



**Minutes of the Open Session of the Finance Committee**  
**Monday, March 27, 2017**  
**El Camino Hospital | Conference Rooms A&B (ground floor)**  
**2500 Grant Road, Mountain View, CA 94040**

**Members Present**

Joseph Chow  
 Boyd Faust (via teleconference)  
 William Hobbs  
 Richard Juelis  
 John Zoglin

**Members Absent**

Dennis Chiu, Chair

Agenda Item	Comments/Discussion	Approvals/Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:00pm by Mr. John Zoglin. A verbal roll call was taken. Mr. Boyd Faust participated via teleconference. Chair Dennis Chiu was absent. All other Committee members were present.	
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Mr. Zoglin asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
<b>3. PUBLIC COMMUNICATION</b>	There were no comments from the public.	
<b>4. CONSENT CALENDAR</b>	<p>Mr. Zoglin asked if any member of the Committee or the public wished to remove an item from the consent calendar. Mr. Zoglin asked that Agenda Item 4c: FY18 Committee Meeting Dates be pulled for discussion. The Committee discussed the options of July 24th versus August 1st for the Committee's first meeting of FY18. The Committee asked staff to propose other dates to accommodate more participation and report back.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Joint Meeting of the Finance and Investment Committees (January 30, 2017); Minutes of the Open Session of the Finance Committee Meeting (January 30, 2017); FY17 Pacing Plan; FY17 Period 7 Financials; and for information: Progress Against FY17 Committee Goals; and Article of Interest.</p> <p><b>Movant:</b> Hobbs  <b>Second:</b> Juelis  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Chiu  <b>Recused:</b> None</p>	<p><b>Consent Calendar approved</b></p> <p><b>Updated FY18 proposed dates to be brought back</b></p>
<b>5. REPORT ON BOARD ACTIONS</b>	Mr. Zoglin briefly reviewed the Board Report as further detailed in the packet. Mr. Zoglin discussed the current CEO search, with the first round of interviews to occur at the beginning of April with hopes to secure a candidate by June.	
<b>6. FY17 PERIOD 8 FINANCIALS</b>	Iftikhar Hussain, Chief Financial Officer reviewed the Hospital's current financial performance with the Committee. Mr. Hussain detailed the inpatient volume, outpatient volume, and operating income	

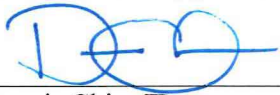
	<p>to include:</p> <ul style="list-style-type: none"> <li>- February inpatient discharges exceeded budget and PY; YTD discharge budget gap is 1.9%, YTD General Medicine is higher than budget by 2.6%, as well as Cardiovascular by 2.3%, and Spine Surgery 7.9%. Deliveries are down by 3.1% and rehab cases are also down by 16.7% due to total cost of care effort to reduce the lower acuity cases.</li> <li>- Overall YTD outpatient volume is 5.3% below budget but higher than PY. Total ED visits including admission are flat with prior year even though OP ED cases are down. The OP Surgery is 1.9% higher than budget and 7% higher than last year. OP Oncology remains strong with 8.6% higher than budget.</li> <li>- Operating Income was ahead of budget by \$65k for the month and \$33.5M YTD. February results are at budget despite lower volume due to higher mix of surgical volume.</li> <li>- Payor mix is slightly improved from January from 38.8% to 40.4%, but still under budget due to higher Medicare general medicine cases during flu season. February unusual items include \$947k in Medicare settlement for FY16 and \$143K in RAC release. Net days in AR remained the same for February at 49 days. Total cash on hand is still at an all-time high of 408 days in February. February results for MV and LG include a \$3 million correction to move net revenue to LG. There was no impact on combined net revenue.</li> </ul> <p>Mr. Hussain asked the Committee for questions and feedback and a brief discussion ensued.</p>	
<p><b>7. CAPITAL PROJECTS PROGRESS UPDATE (OVER \$2.5 MILLION)</b></p>	<p>Ken King, CASO, reported on the current progress of Capital Projects over \$2.5 million with the Committee. Mr. King outlined the facilities project development steps, managing construction risk through the execution of each process step, current project list, and current projects updates on the following:</p> <ul style="list-style-type: none"> <li>- Behavioral Health Services (BHS) Building - \$91.5m</li> <li>- North Parking Garage Expansion - \$24.5 m</li> <li>- Integrated Medical Office (IMOB) Building - \$275 m</li> <li>- Central Utility Plant (CUP) Upgrades - \$9 m</li> <li>- Women's Hospital Expansion - \$91 m</li> <li>- IMOB Preparation Project – Old Main Hospital</li> <li>- Cabling and Wireless Upgrades</li> <li>- New Main Lab Upgrades</li> <li>- JW House (Patient Family Residence)</li> <li>- LG Spine Room Expansion</li> <li>- LG Rehab HVAC Upgrades</li> <li>- LG Imaging Phase II &amp; Sterile Processing</li> <li>- LG Upgrades – Major</li> <li>- LG MOB Improvements (17)</li> </ul> <p>Mr. King asked the Committee for feedback and questions and discussion ensued. Mr. Zoglin asked for more time at future meetings to discuss the status of the facility projects.</p>	
<p><b>8. CAPITAL FUNDING REQUESTS</b></p>	<p>Ken King, CASO, presented the following requests as further detailed in the packet recommended for approval:</p> <p>a. <b>MV Campus Master Plan, Women's Hospital Expansion</b></p>	<p><i>Capital funding request recommended for</i></p>



	<p><b>Incremental Funding Request:</b> The incremental amount of \$5 million is sufficient to effectively evaluate, plan and effectively develop the project plan.</p> <p>b. <b>LG Facility Improvement Project Request:</b> The additional improvements requested include ADA Upgrades to staff and public toilets and the installation of a point to point Pneumatic Tube System between the Lab and Emergency Department along with additional improvements to mechanical systems serving both the OR and the sterile processing areas. These upgrades will improve access, productivity, and correct poor functioning systems.</p> <p><b>Motion:</b> To recommend that the Board approve the Women's Hospital Expansion and LG Facility Improvement funding requests.</p> <p><b>Movant:</b> Juelis  <b>Second:</b> Chow  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Chiu  <b>Recused:</b> None</p>	<i>approval</i>
<b>9. PROPOSED FY18 COMMITTEE GOALS</b>	<p>Iftikhar Hussain, CFO, reviewed the Proposed FY18 Committee Goals with the Committee as follows:</p> <ul style="list-style-type: none"> <li>- Review results of HPO Plan, including cost vs. benchmarks, Progress on against Premier HPO plan and vs. benchmarks</li> <li>- Review Capital Projects in progress, Update on capital projects in progress that exceed \$2.5M.</li> <li>- Education Topic: Ambulatory Care Business Model, Presentation given at August Meeting</li> </ul> <p>Mr. Hussain asked the Committee for feedback and discussion ensued. Feedback included further discussion at the May 30<sup>th</sup> Committee meeting on the Committee Goals and Pacing Plan.</p>	<i>Goal discussion to continue at May 30<sup>th</sup> meeting</i>
<b>10. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 6:37pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of Minutes of the Closed Session of the Finance Committee Meeting (January 30, 2017); pursuant to <i>Health &amp; Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Physician Contracts; pursuant to <i>Health &amp; Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Medical Staff Development Plan; pursuant to <i>Health &amp; Safety Code 32106(b)</i> for a report involving health care facility trade secrets: FY18 Budget Status; pursuant to <i>Health &amp; Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Payor Update.</p> <p><b>Movant:</b> Hobbs  <b>Second:</b> Chow  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Chiu  <b>Recused:</b> None</p>	<i>Adjourned to closed session at 6:37pm.</i>
<b>11. AGENDA ITEM 18: RECONVENE</b>	Open session was reconvened at 7:36. Agenda Items 11-17 were covered in closed session. During the closed session, the Committee	

<b>OPEN SESSION/ REPORT OUT</b>	approved the Closed Session Minutes of the Finance Committee Meeting of January 30, 2017 by a vote of all members present (Chow, Faust, Hobbs, Juelis, Zoglin). Chair Chiu was absent.	
<b>12. AGENDA ITEM 19: APPROVAL OF PHYSICIAN CONTRACTS</b>	<b>Motion:</b> To recommend that the Board approve the SVPMG Physician Recruitment – Medical Oncologist; General Surgery ED Call Panel (MV); Medical Director, Quality & Physician Services; and FY17 Physician Expense Mid-Year Report.  <b>Movant:</b> Juelis <b>Second:</b> Chow <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Chiu <b>Recused:</b> None	<i>Physician Contracts recommended for approval</i>
<b>13. AGENDA ITEM 20: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 7:38pm.  <b>Movant:</b> Hobbs <b>Second:</b> Juelis <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Chiu <b>Recused:</b> None	<i>Meeting adjourned at 7:38pm.</i>

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



Dennis Chiu, JD  
Chair, Finance Committee