



**Minutes of the Open Session of the
El Camino Hospital Board of Directors**

Wednesday, August 9, 2017

2500 Grant Road, Mountain View, CA 94040

Conference Rooms E, F & G (ground floor)

Board Members Present

Lanhee Chen, Chair
Jeffrey Davis, MD
Peter Fung, MD
Julia Miller
Robert Rebitzer
David Reeder
John Zoglin, Vice Chair

Board Members Absent

None

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:30pm by Chair Chen. A silent roll call was taken. Director Rebitzer joined the meeting at 5:34pm and Director Davis joined the meeting at 5:37pm during Agenda Item 4: FY17 Period 12 Financials. All other Board members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Director Chen asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. BOARD RECOGNITION	<p>Motion: To approve <i>Resolution 2017-09</i>.</p> <p>Movant: Zoglin</p> <p>Second: Fung</p> <p>Ayes: Chen, Fung, Miller, Reeder, Zoglin</p> <p>Noes: None</p> <p>Abstentions: None</p> <p>Absent: Davis and Rebitzer</p> <p>Recused: None</p> <p>Cheryl Reinking, RN, CNO recognized the Los Gatos Mother-Baby Care Team for their work in achieving the Baby-Friendly Hospital designation.</p>	<i>Resolution 2017-09 approved</i>
4. FY17 PERIOD 12 FINANCIALS	<p>Iftikhar Hussain, CFO, outlined the FY17 Period 12 Financials noting that:</p> <ul style="list-style-type: none"> - Final numbers for FY17 will be brought to the Board as part of the audit presentation in October. - Operating margin is 12.3%, EBITA margin is 18.4% - For the year, net income is \$97 million ahead of target, with \$47 million from operations and \$50 million in investment income. - Net revenue grew 7.8% over the prior year. - Unusual items for the year totaled \$19 million. - Revenue strategies included: work with commercial payors, and the charge capture and denial process in Epic. - Total cash on hand was at an all-time high of 444 days in June. - Because of a strong year, staff recommended an increase in the Board-designated Community Benefit fund to \$15 million. <p>He also outlined the PRIME Initiative, working with DHLF and Mayview clinic to improve services for women and behavioral health services for the Medi-Cal population.</p> <p>He noted that staff is working through the backlog in Accounts Receivable</p>	<i>FY17 Period 12 Financials approved</i>

	<p>when systems and physician documentation were affected by transcription software issues.</p> <p>Mr. Hussain explained that there will be depreciation when construction projects are completed, and ECH will no longer be able to capitalize interest.</p> <p>Director Miller thanked staff for the increase in the Board-Designated Community Benefit Fund.</p> <p>Motion: To approve the FY17 Period 12 Financials</p> <p>Movant: Fung Second: Miller Ayes: Chen, Davis, Fung, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>5. QUALITY COMMITTEE REPORT</p>	<p>Director Reeder, Chair of the Quality Committee, shared a patient story from the Committee's materials. He reported that the Committee received a presentation from Pei Tsau, MD, about the ECH cardiovascular surgery program.</p> <p>Director Reeder also reported that there were no outliers on the quality dashboard. He noted that the Committee will have a higher level discussion on HCAHPS scores at its next meeting.</p> <p>He reported that the Committee received an update on the Patient and Family-Centered Care and Lean efforts, noting that recruitment of a Patient Experience Manager is still underway. He explained that the Committee had robust discussion around opting-out of participation in three of the five BPCI programs.</p> <p>He explained the Committee has recommended that Ms. Ina Bauman be appointed to the Committee to fill a vacancy created by the departure by one of the Committee's patient advocates.</p> <p>Director Chen requested more information for the Board on the lessons learned from ECH's participation in the BPCI programs.</p> <p>Motion: To appoint Ina Bauman to the Quality Committee for a term of service expiring June 30, 2018, renewable annually.</p> <p>Movant: Reeder Second: Fung Ayes: Chen, Davis, Fung, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Ina Bauman appointed to the Quality Committee</i></p>
<p>6. GOVERNANCE COMMITTEE REPORT</p>	<p>Director Fung, Chair of the Governance Committee, outlined the Board Education Plan recommended by the Committee and further detailed in the packet (including conference attendance and bi-annual Board & Committee Educational Gatherings).</p> <p>Motion: To approve the FY18 Board Education Plan.</p> <p>Movant: Fung Second: Miller</p>	<p><i>FY18 Board Education Plan and FY18 Competency Matrix approved</i></p>

	<p>(Director Zoglin) Friendly Amendment: To extend the Estes Park Conference invitations to include all Committee members.</p> <p>Director Zoglin also suggested presenting the full Strategic Plan in detail to the Committee members.</p> <p>Second: Miller Ayes: Chen, Davis, Fung, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Motion: To approve the FY18 Competency Matrix.</p> <p>Movant: Fung Second: Zoglin Ayes: Chen, Davis, Fung, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>Chair Chen welcomed Director Rebitzer to the Board.</p>	
<p>7. MV SITE MAJOR CONSTRUCTION STATUS UPDATES</p>	<p>Ken King, CASO, provided an overview of the major capital projects in the construction phase on the MV campus:</p> <p>North Parking Garage: Construction is largely completed, and solar panels have been installed. Contractors are replacing pervious concrete, and the project is expected to be completed within budget</p> <p>Behavioral Health Service Building: The foundation and underground utilities have been installed.</p> <p>Integrated Medical Office Building (and parking structure): Contracts are moving ahead on the installation of foundation piers. ECH is in the final stages of getting final permits for the IMOB. Mr. King noted that final pricing of elements have changed through permitting process, and he will bring that financial impact back to the Board in September.</p> <p>Central Plan Utility Upgrades: The project is moving along well.</p> <p>He noted that the proposed Women's Hospital expansion and Old Main Hospital demolition are in the planning and design phase and have been partially budgeted.</p> <p>Mr. King explained that forecasted cost projections will be updated based on the recently submitted final GMP proposals. He reported that 55% of project budgets have been expended, and that the current forecast is that 99.5% of project budgets will be spent. He provided visual updates from August 9, 2017 on the IMOB, BHS, and Central Utility Plant.</p> <p>Mr. King described installation of the foundation for the IMOB, explaining the unanticipated cost and adjusted timeline due to extra double encased foundation piers per state requirements.</p> <p>In response to Director Miller's question, Mr. King explained that the construction has not reached the water table.</p>	
<p>8. PUBLIC COMMUNICATION</p>	<p>Judy van Dyke introduced Carol Carey, President of the Auxiliary, to the Board.</p>	

<p>9. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:11 pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (June 28, 2017), Minutes of the Closed Session of the Joint Meeting of the Finance Committee and Hospital Board (May 30, 2017; pursuant to <i>Health and Safety Code 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Organizational Clinical Risks; pursuant to <i>Gov't Code Section 54957</i> and <i>54957.6</i> for discussion and report on personnel performance matters and <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Informational Items; pursuant to <i>Gov't Code Section 54956.9(d)(4)</i> – conference with legal counsel regarding pending litigation: Kaiser Claims; pursuant to <i>Gov't Code Section 54957</i> and <i>54957.6</i> for discussion and report on personnel performance matters: Proposed FY18 Executive Incentive Goals; pursuant to <i>Gov't Code Section 54957</i> and <i>54957.6</i> for discussion and report on personnel performance matters: Proposed FY18 Executive Base Salaries; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: SVMD Board Update; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Strategic Planning Update; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p>Movant: Miller Second: Davis Ayes: Chen, Davis, Fung, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 6:11 pm.</i></p>
<p>10. AGENDA ITEM 22: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 8:42pm. Agenda items 10-21 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (June 28, 2017), the Minutes of the Closed Session of the Joint Meeting of the Finance Committee and the Hospital Board (May 30, 2017), the FY18 Executive Incentive Goals as revised, and the Medical Staff Report by a unanimous vote in favor of all members present (Directors Chen, Davis, Fung, Miller, Rebitzer, Reeder, and Zoglin).</p>	
<p>11. AGENDA ITEM 23: CONSENT CALENDAR</p>	<p>Director Chen asked if any member of the Board 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 Hospital Board Meeting (June 28, 2017); FY17 Period 11 Financials; Neuro-Interventional Radiology – Physician Recruitment; Cardiothoracic ED Call Panel (MV); Pediatric Consultations ED Call Agreement (MV); General Surgery ED Call Panel (LG); Professional Services Agreement: Cancer Center (UHA); Minutes of the Open Session of the Joint Meeting of the Finance Committee and the Hospital Board (May 30, 2017); and the Medical Staff Report.</p> <p>Movant: Davis Second: Miller Ayes: Chen, Davis, Miller, Rebitzer, Reeder, Zoglin Noes: None</p>	<p><i>Consent calendar approved</i></p>

	Abstentions: None Absent: Fung Recused: None Director Fung rejoined the meeting.	
12. AGENDA ITEM 24: SELECTION OF ECH BOARD MEMBER TO SERVE ON SVMD BOARD	Motion: To select Dr. Fung to serve on the Board of Managers for Silicon Valley Medical Development, LLC. Movant: Miller Second: Zoglin Ayes: Chen, Davis, Fung, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None	
13. AGENDA ITEM 25: PROPOSED FY18 EXECUTIVE BASE SALARIES	Director Chen noted that Cindy Murphy, Director of Governance Services, had copies of the proposal available for the public to review. Motion: To approve the FY18 Executive Base Salaries as discussed. Movant: Zoglin Second: Miller Director Reeder voiced support of the recommendations of the Executive Compensation Committee, rather than the proposals in the motion. Ayes: Davis, Fung, Miller, Rebitzer, Zoglin Noes: Chen, Reeder Abstentions: None Absent: None Recused: None	<i>FY18 Executive Base Salaries approved</i>
14. AGENDA ITEM 26: INFORMATIONAL ITEMS	William Faber, MD, CMO, reviewed the status of the achievement of the FY17 organizational goals and noted that final numbers will be presented to the Board at its September meeting.	
15. AGENDA ITEM 27: BOARD COMMENTS	Director Reeder thanked Director Miller for her service on the Gala Committee and noted her contributions to the success of the event.	
16. AGENDA ITEM 28: ADJOURNMENT	Motion: To adjourn at 8:48pm. Movant: Fung Second: Davis Ayes: Chen, Davis, Fung, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 8:48 pm.</i>

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Hospital:



Lanhee Chen
Chair, ECH Board of Directors



Julia Miller
Secretary, ECH Board of Directors

Prepared by: Cindy Murphy, Director of Governance Services
Sarah Rosenberg, Contracts & Board Services Coordinator