating/governance committees could consider as part of maintaining an effective evaluation process include:

1. **Revisit the content and focus of written questionnaires.** Evaluation questionnaires should be updated each time they are used in order to reflect significant new developments, both in the external environment and internal to the board.
2. **“Change it up.”** If the board has been using the same written questionnaire, or the same evaluation format, for several years, consider trying something new for an upcoming annual evaluation. This can bring renewed vigor to the process, reengage the participants, and result in more meaningful feedback.
3. **Consider whether to bring in an external facilitator.** Boards that have not previously used an outside party to assist in their evaluations should consider whether this would enhance the candor and overall effectiveness of the process.
4. **Engage in a meaningful discussion of the evaluation results.** Unless the board does its evaluation using a

discussion format, there should be time on the board's agenda to discuss the evaluation results so that all directors have an opportunity to hear and discuss the feedback from the evaluation.

5. **Incorporate follow-up into the process.** Regardless of the evaluation method used, it is critical to follow up on issues and concerns that emerge from the evaluation process. The process should include identifying concrete takeaways and formulating action items to address any concerns or areas for improvement that emerge from the evaluation. Senior management can be a valuable partner in this endeavor, and should be briefed as appropriate on conclusions reached as a result of the evaluation and related action items. The board also should consider its progress in addressing these items.
6. **Revisit disclosures.** Working with management, the nominating/governance committee and the board should discuss whether the company's proxy disclosures, investor and governance website information and other communications to shareholders and potential investors contain meaningful, current information about the board evaluation process.

### ***Endnotes:***

[1] See NYSE Rule 303A.09, which requires listed companies to adopt and disclose a set of corporate governance guidelines that must address an annual performance evaluation of the board. The rule goes on to state that "[t]he board should conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively." See also NYSE Rules 303A.07(b)(ii), 303A.05(b)(ii) and 303A.04(b)(ii) (requiring annual evaluations of the audit, compensation, and nominating/governance committees, respectively).

[\(go back\)](#)

[2] In addition, as discussed in the previous note, NYSE companies are required to address an annual evaluation of the board in their corporate governance guidelines.

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## **El Camino Hospital**

### Board and Committee Assessment 2016

Prepared for: ECH Hospital Board and Committees

For Internal Use Only - Do Not Distribute

## Board Competency Areas

1. Fiduciary Oversight
2. Strategic Oversight
3. Quality Oversight
4. Management Oversight
5. Board Development
6. Board Culture and Dynamics
7. Information and Decision Making

## Survey Components

There will be separate links for the different types of surveys. This will break up the length and make it easier to track who has completed the following surveys:

- **Board Assessment.** This will be completed by Hospital Board of Directors and the senior management team.
- **Board Chair Assessment.** This will be completed by Hospital Board of Directors and the senior management team.
- **Committee Assessment (x6).** This will be completed by Hospital Board of Directors and the members of the committee, including management.

## Board Assessment

This section is to be completed by Hospital Board of Directors and members of the senior management team.

Fiduciary Oversight
1. The board continually ensures that the organization's mission is being followed.
2. The board effectively monitors the organization's financial performance against goals.
3. The board carefully evaluates whether a major initiative aligns to the organization's mission, vision, values and strategy and presents positive net value before approving it.
4. The board regularly assesses the adequacy of its conflict-of-interest/confidentiality policies and procedures.
5. The board's actions ensure ECH remains a valuable asset to the community.
Strategic Oversight
6. The board is engaged at the appropriate level in establishing the organization's strategic direction.
7. The board ensures that all plans in the organization (e.g., financial, capital, operational, quality improvement) are aligned with the organization's overall strategic plan/direction.
8. The board discusses the needs of all key stakeholders (i.e., patients, physicians, employees and the community) when setting the strategic direction for the organization.
9. The board ensures that major strategic projects specify both measurable criteria for success and a detailed plan for implementation.
10. The board effectively evaluates proposed new programs or services on factors such as financial feasibility, market potential, impact on quality and patient safety, customer service, etc.
11. The board is effectively guiding ECH away from hospital centric care and towards the continuum of care.
Quality Oversight
12. The board carefully evaluates and approves annual strategic initiatives for quality that include specific top-level aims/goals for quality improvement in the organization.
13. The board carefully reviews quality performance to identify needs for corrective action.
14. The board seeks a high level of physician involvement in governance (e.g., strategic planning, capital planning, quality, patient safety, etc.).
15. The board places the right amount of emphasis on quality and patient care.

16. The board has mechanisms in place to effectively oversee quality.
17. The board effectively reviews and suggests amendments to the overarching medical staffing plan to assure that there is sufficient medical staff to meet the needs of the community.
18. The board effectively reviews and oversees the physician credentialing process.
19. The board's oversight of performance improvement includes initiatives designed to reduce cost (i.e. lean initiatives, fewer labs).
<b>Management Oversight</b>
20. The board has a fair and effective procedure for evaluating the CEO's performance.
21. The board has an effective working relationship with the CEO.
22. The board carefully reviews the organization's top management succession plan.
23. The board oversees management at the appropriate governing level.
24. The board ensures that management has a formal, detailed, and up-to-date compliance plan for the organization.
<b>Board Development</b>
25. The board has an effective orientation program for new board and committee members.
26. The board has an effective annual education plan to ensure ongoing board and committee member education.
27. The board regularly reviews necessary competencies and skill gaps resulting in the use of the right competency-based criteria when appointing new board and committee members and identifying recruiting needs.
28. The board fosters a culture of continuous learning and improvement.
29. An annual goal-setting process for board performance is treated as a top priority by the board.
<b>Board Culture and Dynamics</b>
30. Board members display professional courtesy and respect when interacting with others.
31. The board has frank and open discussions.
32. Board members work well as part of a team.
33. Board members exhibit a willingness to challenge traditional thinking.
34. The board effectively demonstrates its commitment to creating a culture of transparency and integrity.

**Information and Decision Making**

35. Strategic alignment and quality serve as the framework for all decision making.

36. The board is effective at making decisions in line with board committee recommendations.

37. The board seeks the appropriate level of information from staff to govern effectively.

38. The board is effective at reaching consensus on key strategic decisions.

**Open-Ended**

39. What is working well in terms of board performance?

40. In what ways could the board enhance its contributions to organizational success?

41. What specific strategic issues or goals would you like to see the board address this year?

42. How well is the new board committee structure working? What changes would you like to see, if any?

43. What has changed that the board could not anticipate a year ago?

## Board Chair Performance

This section is to be completed by Hospital Board of Directors and members of the senior management team.

The Board Chair...
1. Ensures the board leverages the individual skills and expertise of directors and committee chairs.
2. Structures the agenda such that there is adequate time for in-depth discussion on important matters.
3. Is effective in creating consensus on the board.
4. Ensures board meetings successfully integrate the work of all committees.
5. Ensures that non value-added work is actively identified and eliminated.
6. Interacts with others in a fair, honest and respectful manner.
7. Sets a high standard for the board's general conduct, especially in areas such as conflicts of interest, confidentiality, etc.
8. Leads the board in generative thinking.
9. Works diligently to facilitate productive discussion in the board room.
10. Understands the board's role in governance and does not inappropriately intervene in areas delegated to management.
11. Ensures that the hospital's policies and procedures reinforce positive behaviors and high performance.
12. Effectively oversees the selection of committee chairs.
13. Effectively mentors committee chairs.
14. Has a strong understanding of committee dynamics.
15. Clearly understands each committee's recruiting needs.
16. Attends committee meetings frequently enough to understand the work of the committees.
17. Open-Ended: What are the Board Chair's strengths?
18. Open-Ended: In what ways can he improve his effectiveness as a Board Chair?
19. Open-Ended: If you marked a 1 or 2 on any of the items above, please provide an explanation.



## Committee Performance

### A. Committee Evaluation

This section is to be completed by Hospital Board of Directors.

5-point agreement scale	Corporate Compliance, Privacy, and Audit Committee	Executive Compensation Committee	Finance Committee	Governance Committee	Investment Committee	Quality, Patient Care and Patient Experience Committee
This committee does an effective job of providing clear direction within its scope of responsibilities.						
This committee provides the board with key strategic issues and information for discussion and decision-making.						
This committee chair ensures the board stays adequately apprised of the work accomplished in the committee.						
Overall, this committee provides effective oversight of their functional area.						

## B. Committee Self-Evaluation

In this section, individuals will evaluate only the committee(s) on which he/she serves.

### *Core items for all committees:*

1. The committee chair provides effective leadership for this committee.
2. The committee leadership effectively recruits top talent.
3. The committee leadership effectively retains committee members.
4. The committee meets often enough to effectively carry out its duties.
5. Committee members understand the hospital well enough to add value.
6. The committee's meeting agendas focus on the right strategic topics.
7. The committee effectively leverages staff support to get the information it needs in a timely manner.
8. The committee has the resources needed to fulfill its purpose.
9. The committee has a healthy, professional group dynamic that is characterized by active engagement and open discussion.
10. The committee ensures that non value-added work is actively identified and eliminated.
11. The committee's decisions are aligned with board goals and organizational strategy.
12. The committee efficiently reaches consensus on its decisions or recommendations to the board.
13. Open-Ended Question: In what ways can this committee improve its overall performance or working relationship with: <ul style="list-style-type: none"> <li>▪ The board?</li> <li>▪ Other committees?</li> <li>▪ Support functions?</li> </ul>
14. Open-Ended Question: Are there any other resources the committee needs to complete its duties?

***Committee-specific items:***

<b>Quality, Patient Care and Patient Experience Committee</b>
1. The committee effectively oversees management's development of the hospital's goals encompassing the measurement and improvement of quality, patient safety, patient experience, risk and clinical resource utilization.
2. The committee effectively oversees management's development of a multi-year strategic quality plan to benchmark progress using a dashboard.
3. The committee effectively monitors and oversees the quality of patient care and service provided.
4. The committee effectively monitors compliance with accreditation and licensing requirements.
5. The committee effectively reviews sentinel events and the corresponding root cause analyses.
<b>Executive Compensation Committee</b>
1. The committee develops and maintains an executive compensation philosophy that clearly explains the guiding principles on which executive pay decisions are based.
2. The committee develops and maintains executive compensation policies in line with the board-approved executive compensation philosophy.
3. The committee reviews and maintains an executive compensation and benefit program consistent with the board-approved executive compensation policies.
4. The committee oversees the CEO's performance evaluation to inform his/her compensation.
5. The committee effectively reviews and provides input on the CEO's personal succession and development plan.
6. The committee effectively reviews and provides input on the CEO's succession and development plan for senior executives.
<b>Finance Committee</b>
1. The committee effectively advises management regarding what steps it should take to ensure that the hospital remains financially strong.
2. The committee effectively advises management on how to improve its financial reporting in order to ensure accountability and ease of reading/understanding.
3. The committee effectively reviews and provides input on management's assessment of expected results/benefits as well as potential risks related to payer contracts.

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| 4. The committee effectively reviews and makes recommendations to the board regarding all new debt and derivatives.                        |
| 5. The committee effectively reviews the business plans of all major budgeted capital items to make informed recommendations to the board. |

### Investment Committee

- |                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. The committee effectively reviews and recommends for approval by the board the investment policies for corporate assets and pension assets.                      |
| 2. The committee effectively monitors the performance of the investment managers through reports from the independent investment advisor.                           |
| 3. The committee effectively reviews and makes recommendations to the Finance Committee and the board regarding the selection of an independent investment advisor. |
| 4. The committee consistently seeks input from the Finance Committee.                                                                                               |
| 5. The committee exercises due diligence before recommendations are made to the board.                                                                              |
| 6. The committee operates on an appropriate level of risk that is beneficial to ECH in the long run.                                                                |

### Governance Committee

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. The committee recommends effective policies, budgets and annual plans for board and committee member orientation, education, training and development. |
| 2. The committee recommends useful updates to hospital board governance policies where necessary and as required by legal and regulatory agencies.        |
| 3. The committee effectively oversees and facilitates board evaluations.                                                                                  |
| 4. The committee effectively oversees and facilitates the nomination and selection of board and committee members.                                        |
| 5. The committee effectively facilitates the development and synthesis of annual board and committee goals.                                               |
| 6. The committee effectively monitors board effectiveness and recommends improvements to the board and committees.                                        |

**Corporate Compliance, Privacy, and Audit Committee**

1. The committee effectively oversees and recommends changes to the corporate compliance program.
2. The committee actively encourages continuous improvement of policies and procedures for corporate accountability, integrity, and privacy.
3. The committee effectively oversees and facilitates the work of internal audit, corporate compliance, and patient privacy.
4. The committee serves as an effective escalation and risk mitigation vehicle to identify and address relevant issues from any source.
5. The committee effectively oversees and makes recommendations on the selection and work of the external auditor.
6. The committee effectively assists management in working with the external auditor to resolve any issues brought forth.

**Governance Committee**

Updated June 6, 2017

<b>FY18 GC Pacing Plan – Q1</b>		
July 2017	August 2017	September 2017
<p style="text-align: center;"><i>No scheduled meeting</i></p> <p><i>At each meeting:</i></p> <p><b>Regular Consent Calendar Items:</b> Minutes, Committee Recruitment Update, Article of Interest</p> <p><b>Other Regular Items:</b></p> <ul style="list-style-type: none"> <li>- Board Recruitment Update</li> <li>- Report on Board Actions</li> </ul>	<ul style="list-style-type: none"> <li>- Consider Hospital Board member competencies</li> <li>- Consider education topics for Semi-Annual Board and Committee Gatherings</li> <li>- Receive report on ECH strategic planning</li> <li>- Assess District’s ECH Board structure changes Implementation Plan and make recommendations</li> <li>- Develop plan or methodology for assessing expanded Advisory Committee structure effectiveness</li> <li>- FY18 Board Education Plan</li> </ul>	<p style="text-align: center;"><i>No scheduled meeting</i></p>
<b>FY18 GC Pacing Plan – Q2</b>		
October 4, 2017	November 2017	December 2017
<ul style="list-style-type: none"> <li>- Review and recommendation annual Board Self-Assessment Tool</li> <li>- Confirm annual Board Retreat agenda</li> <li>- Consider chartering Strategic Planning Committee</li> <li>- Finalize plan or methodology for assessing expanded Advisory Committee structure effectiveness</li> </ul> <p style="text-align: center;"><b>10/25 – Board and Committee Education Session</b></p>	<p style="text-align: center;"><i>No scheduled meeting</i></p>	<p style="text-align: center;"><i>No scheduled meeting</i></p> <p style="text-align: center;"><b>[participate in Committee self-assessment survey]</b></p>

**Governance Committee**

Updated June 6, 2017

<b>FY18 GC Pacing Plan – Q3</b>		
January 2018	<b>February 6, 2018</b>	March 2018
<i>No scheduled meeting</i>	<ul style="list-style-type: none"> <li>- Annual review of Advisory Committee composition</li> <li>- Review draft Board and Committee Self-Assessment results</li> <li>- Assess expanded Advisory Committee structure effectiveness and make recommendations</li> <li>- Review and recommend changes to:                             <ul style="list-style-type: none"> <li>- NDBM Re-Election Process</li> <li>- ECH Board Competency Matrix</li> <li>- ECH Board Member Re-Election Report Surveys</li> <li>- NDBM Position Specification and Job Description</li> </ul> </li> </ul>	<i>No scheduled meeting</i>
<b>FY18 GC Pacing Plan – Q4</b>		
<b>April 3, 2018</b>	May 2018	<b>June 5, 2018</b>
<ul style="list-style-type: none"> <li>- Set FY18 Governance Committee Dates</li> <li>- Participate in NDBM Recruitment/Interviews as requested by the District Board</li> <li>- Review Governance Committee Charter</li> <li>- Develop FY19 Governance Committee Goals</li> </ul> <p><b>4/25 – Board and Committee Education Session</b></p>	<i>No scheduled meeting</i>	<ul style="list-style-type: none"> <li>- Review and recommend all FY19 Committee goals to Board</li> <li>- Review Advisory Committee and Committee Chair assignments</li> <li>- Review Committees’ progress against FY18 goals</li> <li>- Confirm self-assessment sent to District (from GC charter)</li> <li>- Finalize FY18 Master Calendar (for Board approval in June)</li> <li>- FY19 Board Education Plan</li> <li>- Finalize FY19 GC goals</li> <li>- Review any proposed changes to Committee charters</li> <li>- Assess effectiveness of District’s ECH Board structure changes Implementation Plan and make recommendations</li> <li>- Discuss Board Governance/Management relationships and effectiveness (Q1 FY19???)</li> </ul>