



**Minutes of the Open Session of the**  
**El Camino Hospital Board of Directors**  
**Wednesday, October 11, 2017**  
**2500 Grant Road, Mountain View, CA 94040**  
**Conference Rooms F&G (ground floor)**

**Board Members Present**

Lanhee Chen, Chair  
 Jeffrey Davis, MD (via teleconference)  
 Neysa Fligor  
 Peter Fung, MD  
 Julia Miller  
 Robert Rebitzer  
 David Reeder  
 John Zoglin, Vice Chair

**Board Members Absent**

**Members Excused**

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. <b>CALL TO ORDER/ ROLL CALL</b>	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. Directors Rebitzer and Davis joined the meeting at 5:34pm during Agenda Item 3: Board Recognition. Director Fung was absent. All other Board members were present.	
2. <b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair 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. <b>BOARD RECOGNITION</b>	<p><b>Motion:</b> To approve <i>Resolution 2017-11</i>.</p> <p><b>Movant:</b> Reeder  <b>Second:</b> Zoglin  <b>Ayes:</b> Chen, Fligor, Miller, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Davis, Fung, Rebitzer  <b>Recused:</b> None</p> <p>Mick Zdeblick and Shyamali Singhal, MD recognized the Cancer Center at El Camino Hospital for 10 years of providing high quality care.</p>	<i>Resolution 2017-11 approved</i>
4. <b>FY18 PERIOD 2 FINANCIALS</b>	<p>Iftikhar Hussain, CFO, outlined the FY18 Period 2 Financials, noting that all indicators (including volume, margin, productivity, days of cash on hand) are doing well and are ahead of last year. There were no additional questions from the Board.</p> <p><b>Motion:</b> To approve the FY18 Period 2 Financials.</p> <p><b>Movant:</b> Zoglin  <b>Second:</b> Reeder  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<i>FY18 Period 2 Financials approved</i>
5. <b>FY17 FINANCIAL AUDIT</b>	Brian Conner and Joelle Pulver of Moss Adams reviewed the results of the financial audits conducted for FY17. Mr. Conner outlined the scope of work performed for ECH including: FY17 consolidated financial statement audits (Hospital and District) and FY17 financial statement audits for the Foundation, CONCERN: EAP, and the Auxiliary. All reports include Moss	

	<p>Adams' unmodified opinion, the highest level of assurance they can provide. Mr. Conner reported that financial statements as prepared by management were fairly stated in all material respects.</p> <p>Ms. Pulver highlighted:</p> <ul style="list-style-type: none"> <li>- Cash and investments are up substantially, \$162 million in cash from operations; capital assets were \$112 million offset by depreciation expense.</li> <li>- Current liabilities remain relatively consistent with prior years; she noted that FY17 includes \$300 million dollars of debt taken out.</li> <li>- Net patient service accounts receivable, the largest estimate on the balance sheet, was down from 2016; the Epic implementation created delays in billing and collections that were resolved in 2017. In response to Director Davis' question, Ms. Pulver explained that ECH's results are pretty consistent with other organizations with a similar payor mix.</li> <li>- On the income statement, operating revenues were up \$63 million; Ms. Pulver noted that operating revenues were largely spent on salaries, wages, and benefits.</li> </ul> <p>Mr. Conner reported that management selected and applied accounting policies appropriately and consistent with those of the prior year and that management's estimates are reasonable.</p> <p>Ms. Pulver reported that Moss Adams' proposed adjustments related to charges posted in July related to services in June (\$3 million) and negative balances in accounts receivable (\$2 million); management considered these to be immaterial and Moss Adams concurred with that assessment.</p> <p>In response to Director Miller's question, Ms. Pulver described Moss Adams' letter related to the two significant deficiencies in FY18, which includes management's response to put a process in place to ensure proper cut off at the end of the year.</p> <p>Director Zoglin commented that the Board should keep in mind the \$5 million in unadjusted differences from FY17 when reviewing financial results at the end of FY18.</p>	
<b>6. QUALITY COMMITTEE REPORT</b>	<p>Director Reeder, Chair of the Quality Committee, reported that the Committee received a presentation from Albert Pisani, MD, about the ECH Robotic Surgery program.</p> <p>Director Reeder noted that not all of the FY18 metrics on the Quality Dashboard have data this early in the year. He described the Committee's review of readmission rates by procedure, emergency department patient satisfaction scores, and the Culture of Safety survey results.</p> <p>In response to Director Fligor's question, Director Reeder described the Early Recovery After Surgery (ERAS) program.</p>	
<b>7. GOVERNANCE COMMITTEE REPORT</b>	<p>Due to Director Fung's absence, Chair Chen noted that the discussion on the Board and Committee Self-Assessment Tool will be deferred until the Board's November meeting as the adoption of the tool for FY18 is not urgent at this time.</p> <p>Director Rebitzer, Governance Committee member, provided an overview of the Committee's recommendations on the Proposed Revised ECH Board Member Election and Re-Election Process and the Proposed ECH Board Member Position Description, noting that the 5 top priority competencies</p>	



	<p>were the same as FY17.</p> <p>In response to Director Chen's question, Director Rebitzer reported there were no dissenting opinions regarding the Committee's recommendations.</p> <p>In response to Director Miller's question, Director Zoglin described the District Ad Hoc Committee's reasons for proposing the Governance Committee consider revisions to the Election and Re-Election Process and the value add of having another advisor to the Ad Hoc Committee.</p> <p><b>Motion:</b> To recommend that the El Camino Healthcare District Board of Directors approve the Proposed Revised El Camino Hospital Board Member Election and Re-Election Process.</p> <p><b>Movant:</b> Zoglin  <b>Second:</b> Reeder  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p> <p><b>Motion:</b> To recommend that the El Camino Healthcare District Board of Directors approve the Proposed Revised ECH Board Member Position Description.</p> <p><b>Movant:</b> Reeder  <b>Second:</b> Davis  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<p><i><b>ECH Board Member Election and Re-Election Process recommend-ed for approval</b></i></p> <p><i><b>ECH Board Member Position Description recommend-ed for approval</b></i></p>
<b>8. PUBLIC COMMUNICATION</b>	<p>Ms. Judy van Dyke communicated thanks from community members and District residents to Ken King, CASO and his team for their work on the campus construction projects.</p>	
<b>9. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 5:58 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 (September 13, 2017) and Minutes of the Closed Session of the Executive Compensation Committee Meeting (May 23, 2017); 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> for discussion and report on personnel performance matters: FY17 Financial Audit; pursuant to <i>Gov't Code Section 5496.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation: FY17 Compliance Summary Report and Semi-Annual Physician Expense Summary Report; 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>Gov't Code Section 54957</i> and <i>54957.6</i> for discussion and report on personnel performance matters: Proposed FY17 Individual Executive Goal Scores; pursuant to <i>Gov't Code Section 54957</i> and <i>54957.6</i> for discussion and report on personnel performance matters: Proposed FY17 Individual Executive Incentive Payments; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Medical Staff Development Plan and Recruitment Budget; 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</p>	<p><i><b>Adjourned to closed session at 5:58 pm.</b></i></p>

	<p>involving health care facility trade secrets: Informational Items; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Reeder  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	
<b>10. AGENDA ITEM 21: RECONVENE OPEN SESSION/ REPORT OUT</b>	<p>Open session was reconvened at 8:02pm. Agenda items 10-20 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 (September 13, 2017), Minutes of the Closed Session of the Executive Compensation Committee Meeting (May 23, 2017), the FY17 Compliance Summary Report and Semi-Annual Physician Expense Report, the FY17 Individual Executive Goal Scores, and the Medical Staff Report by a unanimous vote in favor of all members present (Directors Chen, Davis, Fligor, Miller, Rebitzer, Reeder, and Zoglin). Director Fung was absent.</p>	
<b>11. AGENDA ITEM 22: CONSENT CALENDAR</b>	<p>Chair 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><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (September 13, 2017); Appointment of Chair of Corporate Compliance/Privacy and Internal Audit Committee; HR Leave of Absence Policy; Annual 403(b) Audit; Participant Cash Balance Plan Audit; Minutes of the Open Session of the Executive Compensation Committee Meeting (May 23, 2017); FY18 Period 1 Financials; Level II NICU Call Panel Agreement; Physician Recruitment Loan; Medical Staff Report; and for acceptance: FY17 Community Benefit Plan Report.</p> <p><b>Movant:</b> Zoglin  <b>Second:</b> Miller  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<i>Consent calendar approved</i>
<b>12. AGENDA ITEM 23: FY17 FINANCIAL AUDIT APPROVAL</b>	<p><b>Motion:</b> To approve the FY17 Financial Audit.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Reeder  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<i>FY17 Financial Audit approval</i>



<b>13. AGENDA ITEM 24: MEDICAL STAFF DEVELOPMENT PLAN AND RECRUITMENT BUDGET</b>	<p><b>Motion:</b> To approve the proposed physician recruitment plan that includes income guarantees in the areas of Primary Care (4 max), OB/GYN (2 max), General Surgery (2 max), Cardiology sub-specialties (2 max), and Orthopedic Surgery sub-specialties (3 max), and up to 2 additional unspecified specialties with a budget not to exceed \$5.9 million for FY18-FY19.</p> <p><b>Movant:</b> Reeder  <b>Second:</b> Davis  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<p><i>Medical Staff Development Plan and Recruitment Budget approved</i></p>
<b>14. AGENDA ITEM 25: FY17 INDIVIDUAL EXECUTIVE INCENTIVE PAYMENTS</b>	<p>Chair Chen noted that Cindy Murphy, Director of Governance Services, had copies of the proposal available for the public.</p> <p><b>Motion:</b> To approve the FY17 Individual Executive Incentive Payments</p> <p><b>Movant:</b> Zoglin  <b>Second:</b> Miller  <b>Ayes:</b> Chen, Davis, Fligor, Fung, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>FY17 Individual Executive Incentive Payments approved</i></p>
<b>15. AGENDA ITEM 26: INFORMATIONAL ITEMS</b>	<p>Dan Woods, CEO, outlined the current scoring of the FY18 organizational goals, the recent accreditation surveys, and activities of the Auxiliary and the Foundation as further detailed in the packet. He highlighted ECH's presentations of best practices at the recent Epic User Group Conference.</p>	
<b>16. AGENDA ITEM 27: BOARD COMMENTS</b>	<p>There were no questions or comments from the Board.</p>	
<b>17. AGENDA ITEM 28: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 8:07pm.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Davis  <b>Ayes:</b> Chen, Davis, Fligor, Miller, Rebitzer, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<p><i>Meeting adjourned at 8:07 pm.</i></p>

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

  
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Lanhee Chen  
Chair, ECH Board of Directors

  
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Julia Miller  
Secretary, ECH Board of Directors

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