

AGENDA
SPECIAL MEETING TO CONDUCT A STUDY SESSION
AND TO TAKE CERTAIN ACTIONS DESCRIBED IN THE AGENDA
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, January 4, 2017 – 5:30 pm
 Conference Rooms A & B (ground floor)
 2500 Grant Road, Mountain View, CA 94040

MISSION: To be an innovative, publicly accountable, and locally controlled comprehensive healthcare organization which cares for the sick, relieves suffering, and provides quality, cost competitive services to improve the health and well-being of our community.

AGENDA ITEM	PRESENTED BY	ESTIMATED TIMES
1. CALL TO ORDER / ROLL CALL	Neal Cohen, MD, Board Chair	5:30 – 5:32 pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Neal Cohen, MD, Board Chair	5:32 – 5:33
3. ADJOURN TO CLOSED SESSION	Neal Cohen, MD, Board Chair	motion required 5:33 – 5:34
4. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Neal Cohen, MD, Board Chair	5:34 – 5:35
5. CONSENT CALENDAR <i>Any Board Member 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 Hospital Board Meeting (November 9, 2016) Reviewed and Approved by the Executive Compensation Committee b. Minutes of the Closed Session of the Executive Compensation Committee Meeting (September 12, 2016)	Neal Cohen, MD, Board Chair	motion required 5:35 – 5:37
6. Health and Safety Code Section 32106(b) for a report and discussion involving health care facility trade secrets: - Physician Contracts	William Faber, MD, CMO	discussion 5:37 – 5:42
7. Discussion involving Gov't Code Section 54956(d)(2) – conference with legal counsel – pending or threatened litigation, <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secrets, and <i>Gov't Code Section 54657</i> and <i>54957.6</i> for report and discussion on personnel matters: - El Camino Hospital Strategic Priorities and Challenges	Donald Sibery, Interim CEO	discussion 5:42 – 8:52
8. ADJOURN TO OPEN SESSION	Neal Cohen, MD, Board Chair	motion required 8:52 – 8:53

A copy of the agenda for the Regular Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at 650-988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
9. RECONVENE OPEN SESSION / REPORT OUT	Neal Cohen, MD, Board Chair		8:53 – 8:54
To report any required disclosures regarding permissible actions taken during Closed Session.			
10. CONSENT CALENDAR ITEMS: <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i>	Neal Cohen, MD, Board Chair	<i>public comment</i>	motion required 8:54 – 8:57
Approval a. Minutes of the Open Session of the Hospital Board Meeting (November 9, 2016) <i>Reviewed and Approved by the Executive Compensation Committee</i> b. Minutes of the Open Session of the Executive Compensation Committee Meeting (September 12, 2016)			
11. APPROVAL OF SVPMG PALLIATIVE CARE PHYSICIAN	Donald Sibery, Interim CEO	<i>public comment</i>	possible motion 8:57 – 8:59
12. ADJOURNMENT	Neal Cohen, MD, Board Chair		motion required 8:59 – 9:00 pm

a. Minutes of the Open Session of the Hospital Board Meeting (November 9, 2016)



**Minutes of the Open Session of the
El Camino Hospital Board of Directors
Wednesday, November 9, 2016
2500 Grant Road, Mountain View, CA 94040
Conference Rooms E, F & G (ground floor)**

Board Members Present

Lanhee Chen
Dennis Chiu, Vice Chair
Neal Cohen, MD, Chair
Jeffrey Davis, MD
Peter Fung, MD
Julia Miller
David Reeder
John Zoglin

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 6:31pm by Chair Cohen. A silent roll call was taken. All Board members were present. Director Cohen introduced and welcomed Don Sibery, Interim CEO.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Director Cohen 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	Motion: To approve Resolution 2016-14. Movant: Miller Second: Chiu Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Davis Recused: None William Faber, MD, CMO, acknowledged the Infection Prevention Team at ECH for their work to enhance patient experience by achieving the zero hospital-onset C. diff infection goal in the months of August and September 2016. Director Cohen and Director Reeder commended staff for their efforts and success combating a difficult issue.	<i>Resolution 2016-14 approved</i>
4. QUALITY COMMITTEE REPORT	Dave Reeder, Chair of the Quality Committee, reported that the Committee received a review of the Oncology Service Line. He also reported that seven metrics remain stable, but there has been an upward trend in patient falls. He noted that while ECH’s overall performance in falls still exceed national benchmarks, nursing administration is exploring ways to mitigate this trend, including visual monitoring. He described the changes to the exception report in defining medication errors, which may affect the related FY17 organizational goal. This topic will be discussed at the Committee’s next meeting. He also reported that RJ Salus, Director of Patient Experience, has left the	

	<p>organization. He described recent progress on the Patient and Family Centered Care project, including nurse manager rounds, care team coaching, and process improvements.</p>	
<p>5. BOARD-DESIGNATED COMMUNITY BENEFIT FUND</p>	<p>Iftikhar Hussain, CFO, described the \$10 million Board Designated Fund that the Board established in 2015 to generate investment income to be used to partially fund the Hospital’s Community Benefit Plan. He reported that \$500,000 was committed to Community Benefit for FY17, but the actual interest income through September 2016 was only \$235,000. He recommended that there be no additional commitment from the Board Designated Fund in FY18 to allow the investment earnings of the fund to catch up to existing commitments.</p> <p>Director Fung commented that one of the missions of the Hospital is to provide community benefit and that certain programs were dependent on the Hospital community benefit funding because their services fall outside of the District. He commented that this funding should not be dependent on investment income.</p> <p>Motion: To make a minimum commitment of \$500,000 per year instead of the amount of interest earned, even if that involves using some of the \$10 million principal amount.</p> <p>Movant: Fung</p> <p>There was no second for Director Fung’s motion.</p> <p>In response to the Board’s questions, Mr. Hussain clarified that the intent is to use interest income to fund community benefit, but that there is a planning cycle delay. He reported that \$500,000 has already been committed prior to any report on the earnings on the fund, but only \$235,000 has been earned, and the deficit of \$265,000 came out of the principal.</p> <p>The Board discussed the timing for allocating funding (prior to approving the community benefit funding for the upcoming fiscal year), the amount to be allocated each year, and the measurement period for determining investment income.</p> <p>Director Zoglin commented that the Board spent a significant amount of time in 2015 determining the set up for the fund, specifically so that the process would not need to change every year. He suggested maintaining the process as is, especially since it is the first year of using this method of funding.</p> <p>Motion: To make a commitment of \$500,000, and if investment income does not cover the full amount, to find the difference elsewhere (not using principal).</p> <p>Movant: Miller</p> <p>Director Miller withdrew her motion.</p> <p>Donald Sibery, Interim CEO, commented that the grant-making time period is out of sync with the performance of portfolio. He suggested a one-time true up, so portfolio performance can lead the grant allocation decision, otherwise the discrepancy in allocating and earning may happen every year.</p> <p>Motion: To ask Staff to come back to the Board in the next couple of</p>	

	<p>months with a revised plan for allocating earnings on the 10 million dollar fund, so that it is clear for next year's community benefit funding how much interest has been earned and how much is available to be allocated.</p> <p>Movant: Reeder Second: Chen Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>6. PUBLIC COMMUNICATION</p>	<p>None.</p>	
<p>7. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 7:01pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Closed Session Minutes of the Hospital Board Meeting of October 12, 2016; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Annual Safety Report for Environment of Care; 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>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Integrated Performance Improvement Plan; pursuant to <i>Gov't Code Section 54957.6</i> for a conference with labor negotiator Kathryn Fisk: Labor Relations Update; pursuant to <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Strategic Priorities; pursuant to <i>Gov't Code Sections 54657 and 54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Proposed FY17 Executive Base Salary Ranges; pursuant to <i>Gov't Code Sections 54657 and 54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Proposed FY17 Executive Base Salaries; pursuant to <i>Gov't Code Sections 54657 and 54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Proposed FY16 Executive Incentive Goal Scores; pursuant to <i>Gov't Code Sections 54657 and 54957.6</i> for report and discussion on personnel matters and <i>Health and Safety Code 32106(b)</i> for a report involving health care facility trade secrets: Proposed FY16 Executive Incentive Payouts; pursuant to <i>Gov't Code Sections 54957 and 54957.6</i> for report and discussion on personnel 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 54957</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: CEO Search Update; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p>Movant: Chen Second: Zoglin Ayes: Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, Zoglin Noes: None</p>	<p>Adjourned to closed session at 7:01 pm.</p>

	<p>Abstentions: None Absent: None Recused: None</p>	
<p>8. AGENDA ITEM 23: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 10:07pm. Director Chen did not join for the second open session. Director Fung rejoined the meeting during Agenda Item 25: FY17 Proposed Executive Base Salary Ranges and Base Pay.</p> <p>During the closed session, the Board approved the Closed Session Minutes of the Hospital Board Meeting of October 12, 2016, the Annual Safety Report for Environment of Care, the Tentative Agreement between ECH and PRN, the Tentative Agreement between ECH and Local 39, and the Medical Staff Report by a unanimous vote in favor of all members present (Directors Chen, Chiu, Cohen, Davis, Fung, Miller, Reeder, and Zoglin). The Board also approved the FY16 Executive Incentive Plan Goal Scores by a vote of 6 members in favor (Cohen, Chiu, Chen, Davis, Reeder, and Zoglin) and two abstentions (Fung and Miller).</p>	
<p>9. AGENDA ITEM 24: CONSENT CALENDAR</p>	<p>Director Cohen asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Zoglin requested that the Minutes of the Open Session of the Hospital Board Meeting of October 12, 2016 be removed.</p> <p>Motion: To approve the consent calendar: Draft Revised Resolution 2016-09 and the Medical Staff Report.</p> <p>Movant: Miller Second: Zoglin Ayes: Chiu, Cohen, Davis, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p> <p>Director Zoglin requested that the Minutes of the Open Session of the Hospital Board Meeting of October 12, 2016 be amended to reflect that personnel costs increase by 2 percentage points rather than by 2% on Agenda Item 5: FY16 Financial Audit.</p> <p>Motion: To approve the Minutes of the Open Session of the Hospital Board Meeting of October 12, 2016, as amended.</p> <p>Movant: Chiu Second: Miller Ayes: Chiu, Cohen, Davis, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p>	<p><i>Consent calendar approved</i></p>
<p>10. AGENDA ITEM 25: PROPOSED FY17 EXECUTIVE SALARY RANGES AND BASE PAY</p>	<p>Director Fung returned to the meeting.</p> <p>Motion: To approve the FY17 Executive Base Salary Ranges as recommended by the Executive Compensation Committee.</p> <p>Movant: Reeder Second: Zoglin</p> <p>Director Zoglin asked for clarification that a vote to approve required a</p>	<p><i>FY17 Executive Salary Ranges and Base Pay approved</i></p>

	<p>majority of members present. Director Fung rejoined the meeting as the vote was being taken.</p> <p>Ayes: Cohen, Davis, Reeder, Zoglin Noes: None Abstentions: Miller, Chiu, Fung Absent: Chen Recused: None</p> <p>Motion: To approve the FY17 Executive Base Salaries as recommended by the Executive Compensation Committee.</p> <p>Movant: Zoglin Second: Davis Ayes: Chiu, Cohen, Davis, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen Recused: None</p>	
11. AGENDA ITEM 26: FY16 EXECUTIVE INCENTIVE PLAN PAYOUTS	<p>Motion: To approve the FY16 Executive Incentive Plan Payouts as recommended by the Executive Compensation Committee.</p> <p>Movant: Reeder Second: Zoglin Ayes: Chiu, Cohen, Davis, Reeder, Zoglin Noes: None Abstentions: Miller, Fung Absent: Chen Recused: None</p>	<i>FY16 Executive Incentive Plan Payouts approved</i>
12. AGENDA ITEM 27: DRAFT RESOLUTION 2016- 15: APPOINTMENT OF CEO SEARCH COMMITTEE	<p>Motion: To approve Resolution 2016-15 appointing a CEO Search Ad Hoc Committee, whose members will include:</p> <ol style="list-style-type: none"> 1. Lanhee Chen, Chair 2. John Zoglin 3. David Reeder 4. Lane Melchor 5. Ramtin Agah, MD 6. Karen Pike, MD 7. Teri Eyre 8. Gary Kalbach <p>Movant: Reeder Second: Davis Ayes: Chiu, Cohen, Davis, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen Recused: None</p>	<i>Resolution 2016-15 approved</i>
13. AGENDA ITEM 28: INFORMATIONAL ITEMS	There were no questions or comments on the informational items.	
14. AGENDA ITEM 29: BOARD COMMENTS	Director Reeder requested an agenda item at the next meeting to discuss including an open session item at every meeting or every other Board meeting on a medical topic relevant to the Hospital.	
15. AGENDA ITEM 30:	Motion: To adjourn at 10:14 pm.	<i>Meeting</i>

ADJOURNMENT	Movant: Fung Second: Chiu Ayes: Chiu, Cohen, Davis, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen Recused: None	<i>adjourned at 10:14 pm.</i>
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Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Hospital:

Neal Cohen, MD
Chair, ECH Board

Peter C. Fung, MD
ECH Board Secretary

Prepared by: Cindy Murphy, Board Liaison
Sarah Rosenberg, Board Services Coordinator

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**b. Minutes of the Open Session of the Executive
Compensation Committee Meeting (September 12, 2016)**

**Minutes of the Open Session of the
 Executive Compensation Committee
 Monday, September 12, 2016
 El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
 CEO Conference Room in Administration**

Members Present

Lanhee Chen
 Jing Liao
 Bob Miller, Vice Chair
 Julia Miller
 Prasad Setty

Members Absent

Teri Eyre

Others Present

Cindy Murphy, Board Liaison
 Stephen Pollack, Mercer, LLC
 Lisa Stella, Mercer, LLC
 Mick Zdeblick, COO
 Tomi Ryba, CEO

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the “Committee”) was called to order at 4:00 pm by Chair Chen. A silent roll call was taken. Ms. Eyre was absent. All other Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Chen 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 Chen 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 Executive Compensation Committee Meeting of May 17, 2016 and Revised Executive Compensation Policies.</p> <p>Movant: B. Miller Second: J. Miller Ayes: Chen, Liao, B. Miller, J. Miller, Setty Noes: None Abstentions: None Absent: Eyre Recused: None</p>	<i>Consent calendar approved</i>
5. REPORT ON BOARD ACTIONS	Chair Chen referred to the written report regarding actions taken by the Board since the last Committee meeting and commented on the disbanding of the iCare Ad Hoc Committee and approval of facilities project funding.	
6. APPOINTMENT OF VICE CHAIR	Chair Chen reappointed Mr. Bob Miller as Vice Chair of the Committee.	
7. EXECUTIVE BENEFIT PLAN	Stephen Pollack of Mercer, LLC reviewed the materials provided and explained that his team looked at benefits data from healthcare organizations with revenues between \$375,000,000 and \$1,500,000,000. He explained that total employer contribution for retirement benefits at ECH is 22% of base salary for the current CEO, which is between the median and 75 th percentile. Mr. Pollack	

	<p>responded to the Committee members’ questions about market trends and ability to build flexibility into a proposed compensation package for a new CEO. Mr. Pollack noted that deferral of unused PTO into retirement vehicles is an unusual benefit. Medical benefits are similar to the market, life insurance is a little high, short term disability is consistent with the market, long term disability is a little light. He reported that 24 months’ severance (vs 12 months) is usual for the top executive.</p> <p>Mr. Pollack and the Committee members also discussed the current retirement benefits for the other executives, market trends, and options. Mr. Pollack noted that severance is usually 12 months as opposed to 6 months.</p> <p>Mr. Pollack recommended that the Committee should consider whether it wants to look at modifying the SERP to ensure that the executives are treated consistently as a percentage of base pay, and whether severance should be brought more in line with the market. The Committee members discussed whether the idea of a long-term incentive plan should be re-visited. Mr. Miller suggested that the organization should wait until a new CEO is on board and the organization’s long term strategy is certain.</p> <p>The Committee asked Mr. Pollack to present a flexible spreadsheet for compensation and benefits for a new CEO at the next meeting. The Committee asked to be informed as to what ECH’s policies provide for as triggers to severance.</p>	
<p>8. FY16 ORGANIZATIONAL SCORE</p>	<p>Mick Zdeblick, COO explained the FY16 Organizational Goal achievement as outlined in the materials. He reported that the organization did not meet its smart growth goal. The weighted average is 67%.</p>	
<p>9. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 4:40 pm. Movant: B. Miller Second: J. Miller Ayes: Chen, Liao, B. Miller, J. Miller, Setty Noes: None Abstentions: None Absent: Eyre Recused: None</p>	<p><i>Adjourned to closed session at 4:40pm.</i></p>
<p>10. AGENDA ITEM 17: RECONVENE OPEN SESSION/REPORT ON BOARD ACTIONS</p>	<p>Open Session was reconvened at 5:30 pm.</p> <p>During the closed session, the Committee approved the following: Minutes of the Closed Session of the Executive Compensation Committee Meeting of May 17, 2016, by a vote in favor of 5 members present (Chen, Liao, B. Miller, J. Miller, Setty) and one absent (Eyre). The Committee voted to recommend the Board approve the following: The FY16 Individual Executive Incentive Goal Scores by a vote in favor of 5 members present (Chen, Liao, B. Miller, J. Miller, Setty) and one absent (Eyre); the FY16 Individual Executive Incentive Plan Payments with the exception of the Chief Strategy Officer by a vote in favor of 5 members present (Chen, Liao, B. Miller, J. Miller, Setty) and one absent (Eyre); and the FY16 CEO Incentive Plan Payment by a vote in favor of 5 members present (Chen, Liao, B. Miller, J. Miller, Setty) and one absent (Eyre).</p>	

11. AGENDA ITEM 18: FY17 PACING PLAN	Chair Chen and the Committee Members requested that the following changes be made to the Pacing Plan: <ol style="list-style-type: none">1. November 2016 – Add a discussion about what aspects of performance should be reflected in base pay, the 70% organizational goals, the 20% individual goals, and the 10% discretionary.2. The Committee suggested that a discussion about Board Director Compensation be paced for the Hospital Board and refer it back to the Committee to make recommendations on the topic as desired.	
12. AGENDA ITEM 19: CLOSING COMMENTS	There were no additional comments.	
13. AGENDA ITEM 20: ADJOURNMENT	Motion: To adjourn at 5:41 pm. Movant: J. Miller Second: Chen Ayes: Chen, Liao, B. Miller, J. Miller, Setty Noes: None Abstentions: None Absent: Eyre Recused: None	<i>Meeting adjourned at 5:41 pm.</i>

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and the Board of Directors of El Camino Hospital.

Lanhee Chen
Chair, Executive Compensation Committee

Peter C. Fung, MD
Secretary, ECH Board of Directors

Prepared by: Cindy Murphy, Board Liaison