

AGENDA

GOVERNANCE COMMITTEE OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tuesday, June 5, 2018 – 5:30pm

El Camino Hospital | Conference Room A (ground floor)
2500 Grant Road Mountain View, CA 94040

PURPOSE: To advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition, i.e., the nomination and appointment/ reappointment process. The Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Peter C. Fung, MD, Chair		5:30 – 5:32pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter C. Fung, MD, Chair		5:32 – 5:33
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Peter C. Fung, MD, Chair		information 5:33 – 5:36
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 Governance Committee Meeting (April 3, 2018) b. Proposed FY19 Board and Committee Meeting Calendar c. Proposed FY19 Committee Chair and Committee Assignments Information d. Report on ECH Board Self-Assessment Provided to the District Board e. Articles of Interest	Peter C. Fung, MD, Chair	<i>public comment</i>	motion required 5:36 – 5:38
5. REPORT ON BOARD ACTIONS ATTACHMENT 5	Peter C. Fung, MD, Chair		information 5:38 – 5:43
6. ADVISORY COMMITTEE PROGRESS AGAINST FY18 GOALS ATTACHMENT 6	Dan Woods, CEO		information 5:43 – 5:53
7. ANNUAL ECH BOARD AND BOARD CHAIR ASSESSMENT ATTACHMENT 7	JoAnn McNutt, Nygren Consulting		information 5:53 – 6:03
8. ADVISORY COMMITTEE CHARTER REVIEW ATTACHMENT 8	Dan Woods, CEO	<i>public comment</i>	possible motion 6:03 – 6:18
9. PROPOSED FY19 BOARD GOALS ATTACHMENT 9	Dan Woods, CEO	<i>public comment</i>	possible motion 6:18 – 6:33

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
10. PROPOSED FY19 GOVERNANCE COMMITTEE GOALS ATTACHMENT 10	Dan Woods, CEO	<i>public comment</i>	possible motion 6:33 – 6:43
11. PROPOSED FY19 ADVISORY COMMITTEE GOALS ATTACHMENT 11	Dan Woods, CEO	<i>public comment</i>	possible motion 6:43 – 6:58
12. ASSESSING EFFECTIVENESS OF THE EL CAMINO HEALTHCARE DISTRICT'S ECH BOARD RESTRUCTURING PLAN ATTACHMENT 12	Dan Woods, CEO	<i>public comment</i>	possible motion 6:58 – 7:13
13. ADJOURN TO CLOSED SESSION	Peter C. Fung, MD, Chair		motion required 7:13 – 7:14
14. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter C. Fung, MD, Chair		7:14 – 7:15
15. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> <i>Approval</i> <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the Governance Committee Meeting (April 3, 2018)	Peter C. Fung, MD, Chair		motion required 7:15 – 7:16
16. ADJOURN TO OPEN SESSION	Peter C. Fung, MD, Chair		motion required 7:16 – 7:17
17. RECONVENE OPEN SESSION/ REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Peter C. Fung, MD, Chair		7:17 – 7:18
18. FY19 COMMITTEE PACING PLAN ATTACHMENT 18	Peter C. Fung, MD, Chair	<i>public comment</i>	possible motion 7:18 – 7:24
19. ROUND TABLE DISCUSSION ATTACHMENT 19	Peter C. Fung, MD, Chair		discussion 7:24 – 7:29
20. ADJOURNMENT	Peter C. Fung, MD, Chair	<i>public comment</i>	motion required 7:29 – 7:30pm

Upcoming Meetings (pending Board approval)

- August 7, 2018
- October 2, 2018
- February 5, 2019
- April 2, 2019
- June 4, 2019

Board/Committee Educational Gatherings

- October 24, 2019
- April 24, 2019



**Minutes of the Open Session of the
Governance Committee
Tuesday, April 3, 2018**

**El Camino Hospital | Conference Room A (ground floor)
2500 Grant Road, Mountain View, CA 94040**

Members Present

Gary Kalbach, Vice Chair
Christina Lai
Peter Moran
Bob Rebitzer

Members Absent

Peter C. Fung, MD, Chair

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Governance Committee of El Camino Hospital (the “Committee”) was called to order at 5:33pm by Vice Chair Kalbach. A silent roll call was taken. Chair Fung was absent. All other Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Kalbach 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>Vice Chair Kalbach 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 Governance Committee Meeting (February 6, 2018); Proposed FY19 Governance Committee Dates; Draft Revised ECH Bylaws Section 5.1 and 5.2; Draft Revised Process for Election and Re-Election of NDBMs to the ECH Board; and for information: Progress Against FY18 Committee Goals and Article of Interest.</p> <p>Movant: Moran Second: Rebitzer Ayes: Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Fung Recused: None</p> <p>Mr. Kalbach suggested that the Articles of Interest be shared with the Board.</p>	<i>Consent Calendar approved</i>
5. REPORT ON BOARD ACTIONS	Vice Chair Kalbach referred to the written report in the packet. Cindy Murphy, Director of Governance Services noted that three District Board seats will be filled at the election in November – two for 4-year terms and one for a 2-year term (due to Director Chiu’s departure last year and the appointment to fill his vacancy).	
6. DELEGATION OF AUTHORITY TO BOARD ADVISORY COMMITTEES	<p>The Committee discussed including a mechanism for informational reporting back to the Board for any exercise of delegated authority (for example, including Committee reports on the Board’s consent calendar for information).</p> <p>Mary Rotunno, General Counsel, described the Compliance Committee and Board requests to reduce the number of policies reviewed and approved by</p>	<i>Staff directed to develop proposed delegation areas and solicit</i>

	<p>the Board while still meeting regulatory and Joint Commission requirements. She noted that some policy approvals can potentially be delegated by the Board to management, a staff Committee, or a Board Committee.</p> <p>Mr. Rebitzer suggested that the Governance Committee have an FY19 goal related to reviewing other areas of appropriate delegation. Ms. Murphy suggested potential areas of delegation for the Finance Committee with established thresholds (<i>e.g.</i>, capital requests, physician contracts).</p> <p>The Committee noted that the Investment Committee does not require any additional delegation beyond their current oversight. Any change in asset allocation goes to the Board for approval.</p> <p>In response to Mr. Moran's questions, the Committee and staff discussed the Board's approval in concept of the Executive Compensation Committee's proposed delegation of authority.</p> <p>The Committee requested that staff 1) develop specific recommendations of potential areas of delegation for each Committee, 2) solicit feedback from those Committees on the potential delegation, and 3) bring the recommendations and feedback to the Governance Committee in FY19.</p> <p>The Committee discussed how to evaluate whether or not a delegation of authority is successful. With respect to the Executive Compensation Committee, the Committee and staff noted that this can be evaluated by 1) demonstrated adherence to policies and procedures (documenting information in meeting minutes, maintaining copies of consultant reports with market data), 2) time savings (from informational report outs rather than discussion at the Board level), and 3) Board satisfaction, which can be measured by survey.</p> <p>Ms. Murphy reported that proposed procedures for delegating authority to the Executive Compensation Committee is on the Board's agenda for April. She explained the general timing for executive compensation-related approvals in June (annual base salaries, individual incentive goals) and October (achievement of goals and payout amounts).</p> <p>Motion: To direct staff to take proposals to the other Advisory Committees regarding matters that the Board might delegate to those Committees.</p> <p>Movant: Moran Second: Rebitzer Ayes: Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Fung Recused: None</p>	<p><i>feedback from other Advisory Committees</i></p>
<p>7. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:04pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Governance Committee Meeting (February 6, 2018); pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Board Governance/Management Relationships and Effectiveness.</p> <p>Movant: Moran Second: Lai Ayes: Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None</p>	<p><i>Adjourned to closed session at 6:04pm.</i></p>

	<p>Absent: Fung Recused: None</p>	
<p>8. AGENDA ITEM 12: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 6:35pm. Agenda items 8-11 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (February 6, 2018) by a unanimous vote in favor of all members present (Kalbach, Lai, Moran, and Rebitzer). Chair Fung was absent.</p>	
<p>9. AGENDA ITEM 13: PROPOSED PROTOCOL FOR BOARD COMMUNICATION WITH STAFF</p>	<p>Dan Woods, CEO, reported that at its January Retreat, the Board requested that staff develop a protocol for Board communication with staff. He explained that Ms. Murphy, the Director of Governance Services, is the primary point of contact and that Board members can directly contact the CEO.</p> <p>Ms. Murphy explained that the protocol was initially developed for requests for staff work, and the revisions expand that existing protocol to include communication and codify current practice. She noted her role is to evaluate and triage requests. The Protocol provides for exceptions where the Chairs and Executive Sponsors of Committees are free to communicate with each other and there are designated assistants for clerical matters.</p> <p>The Committee discussed the necessity of reporting absences and suggested that expected response times be within 2 business days and planned absences of greater than 2 business days are reported.</p> <p>Motion: To recommend that the Board adopt the Guidelines for Communication with the CEO and other El Camino Hospital Staff, as amended to include 2 business day response times and absence reporting.</p> <p>Movant: Moran Second: Lai Ayes: Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Fung Recused: None</p>	<p><i>Protocol recommended for approval</i></p>
<p>10. AGENDA ITEM 14: PROPOSED FY19 BOARD GOALS</p>	<p>Dan Woods, CEO, reported that at its January Retreat, the Board requested that staff develop FY19 proposed Board goals. Board member comments were compiled and categorized into themes that provided the basis for the suggested goals and proposed tactics.</p> <p>Mr. Rebitzer suggested that tactics for strategic governance include: 1) issue-focused agendas (rather than status reports or process-focused), 2) Board-level materials, and 3) meetings of reasonable length. The Committee discussed an ultimate goal of 2 hour meetings, 30 page packets with any additional optional detail in an appendix, and certain percentage of time focused on strategy.</p> <p>The Committee discussed how to make Board meeting materials more effective and suggested that staff provide a few prior Board packets for the Committee to review and make recommendations for streamlining. Ms. Murphy reported that ECH has re-engaged Via Healthcare Consulting to work with executives on Board materials and governance-level presentations.</p> <p>The Committee requested that staff bring back specific measurable goals to the Committee's June meeting. Ms. Lai suggested that staff keep Goal #1, Tactic #3: checking in post-meeting about the value of agenda items,</p>	<p><i>Further discussion on goals to be paced for the Committee's June meeting</i></p>

	<p>material appropriateness, and discussion effectiveness.</p> <p>In response to Ms. Lai's question, Ms. Murphy described David Nygren's past work with the Board on effective governance.</p>	
<p>11. AGENDA ITEM 15: BIENNIAL REVIEW OF GOVERNANCE COMMITTEE CHARTER</p>	<p>In response to Ms. Lai's question, Ms. Murphy explained that the Committee has historically recommended a Director orientation program, but not recently. She noted that staff can bring the recently revamped program for the Committee's review.</p> <p>The Committee suggested that the orientation program be "adopted" rather than "recommended" by the Committee, not requiring Board approval.</p> <p>The Committee also discussed the current process for reviewing non-Board member Committee members. The Committee commented that there is no need to develop any further processes at this time.</p> <p>Motion: To recommend that the Board approve the Charter, amended to state "Adopt the orientation program for newly-appointed members to the Hospital Board of Directors and newly-appointed Board Committee members."</p> <p>Movant: Lai Second: Moran Ayes: Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Fung Recused: None</p>	<p><i>Orientation program review to be paced for FY19</i></p> <p><i>Revised Charter recommended for approval</i></p>
<p>12. AGENDA ITEM 16: FY19 GOVERNANCE COMMITTEE GOALS</p>	<p>The Committee suggested an overarching goal of supporting the achievement of the three proposed Board goals, including:</p> <ol style="list-style-type: none"> Strategic Governance: Make actionable recommendations to the Board for how to streamline meetings (including a review of Board packets and agendas); Board Culture & Dynamics: Provide tactics related to closing the gap between the Board and management identified in the Board's Self-Assessment; and Efficient, Effective Use of Committees: Review other areas of delegation and make recommendations for implementation; review Committee reports to ensure an effective process for informing the Board regarding exercised delegated authority. <p>The Committee requested that staff bring the proposed goals to the Committee for review and approval at its June meeting.</p>	<p><i>Further discussion on goals to be paced for the Committee's June meeting</i></p>
<p>13. AGENDA ITEM 17: FY18 COMMITTEE PACING PLAN</p>	<p>Further discussion on the Proposed FY19 Board and Governance Committee goals will be paced for the Committee's June meeting.</p> <p>Motion: To approve the revised Pacing Plan, as noted above.</p> <p>Movant: Moran Second: Lai Ayes: Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Fung Recused: None</p>	<p><i>Pacing Plan approved</i></p>
<p>14. AGENDA ITEM 18: ROUND TABLE</p>	<p>The Committee reviewed the meeting, highlighting the productive discussion, the use of the Article of Interest as pre-reading for a subsequent</p>	

DISCUSSION	topic on the agenda, and clear direction for staff. Mr. Rebitzer thanked staff for their honest feedback.	
15. AGENDA ITEM 19: ADJOURNMENT	Motion: To adjourn at 7:23 pm. Movant: Moran Second: Lai Ayes: Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: Fung Recused: None	<i>Meeting adjourned at 7:23pm.</i>

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

Peter C. Fung, MD
Chair, Governance Committee

DRAFT FY19 ECHD and ECH Board & Committee Master Calendar

*The Finance Committee will have its own separate meeting following the Joint Meetings on 1/28/2019 (with IC) and 5/27/2019 (with ECHB).

*Federal Holiday

*School Dates

JULY 2018						
S	M	T	W	T	F	S
1	2	3	4 July 4th	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30 FC	31	1	2	3	4

AUGUST 2018						
S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6 QC	7 GC	8	9	10	11
12	13 IC	14	15 ECHB	16	17	18
19	20	21	22 CC	23	24	25
26	27	28	29	30	31	1

SEPTEMBER 2018						
S	M	T	W	T	F	S
26	27	28	29	30	31	1
2	3 Labor Day	4	5 QC	6	7	8
9	10	11	12 ECHB	13	14	15
16	17	18	19	20 ECC	21	22
23	24 FC	25	26	27 CC	28	29
30	1	2	3	4	5	6

OCTOBER 2018						
S	M	T	W	T	F	S
30	1 QC	2 GC	3	4	5	6
7	8	9	10 ECHB	11	12	13
14	15	16 ECHD	17	18	19	20
21	22	23	24 Education	25	26	27
28	29	30	31	1	2	3

NOVEMBER 2018						
S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5 QC	6	7	8 ECC	9	10
11	12 IC	13	14 ECHB	15 CC	16	17
18	19	20	21	22 Thanksgiving	23	24
25	26 FC	27	28	29	30	1

DECEMBER 2018						
S	M	T	W	T	F	S
25	26	27	28	29	30	1
2	3 QC	4	5 ECHD	6	7	8
9	10	11	12 ECHB	13	14	15
16	17	18	19	20	21	22
23	24 Xmas Eve	25 Xmas Day	26	27	28	29
30	31	1	2	3	4	5

JANUARY 2019						
S	M	T	W	T	F	S
30	31	1 New Year's	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21 MLK Day	22 ECHD	23	24	25	26
27	28 FC* IC	29	30	31 CC	1	2

FEBRUARY 2019						
S	M	T	W	T	F	S
27	28	29	30	31	1	2
3	4 QC	5 GC	6	7	8	9
10	11 IC	12	13 ECHB	14	15	16
17 ski wk	18 President's	19	20	21	22	23
24	25	26	27 Retreat	28	1	2

MARCH 2019						
S	M	T	W	T	F	S
24	25	26	27	28	1	2
3	4 QC	5	6	7	8	9
10	11	12	13 ECHB	14	15	16
17	18	19 ECHD	20	21 CC	22	23
24	25 FC	26	27	28 ECC	29	30
31	1	2	3	4	5	6

APRIL 2019						
S	M	T	W	T	F	S
31	1 QC	2 GC	3	4	5	6
7	8	9	10 ECHB	11	12	13
14 spr bk	15	16	17	18	19	20
21	22 FC	23	24 Education	25	26	27
28	29	30	1	2	3	4

MAY 2019						
S	M	T	W	T	F	S
28	29	30	1	2	3	4
5	6 QC	7	8 ECHB	9	10	11
12	13 IC	14	15	16 CC	17	18
19	20	21 ECHD	22	23 ECC	24	25
26	27 Memorial	28 ECHB FC*	29	30	31	1

JUNE 2019						
S	M	T	W	T	F	S
26	27	28	29	30	31	1
2	3 QC	4 GC	5	6	7	8
9	10	11	12 ECHB	13	14	15
16	17	18 ECHD	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

District Board ECHD	Hospital Board ECHB	Compliance CC	Executive Comp ECC	Finance FC	Governance GC	Investment IC	Quality QC	Educational Sessions	Board Retreat
4x per year 3 rd Tuesday + after election	10x per year 2 nd Wednesday (traditional)	6x per year 3 rd Thursday	4x per year Thursdays	6x per year 4 th or Last Monday	5x per year 1 st Tuesday	4x per year 2 nd Monday	10x per year 1 st Monday	2x per year 4 th Wednesday	1x per year

PROPOSED

FY19 El Camino Hospital Board of Directors Advisory Committee & Liaison Appointments

COMPLIANCE AND AUDIT COMMITTEE		
	Sharon Anolik Shakked	Chair
BOARD MEMBERS	Neysa Fligor	Vice Chair
	Julia Miller	Member
	Robert Rebitzer	Member
COMMUNITY MEMBERS	Lica Hartman	Member
	Christine Sublett	Member

GOVERNANCE COMMITTEE		
	Peter Fung, MD	Chair
BOARD MEMBERS	Gary Kalbach	Vice Chair
	Julia Miller	Member
	Robert Rebitzer	Member
COMMUNITY MEMBERS	Christina Lai	Member
	Peter Moran	Member

EXECUTIVE COMPENSATION COMMITTEE		
	Bob Miller	Chair
BOARD MEMBERS	Neysa Fligor	Member
	Julie Kliger	Member
	John Zoglin	Member
COMMUNITY MEMBERS	Teri Eyre	Member
	Jaison Layney	Member
	Pat Wadors	Member

INVESTMENT COMMITTEE		
	Jeffrey Davis, MD	Chair
BOARD MEMBERS	Gary Kalbach	Member
COMMUNITY MEMBERS	Nicola Boone	Member
	John Conover	Member
	Brooks Nelson	Member

FINANCE COMMITTEE		
	John Zoglin	Chair
BOARD MEMBERS	Gary Kalbach	Member
	David Reeder	Member
	Joseph Chow	Member
COMMUNITY MEMBERS	Boyd Faust	Member
	William Hobbs	Member
	Richard Juelis	Member

QUALITY COMMITTEE		
	David Reeder	Chair
BOARD MEMBERS	Jeffrey Davis, MD	Member
	Peter Fung, MD	Member
	Julie Kliger	Member
COMMUNITY MEMBERS	Katherine Anderson	Member
	Ina Bauman, RN	Member
	Mikele Bunce	Member
	Nancy Carragee, RN	Member
	Wendy Ron	Member
	Melora Simon	Member

LIASONS	
ECH FOUNDATION BOARD	Gary Kalbach
COMMUNITY BENEFIT ADVISORY COUNCIL (CBAC)	John Zoglin

***Board Members**
***Community Members**

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Report on Annual ECH Board and Board Chair Assessment Provided to the El Camino Healthcare District Board of Directors Governance Committee June 5, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	For Information
<p>Background: Per the Governance Committee Charter, the Committee has the responsibility to ensure that the Annual El Camino Hospital Board (“Hospital”) and Board Chair Assessment (“Assessment”) report is provided to the El Camino Healthcare District Board of Directors (“District”) each year. As well, the District Bylaws state “The Chairperson shall . . . regularly lead the evaluation of the role and performance of the Chairperson of the Board of Directors of El Camino Hospital, and the performance of the Board of Directors of El Camino Hospital in carrying out the purpose and mission of the District ...”</p> <p>The Committee will have an opportunity to review the report of this year’s Assessment during Agenda Item 7. The Hospital Board will review it during its June 13th meeting, and the report will also be provided to the District Board for review at its June 19th meeting. In addition, at its request, the District Board will receive a modified report that reflects only the survey answers provided by District Board members.</p>	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: N/A	
Summary and session objectives: To inform the Committee how the Assessment results will be provided to the District.	
Suggested discussion questions: None. This is a consent item.	
Proposed Committee motion, if any: None. This is an informational item.	
LIST OF ATTACHMENTS: None.	



Self-focused; entitled; technology-enabled; committed to causes important to them and to bringing about positive change; seeking flexibility, efficiency and work/life balance; and value being listened to and having influence. These are some of the seemingly conflicting characteristics often used to describe Millennials, the largest living generation in human history. Defined broadly as individuals born between the early 1980s and late 1990s, Millennials are a growing force to be reckoned with in today's workplace and also are making their way into the boardroom.

Because of this generation's size and increasing influence, Millennials are being surveyed and studied to better understand what makes them tick and how they may play a role in fundamentally reshaping how we live, work—and govern—our organizations.

Understanding Millennials

Large-scale, longitudinal studies of Millennials can provide useful insights to help untangle what, on the surface, may seem confusing and contradictory about this maturing generation. Such data also provides perspective on how Millennials can productively engage with older generations in the workplace and the boardroom.

A Snapshot of Millennials' Beliefs and Perspectives

According to the Deloitte 2017 Millennial Survey:

- Millennials have been viewed as willing to change jobs more frequently to follow their personal interests or needs. However, Deloitte's 2017 survey data indicate they, currently, are less likely to leave the security of their jobs, prefer full-time employment and demonstrate increasing loyalty and a desire for stability in a world they perceive to be tumultuous and uncertain.
- Survey respondents view business as a positive force for change. They say, while businesses are in general having a positive impact on society, multinationals could be doing more to address society's biggest challenges.
- Millennials feel accountable for many issues in society and believe they are most able to make an impact through the workplace. Employers who enable Millennials to be involved in good causes provide them with a sense of empowerment and influence.
- When it comes to leadership, Millennials prefer leaders who speak plainly, are passionate about their views and opinions, and seek inclusiveness. They also prefer gradual change and do not support leaders who are divisive or radical.
- According to the Deloitte survey findings, Millennials also believe that use of technology offers more opportunities than risks.

Source: The Deloitte Millennial Survey, 2017



Findings from Deloitte's ongoing Millennial Survey, the sixth of its kind reporting feedback from some 8,000 respondents across 30 countries in 2017, are a case in point. Key results appear in the sidebar on page one.

These data suggest that today's Millennials could be more willing to assume leadership and board roles within organizations that enable them to bring about positive change. They can be passionate, committed advocates for addressing challenges that have broad impact and will more likely devote their efforts to organizations that efficiently use their time and allow them to be heard and have influence.

This picture of the Millennial generation resonates with the experience of Nico Tejeda, CEO of the Hospitals of Providence Transmountain Campus and Sierra Campus in El Paso, TX, who has developed opportunities to involve Millennials in leadership and governance roles.

Tejeda describes himself as a "tweener" that belongs to the age group falling between the slightly older Generation X and the Millennials. He led the creation of a Millennial Advisory Board to better understand what this generation looks for in a health care experience. His organization asked established governing board members to nominate, for service on the advisory board, Millennials who were beginning to emerge as community leaders.

Tejeda draws on his experiences with Millennials and older generations in his organization and on his board to provide a unique perspective on differences among these generations and how they might engage effectively.

"Older generations may not seek out Millennials for leadership positions because they perceive that they are not ready to serve in these roles," Tejeda says. "It's a little like parents who are reluctant to give their children the keys to the car."

Millennials, Tejeda notes, are mission-focused and very connected to the broader environment and can provide useful feedback and perspectives to health care organizations. However, he says they will not be effective in board and leadership roles unless they become comfortable communicating in their own voice and have the fortitude to work alongside older generations, some of whom can be condescending or dismissive. "Millennials can't afford to remain quiet as organizational leaders or on boards, because they risk being perceived as unengaged," he says.

Luanne Stout, governance consultant and recently retired Chief Governance Officer of Texas Health Resources (THR), based in Arlington, TX, believes that while the differences between Millennials and older generations are blurring, an investment in understanding how to engage Millennials can pay dividends for health organizations and their boards. In her role as CGO, Stout conducted interactive discussions with 16 governing boards at THR that included Millennials in governance roles to determine their learning preferences.

She found that Millennials:

- Want presentations and discussions on important issues during board meetings versus waiting for a retreat to explore these issues.
- Prefer to have longer meetings and meet less frequently, rather than have shorter, more frequent board meetings.
- Would opt to build education into board meetings, rather than attend separate education sessions three or four times a year.
- Want shorter board retreats that conclude in one day versus a day-and-a-half or three half days.

Stout suggests that new Millennial board members can greatly benefit from a thorough orientation to both health care and governance, because they may have little or no prior board experience. She also points to the critical role board culture and board leadership play in effective interaction among board members.

“Ensuring a safe and respectful board culture is key to successful engagement in governance for Millennials and all board members,” she says. Millennials tend to spend more time thinking and may weigh in less frequently than older generations who jump into board conversations more quickly, she observes. This means that board chairs need to be sensitive to and manage these differing dynamics.

Engaging Millennials in Governance

J. Jeffrey Spahn, founder and CEO of Leading Leaders, Inc., affirms the importance of establishing a governance and leadership culture that supports and enables meaningful work. He suggests an approach to governing that encourages engagement and values everyone’s contributions.

“One way to think about culture is development of ‘shared meaning’, which is very important to Millennials,” he says. Spahn, who works with multigenerational leadership groups in several sectors, suggests boards can benefit from engaging in dialogue using a process he calls “curious conviction.” This approach asks all participants to enter into discussions simultaneously playing the roles of both leader and follower in the same moment. Many leaders are comfortable playing these roles at different times during an extended exchange or discussion. However, doing so simultaneously requires learning and practice.

Leading and following as a single action is similar to putting together a puzzle with multiple

pieces where the outcome is not yet clear, Spahn says. Pieces often initially appear facedown and are in the hands of various people putting the puzzle together. As the work of assembling the puzzle begins, pieces are turned over and revealed and all individuals let go of their pieces and move them to the center of the table. Participants understand that if they want to complete the puzzle, they can't hide or hold back any pieces or believe that their pieces represent the whole. Rather, they work together to mix and match pieces to form meaningful connections. Eventually, the group begins to see a more complete picture of something they have all contributed to creating.

Productive and meaningful board discussions among older generations and Millennials are like assembling a puzzle. Everyone brings their pieces, or points of view, to the table and commits to honestly sharing their opinions and convictions about an issue. At the same time, they express interest in hearing perspectives from other participants to enrich discussion. Spahn says the board chair can play a pivotal role in framing and advancing these discussions.

"The chair might begin by saying, 'I'd like to frame our conversation about this issue as a puzzle,'" Spahn says. "All points of view are encouraged and welcomed and sharing them provides our board with an opportunity to gain input, build understanding and develop a shared perspective about the issue, which can help us create a common foundation for addressing it." The board chair should share his or her convictions about the issue, letting the board know how strongly held they are. At the same time, the chair should be clear that addressing the issue in the best way possible depends on the collective wisdom of all board members. The goal is to get everyone's views on the table, especially those that differ from the chair's, without judging them. The chair ensures that all board members are heard and advances discussion by summarizing individual perspectives and inviting board members to identify which points of view are commonly held. In this way a shared perspective begins to emerge and forms a foundation for decision making.

Not all governance issues may require or benefit from this more open-ended approach to board discussion. For example, fiduciary governance often requires decision-making based on compliance with pre-established standards, laws or regulations. However, as boards use strategic and generative modes of governance, understanding can be built and decisions can be formulated over time. In these governance modes, discussion inspired by "curious conviction (speaking plainly and passionately with a sincere interest in considering different points of view) can yield meaning and satisfaction for participants of all generations. As Spahn suggests, "Millennials want what we all want: purposeful engagement, to be treated as equals and to learn and grow."

If Millennials are going to have opportunities to effectively serve and hold leadership positions on boards, roles must be identified for them, Tejeda observes. For example, Tejeda believes a Millennial board member may be an ideal leader for his governing board's Patient and Family Advisory Committee. "This is a very visible position, and if the work is

performed well, will lend broader legitimacy and credibility to Millennials as board members,” he says.

Tejeda also views the Millennial Advisory Board as a source for potential governing board members, which led him to suggest Jessica Goldman, a member of the advisory board and attorney for the El Paso Electric Company, for membership on the governing board of his organization’s downtown campus. Her participation on the advisory board and the organization’s broader interest in Millennials has made Goldman’s governing board service a positive experience.

“The board, CEO, clinicians and employees have been very welcoming, and board members are willing to listen to what I have to say,” Goldman says. “The board chair invited me to lunch before my first meeting and the CEO made sure I was prepared. Board members are encouraged to get to meetings early

Tips for Effectively Engaging Millennials in Board Service

- Intentionally seek out Millennial leaders with the competencies desired by your board to participate in hospital and health system governance.
- Work with community organizations that engage Millennial leaders to identify potential Millennial candidates for participation on hospital or health system advisory groups or boards.
- Consider bringing more than one Millennial onto the board to broaden the board’s exposure to perspectives from this age group and to provide a “support system” for new Millennial board members.
- Provide a thorough orientation that includes mentoring, as well as other opportunities for new Millennial board members to get up to speed on governance issues and get to know their fellow trustees.
- Ensure a board culture of open-mindedness and respect.
- Prepare board and committee chairs to effectively engage all board members and manage the dynamics of multi-generational governance.
- Encourage Millennials to routinely share their views and participate in board debate and discussion to ensure their voice is heard and helps shape the board’s feedback and focus.
- Look for opportunities to make board meetings as efficient as possible, including use of technology such as board portals, laptops and tablets.
- Develop ways to advance board interaction and decision-making in a timely way when all board members are not able to meet in person.
- Consider ways to make board meetings and education sessions more engaging: less presentation and more discussion; information conveyed concisely using visual/graphic formats; use of executive summaries that clearly and succinctly outline complex issues and decision factors.
- Periodically survey board members about their preferences for board and committee meeting length and frequency. Make sure all respondents understand that new ideas and change are welcome to implement an approach that works best for everyone.
- Ensure Millennial trustees participate on board committees that both reflect their interests and provide opportunities for them to grow in their board role.
- Identify board leader roles for Millennial trustees that provide greater visibility and engagement in board work and give them a chance to build their leadership skills and experience.

so we can all socialize. We also rotate where we sit at each meeting so everyone gets to know and interact with other board members.”

Goldman also appreciates that board meetings are efficient and that trustees can prepare for and participate in them through use of a board portal, laptops and iPads.

Additional suggestions for steps to support effective participation of Millennials in governance, from those who participated in this article and other sources, appear in the sidebar on page five.

Goldman believes that service on a hospital or health system advisory group or board is a good way to connect to the community and work to make it a better place.

“We need to think about how to connect younger people with hospitals and health care before they or their family members experience a hospital stay,” she says. “Younger individuals may not even think about the value of having good health care available in their community until they have a personal experience with it. That’s why our organization’s Millennial Advisory Board and opportunities for Millennials to participate in governing board service are so important.”

Mary K. Totten (marykaytotten@gmail.com) is a Senior Consultant on Governance for the American Hospital Association and a member of the board of Silver Cross Hospital in New Lenox, IL.



While most organizations conduct annual board self-assessments, it seems that few boards actually use the results of those assessments to develop specific plans for improvement. According to PriceWaterhouseCooper's 2017 Annual Corporate Directors Survey, board members' dissatisfaction with their fellow trustees has reached an all-time high. A full 46 percent of surveyed directors said they thought at least one member of the board should be replaced, and 21 percent thought two or more directors should leave the board.

Those findings fly in the face of recent public company governance research and surveys that indicate that the majority of self-assessments rate board performance highly overall, and incumbent directors typically win re-election. Why the contradiction? The blame may lie with a stale, out-of-touch board self-evaluation process.

Too many boards simply update last year's evaluation questions and email or distribute copies for trustees to complete. Trustees often see the process as a pro forma exercise, which may discourage candid observations and fail to stimulate productive suggestions for improvement from fellow trustees. Trustees also may accentuate the positive to avoid concerns about being overly critical. Consequently, the data gathered may be fundamentally flawed.

By merely reprising last year's approach and using the same boilerplate questions, the self-assessment is unlikely to align with the board's annual goals and priorities and, therefore, it will not reflect the year's achievements and challenges. Nor will it raise appropriate questions about the year ahead.

Good Evaluations Start with Clear Goals

The best way to shift from passively revisiting the past to actively creating the future is to bring annual goals front and center. If the board clearly writes down its annual goals at the beginning of the year, that same document can act as its self-evaluation template at the end of the year. Quite simply, the self-evaluation—administered by the board's Governance Committee or an outside organization—can ask trustees to judge whether each of the board's goals for the year have been met and if they have satisfactorily contributed to achieving those goals.

This approach to annual self-assessment requires boards to take time upfront to agree on the criteria they will use to hold themselves accountable. Start the year by having a conversation around the board table about what the board's "purpose" and annual priorities should be. Annual goals can be determined by asking such basic questions as, "What do we as a board want to accomplish this year?" and "How will we measure our success?" Having a solid board self-assessment template is helpful, but that template must link to each year's specific goals—typically no more than three to five key annual priorities.

It's also important to recognize that annual goals are not the same as the organization's strategic plan, but rather where the strategic plan turns into action. Resulting self-evaluation questions might be: "Have we analyzed our succession plan to see if it's still valid?" or "Did the board receive education in areas that pose risk to the organization such as cybersecurity or disaster preparedness?"

An additional three to five questions (see box: "Sample Trustee Self-Evaluation," Page 4) can anonymously ask all trustees to evaluate themselves and their peers on their performance for the year. To ensure candid feedback, survey results should be electronically delivered and collected.

Ideally, the process should be spearheaded by the Governance Committee, from determining self-evaluation questions to choosing technology that reinforces the confidentiality of individual trustee feedback. The Governance Committee should also be first to review self-evaluation results and ensure that any comments that could be correlated to specific individuals are "summarized" to protect respondent anonymity. The committee should then prepare a board report that highlights key takeaways from the self-assessment and any specific action steps the committee recommends. This summary report—along with any motion the committee wishes to make regarding next steps—should be presented by the Governance Committee chair at the next board meeting for discussion and board approval. Results of the evaluation might also be the focus of a full board discussion and action planning at a special board meeting or retreat.

Addressing Trustee Performance

The Governance Committee also can take the lead on implementing the individual board member evaluation process, which often includes a self-assessment for each trustee as well as evaluation from each of his or her board peers. The Governance Committee chair typically discusses aggregate evaluation results with each board member and uses that opportunity to discuss each trustee's development goals for the coming year. The Governance Committee chair also keeps board officers apprised of the overall trustee evaluation process and resources that may be needed to support trustees' development goals.

If a number of peer evaluations indicate concerns about a trustee's performance, board leadership can then have a one-on-one conversation about that trustee's peer performance feedback, followed by suggestions for steps the board member may want to take to address performance concerns and his or her continued board service. These conversations can result in a variety of future options, from making a renewed commitment to board service to taking a hiatus from the board or gracefully resigning.

So that all trustees have their best opportunity to make valuable contributions and succeed in their board role, it is important that their obligations and performance expectations are crystal clear from the moment they join the board—and for every year that follows. Self-improvement goals should be in place at the beginning of the year, and new members should establish their initial goals immediately following orientation.

Supporting Trustee Self-Improvement

Boards also can benefit from asking trustees what kinds of development opportunities they would find most valuable. Too often, the focus is on what trustees can give to the organization rather than on what the organization can give back to the trustee. How can the board ensure it is providing personal and professional growth opportunities for trustees? How can board leaders make sure the board experience is one that trustees will want to “brag about” to friends and colleagues because the quality of governance discussions and the importance of the work are so compelling?

One board on which I serve used questions like these to develop “individual development plans” for each trustee. We asked trustees to rate their current level of competence in a variety of areas that were aligned with the organization's mission, programs and strategic priorities. We then asked them to identify three areas of focus for personal development over the next one to three years, as well as competency areas where they already excel but that were not being “tapped” in their board service.

We have used what we learned to provide educational sessions for our board members throughout the year, to determine committee assignments and to identify possible future board officers. We also discovered where we had competency gaps—areas where none of our board members felt they were strong but that were important to the organization—and used those gaps to inform board recruitment.

Setting and achieving meaningful annual goals—and clearly connecting them to the annual self-evaluation and ongoing development process—will not only develop trustees who feel effective and satisfied with their work and the work of their peers, but also will build a stronger board that can successfully spearhead incremental and lasting change.

SAMPLE TRUSTEE SELF-EVALUATION

It is best if trustees have specific criteria for their performance that can be observed and evaluated by their peers. The sample assessment form below should list all board members' names and ask respondents to rate each trustee's performance (including their own) on a scale of 1-5 in each category (1 = "Not at All," 5 = "Completely/Consistently").

Trustees (Listed Alphabetically by Surname)	Arrives fully prepared to participate in meetings.	Actively engages in board discussions.	Offers valuable insights and demonstrates a high degree of competence.	Fosters a culture of mutual respect.	I would recommend this trustee continue in her/his role.
1. NAME					
2. NAME					
3. NAME					
4. NAME					

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ECH Board Actions*

1. April 18, 2018
 - a. Approved the FY 18 Period 7 and 8 Financials
 - b. 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.
 - c. Approved a Resolution Approving the Winding Up and Dissolution of Pathways Continuous Care (Private Duty Services).
 - d. Approved Revised ECH Bylaws Sections 5.1 and 5.2.
2. May 9, 2018
 - a. Approved Resolution 2018-07 recognizing the Pathology and Lab Services Department for outstanding service.
 - b. Approved the following physician contracts:
 - i. Pathology Medical Directorship (Enterprise) Renewal
 - ii. ICU Nighttime Coverage (MV)
 - iii. ICU Daytime Coverage (MV)
 - c. Approved the Medical Executive Committee's Recommendation to Uphold Medical Staff Bylaws Section 3.2-1(c)(3)

ECHD Board Actions

1. May 15, 2018
 - a. Approved a Revised District Community Benefit Grants Policy
 - b. Appointed an the FY19 El Camino Hospital Board Member Election and Re-Election Ad Hoc Committee comprised of Julia Miller (Chair) and Neysa Fligor. Christina Lai of the ECH Governance Committee will serve as an advisor to the committee and another advisor from the ECH Board will be appointed at a later date.

*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.

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Progress Against FY18 Committee Goals Governance Committee June 5, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Information
Background:	Nearly all of the Board Advisory Committee goals have been met or are on track for completion in Q4 FY18. However, the Governance Committee will delay consideration of the FY19 Board Education Plan until Q1 FY19 due to a very heavy June 2018 Agenda.
Other Board Advisory Committee(s) that reviewed the issue and recommendation, if any:	None.
Summary and Session Objectives:	To update the Committee on the status of FY18 Advisory Committee goals.
Suggested discussion questions:	None.
Proposed Committee motion, if any:	None. This is an informational item.
LIST OF ATTACHMENTS:	<ol style="list-style-type: none"> 1. FY18 Advisory Committee Goals (Compliance, Executive Compensation, Finance, Governance, Investment, and Quality Committees)

FY18 COMMITTEE GOALS

Corporate Compliance/Privacy and Internal Audit Committee

PURPOSE

The purpose of the Corporate Compliance/Privacy and Audit Committee (“Compliance Committee”) is to advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in its exercise of oversight by monitoring the compliance policies, controls, and processes of the organization and the engagement, independence, and performance of the internal auditor and external auditor. The Compliance Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

STAFF: Diane Wigglesworth, Sr. Director, Corporate Compliance

The Sr. Director, Corporate Compliance 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 or outside consultants may participate in the meetings upon the recommendation of the Sr. Director, Corporate Compliance and at the discretion of the Committee Chair.

GOALS	TIMELINE by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable)	METRICS
1. Review and evaluate Hospital’s plan for IT Security awareness training for organization	<ul style="list-style-type: none"> Q1 FY18 	<ul style="list-style-type: none"> Committee reviews training plan – reviewed at 8/17/17 meeting
2. Review and evaluate Hospital’s policy and education plan regarding responding to government investigations	<ul style="list-style-type: none"> Q1 FY18 	<ul style="list-style-type: none"> Committee reviews policy and education plan – reviewed at 9/28/17 meeting
3. Review reports on the completion of HIPAA Readiness plan milestones for FY18	<ul style="list-style-type: none"> Q2 and Q4 FY18 	<ul style="list-style-type: none"> Committee reviews HIPAA Readiness Plan milestones for FY18 - Initial Q2 review at 11/16/17 meeting. Additional Q4 milestones reviewed on 5/17/18.
4. Review and evaluate Management’s recommended ERM framework regarding how the Board will establish its risk appetite and tolerance levels	<ul style="list-style-type: none"> Q1 FY18: Preliminary Framework Report Q2 FY18: Final Recommendations 	<ul style="list-style-type: none"> Committee reviews recommendations Initial recommendations reviewed at 11/16/17 & 1/18/18 meeting, Joint meeting with Hospital Board on 5/9/18 to review ERM scoring and discuss tolerance

SUBMITTED BY:

John Zoglin

Chair, Corporate Compliance/Privacy and Internal Audit Committee

Diane Wigglesworth

Executive Sponsor, Corporate Compliance/Privacy and Internal Audit Committee

Approved by the ECH Board of Directors on June 14, 2017

FY18 COMMITTEE GOALS

Executive Compensation Committee

PURPOSE

The purpose of the Executive Compensation Committee is to assist the El Camino Hospital (ECH) Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Committee shall advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Kathryn Fisk**, Chief Human Resources Officer; **Julie Johnston**, Director, Total Rewards; **Cindy Murphy**, Director of Governance Services
The CHRO 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. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing his/her compensation. 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. Advise the Board on performance incentive goal-setting and plan design, ensuring strategic alignment and proper oversight of compensation-related decisions.	<ul style="list-style-type: none"> Q2 – Q4 FY18 	<ul style="list-style-type: none"> Recommend FY17 performance goal scores and payouts (Q2) (Complete) Oversee the implementation of changes that impact the FY18 strategic planning, budgeting, and goal setting process (Complete) Recommend FY19 goals and measurements (Q4) (Complete) Assess the value of long-term incentives to support the achievement of long-term strategies (Complete: Discussed on 11/9)
2. Support successful implementation of executive benefit changes	<ul style="list-style-type: none"> Q3 – Q4 FY18 	<ul style="list-style-type: none"> Review proposed changes to benefits plan policy (Q1) (Complete: LTD revision approved in June 2017) Review consultant analysis of benefit change impact (Q3) (Complete: Included in Reasonableness Opinion Letter)
3. Advise the Board ensuring strategic alignment and proper oversight of compensation-related decisions.	<ul style="list-style-type: none"> Q2 – Q4 FY18 	<ul style="list-style-type: none"> Review base salary administration policy (Q2) (Complete – recommendations made and approved by the Board), review market analysis, and make base salary recommendations to the Board (Q4) (Complete) Submit the letter of reasonableness for Board acceptance (Q3) (Complete) Review compensation philosophy and performance incentive plan policies and make recommendation to Board to approve any changes (Q3) Complete – recommendations made and approved by the Board)

SUBMITTED BY:

Lanhee Chen
 Kathryn Fisk

Chair, Executive Compensation Committee
Executive Sponsor, Executive Compensation Committee

Approved by the ECH Board of Directors on June 14, 2017

FY18 FINANCE COMMITTEE GOALS

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. Develop and monitor industry benchmarks for operations and finance	<ul style="list-style-type: none"> Q2 FY18 	<ul style="list-style-type: none"> Receive report on operational and financial benchmarks. LTF presentation in 11/17 shows performance vs benchmarks. More detailed benchmark report presented at January’s meeting
2. Review major capital projects	<ul style="list-style-type: none"> Q3 FY18 	<ul style="list-style-type: none"> Update on major capital projects in progress Presented at each meeting
3. Education Topic: Ambulatory Care Business Model	<ul style="list-style-type: none"> Q1 FY18 	<ul style="list-style-type: none"> Presentation at the August meeting. Completed in the September meeting
4. Epic Implementation Review	<ul style="list-style-type: none"> Q2 FY18 	<ul style="list-style-type: none"> Presentation at the November meeting. Completed in January’s meeting
5. Review top three service lines (HVI, Oncology, BHS)	<ul style="list-style-type: none"> Q1 – Q2 FY18 	<ul style="list-style-type: none"> Presentations at September, November and January meetings. HVI presented in September; Oncology in November and BHS in January. The Committee asked for clearer focus on strategy, goals and KPIs.

SUBMITTED BY:

John Zoglin
Iftikhar Hussain

Chair, Finance Committee
Executive Sponsor, Finance Committee

FY18 COMMITTEE GOALS
Governance Committee

PURPOSE

The purpose of the Governance Committee is to advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition, *i.e.*, the nomination and appointment/reappointment process. The Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards.

STAFF: **Dan Woods**, Chief Executive Officer; **Cindy Murphy**, Director of Governance Services

The CEO 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 or outside consultants may participate in the meetings upon the recommendation of the CEO and at the discretion of the Committee Chair.

GOALS	TIMELINE by Fiscal Year (Timeframe applies to when the Board approves the recommended action from the Committee, if applicable)	METRICS
1. Review the governance structure of the Hospital Board, conduct research, and make recommendations on preferred competencies.	<ul style="list-style-type: none"> Q1 FY18 Q4 FY18 Q1 FY18 Q4 FY18 	<ul style="list-style-type: none"> Recommendation for high-priority Board member competencies made to Hospital and District Board (Complete) Chair nominates Governance Committee member to serve on District Board Ad Hoc Committee and participate in the Non-District Board Member recruitment/interview process as requested by the District Board. (Complete for FY18) Assess District’s plan to implement ECH Board Structure and make recommendations. (On Agenda for 6/5 Meeting) Assess effectiveness of plan. (On Agenda for 6/5 meeting)
2. Promote enhance and sustained competency-based, efficient, effective governance.	<ul style="list-style-type: none"> Q1 – Q4 FY18 Q1 FY19 	<ul style="list-style-type: none"> FY18 Self-Assessment Tool (Committees and Board) recommended to the Board and surveys completed (Q1-Q2) (Committee Assessment Complete, Board and Board Chair Assessment survey completed) Reports are completed and made available to the Board and the District Board (Q3-Q4) (Committee Reports Complete: Governance Committee Reviewed on 2/6, Board Reviewed on 2/14 with Committee Reviews Completed 3/26. Board and Board Chair Assessments to be reviewed at 6/13 ECH and 6/19 ECHD board meetings) Assess effectiveness of expanded Committee structure (Q2-Q3) (Complete - Governance Committee Reviewed on 2/6) Make recommendations for assessment of Board/management relationships and effectiveness and make recommendations for improvements. (Q1 FY19) (on Agenda for 4/3)
3. Finalize Board and Committee Education plan for FY18 and develop FY19 Plan	<ul style="list-style-type: none"> Q1 FY18 Q2 FY18 Q4 FY18 	<ul style="list-style-type: none"> Develop and recommend FY18 Board Education Plan (Complete) Recommend FY18 Annual Retreat Agenda to the Board (Complete; Board Retreat held on 1/20) Make recommendations for FY19 Board Education Plan (delayed until Q1 FY19 due to full agenda for 6/5 meeting)

SUBMITTED BY:

Peter Fung, MD
Donald Sibery

Chair, Governance Committee
Executive Sponsor (Interim CEO), Governance Committee

Approved by the ECH Board of Directors on June 14, 2017

FY18 COMMITTEE GOALS

Investment Committee

PURPOSE

The purpose of the Investment Committee is to develop and recommend to the El Camino Hospital (ECH) Board of Directors (“Board”) the investment policies governing the Hospital’s assets, maintain current knowledge of the management and investment funds of the Hospital, and provide oversight of the allocation of the investment assets.

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 or hospital staff 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 performance of consultant recommendations of managers and asset allocations	<ul style="list-style-type: none"> Each quarter - ongoing 	<ul style="list-style-type: none"> Complete - Committee to review selection of money managers and make recommendations to the CFO
2. Educate the Board and Committee: Hedge Fund trends and allocation review	<ul style="list-style-type: none"> Q1 FY18 	<ul style="list-style-type: none"> Complete - Completed by the end of Q1
3. Asset Allocation and Investment Policy Review and ERM Framework.	<ul style="list-style-type: none"> Q2 	<ul style="list-style-type: none"> Complete - Completed by November 2017
4. 5-Year Review of Investment Performance & Advisor (Pavilion)	<ul style="list-style-type: none"> Q3 	<ul style="list-style-type: none"> Complete - Completed by February 2018

SUBMITTED BY:

Jeffrey Davis, MD
Iftikhar Hussain

Chair, Investment Committee
Executive Sponsor, Investment Committee

Approved by the ECH Board of Directors on June 14, 2017



FY18 COMMITTEE GOALS

Quality, Patient Care and Patient Experience Committee

The purpose of the Quality, Patient Care and Patient Experience Committee (“Quality Committee”) is to advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in constantly enhancing and enabling a culture of quality and safety at ECH, to ensure delivery of effective, evidence-based care for all patients, and to oversee quality outcomes of all services of ECH. The Quality Committee helps to assure that exceptional patient care and patient experiences are attained through monitoring organizational quality and safety measures, leadership development in quality and safety methods, and assuring appropriate resource allocation to achieve this purpose.

STAFF: William Faber, MD, Chief Medical Officer

The CMO 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 clinical representatives may participate in the meetings upon the recommendation of the CMO and at the discretion of the CEO and the Committee Chair. These may include: the Chiefs/Vice Chiefs of the Medical Staff, physicians, nurse, and members from the community advisory councils or the community at-large. 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 the Hospital’s organizational goals and scorecard and ensure that those metrics and goals are consistent with the strategic plan and set at an appropriate level as they apply to the Quality, Patient Care and Patient Experience Committee.	<ul style="list-style-type: none"> Q1 FY18 – Goals Q3 FY18 - Metrics 	<ul style="list-style-type: none"> Review, complete, and provide feedback given to management, the Governance Committee, and the Board. The Board has approved the FY18 goals and the Committee is monitoring LOS, HCHAPS, GMLOS, and Standardized Infection Ratios.
2. Alternatively (every other year) review peer review process and medical staff credentialing process. Monitor and follow through on the recommendations made through the Greeley peer review process.	<ul style="list-style-type: none"> Q4 FY18 	<ul style="list-style-type: none"> Receive update on implementation of peer review process changes The Committee was briefed on an update at the October 30th meeting. Review Medical Staff credentialing process. The Committee decided to put off till next fiscal year pending medical staff review.
3. Develop a plan to review the new Quality, Patient Care and Patient Experience Committee dashboard and ensure operational improvements are being made to respond to outliers.	<ul style="list-style-type: none"> Q1 – Q2 FY18 – Proposal Q2 FY18 – Implementation Month Q1 – Q4 FY18 	<ul style="list-style-type: none"> Receive a proposed format for quarterly Quality and Safety Review; make a recommendation to the Board and implement new format. FY18 Quality Dashboard is completed and supplemented by 2 additional Quality Metrics reports which are being review at every meeting Monthly review of FY18 Quality Dashboard Ongoing
4. Oversee the development of a plan with specific tactics and monitor the HCAHPS scores for Patient and Family Centered Care.	<ul style="list-style-type: none"> Q3 FY18 	<ul style="list-style-type: none"> Review the plan and approve Committee reviewed at 4/2 meeting
5. Monitor the impact of interventions to reduce hospital-acquired infections.	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Review process toward meeting quality (infection control) organizational goal 1st, 2nd, and 3rd quarter reviewed quality dashboard including standardized infection ratios

SUBMITTED BY:

David Reeder

Chair, Quality Committee

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Approved by the ECH Board of Directors on June 14, 2017



NYGREN CONSULTING
GOVERNANCE STRATEGY LEADERSHIP

El Camino Hospital

FY18 Board Assessment Summary Report



Submitted on: May 29, 2018
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Introduction

Background

In keeping with the El Camino Hospital (ECH) Hospital Board's commitment to effective governance, Nygren Consulting was re-engaged to conduct the annual performance assessment of the hospital board during the Fiscal Year 2018. The board took a hiatus from the standard survey this year, and instead was asked to respond to the following four open-ended questions:

1. *As you reflect on the past fiscal year, what has the board done well?*
2. *What could the board have done better? What are the lessons learned, if any?*
3. *In what ways can we further improve our governance practices and principles?*
4. *What advice do you have for the board chair?*

Participation

The District Board, Hospital Board, Executive Leadership Team and Chiefs of Staff were invited to complete the questionnaire. We received 22 out of 23 possible responses, for a completion rate of 96%.

Interpreting the Results

Given that the survey was entirely open-ended, only qualitative feedback was provided. In the following pages, we developed thematic summaries of the written survey comments, along with verbatim quotes (with no attribution to the source) to further illustrate each theme.

Qualitative Feedback Summary

Thematic summaries of the survey comments are provided, along with verbatim quotes to further illustrate each theme. Each verbatim comment next to each summary statement come from a different individual.

Thematic Summaries of the Qualitative Feedback

Theme	Verbatim Comments
Strengths	
One of the board's main accomplishments over the past year was recruiting and integrating the new board members.	<ul style="list-style-type: none"> ▪ <i>The expansion of the Hospital Board by the District Board and the excellent candidates for the two new seats have resulted in a much more competency based board, which will serve ECH very well. (District Board)</i> ▪ <i>Adding additional qualified board members will be value added. (District Board)</i> ▪ <i>The Hospital Board has successfully expanded by two members, both chosen via competency based selection. There are now more multiple area experts on the board than ever before to help manage the ever changing healthcare market. (District Board)</i> ▪ <i>We integrated the new members well. (District Board)</i> ▪ <i>We have added expertise to the board to give us a more well rounded and experienced board. (District Board)</i> ▪ <i>The board has done a good job of incorporating the new members. (Hospital Board)</i> ▪ <i>The board has done an effective job of integrating new members. (Hospital Board)</i> ▪ <i>The board has done a good job of integrating its new members. The hospital board is a beneficiary of the district board's excellent selections with respect to all four new board members. (Management)</i> ▪ <i>The board added more subject matter experts. (Management)</i> ▪ <i>Expanding the board with more subject matter experts [is a strength]. (Management)</i> ▪ <i>The board added several new board members who have assimilated well. (Management)</i> ▪ <i>It seems to me the board is evolving. They have added more members to have a broader scope of expertise, which is helpful. (Management)</i>

Thematic Summaries of the Qualitative Feedback (continued)

Theme	Verbatim Comments
Strengths	
Several acknowledged the board's efforts to stay at the governing level, rather than dip into management's affairs.	<ul style="list-style-type: none"> ▪ <i>The board has done an effective job of focusing more closely on governance and policy issues. (Hospital Board)</i> ▪ <i>Shortened board meetings are much better with a focus on governance. The board has attempted to stay at the governance level. (Management)</i> ▪ <i>Most of the board members have done a better job focusing more on governance and strategy and less on management and operations. (Management)</i> ▪ <i>The board contributed to the process for changing and revising the governance structure. (Management)</i>
Similarly, the board has increased its focus on the strategy.	<ul style="list-style-type: none"> ▪ <i>The board has done a better job on staying focused on strategy. (Hospital Board)</i> ▪ <i>The board made important strategic decisions that will grow our market share both inside and outside of the District. (Management)</i> ▪ <i>With the expansion of the board, they have begun to focus more on the strategic direction of the organization. (Management)</i> ▪ <i>The board has revised the organization's mission, vision and values and created focus upon a new strategic plan. (Management)</i>
In addition, the board is engaging more responsibly and communicating more effectively with management.	<ul style="list-style-type: none"> ▪ <i>The board has done an effective job working with the executive team to build trust and confidence. (Hospital Board)</i> ▪ <i>The board asks appropriate, challenging questions to ensure the organization is well managed. (Management)</i> ▪ <i>They have engaged the executive team in dialog and communications more effectively. (Management)</i>

Thematic Summaries of the Qualitative Feedback (continued)

Theme	Verbatim Comments
Strengths	
Board members have also shown improvement in their interaction with each other.	<ul style="list-style-type: none"> ▪ <i>The group self-disciplining conversations is going pretty well. (District Board)</i> ▪ <i>The board is functioning more collegially and disagreements generally don't become personal conflicts. The Hospital Board Chair has set a professional and respectful tone that is an example to the rest of us. (Hospital Board)</i> ▪ <i>We developed opportunities to enhance relationships outside the board meetings. (Management)</i>
Several mentioned that meetings are more efficient.	<ul style="list-style-type: none"> ▪ <i>The meetings are managed more efficiently. (Hospital Board)</i> ▪ <i>The board delegated authority to one of the committees to improve board efficiency. (Management)</i> ▪ <i>There is greater reliance on committees and use of consent agenda items to cover committee topics at the board meeting. (Management)</i>
The board was also effective in its selection of Dan Woods as CEO.	<ul style="list-style-type: none"> ▪ <i>The board did an effective job working to select and onboard a new CEO. (Hospital Board)</i> ▪ <i>We have a new leadership team in place. (Management)</i> ▪ <i>The board selected a new CEO. (Management)</i>

Thematic Summaries of the Qualitative Feedback (continued)

Theme	Verbatim Comments
Opportunities for Improvement	
<p>By far, the most frequently mentioned opportunity for improvement was the need for greater strategic focus and dialogue.</p>	<ul style="list-style-type: none"> ▪ <i>Focus more on the key issues of strategy and quality of care and less on individual board member personal issues. We still at times cross the boundary between governance and management and bring up issues that are not really governance related. (District Board)</i> ▪ <i>I would still like more time socializing with the new members, both to engage and to ensure they receive and internalize the strategy. We need more time talking strategy. (District Board)</i> ▪ <i>Focus more on our purpose and goals and provide more long term strategic thinking vs. giving input/feedback on day-to-day operations. (District Board)</i> ▪ <i>Board meetings are still too long, inundated with long routine reporting without having enough time dedicated to discussion and decisions on strategic goals. Board members are frequently opinionated and can be biased in certain areas. Some members like to speak and were making essentially no contribution to the subjects. A more cohesive board should make the best decision with pin point discussion and consensus without much argument. (District Board)</i> ▪ <i>We have shortened the length of meetings but it's difficult to say whether this is value added. Sometimes, we don't spend sufficient discussion on the important issues. With a time limit listed on the agenda items, it inhibits appropriate discussion to meet an arbitrary deadline. (District Board)</i> ▪ <i>I think our meetings are still too long and too filled with status updates. Despite their length, we don't focus enough time on the strategic issues and oversight. (Hospital Board)</i> ▪ <i>We could get more focused on agenda management and prioritization of time -- opportunities to improve in both areas. (Management)</i> ▪ <i>Reduce statement of personal opinions and views. Discussion should be focused on goals and strategic guidance. (Management)</i>

Thematic Summaries of the Qualitative Feedback (continued)

Theme	Verbatim Comments
Opportunities for Improvement	
(strategic focus continued...)	<ul style="list-style-type: none">▪ <i>The board, speaking as a group, not as individuals, needs to define and communicate its expectations and the most important areas of focus for the CEO and leadership team. (Management)</i>▪ <i>Although a marked improvement, streamlining the board meetings by having more succinct and thoughtful discussion and decision making is important for board engagement. (Management)</i>▪ <i>Seek to understand at a deeper level the market conditions that require the organization to take actions to remain relevant in the market. (Management)</i>▪ <i>The board should continue its efforts to focus its meeting time on ECH strategy and quality of care. (Management)</i>

Thematic Summaries of the Qualitative Feedback (continued)

Theme	Verbatim Comments
Opportunities for Improvement	
The board must continue its efforts to stay at the governing level and avoid interfering in operations.	<ul style="list-style-type: none"> ▪ <i>We have had specific meetings on improving governance, and will need further improvement on this very important area. It is difficult to not step into micromanagement. (District Board)</i> ▪ <i>We must continue to ask ourselves of every agenda item at board meetings, and every discussion we have, whether the item truly relates to governance vs. process/management issues. I also hope that we can move away from some of the "rote" items that we have traditionally addressed at the board level, but probably ought not to be. (Hospital Board)</i> ▪ <i>Stay at the 5,000 foot level instead of going to the "one foot" level. If we don't trust a management team member, he/she should be augmented or replaced. Do not micromanage. (Hospital Board)</i> ▪ <i>My understanding is that the board wanted to move away from delving too deeply into operations and stay focused on strategy. The addition of the new hospital board members and the new dynamic that creates should help with this 'higher level' orientation. (Hospital Board)</i> ▪ <i>The board should avoid discussions of management details and remind board members who initiate such discussions of the board's governance role. (Management)</i> ▪ <i>The board should always ask themselves if they are providing "oversight and governance" versus providing operational direction. (Management)</i> ▪ <i>Continue to bring focused questions that pertain to strategic approaches to issues rather than focus on operational issues. (Management)</i> ▪ <i>Continue to support high level strategy rather than operational tasks. (Management)</i>

Thematic Summaries of the Qualitative Feedback (continued)

Theme	Verbatim Comments
Opportunities for Improvement	
The board is not delegating sufficient authority to committees to make decisions, and instead is rehashing committee recommendations in board meetings.	<ul style="list-style-type: none"> ▪ <i>Continue to be open to giving our board committees more responsibility in a careful and thoughtful way that maintains our commitment to our patients and the community. (District Board)</i> ▪ <i>Hone our focus on the board's role and identify ways the committees can better help us. (District Board)</i> ▪ <i>I don't think we have figured out the balance at meetings in terms of committee communications. There were lower scores for most committees on communicating issues to the board but we have less time to do those communications. (District Board)</i> ▪ <i>The board is still not using its committees optimally. We still debate many issues already discussed at the committee level as opposed to trusting their expertise. We have discussed delegating decision functions to the committees in a case by case basis. I think that is definitely in the right direction. (Hospital Board)</i> ▪ <i>The board should explore further delegation of authority to committees to improve board efficiency. (Management)</i> ▪ <i>Define and clarify the role of the committees around decision-making, while also more effectively leveraging this expertise to strengthen the board. It appears that the committees make recommendations, but often times those recommendations are vetoed by the hospital board. One begins to wonder about the role of the committee and the experts that give of their time to serve on a committee that is intended to guide the board's decision making. (Management)</i> ▪ <i>Continue to review the delegation of authority and charters of the committees. (Management)</i>

Thematic Summaries of the Qualitative Feedback (continued)

Theme	Verbatim Comments
Opportunities for Improvement	
Maintaining positive board dynamics should be an ongoing focus and priority.	<ul style="list-style-type: none"> ▪ <i>I believe that certain board dynamics and interpersonal issues continue to require additional work. (Hospital Board)</i> ▪ <i>Demonstrate more respect for each other and management. (Hospital Board)</i> ▪ <i>Review the board compact and continue to remind one another to live the spirit/intention of the stated commitment within this compact. (Management)</i> ▪ <i>Facilitate the transition of new board members through their initial year and onboarding process to enhance the dynamic and culture of the expanded board membership. (Management)</i>
Similarly, the board should continue to focus on communicating effectively with management.	<ul style="list-style-type: none"> ▪ <i>The board members occasionally speak to staff disrespectfully. (Hospital Board)</i> ▪ <i>Feedback about how data is presented is best done outside the open board meeting setting. (Management)</i>

Feedback to the Board Chair

This section contains thematic summaries specific of the advice given to the Board Chair.

Feedback to the Board Chair

Theme	Verbatim Comments
One district board member shared appreciation for Lanhee's collegiality, intelligence, and facilitation skills.	<ul style="list-style-type: none"> ▪ <i>He runs meetings well, is pleasant to interface with, is very smart with a good presence. (District Board)</i>
Many recommended that Lanhee work on creating board meeting agendas that focus on strategic priorities and governance, and actively facilitate the discussion away from issues that are not pertinent.	<ul style="list-style-type: none"> ▪ <i>Build a shorter agenda so the board has time to discuss issues in depth. (District Board)</i> ▪ <i>Please help to keep the board from digging down into the nitty gritty and keep us focused on strategy and quality. (District Board)</i> ▪ <i>Selecting and highlighting the important areas will stimulate more strategic discussion. Routine reporting can be attached, and questions about them may be able to be individually answered without having any Brown Act violations. For areas of importance, allow members to express their opinions equally rather than having one or two prominent voices repeat their comments. (District Board)</i> ▪ <i>One of the most important functions of the Board Chair is setting the agendas of the board meeting so the "right" things are getting discussed (strategy, appropriate oversight issues, etc.). Focus on doing that function well. (Hospital Board)</i> ▪ <i>Continue to set meaningful agendas that are governance related. (Management)</i> ▪ <i>Lead board discussions at a governance level and continuously redirect board members who initiate discussions regarding management details. (Management)</i> ▪ <i>Hold the board accountable for speaking with one voice and keep the board focused on overseeing the implementation of defined strategic priorities. (Management)</i> ▪ <i>Continue momentum and laser focus upon the strategic plan which will differentiate El Camino in the market and healthcare community. (Management)</i>

Feedback to the Board Chair (continued)

Theme	Verbatim Comments
Lanhee is also encouraged to reinforce the norms articulated in the board compact and hold directors accountable.	<ul style="list-style-type: none"> ▪ <i>Reiterate the importance of members abiding by the code of conduct, e.g., respecting each other and the administration. (District Board)</i> ▪ <i>Keep managing the meetings. (Hospital Board)</i> ▪ <i>Continue to model the way for the board members; deal immediately with negative, inappropriate behavior exhibited by board members toward each other and/or hospital staff. (Management)</i> ▪ <i>Continue to manage the individual behaviors of board members effectively. (Management)</i> ▪ <i>Caution board members who are not civil to one another or to management staff. (Management)</i>
Actively facilitating the conversation to give everyone a voice but avoiding redundancy would hopefully make discussions more efficient.	<ul style="list-style-type: none"> ▪ <i>I'm still a little fuzzy on dialog with 10 people and people's desire to talk multiple times on the same issue. We may need to take some votes on strategy to get clarity for the executive team on any open issues. (District Board)</i> ▪ <i>Discussions can be long if each member of the expanded board speaks on every issue. Comments should be value added and not rhetorical or redundant. (Management)</i> ▪ <i>With the expanded board, it will be critical to leverage the expertise of those subject-matter experts, allow them a voice at the table and find a well-balanced conversation with now ten voices. (Management)</i>
Showing greater enthusiasm and ownership of the role in board meetings could help strengthen the board's culture.	<ul style="list-style-type: none"> ▪ <i>Lanhee has a great countenance. Yet, he does not fully utilize all the gifts and talents he has within his capabilities. Perhaps a learning opportunity for him is to 'own' his leadership more so in the board meetings. I believe he is exercising strong leadership behind the scenes and I'd value seeing more leadership at the meetings. That would continue to build a culture oriented in sound decision making. (Hospital Board)</i>



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ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Biennial Advisory Committee Charter Review Governance Committee June 5, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Possible Motion
<p>Background: Per the Governance Committee Charter, every other year the Board Advisory Committees are asked to review their Charters. This year, three of the Committees are recommending changes to their Charters.</p> <p><u>Corporate Compliance/ Privacy and Internal Audit Committee:</u></p> <p>At its March 15, 2018 and May 17, 2018 meetings, the Committee requested certain changes that are incorporated in the attached draft for review. These changes include the following:</p> <ol style="list-style-type: none"> 1. Reflect all areas of the Committee’s oversight [corporate compliance, internal and external audit, enterprise risk management, Privacy and IT security (including physical security, access control)]. 2. Update the name of the Committee to the “Compliance and Audit Committee.” 3. Incorporate more detail regarding IT Security and privacy oversight. 4. There are also a few grammatical and semantic changes. <p><u>Executive Compensation Committee:</u></p> <p>At its April 18, 2018 meeting, the El Camino Hospital Board of Directors approved Resolution 2018-05 (attached) delegating authority to the Executive Compensation Committee to make certain decisions related to executive compensation. The Executive Compensation Committee is recommending the attached revisions to its Charter to comport with the delegation of authority as well as the following minor “clean-up” changes.</p> <ol style="list-style-type: none"> 1. Remove language regarding alternate committee member as that provision is no longer in use. 2. Add clarifying language regarding recusal of members of the executive during discussion of their individual compensation. 3. Clarify that the Committee has a role in make recommendations to the Board in regards to executive development. <p><u>Governance Committee:</u></p> <p>At its last meeting, the Governance Committee voted to recommend that its Charter be amended to allow the Governance Committee to “adopt” rather than “recommend” the Board orientation plan.</p>	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: The Governance, Executive Compensation and Compliance Committees voted to recommend that	

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

	the Board approve the changes as reflected in the attached drafts.
	Summary and session objectives: For the Governance Committee to review the proposed changes to the three Advisory Committee Charters and make a recommendation to the Board.
	Suggested discussion questions: 1. Are the proposed changes reasonable?
	Proposed Committee motion, if any: To recommended that the Board approve the proposed revised (1) Compliance Committee Charter, (2) Executive Compensation Committee Charter. The Committee voted to recommend the revision to the Governance Committee Charter at its April 3, 2018 meeting and need not revisit that.
	LIST OF ATTACHMENTS: 1. Proposed Revised Compliance Committee Charter 2. Proposed Revised Executive Compensation Committee Charter 3. El Camino Hospital Board Resolution 2018 – 05 4. Proposed Revised Governance Committee Charter

~~Corporate~~ Compliance/~~Privacy~~ and ~~Internal~~ Audit Committee Charter

Purpose

The purpose of the ~~Corporate~~ Compliance/~~Privacy~~ and Audit Committee (~~“Compliance and Audit (the “Committee”)~~”) is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors (~~“Board”~~) in its exercise of oversight of Corporate Compliance, Privacy, Internal and External Audit, Enterprise Risk Management, and Information Technology (IT) Security. The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the organization and the engagement, independence, and performance of the internal auditor and external auditor. The ~~Compliance and Audit~~ Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

Authority

All governing authority for ECH resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on compliance, privacy, IT security, including physical security (safeguards and access control), enterprise risk management, or audit related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

Membership

- The ~~Compliance and Audit~~ Committee shall be comprised of two (2) or more Hospital Board members. The Chair of the Committee shall be appointed by the Board Chair, subject to approval by the Board. All members of the Committee shall be eligible to serve as Chair of the Committee.
- The Committee may also include two to four (2-4) external (non-Hospital Board member) members with expertise in compliance, privacy, enterprise risk, IT security, audit, and/or financial management expertise.
- All Committee members shall be appointed by the Board Chair, subject to approval by the Board, for a term of one year expiring on June 30th each year, renewable annually.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice-Chair from among the members of the Committee. If the Chair of the Committee is not a Hospital Board Director, the Vice Chair of the Committee shall be a Hospital Board Director.

Conflict of Interest

Members of the Committee shall be independent (as defined in Appendix) as to conflicts of interest with El Camino Hospital pursuant to the Conflict of Interest Policy. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board (*see appendix*).

Any member of a Board or Board committee who has a conflict of interest with respect to a proposed contract, transaction, relationship, arrangement, or activity shall refrain from the deliberations and vote on any matter related to the contract, transaction, or arrangement. Such member, however, may be present to answer questions and provide information needed by the Board or Board Committee for its deliberations. The Board Chair may appoint one or more qualified individuals to take the place of any affected member of a Board or Board Committee with regard to the matter or interest being considered. Any such reconstituted Committee shall be considered to have all rights, authority, and obligations of the ~~Corporate Compliance/Privacy and Audit~~ Committee.

Staff Support and Participation

The Sr. Director of Corporate Compliance/Privacy Officer (“Corporate Compliance Officer”) shall serve as the primary staff support to 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 Committee meetings upon the recommendation of the Corporate Compliance Officer and subsequent approval from both the CEO and Committee Chair.-

General Responsibilities

The Committee’s primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall develop dashboard metrics that will be used to measure and track corporate compliance, privacy, audit, IT Security, and enterprise risk management for the Committee’s review and subsequent approval by the Board. It is the management team’s responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make recommendations to the Board. The Committee is responsible for monitoring that performance metrics are being met to the Board’s expectations and requiring explanation of any deficiencies and reporting to the Board such deficiencies.

Specific Duties

The specific duties of the ~~Corporate Compliance/Privacy and Audit~~ Committee include the following:

A. Corporate Compliance, Privacy, IT Security, and Enterprise Risk Management Functions

- Oversee the activities of the Corporate Compliance program and all subcommittees providing support relative to corporate compliance, ~~HIPAA/Patient Privacy and IT Security~~.
- Oversee the activities of the Privacy program, including, but not limited to HIPAA/patient privacy, administrative, technical, and physical security safeguards.
- Oversee the IT security risk assessment process and review the mitigation plan to reduce vulnerabilities. Review at least annually the overall status of the IT security program.

- Oversee efforts to develop, implement, and maintain an effective IT security program and advise the Board on risk tolerance levels.
- Advise the organization on Enterprise Risk Management structure and provide oversight of Enterprise Risk reporting metrics and measurements to help monitor organizational risks.
- Advise the organization on corporate compliance implementation strategies. Review strategies for improving the corporate compliance program(s) and recommend for approval by the Board.
- Review with management the assessment of physician relationship risk as it relates to Stark laws, anti-kickback statutes, and other compliance rules and regulations.
- Encourage continuous improvement of policies and procedures for corporate accountability, integrity, and privacy. Review the organization's policy oversight guidelines and oversee the process being systematic and robust.

B. Internal Audit Functions

- Provide direction related to findings and recommendations of internal audits performed.
- Provide direction for issues relating to internal audit responses by management.
- Review the annual internal audit priorities for the organization.
- Serve as the ad hoc governance team regarding non-routine investigations or action taken by external agencies and authorities against ECH.
- Recommend policies and processes for approval by the Board relating to systems of internal controls for finance.
- Oversee the work of independent compliance, audit, and privacy staff.
- Provide escalation vehicle from any source to identify and address relevant issues.

C. External Audit Functions

- Make recommendations to the Board regarding the external financial audit firm selection, retention, and, when necessary, replacement.
- Review the expected fee for the audit and assure that the fee is fair to the organization and is compatible with a full, complete, and professional audit. Make recommendations to the Board.
- Review the scope and approach of the annual audit, including the identification of business and financial risks and exposures, with the external auditor.
- Meet with the auditor and management, as needed, to resolve issues regarding financial reporting, and make recommendations to the Board for discussion and action.
- Any services provided by the external auditors, outside the scope of the annual audit of financial statements must be presented to the Committee for pre-approval.
- Ensure that~~Review~~ the external ~~auditors have the opportunity to meet with the Board to present the annual audit report~~auditor reports and financial statements before presentation to the Board.
Make recommendations to the Board.
- At the completion of the annual audit examination, review the following with management and the external auditors:
 - The organization's annual financial statements and related footnotes.

- The external auditor's audit of the financial statements and the auditor's report thereon.
 - Judgments about the quality, not just the acceptability of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly the degree of aggressiveness or conservatism of accounting principles and underlying estimates.
 - Any significant changes in scope required in the external auditor's plan.
 - Any serious difficulties or disputes with management encountered during the course of the audit.
- Conduct an executive session if necessary to allow the Committee to meet privately with the auditor.
 - Review all significant financial communications to external parties (e.g., public, press, lenders, creditors and regulators), ensuring they are prepared in accordance with generally accepted accounting principles and fairly represent the financial condition of ECH.
 - Review and recommend for approval by the Board the audit firm's annual engagement proposal and review the independent auditor's performance.

Independence of the External Auditor

It is the Committee's responsibility to confirm the independence of the external auditor on an annual basis through a written statement. The statement shall confirm their independence and address services or relationships that may impact independence. The lead and concurring partner on the audit engagement team may not serve for more than five years unless special circumstances exist and with the approval of the Board. Members of the external audit team are prohibited from employment at ECH in a financial role within one year of leaving the external audit firm.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24 hour notice.

Appendix

Definition of Independent Director – Compliance and Internal Audit Committee

1. An independent director is a more limited and narrow classification of director than otherwise required by law and is not meant to expand or limit the definition of interested director for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on particular committees to independent directors to avoid even the appearance of a conflict of interest.
2. A member of the Board of Directors of El Camino Hospital shall be deemed to be an independent director so long as such director (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the director):
 - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a director;
 - ii. does not own an interest in an entity, or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a director is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the director in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each director appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent director as defined above.
5. **Note:** Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

Executive Compensation Committee Charter

Purpose

The purpose of the Executive Compensation Committee (“~~Compensation~~ Committee”) is to assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The ~~Compensation~~ Committee shall advise the Board to meet all applicable legal and regulatory requirements as it relates to executive compensation.

Authority

All governing authority for ECH resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, engage and supervise a consultant to advise the Board and the Committee on executive compensation issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Executive Compensation Committee shall be comprised of two (2) or more Hospital Board members. The Committee may also include 2-4 external (non-director) members with knowledge of executive compensation practices, executive leadership and/or corporate human resource management. ~~The Hospital Board may designate up to two Hospital Board members to serve as alternate Committee members. Alternate Committee members shall serve as full members of the Committee when their attendance is permitted. If there are two alternates, meeting attendance will rotate with assignments made by the Committee Chair upon appointment or reappointment. If an alternate or Hospital Board member is unable to attend any Committee meeting, the unassigned alternate Committee member may attend any Committee meeting so long as the number of Hospital Board members in attendance is less than five.~~
- ~~Executive c~~Compensation consultants will~~may~~ be retained as appropriate and participate as directed.
- The Chair of the Committee shall be appointed by the Board Chair, subject to approval by the Board. All members of the Committee shall be eligible to serve as Chair of the Committee.
- All Committee members shall be appointed by the Board Chair, subject to approval by the Board, for a term of one year expiring on June 30th each year, renewable annually.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice-Chair from among the members of the Committee. If the Chair of the Committee is not a Hospital Board member, the Vice-Chair must be a Hospital Board member.
- All members of the Committee must be independent directors with no conflict of interest regarding compensation or benefits for the executives whose compensation is reviewed and recommended by the Committee. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board and as per the Independent Director Policy (*see* attached Appendix).

Staff Support and Participation

The Chief Human Resources Officer shall serve as the primary staff support to the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair's consideration. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may attend meetings at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing their individual~~his/her~~ compensation.

General Responsibilities

The Committee is responsible for recommending to the full Board policies, processes and procedures related to executive compensation philosophy, operating performance against standards, executive development and succession planning.

Specific Duties

The El Camino Hospital Board has adopted Resolution 2018-05 delegating certain decision-making authority to the Executive Compensation Committee. Resolution 2018-05 controls in the case of any inconsistency between this Charter and the Resolution or attachments to the Resolution. The specific duties of the Executive Compensation Committee include the following:

A. Executive Compensation

- Develop a compensation philosophy that clearly explains the guiding principles on which executive pay decisions are based. Recommend the philosophy for approval by the Board.
- Develop executive compensation policies to be approved by the Board.
- Review and maintain an executive compensation and benefit program consistent with the executive compensation policies, which have been approved by the Board. Recommend any material changes in the program for approval by the Board.
- Review the CEO's salary range, performance incentive program, benefit plans, and perquisites, ~~and contractual terms~~. Recommend to the Board any salary changes to base salary range and/or base salary as well as performance incentive payouts based on organizational performance ~~and/or any performance incentive payouts based on the Committee's evaluation of the CEO's performance~~.
- Review the CEO's recommendations regarding salary and performance incentive payouts for the upcoming year for the executives whose compensation is subject to review by the Committee based on the CEO's ~~and Committee's~~ evaluation of the executives' individual performance. ~~Approve rRecommendations for to the Board~~ any salary range or base salary changes and/or any performance incentive payouts within established guidelines based on the ~~Committee and~~ CEO's evaluation of the executives' individual performance. Recommend to the Board any salary changes and/or performance incentive payments that are outside established guidelines.
- Periodically evaluate the executive compensation program, including the charter, policies, and philosophy on which it is based, to assess its effectiveness in meeting the Hospital's needs for recruiting, retaining, developing, and motivating qualified leaders to execute the Hospital's strategic and short term objectives.
- Periodically review the total value, cost and reasonableness of severance and benefits for executives.

- Annually review and present for Board acceptance the letter of rebuttable presumption of reasonableness.
- Review market analysis~~esis~~ and recommendation of the Committee's independent executive compensation consultant.
- ~~Approve Establish~~ salary ranges for each new executive and ~~approve recommend~~ placement in the range for ~~the CEO and~~ those executives eligible for the plan within established guidelines. Recommend a salary range to the Board and placement therein for the CEO and or actions for other executives that are outside established guidelines.

B. Performance Goals Setting and Assessment

- Review and provide input into the CEO's recommendations regarding annual organization goals and measures used in the Executive Performance Incentive Plan. Recommend organizational performance incentive goals and measurements for approval by the Board.
- Provide input into establishing the CEO's annual individual performance incentive goals and performance appraisal process to execute the Hospital's strategic plan. Recommend the CEO's individual annual goals and measures for approval by the Board.
- Provide input into establishing the executive team's annual performance incentive goals to execute the Hospital's strategic plan and approve. ~~Recommend~~ the annual goals and measures for approval by the Board.

C. Executive Succession and Development

- Review annually the CEO's own succession plan, including a leadership and professional development plan based on the previous year's ~~performance evaluation~~ talent assessment.
- Review annually the CEO's succession plan for the executive team members, which shall include the process by which potential executives are identified and developed.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and workplan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board. In addition, the Committee shall provide counsel and advice to the Board as requested.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of advisory committees may also be called by resolution of the Board and the Committee Chair. Notice of any special meetings of the Committee requires a 24 hour notice.

Appendix

Definition of Independent Director – Compensation Committee

1. An independent director is a more limited and narrow classification of director than otherwise required by law and is not meant to expand or limit the definition of interested director for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on particular committees to independent directors to avoid even the appearance of a conflict of interest.
2. A member of the Board of Directors of El Camino Hospital shall be deemed to be an independent director so long as such director (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the director):
 - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a director;
 - ii. does not own an interest in an entity, or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a director is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the director in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each director appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent director as defined above.
5. **Note:** Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

Resolution Regarding Delegation to Executive Compensation Committee

**EL CAMINO HOSPITAL
RESOLUTION 2018-05**

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL DELEGATING CERTAIN AUTHORITY TO THE EXECUTIVE COMPENSATION COMMITTEE ("ECC") REGARDING EXECUTIVE COMPENSATION, ADOPTING PROCEDURES FOR THE ECC TO FOLLOW IN CONNECTION WITH THE EXERCISE OF SUCH DELEGATED AUTHORITY AND PROVIDING INDEMNIFICATION.

WHEREAS, the Board of Directors ("Board") of El Camino Hospital ("Hospital") has previously created the ECC as an advisory committee of the Board which includes experts in executive compensation among its members;

WHEREAS, the Hospital has previously taken and continues to take all steps needed to meet the requirements of the Internal Revenue Service in order to obtain the presumption of the reasonableness of executive compensation;

WHEREAS, the ECC has advised the Board on general and specific matters relating to executive compensation, recommending policies and procedures, as well as activities related to individual executive's compensation and the reasonableness thereof;

WHEREAS, the Board has determined to exercise its authority under Section 5210 of the California Nonprofit Corporation Law to delegate certain authority over executive compensation to the ECC; now, therefore, be it

RESOLVED, the Board hereby delegates to the ECC the authority to determine the base salary to be paid to executives who are included in Policy entitled "Executive Compensation Philosophy," except the Chief Executive Officer ("Executives"); be it further

RESOLVED, that the ECC will also establish the individual incentive goals and determine the relative achievement of such goals by each of the Executives; be it further

RESOLVED, that the Board confirms the authority of the ECC to set salary ranges for the Executives and to retain, supervise and work with a compensation consultant with respect to compensation determinations that the ECC makes as to the Executives and, with respect to the Chief Executive Officer ("CEO") salary range and compensation recommendations the ECC makes to the Board; be it further

RESOLVED, that the ECC shall take steps to confirm that the approved base salary and all other compensation and benefits payable to the Executives and the CEO (as to the CEO, as recommended to the Board) is reasonable compensation; be it further

RESOLVED, in all its actions pursuant to the authority delegated in this Resolution, the ECC shall follow the Board-approved applicable policies and procedures including the procedures attached as Exhibit A which are hereby approved; be it further

RESOLVED, that the ECC charter and the policies listed on Exhibit A are hereby amended to read as provided in the attached version of the ECC charter and the policies; be it further

RESOLVED, that the ECC will comply with the Brown Act with respect to the exercise of its delegated authority; be it further

RESOLVED, that in exercising the authority delegated by the Board in this Resolution, each member of the ECC shall be deemed to be an agent of the Hospital for purposes of indemnification pursuant to state law and the Hospital's bylaws; be it further

RESOLVED, that any authority not expressly delegated to the ECC hereunder is retained by the Board; decisions of the ECC within the delegated authority do not require Board approval; be it further

RESOLVED, that this Resolution grants no contract or other rights to any individual and this Resolution may be amended, repealed or replaced by the Board at any time.

Duly passed and adopted at a regular meeting held on this 18th day of April, 2018, by the following votes:

AYES: Davis, Fliger, ~~Miller~~ Kalbach, Kliger, Miller, Rebitzer, Ruden and Zoglin

NOES: 0

ABSENT: Chen, Fung

ABSTAIN: 0

Julia E. Miller
Julia E. Miller
Secretary, ECH Board of Directors

EXHIBIT A

Amended Policies

1. Policy 3.01. Executive Compensation Philosophy.
2. Policy 3.02. Executive Base Salary Administration.
3. Policy 3.03. [Executive Benefits Policy.]
4. Policy 3.04. Executive Performance Incentive Plan.

APPROVED APRIL 18, 2018

PROCEDURES TO BE FOLLOWED BY THE EL CAMINO HOSPITAL COMPENSATION COMMITTEE WHEN APPROVING COMPENSATION PURSUANT TO A DELEGATION OF AUTHORITY UNDER CALIFORNIA NONPROFIT CORPORATION LAW § 5210.

A. Overview.

The Board of Directors of El Camino Hospital ("Board"), pursuant to Resolution 2018 – 05 has delegated to the Executive Compensation Committee ("ECC") the authority to determine the base salary, salary ranges and certain aspects of individual goals under the Executive Performance Incentive Plan of the persons employed or to be employed to hold the positions listed on Appendix A. Such list may be amended by resolution of the Board or by the Board's approval of changes to the relevant policy. In taking any such action pursuant to the delegated authority, the ECC shall follow the procedures set forth below. No authority has been granted to the ECC to take final action regarding the compensation or determining the salary range of the Chief Executive Officer.

B. Policies and Applicable Law.

In setting compensation for the persons holding the offices listed on Appendix A, the ECC shall follow all applicable policies adopted by the Board as now in force or as they may be amended, revised or repealed and any newly adopted policies. The applicable policies that are now in force are listed on the attached Appendix B. In addition, the ECC will exercise the authority delegated by the Board so that El Camino Hospital shall meet the regulatory requirements to qualify for the rebuttable presumption of reasonableness under applicable federal regulations.

C. Conflict of Interest.

If any member of the ECC has a conflict of interest (defined below), then the ECC shall require that person to be recused from any determination giving rise to such conflict. The member may not be present at the meeting when the matter is considered and may not be present for the discussion or vote on the matter. Such recused individual may meet with the ECC or its members only to answer questions of the ECC or its members.

A member of the ECC has a conflict of interest with respect to a decision of the ECC, if such person:

- (a) is the person whose compensation is being determined or is a family member of such person ("Subject Disqualified Person");
- (b) is an employee under the direction or control or whose compensation or other payments are subject to the approval of the Subject Disqualified Person;
- (c) has a material financial interest affected by the compensation arrangement for the Subject Disqualified Person; and

- (d) has received or will receive an economic benefit from a transaction the Subject Disqualified Person has approved or will approve.

D. Appropriate Data Regarding Comparability.

The ECC shall obtain, consider and rely upon, prior to making a compensation decision, appropriate data regarding comparability. The ECC shall also retain an independent consultant to assist it in obtaining such data and to advise the ECC regarding fair market value of total compensation, including benefits established by the Board. Appropriate data as to comparability is, given the knowledge and expertise of its members, information sufficient to determine whether the compensation arrangement in its entirety is reasonable. Relevant information includes compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions; the availability of similar services in the geographic area of El Camino Hospital; and actual written offers from similar institutions competing for the services of the individual.

E. Approval.

The ECC shall approve all compensation subject to its approval before the compensation or changed compensation is paid. With respect to any amount payable as an incentive, the parameters shall be approved by the ECC and the amount of potential compensation payable as an incentive shall be approved by the ECC or Board in advance and before payment. The ECC will approve any action by the vote of a majority of a quorum at a meeting of the ECC.

The ECC shall report to the Board, at the Board's next regularly scheduled Board meeting, its final actions approving: salary ranges for Executives, base salaries for Executives, individual goals established under the Executive Performance Incentive Plan, incentive payouts and any matter requiring Board approval under the following paragraph. The ECC report shall contain such additional information as requested by the Board.

F. Required Documentation.

The ECC shall document its compensation decisions at the time the ECC approves the compensation amount. The written or electronic records of the ECC must state, as to each compensation arrangement:

- (a) The terms of the approved compensation arrangement and the date approved;
- (b) The members of the ECC who were present during debate and those who voted on it;
- (c) The comparability data obtained and relied upon by the ECC and how the data was obtained; and
- (d) Any actions taken with respect to members of the ECC, e.g., recusal, who had a conflict of interest with respect to the transaction.

Should the ECC determine that reasonable compensation for a specific compensation arrangement is higher or lower than the range of comparability obtained, the ECC must record

the basis for its determination.

Such records must be prepared before the later of the next meeting of the ECC or 60 days after the final action or actions of the ECC are taken. Records must be reviewed and approved by the ECC as reasonable, accurate and complete within a reasonable time period thereafter.

G. ECC Charter.

Except as set forth herein or in Resolution 2018 - 05, the ECC shall continue to perform all advisory activities set forth in the ECC charter in its role as an advisory committee of the Board.

APPENDIX A

- Chief Administrative Services Officer
- Chief Financial Officer
- Chief Human Resources Officer
- Chief Information Officer
- Chief Medical Officer
- Chief Nursing Officer
- Chief Operating Officer
- Chief Strategy Officer
- General Counsel
- President of El Camino Hospital Foundation
- President, SVMD
- Vice President of Corporate & Community Health Services*
- Vice President of Payor Relations*

*Current Incumbents Grandfathered into the Plan

APPENDIX B

List of ECH Policies relating to Executive Compensation (as of April 18, 2018)

1. Policy 3.01. Executive Compensation Philosophy.
2. Policy 3.02. Executive Base Salary Administration.
3. Policy 3.03. Executive Benefits Policy
4. Policy 3.04. Executive Performance Incentive Plan

Governance Committee Charter

Purpose

The purpose of the Governance Committee (“Committee”) is to advise the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition, *i.e.*, the nomination and appointment/reappointment process and succession planning for the Board. The Governance Committee ensures the Board and its Advisory committees are functioning at the highest level of governance standards.

Authority

All governing authority for ECH resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on governance-related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Governance Committee shall be comprised of two (2) or more Hospital Board members. The Chair of the Committee shall be a Hospital Board director who shall be appointed by the Board Chair, subject to approval by the Board. .
- The Governance Committee may also include 2-4 external (non-Hospital Board member) members with expertise in governance, organizational leadership or as a hospital or health system executive.
- All Committee members shall be appointed by the Board Chair, subject to approval by the Board, for a term of one year expiring on June 30th each year, renewable annually.
- The Governance Committee shall review and make recommendations to the Board regarding the Board Chair’s appointments of Advisory Committee Chairs and Advisory Committee members.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice-Chair from among the members of the Committee.
- All members of the Governance Committee shall be independent.

Staff Support and Participation

The CEO shall attend meetings and serve as the primary staff support to 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 Committee meetings upon the recommendation of the CEO and at the discretion of the Committee Chair.

General Responsibilities

The Committee is responsible for recommending to the full board policies, processes and procedures related to board development, board effectiveness, board composition and other governance matters.

Specific Duties

The specific duties of the Governance Committee include the following:

- A. **Board Composition, Development, and Effectiveness:** Ensure that the Board is committed to the discipline of doing the right things the right way.

Composition

- Define the necessary skill sets, diversity and other attributes required for Board members to support Hospital strategy, goals, community needs and current market conditions.
- Make recommendations to the Board regarding Board Composition.

Orientation, Education and Development

- ~~Recommend~~-Adopt the orientation program for newly-appointed members to the Hospital Board of Directors and newly-appointed Board Committee members.
- Recommend a policy, budget and annual plan for Hospital Board and Committee member education, training and development.

Board Evaluation

- Recommend an evaluation instrument and process to be used by the Hospital Board for evaluation of Board governance.
- Ensure there is a board performance evaluation completed on an annual basis, and as appropriate, evaluation of the individual directors, committees and their chairs, and the Board Chair.
- Ensure submission of Hospital Board's annual self-evaluation to the El Camino Healthcare District Board of Directors.

Board Efficiency

- Monitor and recommend improvements or changes to the on-going governance process and procedures of the Hospital Board in order to enhance overall efficiency of the Board and Advisory Committee Structure.
- Ensure the Board develops a master Board meeting calendar to establish a cadence of information flow and dialogue, such that the Board has sufficient time to review the minutes and recommendations of the committees. The cadence must accommodate a flow of approvals from Committee to the full Board.

B. Support of Board Advisory Committee Alignment with Organizational Strategy and GoalsDevelopment of Process for Advisory Committee Review of Advisory Committee Goals and Charters

- Recommend process for the development of annual Board Advisory Committee goals which includes: 1) Linkage of committee goals to organizational goals and strategy, to the Board; and 2) the Board's review and approval.
- Ensure all Board Advisory committees conduct bi-annual review of Advisory committee charters and recommend any changes to the Board for approval.

Development of Board Advisory Committee Membership Succession Plan

- Ensure membership succession plan considers organizational strategy and goals.
- Develop process for Advisory committee use to identify a need for increase or change in membership to further alignment with organizational strategy and goals.

C. Articles of Incorporation, Bylaws, and Policies

- Provide for a review of the Articles of Incorporation and Bylaws at least once every three years.
- Monitor legal and regulatory issues affecting governance.
- Recommend updates to Hospital Board governance policies where necessary and as required by legal and regulatory agencies.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and pacing plan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all Advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of Advisory committees may also be called by resolution of the Board and the Committee Chair. Notice of any special meetings of the Committee requires a 24 hour notice.

BOARD MEMBER VERBATIM INPUT (from Board Retreat)		TRANSLATION TO THEME	GOVERNANCE COMMITTEE PROPOSAL	
Written Goals	Written Tactics		Proposed Goal	Proposed Tactics
<ul style="list-style-type: none">• Ensure Board members are maximizing their contributions• Better understanding of Governance vs. Management • Protocol on Board and elected members• Review and reassess Board agendas• Streamline processes• Clarify processes and duties• Clarify Committee vs. Board work• Streamline meetings• Oversight instead of micromanagement• Fulfill Mission through policy• Ensure clarity of the function• Clarify right level of information provided to the Board and Committees• Involve Medical Staff in discussions	<ul style="list-style-type: none">• Improve perception of Board by Management/fewer, shorter meetings/clearer policies and processes in key areas identified/Board-level documents	STRATEGIC GOVERNANCE	GOAL #1: The Board will function at a strategic governance level.	<ol style="list-style-type: none">1. Meetings are conducted in accordance with issue focused agendas2. Board Meetings are planned to last no more than two hours3. Board packets are no longer than 50 pages with supplemental informational materials provided in an appendix4. Board reviews adherence to core Board values at the conclusion of each meeting and implements changes based on review:<ul style="list-style-type: none">- Value of agenda items- Appropriateness of MaterialsEffective Discussions
<ul style="list-style-type: none">• Enhance trust and respect• Communication • Improve Board relationship with ELT• Track rules of engagement to create system of accountability• To assess divergent ratings of Board and management	<ul style="list-style-type: none">• Increase communication• Up and down equal please/notify Board when CEO and Board staff are off campus	BOARD CULTURE & DYNAMICS	GOAL #2: The Board will function in an environment that reflects collaboration, mutual respect, and accountability.	<ol style="list-style-type: none">1. Create more social opportunities for Board members to establish and enhance relationships2. Board reviews adherence to approved and defined core organizational values at the conclusion of each meeting and implements changes based on review:<ul style="list-style-type: none">- Quality, Compassion, Community, Collaboration, Stewardship, Innovation, and Accountability
<ul style="list-style-type: none">• Better Committee reports to the Board		EFFICIENT, EFFECTIVE USE OF COMMITTEES	GOAL #3: Board Committees will function effectively, efficiently, and communicate appropriately to the Board.	<ol style="list-style-type: none">1. Committee members are given educational opportunities (internal and/or outside) that focus on effective governance at the Committee level2. Create process for Committee members to give feedback on completeness and governance value of committee materials.3. Establish criteria for Committee information to be reported to the Board4. Enhance Standardization of Reports5. Consider increasing representation of Board members on key Committees

BOARD MEMBER VERBATIM INPUT (from Board Retreat)		TRANSLATION TO THEME	GOVERNANCE COMMITTEE PROPOSAL	
<u>Written Goals</u>	<u>Written Tactics</u>		<u>Proposed Goal</u>	<u>Proposed Tactics</u>
<ul style="list-style-type: none">• Streamline Succession Planning• Strategic Plan• Identify risk exposure (core priorities)• Marketing Plan• Improve media outreach and build physician network/relationships• Physician Alignment		MANAGEMENT RESPONSIBILITIES	N/A (not a Board Goal)	N/A (not a Board Goal)

DRAFT PROPOSED

FY19 COMMITTEE GOALS

Governance Committee

PURPOSE

The purpose of the Governance Committee (the "Committee") is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in matters related to governance, board development, board effectiveness, and board composition, *i.e.*, the nomination and appointment/reappointment process. The Governance Committee ensures the Board and Committees are function at the highest level of governance standards.

STAFF: **Dan Woods**, Chief Executive Officer (Executive Sponsor); **Cindy Murphy**; Director of Governance Services

The CEO 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 Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS
1. Review the governance structure of the Hospital Board, conduct research, and make recommendations on preferred competencies	Q1 FY19 Q4 FY19 Q4 FY19	<ul style="list-style-type: none"> - Recommendation for high-priority Board member competencies made to Hospital and District Board - Chair nominates Governance Committee member to serve on District Board Ad Hoc Committee and participate in the Non-District Board Member recruitment/interview process as requested by the District Board - Assess implementation of changes to ECH Board Structure and make recommendations
2. Promote, enhance, and sustain competency-based, efficient, effective governance	Q2-Q3 FY19 Q3-Q4 FY19 Quarterly	<ul style="list-style-type: none"> - FY19 Self-Assessment Tool recommended to the Board (Q2) and survey completed (Q3) - Reports are completed and made available to the Board and the District Board (Q3-Q4) - Monitor progress toward achievement of FY19 Board Goals
3. Develop Board and Committee Education Plan for FY19	Q1 FY19 Q2 FY19	<ul style="list-style-type: none"> - Develop and recommend FY19 Board and Committee Education Plan - Recommend FY19 Annual Retreat Agenda to the Board

SUBMITTED BY:

Chair: Peter C. Fung, MD

Executive Sponsor: Dan Woods

Draft for review

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Proposed FY19 Advisory Committee Goals Governance Committee June 5, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Possible Motion
Background: <p>Every year, each of the Advisory Committees develops goals for the upcoming fiscal year. All of the committees have done so for FY19; their recommended goals are attached. The Quality Committee will do a final review of its goals (attached) at its June 5, 2018 meeting. The Governance Committee is reviewing draft goals at its June 5, 2018 meeting.</p>	
Committees that reviewed the issue and recommendation, if any: <p>Compliance, Investment, Finance, Executive Compensation, and Quality Committees</p>	
Summary and Session Objectives: <p>To obtain the Committee's recommendation for the Board to approve the proposed FY19 Compliance, Executive Compensation, Finance, Investment, and Quality Committees' goals.</p>	
Suggested discussion questions: <ol style="list-style-type: none"> 1. Are the proposed Committee goals at the correct strategic level? 2. Do they reflect important strategic issues facing the Board in FY19? 3. Are the proposed Committee goals "SMART" (Specific, Measurable, Relevant, Attainable, Time Bound)? 	
Proposed Committee motion, if any: <p>To recommend that the Board approve the Proposed FY19 Compliance, Executive Compensation, Finance, Investment, and Quality Committees' goals.</p>	
LIST OF ATTACHMENTS: <ol style="list-style-type: none"> 1. Proposed FY19 Corporate Compliance/Privacy and Internal Audit Committee Goals 2. Proposed FY19 Executive Compensation Committee Goals 3. Proposed FY19 Finance Committee Goals 4. Proposed FY19 Investment Committee Goals 5. Proposed FY19 Quality, Patient Care, and Patient Experience Committee Goals 	

DRAFT PROPOSED
FY19 COMMITTEE GOALS
 Compliance and Audit Committee

PURPOSE

The purpose of the Compliance and Audit Committee (the "Committee") is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in its exercise of oversight of Corporate Compliance, Privacy, Internal and External Audit, Enterprise Risk Management, and Information Technology (IT) Security. The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the organization and the engagement, independence, and performance of the internal auditor and external auditor. The Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

STAFF: **Diane Wigglesworth**, Sr. Director, Corporate Compliance (Executive Sponsor)

The Sr. Director, Corporate Compliance 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 or outside consultants may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS
1. Review the Hospital's Compliance Program internal assessment compared to DOJ 2017 Compliance Program guidance on the evaluation of Compliance Programs	Q2 FY19	Committee recommends changes in Compliance Program to Compliance Officer
2. Ensure strategic alignment and proper oversight of the Enterprise Risk Management (ERM) Program	Q3 FY19	Committee reviews and provides guidance to the Board on the ERM Program, including developing a risk escalation process and ensuring regular reporting to the Board on ERM
3. Review results of IT metrics tracked during the fiscal year to ensure metrics support appropriate oversight	Q4 FY19	Committee reviews and provides recommendations to the CIO
4. Review ECH's IT Security Program, specifically as it relates to medical device security	Q4 FY19	Committee reviews controls related to medical device security (including any applicable procedure updates)

SUBMITTED BY:

Chair: Sharon Anolik Shakked

Executive Sponsor: Diane Wigglesworth

DRAFT for review

DRAFT PROPOSED FY19 COMMITTEE GOALS

Executive Compensation Committee

PURPOSE

The purpose of the Executive Compensation Committee (the "Committee") is to assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in its responsibilities related to the Hospital's executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Kathryn Fisk**, Chief Human Resources Officer (Executive Sponsor); **Julie Johnston**, Director, Total Rewards;
Cindy Murphy, Director of Governance Services

The CHRO 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. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing their individual compensation.

GOALS	TIMELINE	METRICS
1. Advise the Board ensuring strategic alignment and proper oversight of compensation-related decisions including performance incentive goal-setting and plan design	<ul style="list-style-type: none"> - Review FY18 Org Scores (Q1) - Review and approve (or recommend) FY18 Individual Scores and Payout amounts (Q1) - Receive status update on FY19 progress toward goals and overview of FY20 strategic priorities (Q3) - Receive FY20 market analysis report - Receive FY20 market analysis and review and approve (or recommend) CEO's base salary recommendations (Q4) - Review proposed FY20 org and individual goals (Q4) 	<ul style="list-style-type: none"> - Committee (or Board) approves FY18 Executive Performance Incentive Scores and Payouts (October 2018) - Board approves FY18 Executive Performance Incentive Scores and Payouts (October 2018) - Board approves Letters of Reasonableness (January 2019) - Committee (or Board) approves FY20 Executive Base Salaries (May/June 2019) - Board approves FY20 CEO Base Salary (June 2019) - Committee (or Board) approves FY20 Individual Executive Incentive Goals (May/June 2019) - Board approves FY20 Org Goals (June 2019)
2. Support successful implementation of changes in Board's delegation of authority to the Committee	<ul style="list-style-type: none"> - Evaluate effectiveness of changes in process (Q4) - Discuss impact of the delegation change on the effectiveness of the Committee and Committee meetings (Q4) 	<ul style="list-style-type: none"> - Report to the Board regarding effectiveness of changes and proposed changes or process improvements (June 2019)
3. Evaluate the effectiveness of the independent compensation consultant	<ul style="list-style-type: none"> - Survey Committee members and administrative staff on performance of current consultant and determine whether or not to conduct an RFP (Q1) - If conducting an RFP, complete selection process (Q2) 	<ul style="list-style-type: none"> - Determine whether or not to conduct an RFP (September 2018) - Renewal of Consulting Agreement or selection of another firm (no later than December 31, 2018) - If new firm selected, select by December 31, 2018 and complete contracting by February 10, 2019

SUBMITTED BY:

Chair: Bob Miller

Executive Sponsor: Kathryn Fisk

Draft for review

DRAFT PROPOSED
FY19 COMMITTEE GOALS
Finance Committee

PURPOSE

The purpose of the Finance Committee (the "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 the El Camino Hospital (ECH) Hospital 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 (Executive Sponsor)

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 Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS
1. Review major capital projects	Each regular meeting	Update on major capital projects in progress
2. Review two education topics: 1) Medicare Loss and 2) Inpatient and Outpatient Margins	Q1	Presentation at the July meeting
3. Post-Implementation review	Q2	Review results of major investments after their first year of implementation
4. Review the top three (3) service lines: 1) Heart & Vascular Institute (HVI), 2) Oncology, and 3) Behavioral Health Services (BHS)	- HVI (Q1) - Oncology (Q2) - BHS (Q3)	Presentations in September, November, and January

SUBMITTED BY:

Chair: John Zoglin

Executive Sponsor: Iftikhar Hussain

Draft for review

DRAFT PROPOSED
FY19 COMMITTEE GOALS
Investment Committee

PURPOSE

The purpose of the Investment Committee (the "Committee") is develop and recommend to the El Camino Hospital (ECH) Hospital Board of Directors ("Board") the investment policies governing the Hospital's assets, maintain current knowledge of the management and investment funds of the Hospital, and provide oversight of the allocation of the investment assets.

STAFF: **Iftikhar Hussain**, Chief Financial Officer (Executive Sponsor)

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 Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	METRICS
1. Review performance of consultant recommendations of managers and asset allocations	Each quarter – ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Educate the Board and Committee: investment strategy in volatile markets	Q1 FY19	Completed by the end of Q1
3. Asset Allocation, Investment Policy review, and ERM framework	Q3 FY19	Completed by February 2019

SUBMITTED BY:

Chair: Jeffrey Davis, MD

Executive Sponsor: Iftikhar Hussain

Draft for review

DRAFT PROPOSED FY19 COMMITTEE GOALS

Quality, Patient Care and Patient Experience Committee

PURPOSE

The purpose of the Quality, Patient Care and Patient Experience Committee (the “Committee”) is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in constantly enhancing and enabling a culture of quality and safety at ECH, to ensure delivery of effective, evidence-based care for all patients, and to oversee quality outcomes of all services of ECH. The Committee helps to assure that exceptional patient care and patient experiences are attained through monitoring organizational quality and safety measures, leadership development in quality and safety methods, and assuring appropriate resource allocation to achieve this purpose.

STAFF: **Mark Adams**, Interim Chief Medical Officer (Executive Sponsor)

The CMO 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 clinical representatives and members of the Executive Team may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair. These may include: the Chiefs/Vice Chiefs of the Medical Staff, physicians, nurses, and members from the community advisory councils, or the community at-large.

GOALS	TIMELINE	METRICS
1. Review the Hospital’s organizational goals and scorecard and ensure that those metrics and goals are consistent with the strategic plan and set at an appropriate level as they apply to quality	- FY18 Achievement and Metrics for FY19 (Q1 FY19) - FY20 Goals (Q3 – Q4)	Review management proposals; provide feedback and make recommendations to the Board
2. Alternatively (every other year) review peer review process and medical staff credentialing process; monitor and follow through on the recommendations made through the Greeley peer review process	Q2	- Receive update on implementation of peer review process changes (FY20) - Review Medical Staff credentialing process (FY19)
3. Review Quality, Patient Care and Patient Experience reports and dashboards	- FY19 Quality Dashboard (Q1-Q2 proposal; monthly for review and discussion, if needed) - CDI Core Measures, PSI-90, Readmissions, Patient Experience (HCAHPS), ED Patient Satisfaction (x2 per year) - Leapfrog survey results and VBP calculation reports (annually)	Review reports per timeline
4. Oversee execution of the Patient and Family-Centered Care plan	Quarterly	Review plan and progress; provide feedback to management
5. Monitor the impact of interventions to reduce mortality and readmissions	Quarterly	Review progress toward meeting quality organizational goals

SUBMITTED BY:

Chair: David Reeder

Executive Sponsor: Mark Adams, MD

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Assessing the Effectiveness of the El Camino Healthcare District's El Camino Hospital Board Restructuring Plan Governance Committee June 5, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	For Discussion and Possible Motion
<p>Background: In May 2017, the El Camino Healthcare District Board of Directors ("District") voted to expand the El Camino Hospital Board of Directors ("Hospital") to 10 members by adding 2 additional subject matter experts and eliminating the CEO's seat on the Board. At that time, the District Board did not make any specific plan for filling the new seats. Effective July 1, 2017 Director Rebitzer replaced Neal Cohen, MD who had resigned, and, in August 2017, the District Board appointed Director Fligor to fill a vacancy created when Dennis Chiu resigned. Subsequently, in January 2018, the District Board filled the two new seats when it appointed Directors Kalbach and Kliger to the Hospital Board.</p> <p>The Hospital Board is currently composed of the five publicly elected District Board members and five subject matter experts appointed by the District Board. The membership of the Hospital Board could experience additional turnover following the November 2018 election and in July 2019 at the conclusion of Director Davis' current term.</p>	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: N/A	
<p>Summary and session objectives:</p> <ol style="list-style-type: none"> 1. To discuss the District's restructuring of the Hospital Board and its implementation. 2. To consider making a recommendation(s) to the Hospital Board (and ultimately the District Board) regarding any other changes the District Board might consider. 	
<p>Suggested discussion questions:</p> <ol style="list-style-type: none"> 1. Does the current Hospital Board structure provide stability to enable the organization to execute on its strategic plan? 2. Has the Board restructuring cause any negative unintended consequences? 3. What has been the effect of eliminating the CEO's seat on the Board? 4. Was the timeline for implementation appropriate? 5. Does the Committee have any additional recommendations for structural changes to the Hospital Board? 	
Proposed Committee motion, if any: None proposed. At the discretion of the Committee.	
LIST OF ATTACHMENTS: None.	

Governance Committee

Created 5/22/18

FY19 GC Pacing Plan – Q1		
July 2018	August 7, 2018	September 2018
<p><i>No scheduled meeting</i></p> <p><i>At each meeting:</i></p> <p>Regular Consent Calendar Items: Minutes, Committee Recruitment Update, Article of Interest</p> <p>Other Regular Items:</p> <ul style="list-style-type: none"> - Board Recruitment Update - Report on Board Actions 	<ul style="list-style-type: none"> - Consider Hospital Board Member Competencies for FY19/20 - FY19 Board Education Plan <ul style="list-style-type: none"> o Topics Semi-Annual Board and Committee Education Sessions o Topic for Annual Retreat (February) o Topics For Board Meetings - Adopt Board Orientation Plan - Develop Specific Plan to Achieve FY19 Board Goals <ul style="list-style-type: none"> o Review Past Board Packets 	<p><i>No scheduled meeting</i></p>
FY19 GC Pacing Plan – Q2		
October 2, 2018	November 2018	December 2018
<ul style="list-style-type: none"> - Review and Recommend Annual Board Self-Assessment Tool - Consider Proposed Delegations of Authority to Committees - Adopt Board Orientation Plan - Review Board Reimbursement Policy and Procedure - Assess Progress on FY19 Board Goals <p>Wed., 10/24/2018 Board & Committee Educational Gathering</p>	<p><i>No scheduled meeting</i></p>	<p><i>No scheduled meeting</i></p>

Governance Committee

Created 5/22/18

FY19 GC Pacing Plan – Q3		
January 2019	February 5, 2019	March 2019
<i>No scheduled meeting</i>	<ul style="list-style-type: none"> - Annual review of Advisory Committee composition - Finalize Recommendation for Delegations of Authority to the Advisory Committees - Assess Progress on FY19 Board Goals <p><i>Launch Annual Board and Board Chair Assessments</i></p>	<i>No scheduled meeting</i>
FY19 GC Pacing Plan – Q4		
April 2, 2019	May 2019	June 4, 2019
<ul style="list-style-type: none"> - Set FY20 Governance Committee Dates - Review draft Board and Self-Assessment results - Develop FY20 Governance Committee Goals - Assess Progress on FY19 Board Goals - Develop FY20 Board Goals <p>Wed., 4/24/2019 Board & Committee Educational Gathering</p>	<i>No scheduled meeting</i>	<ul style="list-style-type: none"> - Review and Recommend all FY20 Committee goals to Board - Review Advisory Committee and Committee Chair assignments - Review Committees' progress against FY19 goals - Confirm self-assessment sent to District (from GC charter) - Finalize FY20 Master Calendar (for Board approval in June) - Finalize FY19 GC goals - Assess ECH Board Structure

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Roundtable Discussion Governance Committee Meeting June 5, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	For Discussion
Background: We included an excerpt from the Governance Institute's "Elements of Governance" Series titled "Board Committees" in the Committee's February 6, 2018 packet. Committee Chair Fung asked that we include the questions posed in the "Committee Meeting Effectiveness Assessment Options" section for the Committee to discuss at the conclusion of the meeting.	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: None.	
Summary and session objectives: To assess the effectiveness of the Committee's meeting.	
Suggested discussion questions: <ol style="list-style-type: none"> 1. Brief discussion topics: what worked well/should be repeated? What should be changed/added/deleted? 2. Were the meeting packet and agenda helpful? 3. Did key issues receive sufficient attention? 4. Did we spend the right amount of time on each issue? 5. Was there a significant amount of discussion (vs. presentation)? 6. Were discussions kept at the governance level? 7. Did all members participate fully? 8. Did we hold ourselves accountable to the rules of engagement? 	
Proposed Committee motion, if any: None. For discussion only.	
LIST OF ATTACHMENTS: None.	