



Minutes of the Open Session of the  
Governance Committee

Wednesday, December 13, 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

Christina Lai

Peter Moran (via teleconference)

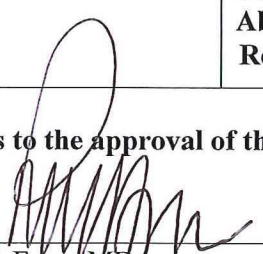
**Members Absent**

Bob Rebitzer

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 5:34 pm by Chair Fung. A verbal roll call was taken. Mr. Moran participated via teleconference and Mr. Rebitzer 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><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (October 3, 2017).</p> <p><b>Movant:</b> Kalbach <b>Second:</b> Moran <b>Ayes:</b> Fung, Lai, Kalbach, Moran <b>Noes:</b> None <b>Abstain:</b> None <b>Absent:</b> Rebitzer <b>Recused:</b> None</p>	<i>Consent Calendar approved</i>
5. REVIEW PROPOSED AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF SILICON VALLEY MEDICAL DEVELOPMENT, LLC	<p>William Faber, MD, CMO and President, SVMD, reported that Silicon Valley Medical Development (SVMD) is an affiliate of El Camino Hospital (ECH) and that its 1206(g) clinic model can grow into a 1206(l) foundation model. He further reported that ECH is the sole corporate member of and source of funding for SVMD. Dr. Faber explained that there is a need to develop appropriate reserve powers for the ECH Board that will ensure that SVMD remains aligned with ECH, but is able to conduct business. He also explained that the description of the Board of Managers in the Operating Agreement has been revised to delineate membership by role, rather than by name, and noted that he hopes to add a 5<sup>th</sup> member to the Board of Managers when recruitment for a Physician Executive is complete. Larry Trilops, Interim Physician Strategy Executive, commented that for SVMD to be successful, there must be adequate resources and appropriate governance. He also noted that SVMD's strategy is in concert with ECH's Physician Alignment strategic theme.</p> <p>The Committee members discussed the importance of operating the 1206(g) clinics to advance ECH's strategy and that there must be appropriate guardrails in the form of reserve powers that still allow SVMD agility and</p>	

	<p>room to maneuver. In response to Committee members' questions, staff explained that the \$1,000,000 limit on unbudgeted expenditures (Section 6.2) was arrived at because it is the same as the CEO's authority with respect to ECH. Staff also explained that the \$5 million limit on capital expenditures is important to keep the ECH Board informed of large capital investments. Mr. Moran questioned giving the ECH CEO authority to remove the appointed ECH Board member from the SVMD Board of Managers (Section 6.1). The Committee discussed adding the words "except the appointee of the Member's Board of Directors" to the end of the second paragraph of Section 6.1. Mary Rotunno, General Counsel, agreed that this would be a permissible revision.</p> <p><b>Motion:</b> To recommend that the ECH Board approve the Amended &amp; Restated Limited Liability Company Operating Agreement of Silicon Valley Medical Development, LLC with further revision to Section 6.1 (except the appointee of the Member's Board of Directors as requested by the Committee.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Lai  <b>Ayes:</b> Fung, Lai, Kalbach, Moran  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Rebitzer  <b>Recused:</b> None</p>	
<b>6. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 6:00pm.</p> <p><b>Movant:</b> Kalbach  <b>Second:</b> Fung  <b>Ayes:</b> Fung, Lai, Kalbach, Moran  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Rebitzer  <b>Recused:</b> None</p>	<i>Adjourned to closed session at 6:00pm.</i>
<b>7. AGENDA ITEM 10: RECONVENE OPEN SESSION/ REPORT OUT</b>	<p>Open session was reconvened at 6:04 pm. Agenda items 7-9 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (October 3, 2017) by a unanimous vote in favor of all members present (Fung, Kalbach, Lai, and Moran). Mr. Rebitzer was absent.</p>	
<b>8. AGENDA ITEM 11: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 6:05 pm.</p> <p><b>Movant:</b> Lai  <b>Second:</b> Kalbach  <b>Ayes:</b> Fung, Lai, Kalbach, Moran  <b>Noes:</b> None  <b>Abstain:</b> None  <b>Absent:</b> Rebitzer  <b>Recused:</b> None</p>	<i>Meeting adjourned at 6:05pm.</i>

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

  
Peter C. Fung, MD  
Chair, Governance Committee