

AGENDA
FINANCE COMMITTEE MEETING
OF THE EL CAMINO HOSPITAL BOARD

Thursday, April 26, 2018 – 5:30 pm

El Camino Hospital | Conference Rooms Medical Staff (Admin Area)
 2500 Grant Road, Mountain View, CA 94040

MISSION: To provide oversight, information sharing and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for the El Camino Hospital Board of Directors. In carrying out its review, advisory and oversight responsibilities, the Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER / ROLL CALL	John Zoglin, Chair		5:30 – 5:31pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	John Zoglin, Chair		5:31 – 5:32
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed 3 minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	John Zoglin, Chair		information 5:32 – 5:35
4. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Finance Committee Meeting (March 26, 2018)	John Zoglin, Chair	<i>public comment</i>	motion required 5:35 – 5:37
5. REPORT ON BOARD ACTION ATTACHMENT 5	John Zoglin, Chair		information 5:37 – 5:42
6. FY18 PERIOD 9 FINANCIALS ATTACHMENT 6	Iftikhar Hussain, CFO	<i>public comment</i>	motion required 5:42 – 5:52
7. ADJOURN TO CLOSED SESSION	John Zoglin, Chair		motion required 5:52 -5:53
8. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	John Zoglin, Chair		5:53 – 5:54
9. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made.</i> Approval Gov't Code Section 54957.2. a. Minutes of the Closed Session of the Finance Committee Meeting (March 26, 2018) b. Pathology Medical Directorship Renewal (Enterprise) – Dr. Lombard – El Camino Pathology Medical c. Sheridan ICU Nighttime Coverage Agreement d. PAMF ICU Daytime Coverage Agreement Renewal	John Zoglin, Chair		motion required 5:54 – 5:55

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AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
10. <i>Health & Safety Code 32106(b)</i> For a report & discussion involving health care facility trade secrets: REVIEW FY 19 BUDGET PART 2 a. Historical Performance b. FY19 Budget Preview	Iftikhar Hussain, CFO		information 5:55 – 6:55
11. <i>Health & Safety Code 32106(b)</i> For a report & discussion involving health care facility trade secrets: SURGERY CENTER	Iftikhar Hussain, CFO		information 6:55 – 7:10
12. ADJOURN TO OPEN SESSION	John Zoglin, Chair		motion required 7:10 – 7:11
13. RECONVENE OPEN SESSION/ REPORT OUT	John Zoglin, Chair		7:11 – 7:12
To report any required disclosures regarding permissible actions taken during Closed Session.			
14. COMMITTEE GOALS a. FY19 Goals	John Zoglin, Chair	<i>public comment</i>	motion required 7:12 – 7:17
15. COMMITTEE PACING PLAN a. FY19 Pacing Plan	Iftikhar Hussain, CFO	<i>public comment</i>	information 7:17 -7:22
16. CLOSING COMMENTS	John Zoglin, Chair		information 7:22 – 7:24
17. ADJOURNMENT	John Zoglin, Chair		motion required 7:24 – 7:25 pm

Upcoming Meetings

- May 29, 2018



Minutes of the Open Session of the Finance Committee
Monday, March 26, 2018
El Camino Hospital | Conference Rooms A & B (ground floor)
2500 Grant Road, Mountain View, CA 94040

Members Present
John Zoglin, Chair
William Hobbs
Richard Juelis
David Reeder

Members Absent
Boyd Faust
Joseph Chow

Others Present

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the “Committee”) was called to order at 5:30pm by Chair John Zoglin. Mr. Faust and Mr. Chow were absent.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Zoglin 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	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Zoglin asked if any member of the Committee or the public wished to remove an item from the consent calendar. The Committee Members requested to pull article “f” Progress Against Goals from consent calendar.</p> <p><i>The Committee requested HVI presented in September; Oncology in November and BHS in January. Mr Zoglin did not feel that the reviews were effective and asked for changes in future service line presentations</i></p> <p>Motion: To approve the consent calendar: Minutes of the Open Session Joint Finance & Investment Committee (January 29, 2018); Minutes of the Open Session of the Finance Committee (January 29, 2018); FY18 Period 7 Financials; Proposed FY19 Committee Dates; Policy Update: Pricing and Chargemaster.</p> <p>Movant: Hobbs Second: Juelis Ayes: Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Faust Recused: None</p>	<p><i>Consent calendar approved</i></p> <p><i>The Committee Members requested to pull article “f” Progress Against Goals from consent calendar.</i></p>
5. REPORT ON BOARD ACTIONS	Chair Zoglin briefly reviewed the Report on Board Actions as further detailed in the packet. Zoglin stated in April there are two meetings: 1) ECH Board & Committee Educational Gathering and 2) FY19 Budget Review.	
6. FY18 PERIOD 8 FINANCIALS	<p>Iftikhar Hussain, CFO, reviewed the FY18 Period 8 Financials with the Committee members. FY18 for the year, overall volume, measured in adjusted discharges is 5.6% higher than budget. However, the monthly growth trend reversed in February as flu cases dropped. IP cases are 4.3% over budget, specifically Neurosciences, HVI, BHS, Oncology and General Medicine. Deliveries are slightly lower to prior year and 3.9% below budget. OP cases are higher than budget in General Surgery, General Medicine, Emergency, Lab, Imaging Services, MCH, Rehab, Outpatient Clinics and Urology.</p> <p>February operating income is \$2.9M over budget. Revenue for the month include \$205K in unusual items. For the year op margin is \$41.5M ahead of target. Investments had a \$15 million loss during the month but for the year, investment earnings remain \$36 million ahead of target. Commercial insurance is 3.3% less of the Payor Mix in February than budget where</p>	<i>FY 18 Period 6 Financials approved</i>

	<p>Medicare has increased 2.2%. Prod Hrs/APD for February is 30.2 unfavorable vs target due to lower volume. YTD we are ahead of budget. The overall balance sheet reflects the AR is 48.4 which is .4 days more than budget.</p> <p>In response to Mr. Juelis productivity scale question, Mr. Hussain explained we're fairly consistently below target.</p> <p>Chair Zoglin asked about the detail of other outpatient. Mr. Hussain answered by showing a the detail volume trend of the three categories which rollup into Out-Patient general medicine: Observation (Observing only); Endoscopy; and Postop.</p> <p>Motion: To approve the FY18 Period 8 Financials.</p> <p>Movant: Juelis Second: Reeder Ayes: Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Faust Recused: None</p>	
7. BIENNIAL REVIEW OF COMMITTEE CHARTER	<p>Cindy Murphy, Board Liaison reviewed the Report on Biennial Review of the Committee Charter as further detailed in the packet. She requested feedback and a brief discussion ensued. The Committee agreed no changes to the Committee Charter.</p> <p><i>The Committee suggested hosting one meeting per year to review our financial institutions. Chair Zoglin stated to add to our FY19 pacing plan.</i></p>	
8. REVIEW SELF-ASSESSMENT RESULTS	<p>Chair Zoglin reported to the Committee the Review Self-Assessment Results and asked for feedback and a brief discussion ensued.</p> <p><i>The Committee suggested two ideas moving forward: 1) Brief cover sheet on the Finance Committee, to educate the Board on their function and 2) Collaborate with another Committee example Compliance; therefore more information will be exchanged.</i></p>	
9. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:29pm pursuant to Gov't Code Section 54957.2 for approval of the Minutes of the Closed Session Joint Finance & Investment Committee (January 29, 2018); Minutes of the Closed Session of the Finance Committee (January 29, 2018).</p> <p>Movant: Hobbs Second: Juelis Ayes: Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Faust Recused: None</p>	Adjourned to closed session at 6:29 pm
10. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 7:39 pm. Agenda items 10-13 were covered in closed session. During the closed session the committee approved the Closed Session Joint Finance & Investment Committee (January 29, 2018); Minutes of the Closed Session of the Finance Committee (January 29, 2018).</p> <p>By a unanimous vote in favor by all present committee members (Hobbs, Juelis, Reeder, and Zoglin). Chow & Faust was absent.</p>	
11. AGENDA ITEM 16: APPROVAL OF CONTRACTS	<p>Motion: To recommend that the Board approve the Mountain View Hospitalist and Associate Chief Medical Office contracts.</p> <p>Movant: Reeder Second: Hobbs</p>	Physician Contracts approved

	Ayes: Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Faust Recused: None	
12. AGENDA ITEM 17: COMMITTEE PACING	Chair Zoglin discuss with the Committee on FY19 Pacing Plan, to hold the Service Line in September, November, and January (none in March). Add under FY19 March the SVMD “Strategies and Execution”. Lastly, add two education topics in FY19: <ol style="list-style-type: none">1. Medicare Loss Reimbursement (Out vs In-patients)2. Outpatient (profitable) vs. In-Patient (not profitable) show numbers plus progress. No Motion was taken. Committee agreed to review further and approve at the next Finance meeting Thursday, April 26 th .	<i>FY19 Pacing Plan and Goals. Also FY18 Pacing Plan</i>
13. AGENDA ITEM 18: CLOSING COMMENTS	None	
14. AGENDA ITEM 19: ADJOURNMENT	Motion: To adjourn at 7:48pm Movant: Reeder Second: Hobbs Ayes: Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Faust Recused: None	<i>Meeting adjourned at 7:48 pm</i>

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

John Zoglin
Chair, Finance Committee

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Report on Board Actions Finance Committee April 26, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	For Information
Background: In FY16, we added this item to each Board Committee agenda to keep Committee members informed about Board actions via a verbal report by the Committee Chair. This written report is intended to supplement the Chair's verbal report.	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: None.	
Summary and session objectives: To inform the Committee about recent Board actions.	
Suggested discussion questions: None.	
Proposed Committee motion, if any: None. This is an informational item.	
LIST OF ATTACHMENTS: 1. Report on ECH Board Actions	

April 2018 ECH Board Actions*

1. Approved the FY 18 Period 7 and 8 Financials
2. Approved a Resolution Delegating Authority to the Executive Compensation Committee to Approve Annual Salary Ranges, Annual Base Pay Adjustments, Individual Incentive Goals and Incentive Payments for Executives other than the CEO.
3. Approved a Resolution Approving the Winding Up and Dissolution of Pathways Continuous Care (Private Duty Services).
4. Approved Revised ECH Bylaws Sections 5.1 and 5.2.

March 2018 ECHD Actions

1. Approved Resolution 2018-05 acknowledging the District's partnership with the AHA on the "Check.Change.*Control*" Hypertension Initiative.
2. Approved the FY18 YTD Financial Report
3. Completed a Periodic Review of the District's Bylaws and Approved Revisions
4. Approved Resolution 2018-03 Calling a District General Election and Resolution 2018-04 Requesting and Consenting to Consolidation of District Election with the November 2018 Statewide Election.

*This list is not meant to be exhaustive, but includes agenda items the Board voted on that are most likely to be of interest to or pertinent to the work of El Camino Hospital's Board Advisory Committees.



El Camino Hospital

THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations

Fiscal Year 2018 – Period 9

7/1/2017 to 03/31/2018

Financial Overview

Volume:

- For the year, overall volume, measured in adjusted discharges is 5.7% higher than budget.
- IP cases are 4.0% over budget, specifically Neurosciences, HVI, BHS, Oncology and General Medicine. Deliveries are lower to prior year and 4.2% below budget.
- OP cases are higher than budget in General Surgery, General Medicine, Lab, Imaging Services, MCH, Rehab, Outpatient Clinics and Urology.

Financial Performance:

- Operating income is \$4.9M over budget. Revenue for the month include \$205K in unusual items. For the year op margin is \$46.5M ahead of target.
- Investments had a \$3.2 million loss during the month but for the year, investment earnings remain \$32 million ahead of target.

Payor Mix:

- Commercial insurance is 3.6% less of the Payor Mix in March than budget where Medicare has increased 2.1%.

Cost:

- Prod Hrs/APD for March is 30.9 unfavorable vs target due to lower volume. YTD we are ahead of budget.

Balance Sheet:

- Net days in AR is 48.1 which is .1 days more than budget.

Dashboard - ECH combined as of March 31, 2018

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Volume								
Licensed Beds	443	443	443	-	443	443	443	-
ADC	259	244	251	(6)	239	244	240	4
Utilization MV	70%	67%	69%	-2%	65%	67%	66%	1%
Utilization LG	34%	31%	30%	1%	30%	30%	29%	1%
Utilization Combined	58%	55%	57%	-1%	54%	55%	54%	1%
Adjusted Discharges	2,974	3,112	2,927	185	25,220	26,991	25,548	1,444
Total Discharges (Excl NNB)	1,727	1,755	1,706	49	14,659	15,394	14,803	591
Total Discharges	2,081	2,047	2,009		17,552	18,236	17,525	
Inpatient Cases								
MS Discharges	1,225	1,276	1,185	91	10,129	10,832	10,171	661
Deliveries	398	370	399	(29)	3,504	3,431	3,583	(152)
BHS	64	74	79	(5)	670	805	676	129
Rehab	40	35	43	(8)	356	326	372	(46)
Outpatient Cases	13,425	13,019	12,707	312	108,840	112,556	110,017	2,539
ED	4,371	4,210	4,219	(9)	36,143	37,441	36,534	907
Procedural Cases								
OP Surg	461	416	396	20	3,376	3,525	3,428	97
Endo	237	221	184	37	1,813	1,805	1,592	213
Interventional	214	195	183	12	1,641	1,587	1,589	(2)
All Other	8,142	7,977	7,725	252	65,867	68,198	66,874	1,324
Financial Perf.								
Net Patient Revenues	73,587	80,083	71,763	8,320	610,114	670,258	623,606	46,652
Total Operating Revenue	75,169	82,224	73,641	8,583	628,926	692,328	641,138	51,189
Operating Expenses	66,465	70,827	67,226	3,601	553,994	586,287	581,585	4,703
Operating Income \$	8,704	11,398	6,416	4,982	74,932	106,040	59,554	46,487
Operating Margin	11.6%	13.9%	8.7%	5.1%	11.9%	15.3%	9.3%	6.0%
EBITDA \$	12,910	16,289	11,562	4,727	114,792	147,204	105,121	42,083
EBITDA %	17.2%	19.8%	15.7%	4.1%	18.3%	21.3%	16.4%	4.9%
IP Margin ¹	5.8%	5.9%	-10.2%	16.1%	5.8%	5.9%	-10.2%	16.1%
OP Margin ¹	37.0%	40.1%	31.7%	8.4%	37.0%	40.1%	31.7%	8.4%
Payor Mix								
Medicare	48.9%	49.5%	47.4%	2.1%	47.7%	47.4%	47.4%	0.0%
Medi-Cal	6.8%	7.5%	7.2%	0.3%	7.3%	7.8%	7.2%	0.6%
Commercial IP	20.8%	19.7%	22.6%	-2.9%	22.3%	22.0%	22.6%	-0.5%
Commercial OP	20.7%	19.6%	20.3%	-0.7%	20.2%	20.2%	20.3%	-0.1%
Total Commercial	41.5%	39.3%	42.9%	-3.6%	42.5%	42.2%	42.9%	-0.7%
Other	2.8%	3.7%	2.5%	1.2%	2.5%	2.5%	2.5%	0.0%
Cost								
Total FTE	2,549.6	2,605.8	2,569.9	36	2,491.7	2,579.9	2,528.1	52
Productive Hrs/APD	29.4	30.9	29.9	1	30.2	30.0	30.5	(0)
Balance Sheet								
Net Days in AR	44.8	48.1	48.0	0	44.8	48.1	48.0	0
Days Cash	444	481	266	215	444	481	266	215
Affiliates - Net Income (\$000s)								
Hosp	18,926	9,771	6,641	3,130	114,328	149,758	61,581	88,177
Concern	51	141	87	54	1,054	1,006	1,059	(53)
ECSC	(12)	(19)	0	(19)	(72)	(41)	0	(41)
Foundation	43	5	99	(94)	2,089	1,520	549	971
SVMD	(43)	628	6	622	118	346	47	299

Budget Variances

Fiscal Year 2018 YTD (7/1/2017-03/31/2018) Waterfall

(in thousands; \$000s)	Year to Date (YTD)	
	Net Income Impact	% Net Revenue
Budgeted Hospital Operations FY2018	59,554	9.3%
Net Revenue - Favorable due higher volume, revenue cycle operations and \$11 million unusual items	51,189	7.4%
Labor and Benefit Expense Change - Labor favorable vs budget after adjusting for higher volume	(2,585)	-0.4%
Professional Fees & Purchased Services -Recruiting costs for several key positions in the organization and backfill for vacant position in Medical Staff office;	(4,503)	-0.7%
Supplies - unfavorable due to increase in surgical and other general supplies, offset by savings in Spine supplies as well as Drugs. Higher volumes also driving increase.	(3,309)	-0.5%
Other Expenses - primarily due strategic fund expenses not spent	1,291	0.2%
Depreciation & Interest - Favorable due to delay in Parking Structure as well as LG projects	4,403	0.6%
Actual Hospital Operations FY2018	106,040	15.3%

El Camino Hospital (\$000s)

9 months ending 03/31/2018

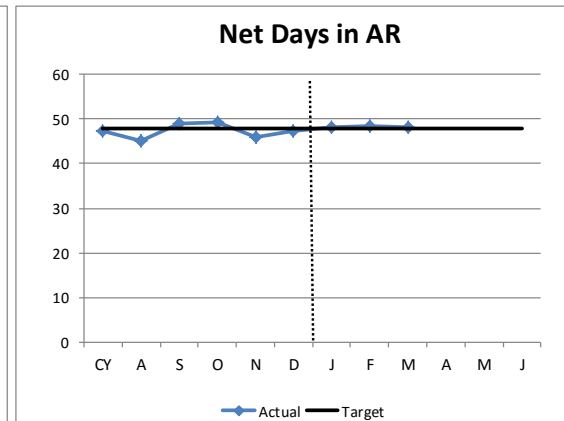
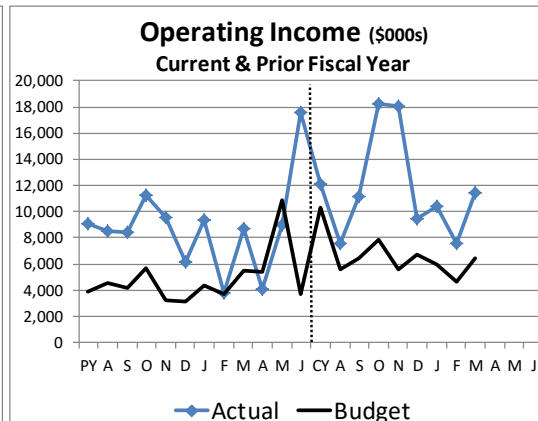
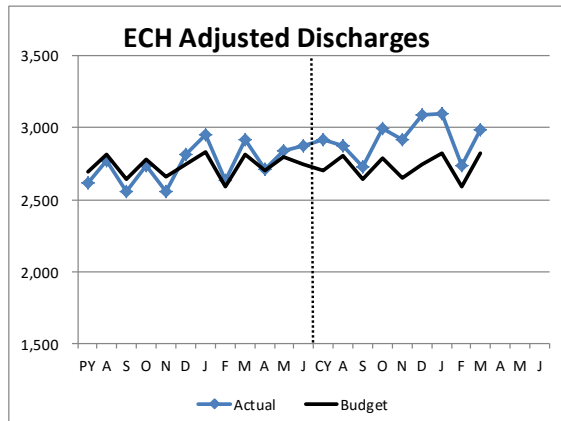
Period 9 FY 2017	Period 9 FY 2018	Period 9 Budget 2018	Variance Fav (Unfav)	Var%		YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
					\$000s					
OPERATING REVENUE										
289,052	292,898	278,293	14,605	5.2%	Gross Revenue	2,246,502	2,494,405	2,390,801	103,604	4.3%
(215,465)	(212,815)	(206,530)	(6,285)	1.0%	Deductions	(1,636,389)	(1,824,147)	(1,767,195)	(56,952)	3.2%
73,587	80,083	71,763	8,320	11.6%	Net Patient Revenue	610,114	670,258	623,606	46,652	7.5%
1,582	2,141	1,878	263	14.0%	Other Operating Revenue	18,813	22,069	17,532	4,537	25.9%
75,169	82,224	73,641	8,583	11.7%	Total Operating Revenue	628,926	692,328	641,138	51,189	8.0%
OPERATING EXPENSE										
37,957	41,202	40,866	(336)	-0.8%	Salaries & Wages	334,058	353,569	350,984	(2,585)	-0.7%
11,651	12,219	10,766	(1,452)	-13.5%	Supplies	86,784	94,953	91,644	(3,309)	-3.6%
10,395	10,327	7,981	(2,346)	-29.4%	Fees & Purchased Services	72,539	75,972	71,469	(4,503)	-6.3%
2,256	2,188	2,466	278	11.3%	Other Operating Expense	20,753	20,629	21,920	1,291	5.9%
265	691	725	35	4.8%	Interest	3,688	4,293	6,529	2,236	34.2%
3,941	4,201	4,421	220	5.0%	Depreciation	36,172	36,871	39,039	2,167	5.6%
66,465	70,827	67,226	(3,601)	-5.4%	Total Operating Expense	553,994	586,287	581,585	(4,703)	-0.8%
8,704	11,398	6,416	4,982	77.7%	Net Operating Income/(Loss)	74,932	106,040	59,554	46,487	78.1%
10,223	(1,626)	225	(1,852)	-821.9%	Non Operating Income	39,395	43,718	2,028	41,690	2056.1%
18,926	9,771	6,641	3,130	47.1%	Net Income(Loss)	114,328	149,758	61,581	88,177	143.2%
17.2%	19.8%	15.7%	4.1%		EBITDA	18.3%	21.3%	16.4%	4.9%	
11.6%	13.9%	8.7%	5.1%		Operating Margin	11.9%	15.3%	9.3%	6.0%	
25.2%	11.9%	9.0%	2.9%		Net Margin	18.2%	21.6%	9.6%	12.0%	

	Period 9 - Month			Period 9 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	10,754	4,996	5,758	95,961	47,860	48,101
Los Gatos	643	1,420	(776)	10,079	11,694	(1,614)
Sub Total - El Camino Hospital, excl. Affiliates	11,398	6,416	4,982	106,040	59,554	46,487
Operating Margin %	13.9%	8.7%		15.3%	9.3%	
El Camino Hospital Non Operating Income						
Investments	(3,165)	1,516	(4,681)	45,549	13,640	31,910
Swap Adjustments	(221)	0	(221)	1,550	0	1,550
Community Benefit	(613)	(283)	(330)	(3,063)	(2,550)	(513)
Pathways	(1,136)	42	(1,177)	(210)	375	(585)
Satellite Dialysis	(40)	(35)	(4)	(190)	(319)	129
Community Connect	0	(141)	141	0	(1,265)	1,265
SVMD Funding ¹	(416)	(448)	33	(1,365)	(4,035)	2,670
Premier Investment ²	4,234	0	4,234	4,528	0	4,528
Other	(270)	(424)	155	(3,082)	(3,819)	737
Sub Total - Non Operating Income	(1,626)	225	(1,852)	43,718	2,028	41,690
El Camino Hospital Net Income (Loss)	9,771	6,641	3,130	149,758	61,581	88,177
ECH Net Margin %	11.9%	9.0%		21.6%	9.6%	
Concern	141	87	54	1,006	1,059	(53)
ECSC	(19)	0	(19)	(41)	0	(41)
Foundation	5	99	(94)	1,520	549	971
Silicon Valley Medical Development	628	6	622	346	47	299
Net Income Hospital Affiliates	754	191	563	2,831	1,655	1,176
Total Net Income Hospital & Affiliates	10,526	6,832	3,693	152,590	63,236	89,353

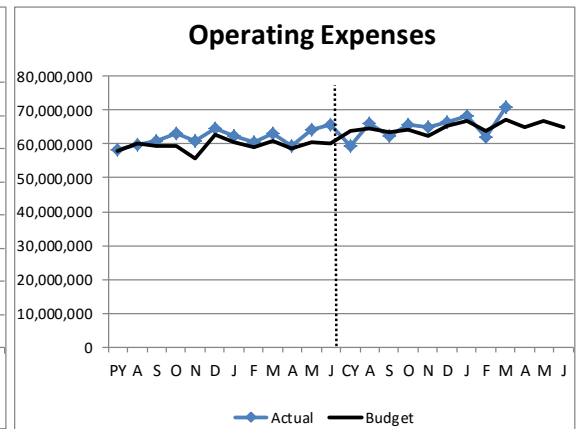
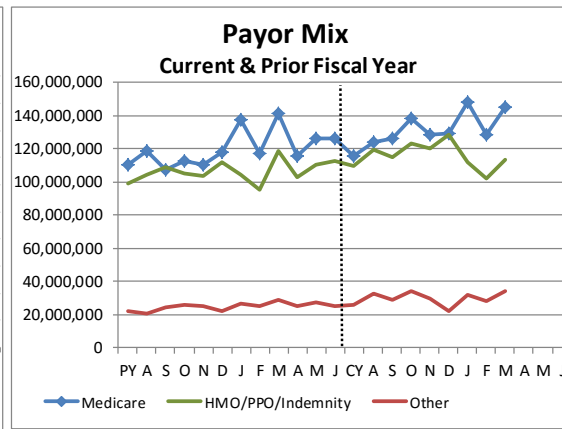
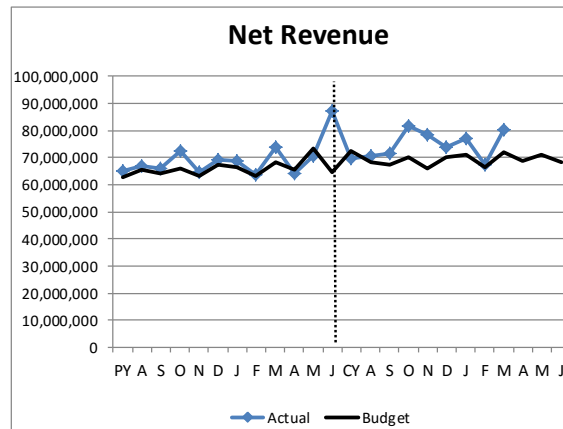
¹Favorable variances for SVMD and Community Connect are due to delayed implementation

²Gain on Premier stock sale of shares eligible were sold with proceeds going to pooled investments. No impact on vendor relationships.

Monthly Financial Trends



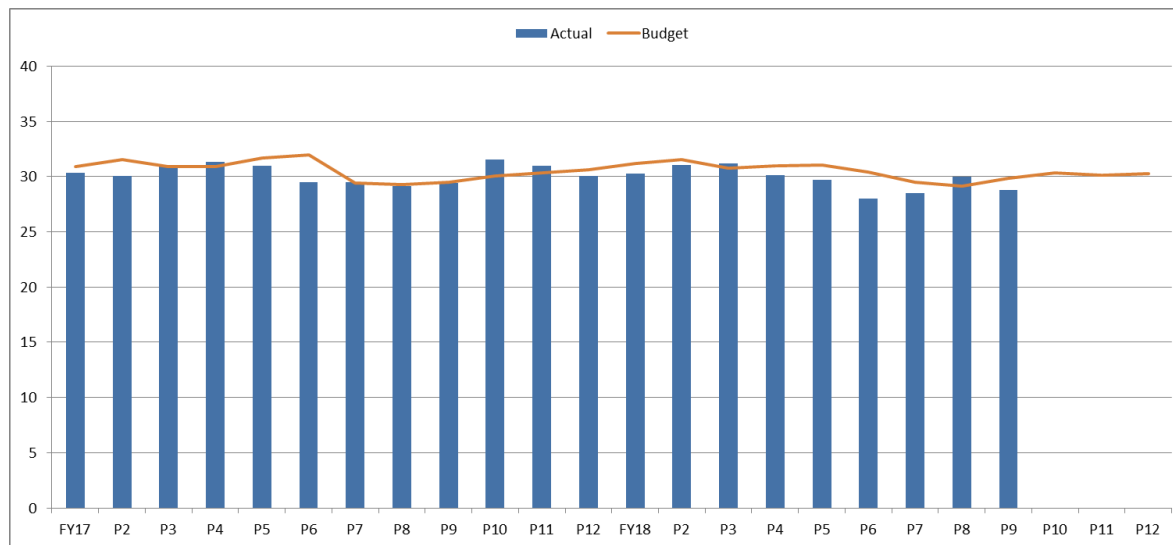
Volume is higher than budget for the month and the year. High inpatient volume is in Inpatient Behavioral Health, HVI, Neurosciences and General Medicine. High Outpatient volume is General Medicine, Imaging Services, MCH, Lab, Outpatient Clinics, General Surgery and Rehab



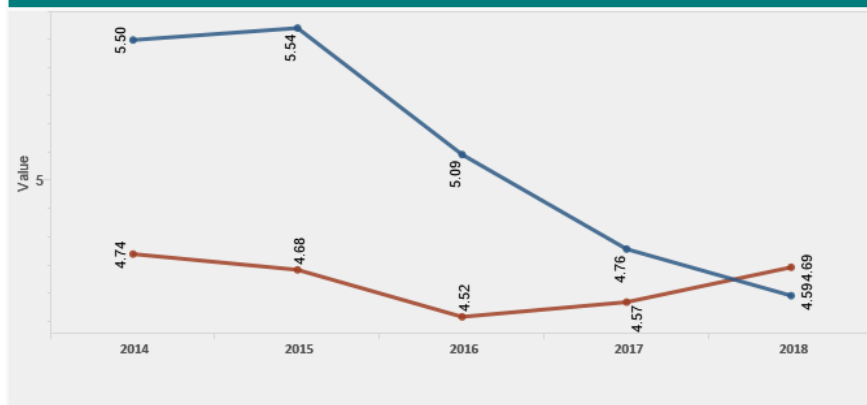
Productivity and Medicare Length of Stay

Work hours per adjusted patient day in March is over budget by 1.0. Overall the month of March is 30.8 worked hours per adjusted patient day

ALOS vs Milliman well-managed benchmark. Trend shows remarkable and steady improvement with FY 2018 at benchmark. Increase in benchmark beginning in FY 2017 due to Clinical Documentation Improvement (CDI)



AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR

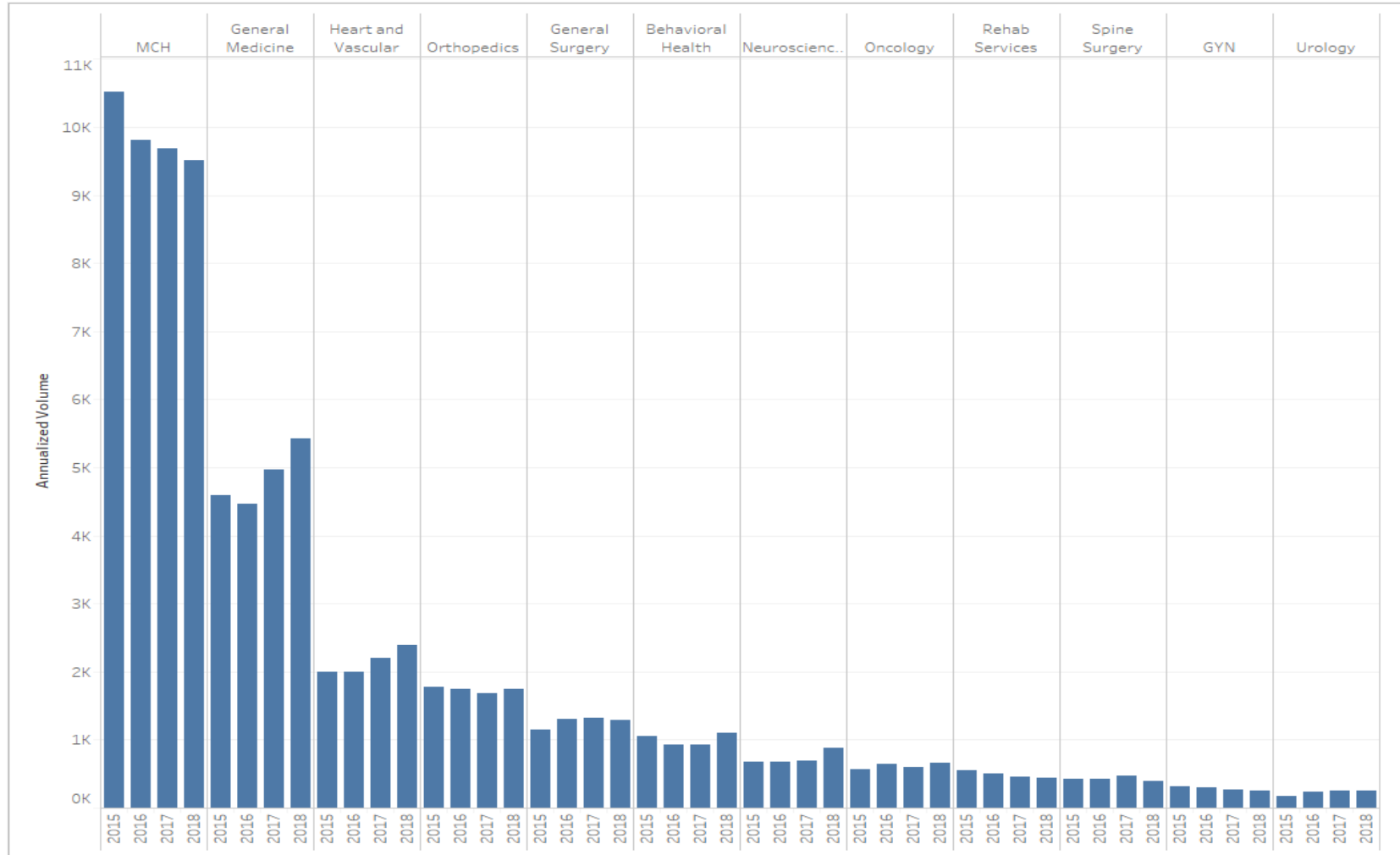


AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR



El Camino Hospital Volume Annual Trends – Inpatient

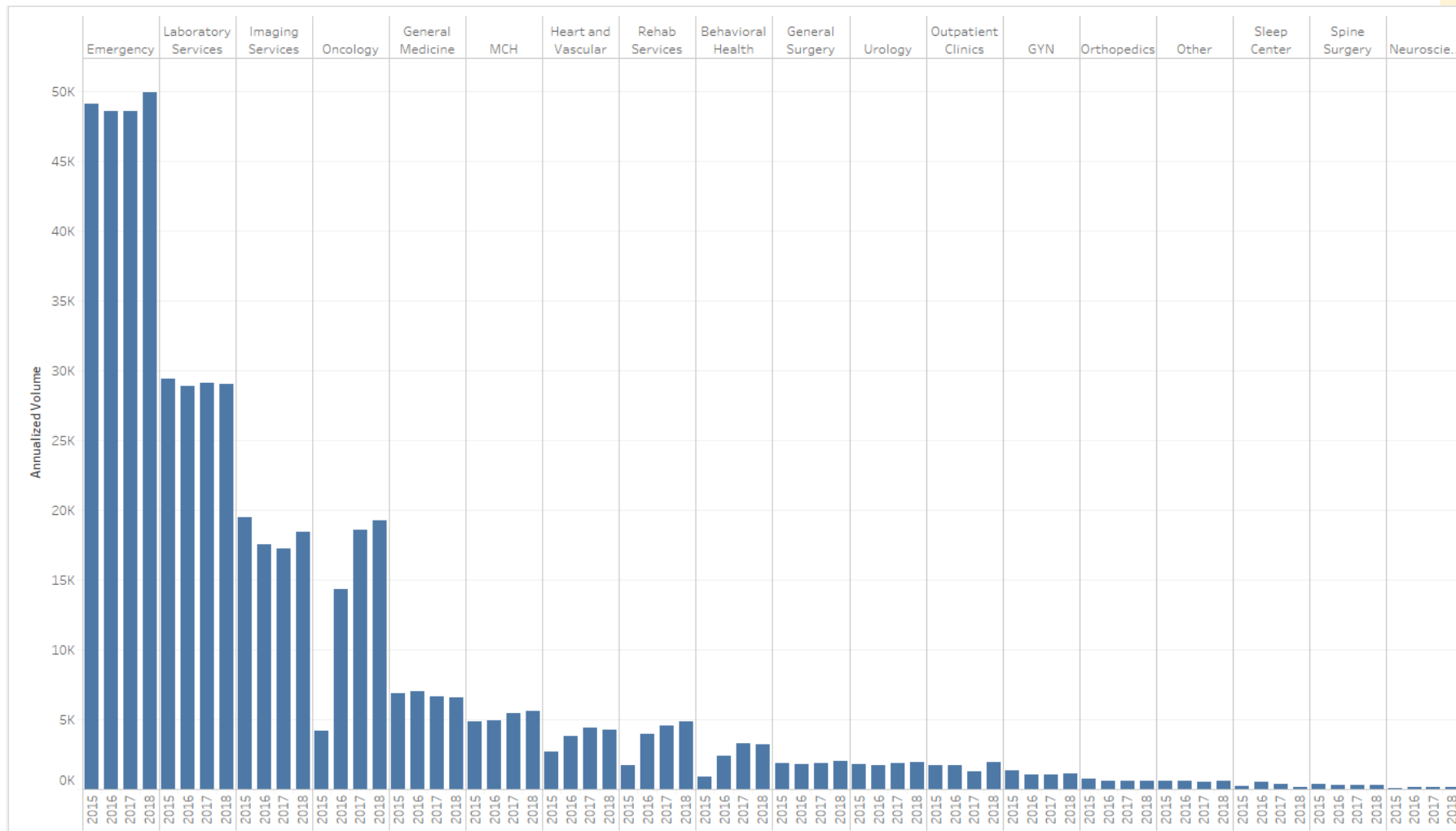
FY 2018 is annualized



- General Medicine, HVI, Behavioral Health, and Neuroscience display an increasing trend.
- Conversely, Rehab Services, MCH and GYN show a decreasing trend.
- The remaining service lines are staying flat.

El Camino Hospital Volume Annual Trends – Outpatient

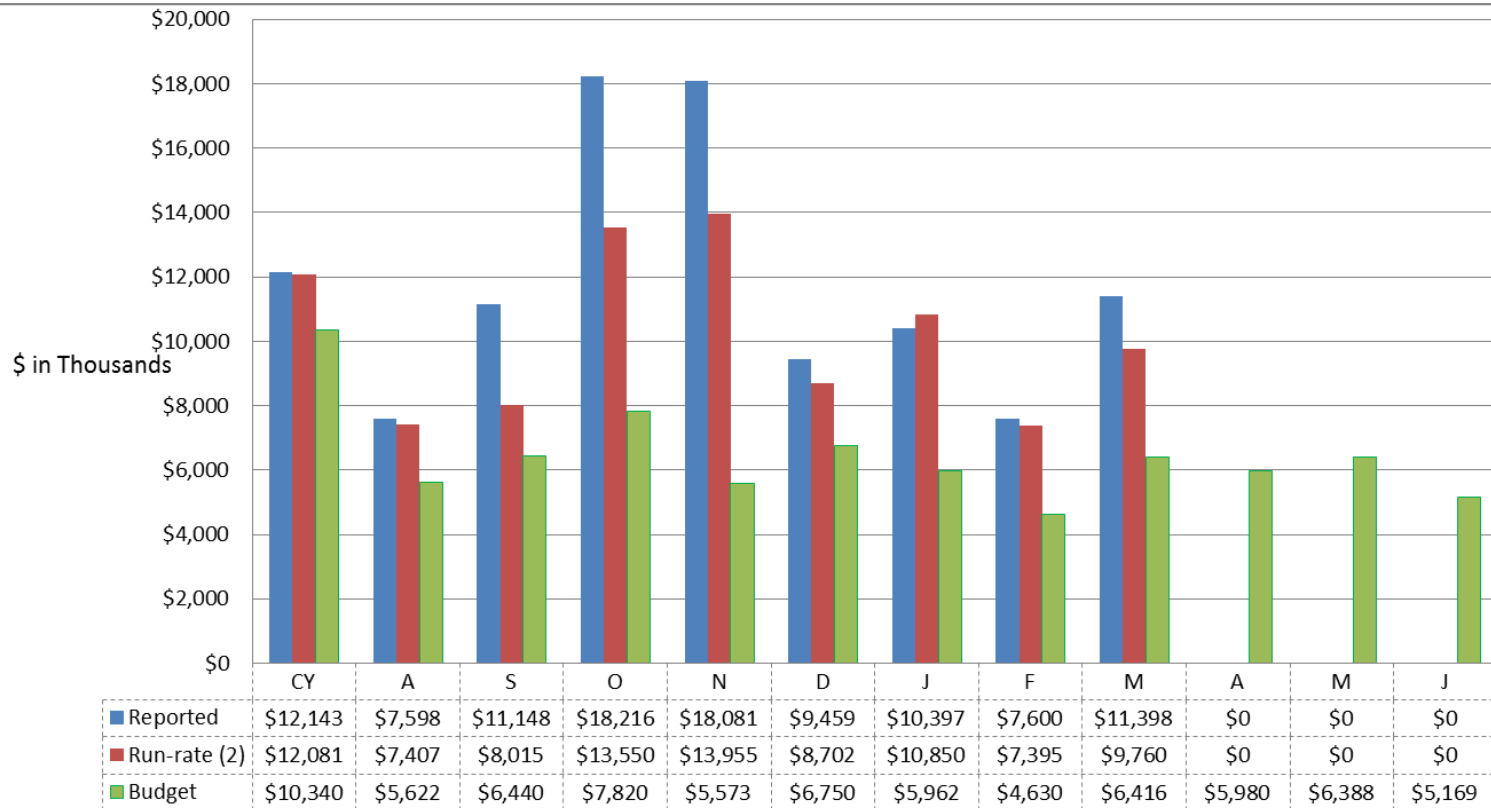
FY 2018 is annualized



- Comparing year-over-year Oncology, MCH, Rehab Services, Emergency and Outpatient Clinics are all increasing in volume. All others are remaining flat or decreasing.

ECH Operating Margin

Run rate is booked operating income adjusted for material non-recurring transactions



FY 2018 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>

Revenue Adjustments	J	A	S	O	N	D	J	F	M	YTD
Insurance (Payment Variance)	-	-	-	611	-	669	28	-	603	1,912
Mcare Settlmt/Appeal/Tent Settlmt/PIP	54	155	905	54	184	81	396	92	92	2,379
AB 915	-	-	-	-	-	-	-	103	926	1,029
Hospital Fee	-	-	-	712	1,024	-	-	-	-	1,736
PRIME Incentive	-	-	-	-	2,902	-	-	-	-	2,902
Credit Balance Quarterly Review	-	-	2,201	-	-	-	-	-	-	2,201
Late Charge Accrual	-	-	-	3,283	-	-	-	-	-	3,283
Various Adjustments under \$250k	9	36	27	6	16	8	(878)	10	17	(749)
Total	63	191	3,134	4,667	4,126	757	(453)	205	1,638	14,693

El Camino Hospital Investment Committee Scorecard December 31, 2017

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY18 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		4Q 2017		Fiscal Year-to-date		5y 2m Since Inception (annualized)		2017	
Surplus cash balance*		\$872.0	--	--	--	--	--	\$926.1	--
Surplus cash return		2.6%	2.7%	5.4%	5.6%	6.0%	5.9%	1.9%	5.7%
Cash balance plan balance (millions)		\$259.2	--	--	--	--	--	\$257.1	--
Cash balance plan return		2.9%	3.3%	6.3%	6.7%	8.4%	7.9%	6.0%	6.1%
403(b) plan balance (millions)		\$441.7	--	--	--	--	--	--	--
Risk vs. Return		3-year				5y 2m Since Inception (annualized)		2017	
Surplus cash Sharpe ratio		1.16	1.19	--	--	1.44	1.42	--	0.46
Net of fee return		5.5%	5.6%	--	--	6.0%	5.9%	--	5.7%
Standard deviation		4.4%	4.4%	--	--	3.9%	4.0%	--	7.2%
Cash balance Sharpe ratio		1.13	1.16	--	--	1.51	1.47	--	0.43
Net of fee return		6.7%	6.5%	--	--	8.4%	7.9%	--	6.1%
Standard deviation		5.6%	5.3%	--	--	5.3%	5.1%	--	8.7%
Asset Allocation		4Q 2017							
Surplus cash absolute variances to target		5.9%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		7.5%	< 10%	--	--	--	--	--	--
Manager Compliance		4Q 2017							
Surplus cash manager flags		21	< 19 Green < 23 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		23	< 20 Green < 25 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$245 mm), District assets (~\$31 mm), and balance sheet cash not in investable portfolio (~\$124 mm).
Includes Foundation (~\$26 mm) and Concern (~\$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.



El Camino Hospital Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	2018 Current Proj Spend	FY18 Orig Proj Spend	Variance Between Current Proj Spend and Orig Proj Spend		FY 18 YTD Spent
CIP	EPIC Upgrade			1.9	1.0	1.9	1.9	0.0		1.0
IT Hardware, Software, Equipment & Imaging*				12.2	1.0	12.2	12.2	0.0		1.0
Medical & Non Medical Equipment FY 17**				14.0	12.9	8.6	0.0	8.6 ²		7.5
Medical & Non Medical Equipment FY 18***				5.6	3.8	5.6	5.6	0.0		3.8
Facility Projects										
	1245 Behavioral Health Bldg	FY16	96.1	96.1	35.4	27.0	51.4	-24.4 ¹		17.8
	1413 North Drive Parking Expansion	FY15	24.5	24.5	23.8	2.6	3.4	-0.8		4.1
	1414 Integrated MOB	FY15	302.1	302.1	88.5	72.0	130.1	-58.1 ¹		42.6
	1422 CUP Upgrade	FY16	9.0	9.0	5.7	5.5	4.0	1.5		3.4
	1430 Women's Hospital Expansion	FY16	120.0	6.0	2.8	3.6	7.0	-3.4		2.4
	1425 IMOB Preparation Project - Old Main	FY16	20.0	0.0	2.7	0.0	0.0	0.0		0.1
	1502 Cabling & Wireless Upgrades	FY16	0.0	0.0	2.5	0.0	0.0	0.0		0.1
	1525 New Main Lab Upgrades		3.1	3.1	2.2	2.5	0.0	2.5		1.7
	1515 ED Remodel Triage/Psych Observation	FY16	5.0	0.3	0.0	0.4	0.0	0.4		0.0
	1503 Willow Pavilion Tomosynthesis	FY16	0.8	0.0	0.3	0.0	0.0	0.0		0.0
	1602 JW House (Patient Family Residence)		6.5	0.5	0.1	0.5	0.5	0.0		0.1
	Site Signage and Other Improvements		1.0	0.0	0.0	0.3	1.0	-0.8		0.0
	Nurse Call System Upgrades		2.4	0.0	0.0	0.1	0.0	0.1		0.0
	1707 Imaging Equipment Replacement (5 or 6 rooms)		20.7	0.0	0.0	0.3	0.1	0.2		0.0
	1708 IR/ Cath Lab Equipment Replacement		19.4	0.0	0.0	0.3	2.0	-1.8		0.0
	Flooring Replacement		1.6	0.3	0.0	0.4	0.0	0.4		0.0
	1219 LG Spine OR	FY13	0.0	0.0	3.7	0.0	0.0	0.0		0.3
	1313 LG Rehab HVAC System & Structural	FY16	0.0	0.0	4.1	0.0	0.0	0.0		0.4
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	8.8	8.8	8.1	0.6	0.7	-0.1		0.7
	1307 LG Upgrades	FY13	19.3	19.3	17.0	4.9	5.0	-0.1		3.1
	1508 LG NICU 4 Bed Expansion	FY16	0.0	0.0	0.0	0.0	0.0	0.0		0.0
	1507 LG IR Upgrades		1.3	0.0	0.0	0.0	0.0	0.0		0.0
	1603 LG MOB Improvements (17)		5.0	5.0	4.4	3.5	3.5	0.0		4.2
	1711 Emergency Sanitary & Water Storage		1.4	0.3	0.1	0.2	3.2	-3.0		0.1
	LG Modular MRI & Awning		3.9	3.9	0.0	0.4	0.0	0.4		0.0
	LG Nurse Call System Upgrade		2.8	0.0	0.0	0.0	0.0	0.0		0.0
	LG Observation Unit (Conversion of ICU 2)		1.8	0.0	0.0	0.8	0.0	0.8		0.0
	1712 LG Cancer Center		2.4	0.3	0.1	0.4	0.0	0.4		0.1
	All Other Projects under \$1M		5.6	0.4	45.1	1.8	0.0	1.8		3.4
GRAND TOTAL			684.4	479.6	246.6	128.0	211.9	-83.9		84.6
				499.4	265.3	156.5	231.7	-75.2		97.9

* Excluding EPIC

** Unspent Prior Year routine used as contingency

*** Includes 2 robot purchases

¹ Variance due to delay in MV campus plan

² Initial assumption was to spend all FY17 in FY17

Balance Sheet (in thousands)

ASSETS

	Audited	
	March 31, 2018	June 30, 2017
CURRENT ASSETS		
Cash	133,219	125,551
Short Term Investments	140,491	140,284
Patient Accounts Receivable, net	120,025	109,089
Other Accounts and Notes Receivable	2,809	2,628
Intercompany Receivables	1,324	1,495
(1) Inventories and Prepaids	54,533	50,657
Total Current Assets	452,400	429,705
BOARD DESIGNATED ASSETS		
(2) Plant & Equipment Fund	148,343	131,153
Women's Hospital Expansion	9,298	9,298
(3) Operational Reserve Fund	127,908	100,196
(4) Community Benefit Fund	18,299	12,237
Workers Compensation Reserve Fund	21,352	20,007
Postretirement Health/Life Reserve Fund	19,632	19,218
PTO Liability Fund	24,148	23,409
Malpractice Reserve Fund	1,634	1,634
Catastrophic Reserves Fund	17,792	16,575
Total Board Designated Assets	388,406	333,727
(5) FUNDS HELD BY TRUSTEE	222,181	287,052
LONG TERM INVESTMENTS	301,597	256,652
INVESTMENTS IN AFFILIATES	32,895	32,451
PROPERTY AND EQUIPMENT		
(6) Fixed Assets at Cost	1,253,052	1,192,047
Less: Accumulated Depreciation	(565,353)	(531,785)
Construction in Progress	168,319	138,017
Property, Plant & Equipment - Net	856,018	798,279
DEFERRED OUTFLOWS	28,510	28,960
RESTRICTED ASSETS - CASH	0	0
TOTAL ASSETS	2,282,008	2,166,825

LIABILITIES AND FUND BALANCE

	Audited	
	March 31, 2018	June 30, 2017
CURRENT LIABILITIES		
(7) Accounts Payable	24,344	38,457
(8) Salaries and Related Liabilities	16,618	25,109
Accrued PTO	24,148	23,409
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	9,388	10,438
Intercompany Payables	73	84
Malpractice Reserves	1,634	1,634
Bonds Payable - Current	3,850	3,735
(9) Bond Interest Payable	5,059	11,245
Other Liabilities	7,660	4,889
Total Current Liabilities	95,074	121,299
LONG TERM LIABILITIES		
Post Retirement Benefits	19,632	19,218
Worker's Comp Reserve	19,052	17,707
Other L/T Obligation (Asbestos)	3,831	3,746
Other L/T Liabilities (IT/Medl Leases)	-	-
Bond Payable	521,971	527,371
Total Long Term Liabilities	564,485	568,042
DEFERRED REVENUE-UNRESTRICTED	517	567
DEFERRED INFLOW OF RESOURCES	10,666	10,666
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	1,222,860	1,132,525
Board Designated	388,406	333,726
Restricted	0	0
(10) Total Fund Bal & Capital Accts	1,611,266	1,466,251
TOTAL LIABILITIES AND FUND BALANCE	2,282,008	2,166,825

MARCH 2018 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

- (1) The increase is due to two quarterly pension fundings of \$2.6M in October and January.
- (2) The increase is due to 9 months of funded depreciation contributions (130% of straight depreciation expense. Note this amount also contains \$14M reserved for BHS replacement building currently under construction, in conjunction with bond proceeds, item (5).
- (3) The increase here is to reset the Operational Reserve (to cover 60 days of operating expenses) for FY2018. The prior year balance hadn't been reset in a couple of years.
- (4) The increase is due to an approved addition of \$5 million to the Community Benefit Board Designated Endowment as an outcome of the FY2018 budget process to generate additional investment income for the Community Benefits program.
- (5) The decrease is due to additional draws from the 2017 bond financing Project Funds in support of monthly payments to contractors involved with the construction projects at the Mountain View campus. As these projects are now in full progress greater amounts will be withdrawn in future periods.
- (6) The increase is due to the capitalization of the Parking Structure expansion in August and CT upgrades at LG in September.
- (7) The decrease is due to the significant General Contractor construction payments being accrued at year end, along with associated retentions and other general accounts payable activity that were subsequently relieved in this first quarter of fiscal year 2018.
- (8) This decrease is primarily due to the annual 403B match funding that occurred in January
- (9) The significant decrease is due to semi-annual 2015A and 2017 Bond interest payments having been paid in January.
- (10) The increase is attributable to the first nine periods of financial performance producing an operating income of \$106 million and non-operating of \$44 million (mostly from unrealized gains on investments).

EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY (1 OF 2)

Plant & Equipment Fund – original established by the District Board in the early 1960's to fund new capital expansion projects of building facilities or equipment (new or replacements). The funds came from the M&O property taxes being received and the funding depreciation expense at 100%. When at the end of 1992, the 501(c)(3) Hospital was performed by the District, the property tax receipts remained with the District. The newly formed Hospital entity continued on with funding depreciation expense, but did that funding at 130% of the depreciation expense to account for an expected replacement cost of current plant and property assets. It is to be noted that within this fund is an itemized amount of \$14 million for the Behavioral Health Service building replacement project. This amount came from the District's Capital Appropriation Fund (excess Gann Limit property taxes) of the fiscal years of 2010 thru 2013 by various District board actions.

Women's Hospital Expansion – established June 2016 by the District authorizing the amounts accumulated in its Capital Appropriation Fund (excess Gann Limit property taxes) for the fiscal years of 2014 and 2015 to be allocated for the renovation of the Women's Hospital upon the completion of Integrated Medical Office Building currently under construction.

Operational Reserve Fund – originally established by the District in May 1992 to establish a fund equal to sixty (60) days of operational expenses (based on projected budget) and only be used in the event of a major business interruption event and/or cash flow.

Community Benefit Fund – following in the footsteps of the District in 2008 of forming its Community Benefit Fund using Gann Limit tax receipts, the Hospital in 2010 after opening its campus outside of District boundaries in Los Gatos formed its own Community Benefit Fund to provide grants/sponsorships in Los Gatos and surrounding areas. The funds come from the Hospital reserving \$1.5M a year from its operations, the entity of CONCERN contributing 40% of its annual income each year (an amount it would have paid in corporate taxes if it wasn't granted tax exempt status), that generates an amount of \$800,000 or more a year. \$15 million within this fund is a board designated endowment fund formed in 2015 with a \$10 million contribution, and added to at the end of the 2017 fiscal year end with another \$5 million contribution, to generate investment income to be used for grants and sponsorships, currently anticipated to generate \$500,000 a year in investment income for the program.

EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY (2 OF 2)

Workers Compensation Reserve Fund – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000's by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.

Postretirement Health/Life Reserve Fund – following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000's by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital's postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date.

PTO (Paid Time Off) Liability Fund – originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.

Malpractice Reserve Fund – originally established in 1989 by the then District's Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than \$50,000. Above \$50,000 our policy with the BETA Healthcare Group kicks in to a \$30 million limit per claim/\$40 million in the aggregate.

Catastrophic Loss Fund – was established in 1999 by the Hospital Board to be a "self-insurance" reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring \$5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled \$6.8 million that did mostly cover all the necessary repairs.

APPENDIX

El Camino Hospital – Mountain View (\$000s)

9 months ending 03/31/2018

Period 9 FY 2017	Period 9 FY 2018	Period 9 Budget 2018	Variance Fav (Unfav)	Var%		YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
					\$000s					
OPERATING REVENUE										
232,871	242,772	228,787	13,985	6.1%	Gross Revenue	1,839,138	2,047,101	1,963,775	83,326	4.2%
(172,563)	(175,442)	(170,577)	(4,865)	2.9%	Deductions	(1,337,120)	(1,493,958)	(1,457,075)	(36,883)	2.5%
60,309	67,330	58,210	9,121	15.7%	Net Patient Revenue	502,018	553,143	506,700	46,444	9.2%
1,407	1,924	1,663	261	15.7%	Other Operating Revenue	17,311	20,476	15,606	4,870	31.2%
61,716	69,255	59,873	9,382	15.7%	Total Operating Revenue	519,330	573,619	522,306	51,314	9.8%
OPERATING EXPENSE										
31,187	34,332	34,198	(134)	-0.4%	Salaries & Wages	277,388	294,343	293,769	(573)	-0.2%
9,167	10,219	8,681	(1,538)	-17.7%	Supplies	70,273	77,010	73,840	(3,170)	-4.3%
8,979	9,082	6,677	(2,405)	-36.0%	Fees & Purchased Services *	60,278	63,993	59,942	(4,050)	-6.8%
651	664	933	269	28.9%	Other Operating Expense	6,241	6,556	7,927	1,371	17.3%
265	691	725	35	4.8%	Interest	3,688	4,293	6,529	2,236	34.2%
3,454	3,512	3,662	150	4.1%	Depreciation	31,520	31,463	32,437	974	3.0%
53,703	58,500	54,877	(3,623)	-6.6%	Total Operating Expense	449,388	477,658	474,445	(3,213)	-0.7%
8,012	10,754	4,996	5,758	115.3%	Net Operating Income/(Loss)	69,942	95,961	47,860	48,101	100.5%
10,223	(1,626)	225	(1,852)	-821.9%	Non Operating Income	39,406	43,762	2,028	41,735	2058.3%
18,235	9,128	5,221	3,907	74.8%	Net Income(Loss)	109,348	139,724	49,888	89,836	180.1%
19.0%	21.6%	15.7%	5.9%		EBITDA	20.2%	23.0%	16.6%	6.3%	
13.0%	15.5%	8.3%	7.2%		Operating Margin	13.5%	16.7%	9.2%	7.6%	
29.5%	13.2%	8.7%	4.5%		Net Margin	21.1%	24.4%	9.6%	14.8%	

El Camino Hospital – Los Gatos(\$000s)

9 months ending 03/31/2018

Period 9 FY 2017	Period 9 FY 2018	Period 9 Budget 2018	Variance Fav (Unfav)	Var%		YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
					\$000s					
OPERATING REVENUE										
56,181	50,126	49,507	619	1.3%	Gross Revenue	407,364	447,304	427,026	20,278	4.7%
(42,903)	(37,373)	(35,953)	(1,420)	3.9%	Deductions	(299,269)	(330,189)	(310,120)	(20,069)	6.5%
13,278	12,753	13,553	(801)	-5.9%	Net Patient Revenue	108,095	117,115	116,906	209	0.2%
175	217	215	2	0.9%	Other Operating Revenue	1,501	1,593	1,926	(333)	-17.3%
13,453	12,970	13,768	(799)	-5.8%	Total Operating Revenue	109,596	118,708	118,833	(124)	-0.1%
OPERATING EXPENSE										
6,769	6,870	6,668	(202)	-3.0%	Salaries & Wages	56,670	59,226	57,214	(2,012)	-3.5%
2,484	1,999	2,085	86	4.1%	Supplies	16,511	17,943	17,804	(139)	-0.8%
1,416	1,245	1,304	59	4.6%	Fees & Purchased Services	12,261	11,979	11,527	(452)	-3.9%
1,605	1,524	1,533	9	0.6%	Other Operating Expense	14,512	14,073	13,993	(80)	-0.6%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
487	689	759	70	9.2%	Depreciation	4,652	5,408	6,602	1,194	18.1%
12,762	12,326	12,349	22	0.2%	Total Operating Expense	104,606	108,629	107,139	(1,490)	-1.4%
692	643	1,420	(776)	-54.7%	Net Operating Income/(Loss)	4,991	10,079	11,694	(1,614)	-13.8%
0	0	0	0	0.0%	Non Operating Income	(10)	(45)	0	(45)	0.0%
692	643	1,420	(776)	-54.7%	Net Income(Loss)	4,980	10,035	11,694	(1,659)	-14.2%
8.8%	10.3%	15.8%	-5.6%		EBITDA	8.8%	13.0%	15.4%	-2.3%	
5.1%	5.0%	10.3%	-5.4%		Operating Margin	4.6%	8.5%	9.8%	-1.3%	
5.1%	5.0%	10.3%	-5.4%		Net Margin	4.5%	8.5%	9.8%	-1.4%	

Month and YTD unfav variance due to loss of surgical volume due to MD shift and unexpected retirements. Plan in place to replace lost volume by June.

Capital Spend Trend & FY 18 Budget

Capital Spending (in 000's)	Actual FY2015	Actual FY2016	Actual FY2017	Projected FY2018
EPIC	29,849	20,798	2,755	1,922
IT Hardware / Software Equipment	4,660	6,483	2,659	12,238
Medical / Non Medical Equipment*	13,340	17,133	9,556	14,275
Non CIP Land, Land I , BLDG, Additions	-	4,189	-	-
Facilities	38,940	48,137	82,953	128,030
GRAND TOTAL	86,789	96,740	97,923	156,465
*Includes 2 robot purchases in FY2017				

El Camino Hospital Capital Spending (in thousands) FY 2012 – FY 2017

Category	2013	2014	2015	2016	2017	Category	2013	2014	2015	2016	2017
EPIC	0	6,838	29,849	20,798	2,755	Facilities Projects CIP cont.					
IT Hardware/Software Equipment	8,019	2,788	4,660	6,483	2,659	1403 - Hosp Drive BLDG 11 TI's	0	86	103	0	0
Medical/Non Medical Equipment	10,284	12,891	13,340	17,133	9,556	1404 - Park Pav HVAC	0	64	7	0	0
Non CIP Land, Land I, BLDG, Additions	0	22,292	0	4,189	0	1405 - 1 - South Accessibility Upgrades	0	0	0	168	95
Land Acquisition (1550)	0	0	0	24,007	0	1408 - New Main Accessibility Upgrades	0	0	7	46	501
828 S Winchester Clinic TI (1701)	0	0	0	0	145	1415 - Signage & Wayfinding	0	0	0	106	58
						1416 - MV Campus Digital Directories	0	0	0	34	23
						1423 - MV MOB TI Allowance	0	0	0	588	369
						1425 - IMOB Preparation Project - Old Main	0	0	0	711	1,860
Facilities Projects CIP						1429 - 2500 Hospital Dr Bldg 8 TI	0	0	101	0	0
Mountain View Campus Master Plan Projects						1430 - Women's Hospital Expansion	0	0	0	0	464
1245 - Behavioral Health Bldg Replace	0	1,257	3,775	1,389	10,323	1432 - 205 South Dr BHS TI	0	0	8	15	0
1413 - North Drive Parking Structure Exp	0	0	167	1,266	18,120	1501 - Women's Hospital NPC Comp	0	0	4	0	223
1414 - Integrated MOB	0	0	2,009	8,875	32,805	1502 - Cabling & Wireless Upgrades	0	0	0	1,261	367
1422 - CUP Upgrade	0	0	0	896	1,245	1503 - Willow Pavillion Tomosynthesis	0	0	0	53	257
Sub-Total Mountain View Campus Master Plan	0	1,257	5,950	12,426	62,493	1504 - Equipment Support Infrastructure	0	0	61	311	0
						1523 - Melchor Pavillion Suite 309 TI	0	0	0	10	59
Mountain View Capital Projects						1525 - New Main Lab Upgrades	0	0	0	0	464
9900 - Unassigned Costs	734	470	3,717	0	0	1526 - CONCERN TI	0	0	0	37	99
1108 - Cooling Towers	450	0	0	0	0	Sub-Total Mountain View Projects	8,145	7,219	26,744	5,588	5,535
1120 - BHS Out Patient TI's	66	0	0	0	0	Los Gatos Capital Projects					
1129 - Old Main Card Rehab	9	0	0	0	0	0904 - LG Facilities Upgrade	2	0	0	0	0
0817 - Womens Hosp Upgrds	645	1	0	0	0	0907 - LG Imaging Masterplan	244	774	1,402	17	0
0906 - Slot Build-Out	1,003	1,576	15,101	1,251	294	1005 - LG OR Light Upgrd	14	0	0	0	0
1109 - New Main Upgrades	423	393	2	0	0	1122 - LG Sleep Studies	7	0	0	0	0
1111 - Mom/Baby Overflow	212	29	0	0	0	1210 - Los Gatos VOIP	147	89	0	0	0
1204 - Elevator Upgrades	25	30	0	0	0	1116 - LG Ortho Pavillion	177	24	21	0	0
0800 - Womens L&D Expansion	2,104	1,531	269	0	0	1124 - LG Rehab BLDG	49	458	0	0	0
1131 - MV Equipment Replace	216	0	0	0	0	1247 - LG Infant Security	134	0	0	0	0
1208 - Willow Pav. High Risk	110	0	0	0	0	1307 - LG Upgrades	376	2,979	3,282	3,511	3,081
1213 - LG Sterilizers	102	0	0	0	0	1308 - LG Infrastructure	0	114	0	0	0
1225 - Rehab BLDG Roofing	7	241	4	0	0	1313 - LG Rehab HVAC System/Structural	0	0	0	1,597	1,904
1227 - New Main eICU	96	21	0	0	0	1219 - LG Spine OR	0	214	323	633	2,163
1230 - Fog Shop	339	80	0	0	0	1221 - LG Kitchen Refrig	0	85	0	0	0
1315 - 205 So. Drive TI's	0	500	2	0	0	1248 - LG - CT Upgrades	0	26	345	197	6,669
0908 - NPCR3 Seismic Upgrds	1,302	1,224	1,328	240	342	1249 - LG Mobile Imaging	0	146	0	0	0
1125 - Will Pav Fire Sprinkler	57	39	0	0	0	1328 - LG Ortho Canopy FY14	0	255	209	0	0
1211 - SIS Monitor Install	215	0	0	0	0	1345 - LG Lab HVAC	0	112	0	0	0
1216 - New Main Process Imp Office	19	1	16	0	0	1346 - LG OR 5, 6, and 7 Lights Replace	0	0	285	53	22
1217 - MV Campus MEP Upgrades FY13	0	181	274	28	0	1347 - LG Central Sterile Upgrades	0	0	181	43	66
1224 - Rehab Bldg HVAC Upgrades	11	202	81	14	6	1421 - LG MOB Improvements	0	0	198	65	303
1301 - Desktop Virtual	0	13	0	0	0	1508 - LG NICU 4 Bed Expansion	0	0	0	0	207
1304 - Rehab Wander Mgmt	0	87	0	0	0	1600 - 825 Pollard - Aspire Phase II	0	0	0	0	80
1310 - Melchor Cancer Center Expansion	0	44	13	0	0	1603 - LG MOB Improvements	0	0	0	0	285
1318 - Women's Hospital TI	0	48	48	29	2	Sub-Total Los Gatos Projects	1,150	5,276	6,246	6,116	14,780
1327 - Rehab Building Upgrades	0	0	15	20	0	Subtotal Facilities Projects CIP	9,294	13,753	38,940	24,130	82,808
1320 - 2500 Hosp Dr Roofing	0	75	81	0	0						
1340 - New Main ED Exam Room TVs	0	8	193	0	0	Grand Total	27,598	58,561	86,789	96,740	97,923
1341 - New Main Admin	0	32	103	0	0	Forecast at Beginning of year	70,503	70,037	101,607	114,025	212,000
1344 - New Main AV Upgrd	0	243	0	0	0						
1400 - Oak Pav Cancer Center	0	0	5,208	666	52						



FY19 COMMITTEE GOALS - Draft

Finance Committee

PURPOSE

The purpose of the Finance Committee is to provide oversight, information sharing, and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for El Camino Hospital (ECH) Board of Directors (“Board”). In carrying out its review, advisory and oversight responsibilities, the Finance Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

STAFF: Iftikhar Hussain, Chief Financial Officer

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional members of the Executive Team may participate in the meetings upon the recommendation of the CFO and at the discretion of the Committee Chair. The CEO is an ex-officio member of this Committee.

GOALS	TIMELINE by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable)	METRICS
1. Review major capital projects	<ul style="list-style-type: none"> Each regular meeting 	<ul style="list-style-type: none"> Update on major capital projects in progress
2. Education Topics: <ul style="list-style-type: none"> a. Medicare Loss b. Inpatient and OP margins 	<ul style="list-style-type: none"> Q1 	<ul style="list-style-type: none"> Presentation at the July meeting
3. Review top three service lines: <ul style="list-style-type: none"> a. HVI b. Oncology c. BHS 	<ul style="list-style-type: none"> Q1 September – HVI Q2 – Oncology Q3 – BHS 	<ul style="list-style-type: none"> Presentations in September, November and January, and March meetings

SUBMITTED BY:

John Zoglin
Iftikhar Hussain

Chair, Finance Committee
Executive Sponsor, Finance Committee

Updated April 17, 2018

Finance Committee

Updated April 17, 2018

FY19 FC Pacing Plan – Q1		
July 30, 2018	August 2018	September 24, 2018
<ul style="list-style-type: none"> - Meeting Minutes (May 2018), any policies - Financial Report (FY18 Period 11, 12) - Physician Contracts - Capital Funding Requests - Review Major Capital Projects in progress - Info: Progress Against Goals, Pacing Plan, Article, Report on Board Actions - Physician Transaction Compliance Education - Year-End Financial Report - Financial Institutions 	<p>No scheduled meeting</p>	<ul style="list-style-type: none"> - Meeting Minutes (July 2018), any policies - Financial Report (FY19 Period 1, 2) - Physician Contracts - Capital Funding Requests - Review Major Capital Projects in Progress - Info: Progress Against Goals, Pacing Plan, Article, Report on Board Actions - Payor Update - Summary of Physician Financial Arrangements (Year-End) - Service Line Review – HVI - Medical Staff Development Plan - Education Topic: Medicare Loss and IP/OP margins - Consent Calendar – FY18 Year End Financials
FY19 FC Pacing Plan – Q2		
October 2018	November 26, 2018	December 2018
<ul style="list-style-type: none"> - October 24, 2018 – Board and Committee Educational Session 	<ul style="list-style-type: none"> - Meeting Minutes (September 2018), any policies - Financial Report (FY19 Period 3,4) - Physician Contracts - Capital Funding Requests - Review Major Capital Projects in progress - Info: Progress Against Goals, Pacing Plan, Article, Report on Board Actions - Service Line Review – Oncology - Proposed Summary Financial Report to the Board 	<p>No scheduled meeting</p>

Finance Committee

Updated April 17, 2018

FY19 FC Pacing Plan – Q3		
January 28, 2019	February 2019	March 25, 2019
**Joint Meeting with the Investment Committee - Long Term Forecast <ul style="list-style-type: none"> - Meeting Minutes (November 2018), any policies - Financial Report (FY19 Period 5,6) - Physician Contracts - Capital Funding Requests - Review Major Capital Projects in progress - Info: Progress Against Goals, Pacing Plan, Article, Report on Board Actions - Service Line Review – BHS 	<p>No scheduled meeting</p>	<ul style="list-style-type: none"> - Meeting Minutes (January 2019), any policies - Financial Report (FY19 Period 7,8) - Physician Contracts - Capital Funding Requests - Review Major Capital Projects in progress - Info: Progress Against Goals, Pacing Plan, Article, Report on Board Actions - Preview FY20 Budget Part # 1 - Discuss and recommend FY19 Committee Goals - Discuss FY20 Committee Dates - Payor Update - SVMD “Strategies and Execution”
FY19 FC Pacing Plan – Q4		
April 22, 2019	May 28, 2019	June 2019
<ul style="list-style-type: none"> - Fy20 Budget Review – Part 2 - April 24, 2019 – Board and Committee Educational Session 	**Joint Meeting with the Hospital Board on the Operating & Capital Budget <ul style="list-style-type: none"> - Meeting Minutes (March 2019), any policies - Financial Report (FY19 Period 9,10) - Physician Contracts - Capital Funding Requests - Review Major Capital Projects in progress - Info: Progress Against Goals, Pacing Plan, Article, Report on Board Actions - Review and recommend FY20 Budget - Review and recommend FY20 Organizational Goals 	<p>No scheduled meeting</p>