

AGENDA

GOVERNANCE COMMITTEE OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tuesday, October 3, 2017 – 5:30pm

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

Mr. Pete Moran will be participating via teleconference from 350 Third Street Cambridge, MA 02142.

PURPOSE: 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
1. CALL TO ORDER/ROLL CALL	Peter Fung, MD, Chair		5:30 – 5:32pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter Fung, MD, Chair		5:32 – 5:33
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Peter Fung, MD, Chair		information 5:33 – 5:36
4. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Governance Committee Meeting (August 1, 2017) Information b. Progress Against FY18 Committee Goals c. ECH Committee Recruitment Update d. Article of Interest	Peter Fung, MD, Chair	<i>public comment</i>	motion required 5:36 – 5:38
5. REPORT ON BOARD ACTIONS ATTACHMENT 5	Peter Fung, MD, Chair		information 5:38 – 5:43
6. PROPOSED REVISED ECH BOARD MEMBER ELECTION AND RE-ELECTION PROCESS ATTACHMENT 6	Cindy Murphy, Director of Governance Services	<i>public comment</i>	possible motion 5:43 – 5:53
7. COMPETENCY MATRIX SURVEY RESULTS & ECH BOARD MEMBER (NDBM) POSITION SPECIFICATION ATTACHMENT 7	JoAnn McNutt, Nygren Consulting	<i>public comment</i>	possible motion 5:53 – 6:13
8. ANNUAL BOARD AND COMMITTEE SELF-ASSESSMENT TOOL REVIEW ATTACHMENT 8	JoAnn McNutt, Nygren Consulting	<i>public comment</i>	possible motion 6:13 – 6:33
9. ADJOURN TO CLOSED SESSION	Peter Fung, MD, Chair		motion required 6:33 – 6:34

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
10. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the Governance Committee Meeting (August 1, 2017)	Peter Fung, MD, Chair		motion required 6:34 – 6:36
11. ADJOURN TO OPEN SESSION	Peter Fung, MD, Chair		motion required 6:36 – 6:37
12. RECONVENE OPEN SESSION/ REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Peter Fung, MD, Chair		6:37 – 6:38
13. FY18 COMMITTEE PACING PLAN ATTACHMENT 13	Peter Fung, MD, Chair		possible motion 6:38 – 6:43
14. ROUND TABLE DISCUSSION	Peter Fung, MD, Chair		possible motion 6:43 – 6:44
15. ADJOURNMENT	Peter Fung, MD, Chair		possible motion 6:44 – 6:45pm

Upcoming Meetings

- February 6, 2018
- April 3, 2018
- June 5, 2018

Board/Committee Educational Gatherings

- October 25, 2017
- April 25, 2018



**Minutes of the Open Session of the
Governance Committee
Tuesday, August 1, 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
Peter Moran
Robert Rebitzer

Members Absent

Christina Lai

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Governance Committee of El Camino Hospital (the “Committee”) was called to order at 5:31pm by Chair Fung. A silent roll call was taken. Ms. Lai was absent. All other Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	<p>Chair Fung asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (April 4, 2017); Minutes of the Open Session of the Governance Committee Meeting (June 6, 2017); and for information: Progress Against FY18 Goals and El Camino Hospital Committee Recruitment.</p> <p>Movant: Kalbach Second: Moran Ayes: Fung, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Lai Recused: None</p> <p>In response to Chair Fung’s question, the Committee discussed expanding its membership to include additional expertise and to address quorum issues. There was no action taken.</p>	Consent Calendar approved
5. REPORT ON BOARD ACTIONS	Chair Fung referred to the written reports and highlighted the Board’s approvals in June, including the Strategic Framework and new Board officers for the District Board. He reported that Dan Woods, CEO (participating via teleconference) would be starting at ECH at the end of August. He also noted that on August 16 th the District Board will be interviewing candidates to fill the vacancy left by Director Dennis Chiu’s departure.	
6. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 5:38pm.</p> <p>Movant: Kalbach Second: Moran Ayes: Fung, Kalbach, Moran, Rebitzer</p>	Adjourned to closed session at 5:38pm.

	<p>Noes: None Abstain: None Absent: Lai Recused: None</p>	
<p>7. AGENDA ITEM 12: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened 6:13pm. Agenda items 7-11 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (April 4, 2017) and the Minutes of the Closed Session of the Governance Committee Meeting (June 6, 2017) by a unanimous vote in favor of all members present (Fung, Kalbach, Moran, and Rebitzer). Ms. Lai was absent.</p>	
<p>8. AGENDA ITEM 13: RECOMMENDATION REGARDING ECH BOARD COMPETENCY GAPS</p>	<p>Motion: To recommend that the Board approve the proposed FY18 competency matrix.</p> <p>Movant: Moran Second: Kalbach Ayes: Fung, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Lai Recused: None</p>	
<p>9. AGENDA ITEM 14: ECH BOARD STRUCTURE CHANGES IMPLEMENTATION PLAN</p>	<p>Chair Fung commented that on-boarding several people too quickly at the same time may be difficult and tumultuous for the Board.</p> <p>Cindy Murphy, Director of Governance Services, reported that the District Ad Hoc ECH Board Member Election Committee will be meeting during the week of August 21st.</p> <p>The Committee discussed identifying the competency gaps after the new District Board member has been appointed and potentially elected to the Hospital Board. The members agreed that a slower, more stable introduction of new members to the Board would be beneficial.</p> <p>In response to the Committee’s question, Director Fung explained that he spoke with Ms. Gini Deshpande, a recent candidate with for the Hospital Board, to assess her continued interest in a position on the Board, if applicable in the future.</p> <p>Ms. Murphy noted that the District Board will be reviewing Director Lanhee Chen’s appointment, as his term expires in June 2018.</p>	
<p>10. AGENDA ITEM 15: FY18 BOARD EDUCATION PLAN</p>	<p>Ms. Murphy provided an summary of previous Board Education Plans Staff suggestions for FY18 include: 1) Board and CEO attendance at the Estes Park Institute Conference in San Francisco (Oct. 29 – Nov. 1, 2017); 2) a Board & Committee Educational Gathering, to include a State of the Hospital and update on the on adopted strategic framework from Dan Woods, CEO (Oct. 25, 2017); and 3) a Board & Committee Educational Gathering, to include Committee roundtables (April 25, 2018).</p> <p>She also reported that Board Chair Lanhee Chen has requested a teambuilding retreat for the Board and has encouraged more social events.</p> <p>The Committee discussed what makes educational events valuable for Committee members. Suggestions for the FY18 plan included: engaging a speaker for the spring educational session on the state of the healthcare marketplace and building in time for socializing.</p>	
<p>11. AGENDA ITEM 16: ASSESSMENT OF EXPANDED</p>	<p>Mr. Moran discussed his proposal to evaluate the expanded Committee structure put in place 2012, evaluating: added value of Committees, efficiency and effectiveness, and whether or not the Board utilizes the Committee</p>	

<p>COMMITTEE STRUCTURE</p>	<p>recommendations and expertise of the non-Director members.</p> <p>The Committee discussed other areas of assessment:</p> <ul style="list-style-type: none"> - How can we improve Committee structure/operations? - Are there areas that would benefit from Committee work and deliberation not covered by the current structure (e.g., strategic planning)? <p>Ms. Murphy proposed incorporating questions about Committee efficacy in Board/Committee self-assessments (to be performed this year).</p> <p>The Committee requested that Nygren Consulting provide a proposed enhanced self-assessment tool for review at the Committee's October 4th meeting to capture questions including:</p> <ul style="list-style-type: none"> - Do you (Board/Committee member) benefit from Committee work of Committees that you do not sit on? - (Survey for long-term Board members) Have dynamics changed since the Committee expansion? Have the Committees been meeting their intended purpose? - Is there value added from community members? New questions asked? Different recommendations reached? 	
<p>12. AGENDA ITEM 17: PACING PLAN</p>	<p>Chair Fung noted that he would discuss the possible Strategic Planning Oversight Committee with Mr. Woods ahead of the Committee's October 3rd meeting to assess whether or not such a Committee would be useful.</p> <p>Motion: To approve the FY17 Pacing Plan.</p> <p>Movant: Kalbach Second: Moran Ayes: Fung, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Lai Recused: None</p>	
<p>13. AGENDA ITEM 18: ROUND TABLE DISCUSSION</p>	<p>Chair Fung welcomed Mr. Rebitzer to the Committee.</p>	
<p>14. AGENDA ITEM 19: ADJOURNMENT</p>	<p>Motion: To adjourn at 6:57pm.</p> <p>Movant: Moran Second: Kalbach Ayes: Fung, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Lai Recused: None</p>	<p><i>Meeting adjourned at 6:57pm.</i></p>

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

 Peter C. Fung, MD
 Chair, Governance Committee



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.

GOALS	TIMELINE by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable)	METRICS
1. Review the governance structure of the Hospital Board, conduct research, and make recommendations on preferred competencies.	<ul style="list-style-type: none"> • Q1 FY18 • Q4 FY18 • Q1 FY18 • Q4 FY18 	<ul style="list-style-type: none"> • Recommendation for high-priority Board member competencies made to Hospital and District Board (Planned for 10/3/2017) • 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 for FY18) • Assess District’s plan to implement ECH Board Structure and make recommendations. (Paced for Q4) • Assess effectiveness of plan. (Paced for Q4)
2. Promote enhance and sustained competency-based, efficient, effective governance.	<ul style="list-style-type: none"> • Q1 – Q4 FY18 • Q1 FY19 	<ul style="list-style-type: none"> • FY18 Self-Assessment Tool (Committees and Board) recommended to the Board and surveys completed (Q1-Q2) (In Progress and On Track) • Reports are completed and made available to the Board and the District Board (Q3-Q4) (Paced for Q3) • Assess effectiveness of expanded Committee structure (Q2-Q3) (In Progress and On Track) • Make recommendations for assessment of Board/management relationships and effectiveness and make recommendations for improvements. (Q1 FY19) (Paced for Q4)
3. Finalize Board and Committee Education plan for FY18 and develop FY19 Plan	<ul style="list-style-type: none"> • Q1 FY18 • Q2 FY18 • Q4 FY18 	<ul style="list-style-type: none"> • Develop and recommend FY18 Board Education Plan (Complete) • Recommend FY18 Annual Retreat Agenda to the Board (Planned for 10/3) • Make recommendations for FY19 Board Education Plan (Paced for Q4)

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

Item:	Report on Committee Recruitment Governance Committee October 3, 2017
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Information
Background:	<p><u>Quality Committee</u></p> <p>On August 9, 2017, the Board appointed patient representative/advocate member Ina Bauman to the Committee. Ms. Bauman worked as a registered nurse for 14 years and in outside sales in the medical space for another 7 years. In the mid 1980's, she moved into executive recruiting in the same field. She opened her own recruiting practice in 1995 and spent 20 years as the owner of The Bauman Group which specialized in clinical (MD) recruiting for the biotech industry. She retired in late 2015, has been a volunteer all her life, currently serves as a Board member of North Tahoe Hebrew Congregation in Tahoe Vista, CA, and spends a great deal of time with the Bonnie Addario Lung Cancer Research Foundation and El Camino Hospital. Ms. Bauman also served as a patient advocate on the A3 Pain Reassessment Committee last year.</p> <p>Committee member Robert Pinsker, MD recently resigned from the Committee. At its October 2, 2017 meeting, the Quality Committee will discuss additional committee recruitment.</p>
Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives :	To update the Governance Committee on the status of Advisory Committee recruitment activities.
Suggested discussion questions:	None. This is an informational item.
Proposed Committee motion, if any:	None.
LIST OF ATTACHMENTS:	None.



July 2017

The Difference Between Governance and Management

By Michael W. Peregrine, McDermott Will & Emery LLP

Fundamental to the effectiveness of the board/executive officer dynamic is a shared understanding of the basic distinctions between the roles of governance and management. Basic aspects of the respective roles are set forth in state corporation law, and helpful position descriptions are the subject of much attention in governance guidelines prepared by leading public policy organizations.

But it would be far too convenient to conclude that the line separating the responsibility of the board and the responsibility of management is clear. Rarely has it been in the past, and it certainly is not the case currently. The absence of a “bright line” separating these responsibilities can be the source of much leadership-level friction unless different perspectives can be accommodated. This article looks at what the law and governance principles say distinguish the roles of governance and management, and highlights the need for these two groups to work together to ensure a positive relationship.

What the Law Says

Most modern state corporation codes make it clear that the ultimate authority for corporate affairs lies with the board of directors. At the same time, they typically provide that the board may delegate the responsibility for the management of such affairs to competent executive management. For example, the Illinois General Not-for-Profit Corporation Code provides:

“Each corporation shall have a board of directors, and except as provided in the articles of incorporation, the affairs of the corporation shall be managed by **or under the direction** of the board of directors.”

The Model Nonprofit Corporation Act (Third Edition) approaches the matter in a similar manner:

“...the activities of the corporation must be managed by or under the direction, **and subject to the oversight of**, its board of directors.”

This statutory approach provides flexibility for the board to either delegate management responsibilities (which is the case with most sophisticated corporations), or to actually run the day-to-day affairs of the business (which is the case with some smaller non-profits). Nevertheless, delegation of management duties to executive employees is subject to the board’s ultimate authority and responsibility. The language I’ve italicized in both the Illinois Code and the Model Act is intended to underscore that fundamental obligation. The nature of the oversight is expected to vary depending upon the nature of the organization’s activities, but the law is increasingly likely to hold the board of an operationally and financially sophisticated non-profit corporation to essentially the same standards as it does to the board of a public company.

What Governance Principles Say

Beyond state law, recognized governance principles promulgated by respected public policy and related organizations often provide the best reference from which to distinguish the duties of the board from the duties of management. Some of the most prominent statements of principles are those prepared by the Business Roundtable, the Commonsense Principles of Corporate Governance, The Conference Board, the National Association of Corporate Directors, and the American Bar Association.

The Basics

At its most fundamental level, the expectation is relatively simple. As the Business Roundtable suggests, in the exercise of its oversight role the board is expected to approve corporate strategies intended to support

creation of long-term corporate value and sustain the organization's purpose and mission. While directors are expected to be fully engaged in the attentive oversight of corporate affairs, they are not called upon to manage (or "micromanage") these affairs by either performing tasks traditionally assigned to executive leadership or duplicating those tasks.

Management, on the other hand, is expected to develop and implement corporate strategy and manage the day-to-day affairs of corporate operations subject to board oversight, for the purpose of supporting mission sustainability and long-term value.

The Specifics

The governance principles go further, to varying degrees, in articulating more specific roles and responsibilities of the board and management.

As to the board: there is general acceptance (see, e.g., the Business Roundtable and the American Bar Association guidelines) that the board's oversight duties include at least the following responsibilities, if not others:

- Selection and evaluation of the chief executive officer
- Establishing the ethical "tone at the top"
- Ensuring the effectiveness of the corporate compliance and enterprise and risk management programs
- Approving the development of a strategic plan, ensuring its implementation, and monitoring its continued effectiveness
- Ensuring the integrity and transparency of corporate financial reporting and performance-related disclosures
- Monitoring reputational risks, exercising material authority with respect to the capital allocation process and strategy
- Oversight of the preparation, and approval, of annual financial plans and budgets as prepared by management (and subsequent monitoring thereof)
- Implementing periodic full board and individual director evaluations
- Material involvement in the establishment of board agendas, developing internal governance processes and protocols, recruiting and retaining directors, pursuing formal executive succession and talent development efforts, and directing crisis management activities

Of course, healthcare boards have additional accreditation and other responsibilities around quality of care.

With respect to these core duties, the board is entitled to receive periodic education on the company and its industry, should minimize the amount of time on "frivolous or non-essential matters" (per the Commonsense Principles), have unfettered access to members of the senior leadership team (including those who report directly to the CEO), and should meet periodically in executive session without the CEO (but regularly with the general counsel in attendance).

As to executive management: there is general acceptance (see, e.g., the Business Roundtable) that executive management's duties include at least the following responsibilities, if not others:

- Operate the day-to-day management of the company, subject to board supervision
- Develop and implement the company's strategic plan, with the involvement and monitoring of the board
- Make recommendations to the board with respect to capital allocation
- Maintain the corporate compliance program
- Identify, analyze, and respond to enterprise/operational risks
- Prepare for board approval accurate and transparent financial statements and other operational disclosures
- Develop annual operating plans and budgets for board approval (supplementing such plans and budgets as circumstances warrant)
- Select qualified management and establish an organizational hierarchy
- Work with the board in executing material talent development and succession initiatives
- Develop organizational crisis management procedures

Relationship to Corporate Responsibility

The 15th anniversary of the enactment of the Sarbanes-Oxley Act, and the corporate responsibility environment it prompted, provides an additional perspective from which to evaluate the roles and relationships of the board and executive management. Because, in a very real sense, that's where it all began—the seismic recalibration of corporate direction from the executive suite back to the board,

where it belongs. The act birthed the fiduciary guidelines, principles, and best practices that serve as the corridors of modern corporate governance, developed in direct response to the problematic conduct of the boards of Enron, WorldCom, and other controversies of the time—and similar controversies still exist to this day.

According to the American Bar Association, corporate directors are expected to serve a key role in overseeing the conduct of the senior executive leadership team. In order to perform that function effectively, boards must avoid being compromised by undesirable realities of the board/executive relationship (particularly the CEO). These include:

- Being overly dependent upon, and overly passive with respect to, senior executive leadership
- Conversely, allowing the senior leadership team to view directors as a “sounding board,” but not as individuals who are to be encouraged to push issues or independently raise “yellow” or “red” flags
- Relying almost exclusively on the senior leadership team (and advisors they select) for information and guidance on corporate affairs
- Being unwilling to devote adequate time and attention to their oversight responsibilities
- Too often deferring to the senior executive officers to perform important tasks such as setting board meeting agendas, selecting board nominees, initiating the analysis of and thus essentially establishing executive compensation, selecting key board and committee advisors, and selecting the outside auditor
- Allowing outside advisors to view the senior executive team, rather than the board, as the ultimate client

Special Note About the Relationship

One of the most important—yet least understood—aspects of the board/management dynamic is the responsibility of the board to foster a positive

relationship with the CEO. This includes being supportive of management’s appropriate efforts to pursue informed risk-taking and encourage the long-term sustainability of the corporate mission.

Since the enactment of the Sarbanes-Oxley Act, much has been made of the board’s responsibility to engage with senior management on the basis of “constructive skepticism” and an active, independent oversight role. That’s completely appropriate, but that does not mean that the board/management relationship should be adversarial in order to ensure corporate responsibility. An overarching responsibility of the board is to support the collegiality of the board and its committees, and the relationship between the board and management whenever possible.

Projecting Forward

While there are many elements of the board/management dynamic for which there is general agreement, the constant evolution of regulated industries, such as healthcare, as well as the increasing implications of business disruption, will always provide fodder for future conflict on roles and responsibilities. In these circumstances, it is possible that both the board and the management team may seek to assert additional authority. Given the nature of such circumstances, it’s likely that both sides are right. It may well be that more board involvement with these developments is beneficial, but only exercised with great sensitivity to the proper role of management.

So where emerging trends and developments create the potential to alter the traditional governance/management dynamic, the board and management should “team” cooperatively to ensure that such alteration does no harm to that dynamic. This will require thoughtful communication as to why each group feels these new challenges require their particular attention.

The Governance Institute thanks Michael W. Peregrine, Esq., Partner, McDermott Will & Emery LLP, for contributing this article. He can be reached at mperegrine@mwe.com.



ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Report on Board Actions Governance Committee October 3, 2017
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	For Information
Background:	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.
Other Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives :	To inform the Committee about recent Board actions.
Suggested discussion questions:	None.
Proposed Committee motion, if any:	None. This is an informational item.
LIST OF ATTACHMENTS:	<ol style="list-style-type: none"> 1. Report on August and September 2017 Board Actions

August, and September 2017 ECH Board Actions*

1. August 9, 2017
 - a. Appointed Ms. Ina Bauman as patient advocate member of the Quality, Patient Care and Patient Experience Committee.
 - b. Approved the FY18 Board Education Plan, including attendance at the Estes Park Institute Conference in San Francisco October 29 – November 1, 2017. All Board and Committee members are invited and encouraged to attend.
 - c. Approved the proposed FY18 Competency Matrix for use in evaluating gaps on the ECH Board. The Competency Matrix will be referred to the District Board for consideration.
 - d. FY 18 Executive Individual Incentive Goals approved.
 - e. FY 18 Executive Base Salaries approved as revised.
 - f. Director Peter Fung, MD, was appointed to serve on the Silicon Valley Medical Development LLC Board of Managers.
 - g. Approved the FY17 Period 12 Financials

2. September 13, 2017
 - a. Approved a revision to the Investment Committee's Goals.
 - b. Approved additional funding over original approved budget for major construction projects at the Mountain View Campus: Behavioral Health Services Building (\$4.6 million) and Integrated Medical Office Building (\$31.7 million).
 - c. Appointed new Board Member Neysa Fligor to the Executive Compensation Committee and the Corporate Compliance, Privacy and Internal Audit Committee.

August 2017 ECHD Board Actions*

1. August 16, 2017
 - a. After Interviewing 11 Applicants - Appointed Neysa Fligor to the El Camino Healthcare District Board of Directors.

2. August 23, 2017
 - a. Elected Neysa Fligor to the El Camino Hospital Board of Directors.

*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

Item:	Proposed Revised El Camino Hospital Board Member Election and Re-Election Process (“Process”) Governance Committee October 3, 2017
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Possible Motion
Background:	<p>Each June, the El Camino Healthcare District (“ECHD”) Board appoints an Ad Hoc Committee to address potential vacancies on the El Camino Hospital (“ECH”) Board of Directors for the upcoming fiscal year in accordance with the attached Process. The FY18 Ad Hoc Committee is comprised of John Zoglin and David Reeder. This year, Christina Lai serves as an advisor to the Committee.</p> <p>The Ad Hoc Committee asked staff to draft proposed revisions for the Governance Committee, and the ECH Board to consider and potentially recommend to the ECHD Board as follows:</p> <ol style="list-style-type: none"> 1. Section A(1) - Add a Hospital Director who is not a District Board member as an additional advisor to the Committee. 2. Section A(3)(a)(i) – Include all Hospital Directors as survey participants. 3. Section A(4)(a)(ii) – Governance Committee and Hospital Board develop revised ECH Board Member Position Description. 4. Section A(4)(b)(iv) – Addresses unexpected mid-term vacancies or addition of Board seats. 5. Sections A (5)-(7) – provides additional flexibility to recruitment timeline.
Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives:	To discuss the proposed changes to the Process and make a recommendation to the El Camino Hospital Board of Directors.
Suggested discussion questions:	<ul style="list-style-type: none"> • Will the addition of a second advisor (a Hospital Director who is not a member of the District Board) to the District Ad Hoc Committee improve the Ad Hoc Committee’s effectiveness? • If so, how? • Is the discretion to dispense with the Re-Election Report Survey given to the Ad hoc Committee in Section (A)(3)(a)(i) appropriate?
Proposed Committee motion, if any:	To recommend that the El Camino Hospital Board of Directors recommend to the El Camino Healthcare District Board of Directors that it approve the Proposed Revised El Camino Hospital Board Member Election and Re-Election Process.

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

LIST OF ATTACHMENTS:

1. Proposed Revised El Camino Hospital Board Member Election and Re-Election Process (REDLINES).
2. Proposed Revised El Camino Hospital Board Member Election and Re-Election Process (CLEAN).
3. ECH Board Member Re-Election Report Survey.
4. Draft ECH Board Member Position Description.



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**Process for Re- Election and Election
Of Non-District Board Members
To The El Camino Hospital Board of Directors.***
Draft Revised 9/8/17

BOARD OF DIRECTORS

*Dennis W. Chiu, JD
Patricia A. Einarson, MD
Julia E. Miller
David Reeder
John L. Zoglin*

A. Timeline

1. Previous FYQ4: The District Board Chair shall appoint a District Director as Chair of an Ad Hoc Committee and the Board shall approve the appointment of one additional District Director as a member of the Committee. The Board shall also approve the appointment of ~~up to atwo member of the El Camino Hospital Governance Committee (who has been referred by the Chair of the Governance Committee) as an advisors~~ to the Ad Hoc Committee. ~~One advisor should be a Non Hospital Director member of the El Camino Hospital Governance Committee (who has been referred by the Chair of the Governance Committee) and the other should be a Hospital Director who is not a member of the District Board (who has been referred by the Chair of the El Camino Hospital Board).~~
2. FYQ1 – Regular District Board Meeting:
Prior to Meeting, District Board Chair (i) asks the El Camino Hospital Director, who is not also a member of the District Board whose term is next to expire (Non District Board Member “NDBM”) to declare interest and (ii) informs the District Board of intent (via Board packet).
3. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting: ~~District Board Members:~~
 - i. ~~District and Hospital Board Members: CC~~ Complete the ECH Board Competency Matrix ~~Survey and and, unless the Ad Hoc Committee unanimously votes not to use it in a given year,~~ ECH Board Member Re-Election Report Surveys.
 - ii. ~~District Board Members:~~ Review Position Specification in place at time of election to the Hospital Board and the ECH Board Member NDBM Job Description.
 - b. At the Meeting: Discuss portfolio of skills needs.
4. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting:
 - i. Ad Hoc committee analyzes evaluations, (3) (a) above, interviews the NDBM, and develops recommendation regarding re-election of NDBM to the Hospital Board.
 - ii. Hospital Board, ~~on the recommendation of the Governance Committee,~~ proposes a ~~revised recommended~~ revised Position Description to ~~if~~ the District Board ~~requests it to do so.~~

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- b. At the Meeting:
 - i. District Board considers re-election of NDBM.
 - ii. If NDBM is re-elected, the Hospital Board shall be notified.
 - iii. If NDBM is not re-elected, the District Board will authorize external recruitment of a new NDBM.
 - ~~iii~~iv. If there are any mid-term vacancies or other open seats on the Hospital Board the District Board will authorize a timeline for recruitment to fill those seats.
- 5. FYQ2 or Q3 – Begin external search as authorized in Section 4(b)(iii) and (iv) if necessary.
- 6. FYQ2 or Q3 – Regular District Board Meeting:
 - a. Ad Hoc Committee to present an interim update to the District Board.
 - i. Incorporate Board feedback into further recruitment efforts.
 - ii. Plan for interviews – direct staff to schedule.
- 7. FYQ3 or Q4 – Regular District Board Meeting:
 - a. Prior to the Meeting: Ad Hoc Committee to summarize interviews for the Board packet and make a recommendation to the District Board
 - b. District Board Considers AD Hoc Committee recommendation and votes to elect new NDBM(s) to the Hospital Board.
- 8. This process to be confirmed by the District Board annually when the process is complete.
- 9. The following matters are delegated to the El Camino Hospital Board Governance Committee:
 - a. FYQ3 – Review and recommend changes to the survey tools identified in section 3(a)(i).
 - b. FYQ3 – Review and recommend changes to this process.
 - c. FYQ3 – Review and recommend changes to NDBM Position Specification and Job Description.
 - d. Participate in the recruitment effort of new NDBM by referring a ~~a~~ member to advise the Ad Hoc Committee as described in #1 above.

B. General Competencies

- 1. Understanding of the vital role El Camino Hospital plays in the broader region.
- 2. Loyalty to El Camino Hospital’s charitable purposes.
- 3. Knowledge of healthcare reform (Affordable Care Act) implications.
- 4. Ability to understand and monitor the following:
 - a. Diverse portfolio of businesses and programs
 - b. Complex partnerships with clinicians
 - c. Programs to create a continuum of care
 - d. Investment in technology
 - e. Assumption of risk for population health
 - f. Resource allocation
 - g. Quality metrics
- 5. Commitment to continuing learning.
- 6. Demonstrated strategic thinking.
- 7. Efforts to recruit potential Advisory Committee members.

8. Understanding and support of the role the District Board plays in Governance of the 501(c)(3) corporation.

C. Portfolio Skill Set

1. Complementary to skill sets of other Board members (gap-filling).
2. Applicable to the then current market. (See, Competency Matrix)

D. Other Criteria

1. Positive working relationship with other Board members.
2. Productive working relationship with the El Camino Hospital CEO.
3. Attendance at Board and Committee meetings.
4. See, Competency Matrix.

**Approved 12/9/2014; revised 3/17/2015; revised 6/14/2016; revised 1/25/2017.*



2500 Grant Road
Mountain View, CA 94040
Phone: 650-940-7300
www.elcaminohealthcaredistrict.org

**Process for Re- Election and Election
Of Non-District Board Members
To The El Camino Hospital Board of Directors.***

Draft Revised 9/8/17

BOARD OF DIRECTORS

*Dennis W. Chiu, JD
Patricia A. Einarson, MD
Julia E. Miller
David Reeder
John L. Zoglin*

A. Timeline

1. Previous FYQ4: The District Board Chair shall appoint a District Director as Chair of an Ad Hoc Committee and the Board shall approve the appointment of one additional District Director as a member of the Committee. The Board shall also approve the appointment of up to two advisors to the Ad Hoc Committee. One advisor should be a Non Hospital Director member of the El Camino Hospital Governance Committee (who has been referred by the Chair of the Governance Committee) and the other should be a Hospital Director who is not a member of the District Board (who has been referred by the Chair of the El Camino Hospital Board).
2. FYQ1 – Regular District Board Meeting:
Prior to Meeting, District Board Chair (i) asks the El Camino Hospital Director, who is not also a member of the District Board whose term is next to expire (Non District Board Member “NDBM”) to declare interest and (ii) informs the District Board of intent (via Board packet).
3. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting:
 - i. District and Hospital Board Members: Complete the ECH Board Competency Matrix Survey and, unless the Ad Hoc Committee unanimously votes not to use it in a given year, ECH Board Member Re-Election Report Survey.
 - ii. District Board Members: Review Position Specification in place at time of election to the Hospital Board and the ECH Board Member NDBM Job Description.
 - b. At the Meeting: Discuss portfolio of skills needs.
4. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting:
 - i. Ad Hoc committee analyzes evaluations, (3) (a) above, interviews the NDBM, and develops recommendation regarding re-election of NDBM to the Hospital Board.
 - ii. Hospital Board, on the recommendation of the Governance Committee proposes a revised Position Description to the District Board.
 - b. At the Meeting:
 - i. District Board considers re-election of NDBM.
 - ii. If NDBM is re-elected, the Hospital Board shall be notified.

- iii. If NDBM is not re-elected, the District Board will authorize external recruitment of a new NDBM.
 - iv. If there are any mid-term vacancies or other open seats on the Hospital Board the District Board will authorize a timeline for recruitment to fill those seats.
- 5. FYQ2 or Q3 – Begin external search as authorized in Section 4(b)(iii) and (iv) if necessary.
- 6. FYQ2 or Q3 – Regular District Board Meeting:
 - a. Ad Hoc Committee to present an interim update to the District Board.
 - i. Incorporate Board feedback into further recruitment efforts.
 - ii. Plan for interviews – direct staff to schedule.
- 7. FYQ3 or Q4 – Regular District Board Meeting:
 - a. Prior to the Meeting: Ad Hoc Committee to summarize interviews for the Board packet and make a recommendation to the District Board
 - b. District Board Considers AD Hoc Committee recommendation and votes to elect new NDBM(s) to the Hospital Board.
- 8. This process to be confirmed by the District Board annually when the process is complete.
- 9. The following matters are delegated to the El Camino Hospital Board Governance Committee:
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 - b. FYQ3 – Review and recommend changes to this process.
 - c. FYQ3 – Review and recommend changes to NDBM Position Specification and Job Description.
 - d. Participate in the recruitment effort of new NDBM by referring a member to advise the Ad Hoc Committee as described in #1 above.

B. General Competencies

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 - g. Quality metrics
- 5. Commitment to continuing learning.
- 6. Demonstrated strategic thinking.
- 7. Efforts to recruit potential Advisory Committee members.
- 8. Understanding and support of the role the District Board plays in Governance of the 501(c)(3) corporation.

C. Portfolio Skill Set

1. Complementary to skill sets of other Board members (gap-filling).
2. Applicable to the then current market. (See, Competency Matrix)

D. Other Criteria

1. Positive working relationship with other Board members.
2. Productive working relationship with the El Camino Hospital CEO.
3. Attendance at Board and Committee meetings.
4. See, Competency Matrix.

**Approved 12/9/2014; revised 3/17/2015; revised 6/14/2016; revised 1/25/2017.*

El Camino Healthcare District
El Camino Hospital Board Member Evaluation
(Re-Election Report Survey)

Prepared for: El Camino Healthcare District
March 2014

This peer assessment tool is prepared for members of the El Camino Healthcare District for use in the Evaluation of members of the El Camino Hospital Board of Directors. This tool can also be used for self-assessment to compare self-ratings with the average of peer ratings.

Board Member Peer Review

	Strongly Disagree	Disagree	Neither Agree/ Disagree	Agree	Strongly Agree	Not at all/Unable to Judge
Fiduciary and Strategic Oversight						
1. Demonstrates an understanding of fiduciary responsibility and stewardship of ECH's resources.	1	2	3	4	5	N/A
2. Demonstrates loyalty to ECH's charitable purposes.	1	2	3	4	5	N/A
3. Demonstrates an understanding of how ECH's strategic direction compliments the vital role ECH plays in the broader region.	1	2	3	4	5	N/A
4. Offers insights that reflect strategic thinking about the future of the institution.	1	2	3	4	5	N/A
5. Understands the board's role in governance and does not inappropriately intervene in areas delegated to management.	1	2	3	4	5	N/A
Knowledge and Expertise						
6. Brings skills and knowledge that distinctly adds value to the overall competency of the board.	1	2	3	4	5	N/A
7. Demonstrates sufficient knowledge of healthcare reform implications to govern effectively.	1	2	3	4	5	N/A
8. Seeks the appropriate level of information from staff to govern effectively.	1	2	3	4	5	N/A
9. Demonstrates a clear understanding of the role the District Board plays in governance of the 501(c)(3) corporation.	1	2	3	4	5	N/A
10. Is supportive of the role the District Board plays in governing ECH.	1	2	3	4	5	N/A

	Strongly Disagree	Disagree	Neither Agree/ Disagree	Agree	Strongly Agree	Not at all/Unable to Judge
11. Demonstrates ability to understand and oversee the following:						
a. Diverse portfolio of businesses and programs	1	2	3	4	5	N/A
b. Complex partnerships with clinicians	1	2	3	4	5	N/A
c. Programs to create a continuum of care	1	2	3	4	5	N/A
d. Investment in technology	1	2	3	4	5	N/A
e. Assumption of risk for population health	1	2	3	4	5	N/A
f. Resource allocation	1	2	3	4	5	N/A
g. Quality metrics	1	2	3	4	5	N/A
Interpersonal and Communication						
12. Treats others in a respectful manner.	1	2	3	4	5	N/A
13. Creates a blameless culture by giving others the benefit of the doubt; assumes good intent of others before making judgment.	1	2	3	4	5	N/A
14. Takes responsibility for his/her actions; is able to admit mistakes.	1	2	3	4	5	N/A
15. Communicates effectively during meetings.	1	2	3	4	5	N/A
16. Operates in an open and transparent manner.	1	2	3	4	5	N/A
17. Behaves in a manner that models the highest standard of ethics and integrity.	1	2	3	4	5	N/A
18. Possesses self-awareness of his/her strengths and limitations.	1	2	3	4	5	N/A
19. Is able to modify behavior with feedback given by other.	1	2	3	4	5	N/A
Relationships						
20. Has a positive working relationship with fellow board members.	1	2	3	4	5	N/A
21. Has a positive working relationship with the ECH CEO.	1	2	3	4	5	N/A
22. Has a positive working relationship with the management team.	1	2	3	4	5	N/A
23. Is able to foster relationships with others even when styles or personalities may differ.	1	2	3	4	5	N/A
Participation						
24. Comes prepared to meetings.	1	2	3	4	5	N/A

	Strongly Disagree	Disagree	Neither Agree/ Disagree	Agree	Strongly Agree	Not at all/Unable to Judge
25. Participates effectively in board meetings; speaks up and actively listens.	1	2	3	4	5	N/A
26. Participates effectively in committees.	1	2	3	4	5	N/A
27. Adds value in comments to the board.	1	2	3	4	5	N/A
28. Makes an effort to recruit potential Advisory Committee members.	1	2	3	4	5	N/A
29. Demonstrates a commitment to continuous learning.	1	2	3	4	5	N/A
30. Advocates on behalf of ECH.	1	2	3	4	5	N/A
Decision Making						
31. Demonstrates clear, logical thinking when deliberating an issue.	1	2	3	4	5	N/A
32. Demonstrates an ability to identify the costs, benefits, and consequences of Board decisions.	1	2	3	4	5	N/A
33. Weighs all sides of the issue before reaching a conclusion.	1	2	3	4	5	N/A
34. Supports the board once a decision has been made.	1	2	3	4	5	N/A
35. Appropriately questions data and information presented to the Board for its deliberations.	1	2	3	4	5	N/A

1. What do you believe are this Director’s greatest strengths?

2. What are his/her areas for development?

If you marked a 1 or 2 on any of the items above, please provide an explanation.

POSITION SPECIFICATION

Draft Revised September 13, 2017

El Camino Hospital

TITLE: Board Member

LOCATION: Mountain View, California

THE CURRENT BOARD

The El Camino Hospital Board is currently comprised of the five members of the El Camino Healthcare District Board, along with Jeffrey Davis, MD, Lanhee Chen, JD, PhD, and Bob Rebitzer. The three members of the ECH Board who are not District Board members now serve a maximum of 4 staggered 3-year terms. Director Davis is serving his third term and Director Rebitzer is serving his first term. Director Chen, the current Board Chair, is serving his first term which expires on June 30, 2018. There are two new (added in May 2017) open seats on the Board.

POSITION

BACKGROUND:

With the significant and continuing, large scale changes occurring in the healthcare environment, the District Board has determined that it will seek Hospital Director Candidates who will add to the thoughtful deliberations and guidance from the Board, regarding the Hospital's strategic priorities and who possess competencies in the following areas:

- 1.
- 2.
- 3.
- 4.
- 5.

QUALIFICATIONS:

To fill this role, El Camino is seeking a senior operating executive, consultant or academic leader who will reference as a leader in strategic dialogues. Since El Camino has relationships with most organizations of this type within Silicon Valley it will be important that conflicts are avoided. A recently retired, active executive might also be appropriate, as would consultants and advisors to this community.

SPECIFIC REQUIREMENTS:

- Physically attend at least two-thirds of all meetings.

Meetings are defined as Hospital Board meetings and Standing Committee meeting(s) to which the Board member has been appointed. Attendance guidelines will be considered met if the Board member physically attends two-thirds of all Hospital Board meetings **and** two-thirds of the meetings of each Standing Board Advisory Committee to which the member is appointed

- Serve on at least two Standing Board Advisory Committees (credit will be given for assignment to other Board obligations, including but not limited to the El Camino Hospital Foundation Board, Chair of the Board, Ad Hoc Committees and the Community Benefit Advisory Council).
- Offer to Chair at least one of the Standing Board Advisory Committees.
- Give notice (in accordance with policy) for inability to attend a meeting in-person or via teleconference, except in the case of emergency, to the Director of Governance Services at least five business days prior to a meeting.
- Agree to abide by the "El Camino Hospital Board Management Compact" (dated December, 2012).

BOARD MEETINGS

The El Camino Hospital Board presently meets monthly, excluding July and December typically at 5:30 pm on the second Wednesday of each month. In addition, two Joint Board and Committee evening educational sessions and one full day retreat are held each year.

COMMITTEE MEETINGS

Meetings are held on weekday evenings beginning between 4 and 5:30 pm and last approximately 1.5 to 2 hours.

Investment – 4x/year

Quality, Patient Care and Patient Experience – 10x/year

Finance – 6x/year

Governance – 4-6x/year

Executive Compensation – 4-6x/year

Corporate Compliance, Privacy and Internal Audit – 6x/year

COMPENSATION

Board members are eligible for compensation in the amount of \$200/Board meeting, \$100/Committee meeting, and \$100/Committee Prep meeting attended up to 7 meetings per month. The Board Chair receives an annual \$12,000 stipend payable quarterly.

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Competency Matrix Survey Results & ECH Board Member Position Description Governance Committee October 3, 2017
Responsible party:	Cindy Murphy, Director of Governance Services; JoAnn McNutt, Nygren Consulting
Action requested:	For Possible Motion
Background:	<p>The ECH Board Competency Matrix ranks the most essential competencies that the District Board should consider in the current healthcare environment when it elects an individual to serve on the El Camino Hospital Board. The Committee last reviewed the ECH Board Competency Matrix in August 2017 and it was approved by the El Camino Hospital Board on August 9, 2017. Since that time, each of the eight ECH Board members has completed the attached survey. In the past, the ECH Board members who are not members of the District Board have not participated in the survey. For comparison, this year the results are presented with their input included and without.</p> <p>The 5 highest priority competencies identified in FY17 were: (1) Complex Market Partnerships; (2) Long Range Strategic Planning; (3) Healthcare Insurance Payor; (4) Finance/ Entrepreneurship; and (5) Clinical Integration/ Continuum of Care.</p>
Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives :	<ol style="list-style-type: none"> 1. To consider the survey results presented. 2. To recommend the highest priority competencies for FY18.
Suggested discussion questions:	<ol style="list-style-type: none"> 1. Are last year's highest priorities still the highest priority, or should the four lowest ranked items be substituted? 2. Are there any missing?
Proposed Committee motion, if any:	<p>To recommend the Draft Revised ECH Board Member Position Description including the following highest priority competencies:</p> <ol style="list-style-type: none"> 1. _____ 2. _____
LIST OF ATTACHMENTS:	<ol style="list-style-type: none"> 1. ECH Board Competency Matrix Survey Results 2. ECH Board Member Position Description



NYGREN CONSULTING
GOVERNANCE STRATEGY LEADERSHIP

El Camino Hospital

2017 Hospital Board Competency Matrix



Submitted on: September 25, 2017
Prepared for: Governance Committee
Prepared by: JoAnn McNutt, PhD

ECH Hospital Board Competency Matrix

Ratings from All ECH Directors

- 4.00 and Above
- Between 3.00 and 3.99
- Below 3.00

Collective Competencies										Universal Attributes		
Complex Market Partnerships	Long-range Strategic Planning	Health Care Insurance Payor	Finance/ Entrepreneurship	Clinical Integration/ Continuum of Care	Healthcare Reform	Oversight of Diverse Business Portfolio	Complex Partnerships w/ Clinicians	Experience in More Than One Area of the Continuum of Care	Patient Care Quality and Safety Metrics	Analytical Thinker	Collaborative	Community Oriented
4.50	4.50	4.50	3.63	4.50	4.63	4.00	4.25	4.50	4.50	4.75	4.25	4.43
3.88	4.00	4.00	3.50	3.88	4.00	3.63	3.75	4.13	4.38	4.20	4.00	4.20
3.63	3.88	3.75	3.38	3.88	4.00	3.63	3.75	3.88	3.88	4.00	4.00	4.00
3.50	3.75	3.63	3.25	3.38	3.38	3.38	3.13	3.50	3.50	4.00	3.83	3.88
3.13	3.38	3.13	3.00	3.13	3.00	3.38	3.13	3.38	3.38	3.63	3.50	3.88
3.00	3.00	2.75	2.83	2.88	2.63	3.17	3.00	3.25	3.13	3.50	3.50	3.75
2.75	3.00	2.50	2.75	2.50	2.17	2.63	3.00	2.50	2.67	3.00	3.25	3.50
2.00	2.50	1.88	2.00	2.13	2.00	2.14	1.71	1.86	2.00	1.71	2.57	3.50
3.30	3.50	3.27	3.04	3.28	3.22	3.24	3.21	3.37	3.43	3.60	3.61	3.89
Overall = 3.29										Overall = 3.70		

Note

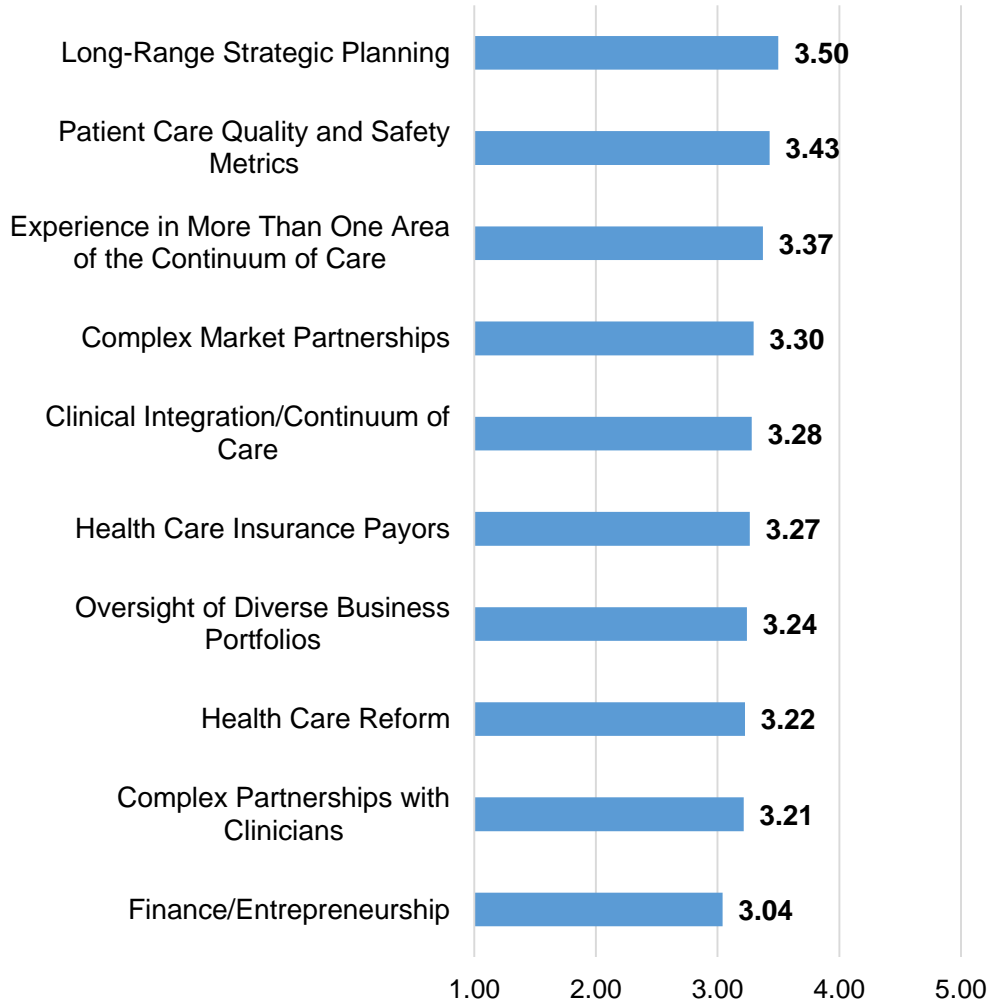
- N=8 (5 District Directors and 3 Hospital Board Members)
- Self-ratings are not included in the average scores above.

Year-Over-Year Comparison

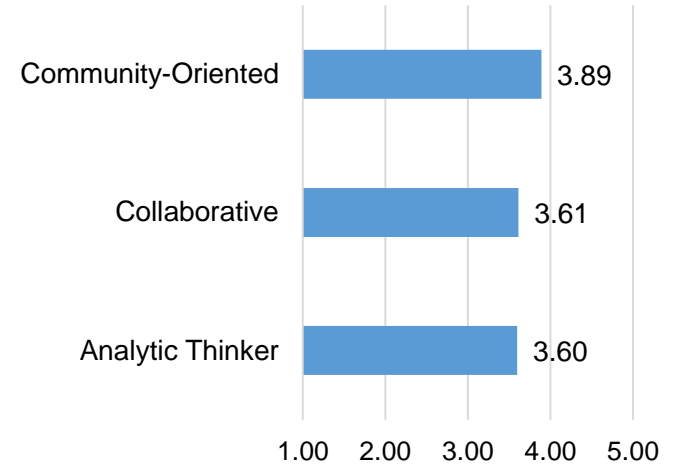
- Last year's scores:
 - With Neal Cohen, MD: Collective Competencies was 3.46 and Universal Attributes was 3.82
 - Without Neal Cohen, MD: Collective Competencies was 3.33 and Universal Attributes was 3.78

Aggregate Results (Sorted High to Low)

Collective Competencies



Universal Attributes



District Board Results

- The results in this section represent the opinions of the District Directors. Ratings from Robert Rebitzer, Jeffrey Davis and Lanhee Chen are not included.
- Self-Ratings are not included

ECH Hospital Board Competency Matrix

Ratings from only the District Board

- 4.00 and Above
- Between 3.00 and 3.99
- Below 3.00

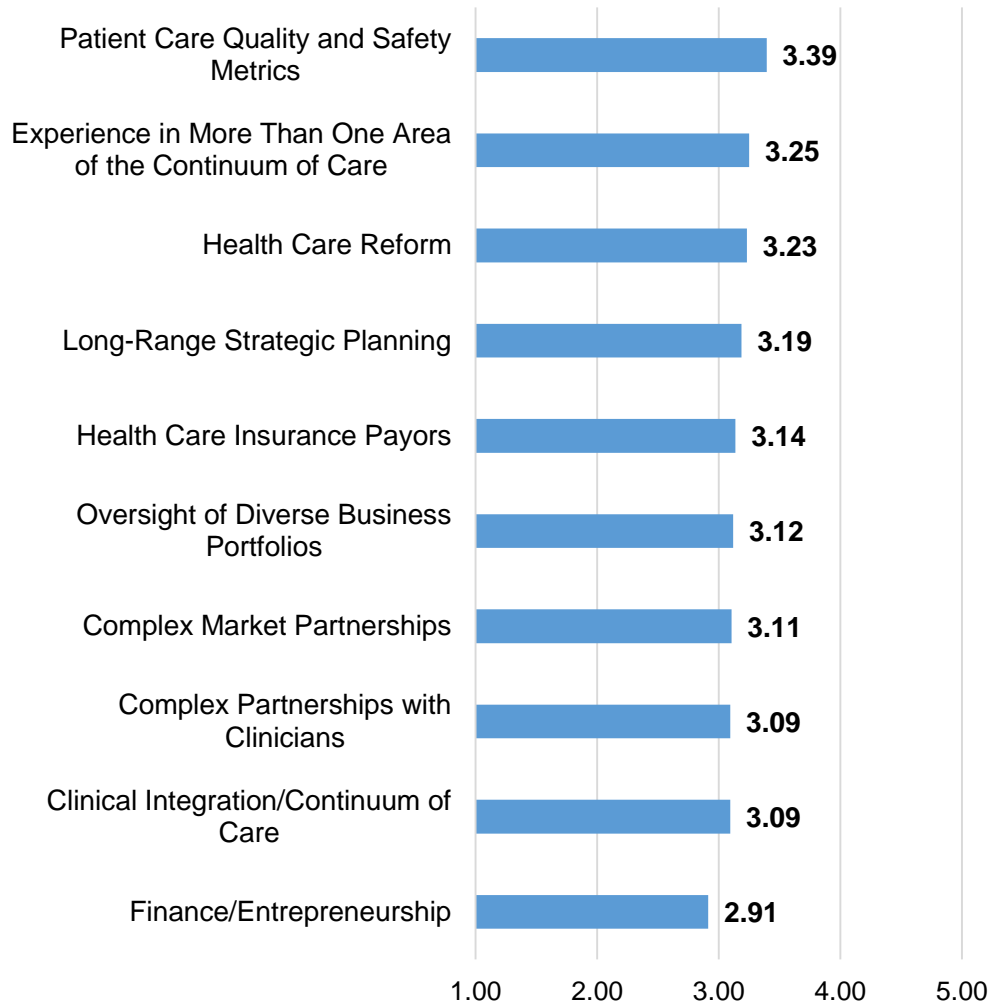
Collective Competencies									Universal Attributes			
Complex Market Partnerships	Long-range Strategic Planning	Health Care Insurance Payor	Finance/ Entrepreneurship	Clinical Integration/ Continuum of Care	Healthcare Reform	Oversight of Diverse Business Portfolio	Complex Partnerships w/ Clinicians	Experience in More Than One Area of the Continuum of Care	Patient Care Quality and Safety Metrics	Analytical Thinker	Collaborative	Community Oriented
4.60	4.40	4.40	3.50	4.40	4.40	4.20	4.00	4.40	4.60	4.80	3.80	4.50
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3.40	3.80	3.75	3.20	3.80	4.00	3.40	3.75	4.00	3.50	4.00	3.75	3.60
3.25	3.25	3.50	3.20	3.25	3.75	3.25	3.20	3.40	3.50	4.00	3.60	3.60
2.75	2.75	3.40	3.00	2.80	3.25	3.00	3.00	3.25	3.40	3.50	3.50	3.50
2.75	2.75	2.25	2.75	2.25	2.25	3.00	2.75	2.75	3.40	3.25	3.00	3.50
2.75	2.50	2.25	2.50	2.00	2.00	2.75	2.50	2.00	2.25	3.00	2.75	3.40
1.75	2.25	1.75	1.75	2.00	2.00	1.75	1.75	2.00	2.00	2.00	2.75	3.00
3.11	3.19	3.14	2.91	3.09	3.23	3.12	3.09	3.25	3.39	3.57	3.37	3.64
Overall = 3.15									Overall = 3.53			

Note

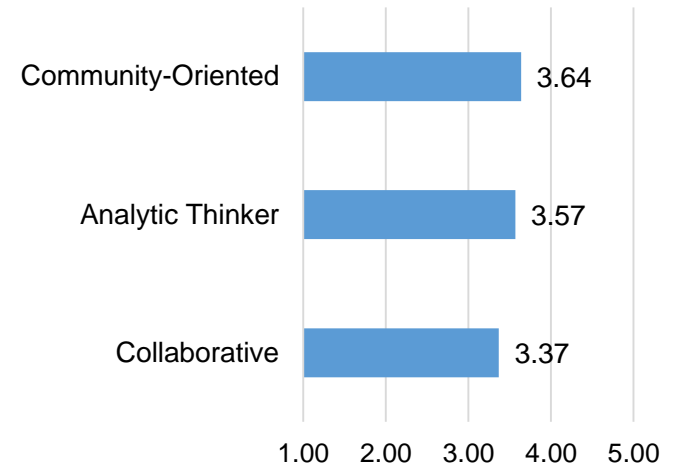
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Aggregate Results (Sorted High to Low)

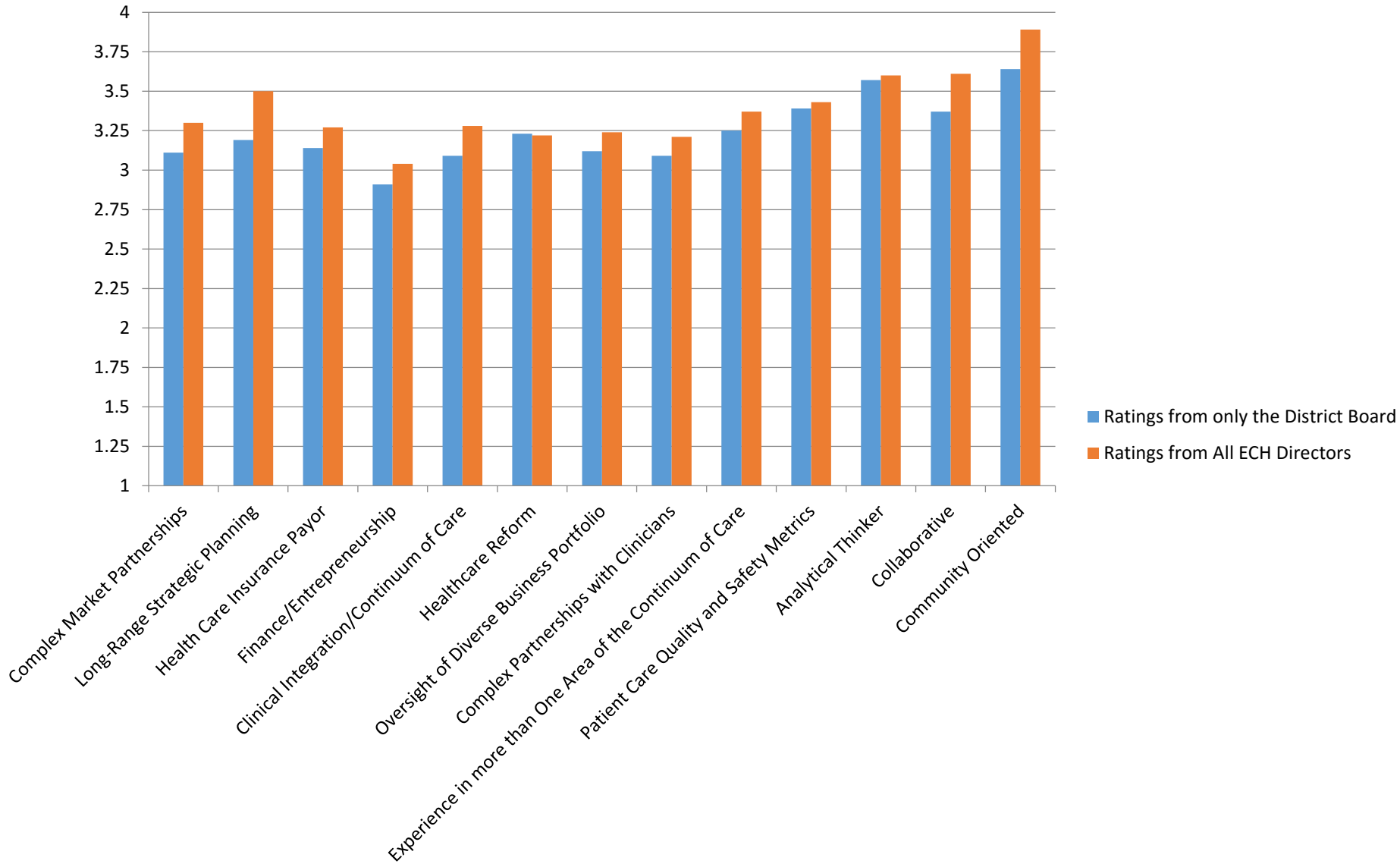
Collective Competencies



Universal Attributes



Side-by-Side Comparison





NYGRENCONSULTING
GOVERNANCE STRATEGY LEADERSHIP

Office: 415-686-3767 | Fax: 415-358-4804
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POSITION SPECIFICATION

Draft Revised September 13, 2017

El Camino Hospital

TITLE: Board Member

LOCATION: Mountain View, California

THE CURRENT BOARD

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QUALIFICATIONS:

To fill this role, El Camino is seeking a senior operating executive, consultant or academic leader who will reference as a leader in strategic dialogues. Since El Camino has relationships with most organizations of this type within Silicon Valley it will be important that conflicts are avoided. A recently retired, active executive might also be appropriate, as would consultants and advisors to this community.

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COMPENSATION

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ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	FY18 Board and Committee Self- Assessment Governance Committee October 3, 2017
Responsible party:	Cindy Murphy, Director of Governance Services; JoAnn McNutt, Nygren Consulting
Action requested:	For Possible Motion
<p>Background:</p> <p>Each year the El Camino Hospital Board of Directors participates in a Board Self-Assessment and Board Chair Assessment, and, every other year, the Self-Assessment includes a self - assessment of the Advisory Committees. Last year, the Board conducted only the Board and Board Chair Self-Assessment, and a decision was made to delay taking action on the results until the new CEO was in place.</p> <p>At its last meeting, the Committee discussed doing a more in depth Committee assessment in FY18 that would be designed to evaluate:</p> <ol style="list-style-type: none"> 1. Added value of Committees 2. Efficiency and effectiveness 3. Whether or not the Board utilizes the Committee recommendations and expertise of the Non-Director members 4. How can the Board improve Committee structure/operations? 5. Are there areas that would benefit from Committee work and deliberation not covered by the current structure (<i>e.g.</i>, strategic planning)? <p>The Committee requested that Nygren Consulting provide a proposed enhanced self-assessment to capture questions including:</p> <ol style="list-style-type: none"> 1. Do you (Board/Committee member) benefit from Committee work of Committees that you do not sit on? 2. Question for long term Board members: Have dynamics changed since the Committee expansion? 3. Have the Committees been meeting their intended purpose? 4. Is there value added from community members? New questions asked? Different recommendations reached? 	
Board Advisory Committees that reviewed the issue and recommendation, if any: None.	
<p>Summary and session objectives :</p> <ol style="list-style-type: none"> 1. To make a recommendation to the Board regarding whether the Board should conduct a Self-Assessment this year, and if so, what the format should be. 2. To make a recommendation to the Board regarding whether the Board should conduct a Board Chair assessment this year. 3. To make a recommendation to the Board regarding the Proposed Committee Self- 	

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

	Assessment Tool.
	<p>Suggested discussion questions:</p> <ol style="list-style-type: none"> 1. In light of the fact that action on last year’s self- assessment has been delayed, should the Board conduct a Board Self-Assessment this year? 2. If yes, should it be in the same format using the same tool as last year? Other format? 3. If no, should the Board leverage last year’s report and develop an action plan to enhance Board effectiveness? 4. Given that Board Chair Chen will only have been in office six months when the assessment is done, is it worthwhile to conduct the Board Chair Assessment this year? 5. What feedback does the Committee have on the proposed Committee assessment tool?
	<p>Proposed Committee motion(s), if any:</p> <ol style="list-style-type: none"> 1. To recommend the Board (conduct/not conduct) a Board Self-Assessment in FY18. 2. To recommend the Board (conduct/not conduct) a Board Chair Assessment in FY18. 3. To recommend the Board approve the Proposed Committee Self-Assessment Tool; OR 4. To recommend the Board approve the Proposed Committee Self-Assessment Tool with the following changes: Additional Questions: Deleted Questions: Revised Questions:
	<p>LIST OF ATTACHMENTS:</p> <ol style="list-style-type: none"> 1. Proposed Board Self-Assessment, Board Chair Assessment

Board and Committee Assessment Tool FY18

El Camino Hospital



Submitted on: September 22, 2017

Prepared for: Governance Committee

Prepared by: David Nygren, PhD, and JoAnn McNutt, PhD

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 each survey. 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 the Hospital Board of Directors, the Executive Leadership Team and Chiefs of Staff.
- **Board Chair Assessment.** This will be completed by the Hospital Board of Directors, the Executive Leadership Team and Chiefs of Staff.
- **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 the Hospital Board of Directors, the Executive Leadership Team and Chiefs of Staff.

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 oversees the review and development of the medical staffing plan on a routine basis.

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).

Management Oversight

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 executes a formal, detailed and relevant compliance and internal audit program.

Board Development

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.

Board Culture and Dynamics

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. What are the one or two things the board did in the past year that made a positive difference for the hospital?
41. What specific strategic issues or goals would you like to see the board address this year?
42. What are one or two things that the board MUST improve on in the coming year?
43. What is the risk to the board/organization if these things are not accomplished?

Board Chair Performance

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

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 the Board Chair improve their 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. Evaluating the Overall Effectiveness of the Committee Structure – **New Section**

This section is to be completed by the Hospital Board of Directors and non-director committee members.

Open-Ended Questions
1. What are the strengths of ECH's committee structure overall?
2. What are your recommendations for how the committees can strengthen their efficiency and effectiveness? Please be as specific as possible. (Consider committee structure, composition, meeting agendas, quality and timing of materials received from staff, quality of recommendations given to the board, annual committee goals, and any other relevant areas.)
3. How effectively does the board take into consideration committee recommendations and the expertise of the non-director members?
4. Are there areas that would benefit from committee work and deliberation not covered by the current structure (e.g., strategic planning)?
5. Do you benefit from the work of committees that you do not sit on?
6. In what ways would cross-committee collaboration enhance your committee's work?
7. For long-term board members only: <ul style="list-style-type: none"> a. Have dynamics changed since the committee expansion?

- b. Have the committees been meeting their intended purpose?
- c. Have the community members added distinct value to the committee in terms of discussion, debate, recommendations reached, etc.?

B. 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.						

C. 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"> ▪ The board? ▪ Other committees? ▪ Support functions?
14. Open-Ended Question: Are there any other resources the committee needs to complete its duties?

Committee-specific items:

Quality, Patient Care and Patient Experience Committee
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.
Executive Compensation Committee
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.
Finance Committee
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.
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

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.

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| 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 9/12/2017

FY18 GC Pacing Plan – Q1		
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>Regular Consent Calendar Items: Minutes, Committee Recruitment Update, Article of Interest</p> <p>Other Regular Items:</p> <ul style="list-style-type: none"> - Board Recruitment Update - Report on Board Actions 	<ul style="list-style-type: none"> - Consider Hospital Board member competencies - Consider education topics for Semi-Annual Board and Committee Gatherings - Receive report on ECH strategic planning - Assess District’s ECH Board structure changes Implementation Plan and make recommendations - Develop plan or methodology for assessing expanded Advisory Committee structure effectiveness - FY18 Board Education Plan 	<p style="text-align: center;"><i>No scheduled meeting</i></p>
FY18 GC Pacing Plan – Q2		
October 3, 2017	November 2017	December 2017
<ul style="list-style-type: none"> - Review and Recommend annual Board Self-Assessment Tool - Confirm annual Board Retreat agenda - Consider chartering Strategic Planning Committee - Finalize plan or methodology for assessing expanded Advisory Committee structure effectiveness - Review and Recommend Proposed Revisions to NDBM Election and Re-Election Process and Position Specification - Review Results of Competency Matrix Survey <p style="text-align: center;">Wed., 10/25/2017 Board & Committee Educational Gathering</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;">[participate in Committee self-assessment survey]</p>

Governance Committee

Updated 9/12/2017

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