

AGENDA

GOVERNANCE COMMITTEE OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tuesday, November 6, 2018 – 5:30pm

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

Julia Miller will be participating via teleconference from 23808 Resort Pkwy, San Antonio, TX 78261.

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 (August 7, 2018) b. Draft Revised Quality Committee Charter Information c. 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. BOARD REIMBURSEMENT POLICY AND PROCEDURE ATTACHMENT 6	Cindy Murphy, Director of Governance Services	<i>public comment</i>	possible motion 5:43 – 5:48
7. BOARD AND COMMITTEE EDUCATION POLICY ATTACHMENT 7	Cindy Murphy, Director of Governance Services	<i>public comment</i>	possible motion 5:48 – 5:53
8. ANNUAL BOARD ASSESSMENT TOOL ATTACHMENT 8	Dan Woods, CEO		discussion 5:53 – 6:03
9. PROPOSED COMMITTEE DELEGATIONS OF AUTHORITY ATTACHMENT 9	Cindy Murphy, Director of Governance Services	<i>public comment</i>	possible motion 6:03 – 6:23
10. BOARD ORIENTATION PROGRAM ATTACHMENT 10	Dan Woods, CEO	<i>public comment</i>	possible motion 6:23 – 6:38

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
11. HOSPITAL BOARD AGENDA AND PACKET REVIEW ATTACHMENT 11	Erica Osborne, Via Healthcare Consulting; Dan Woods, CEO	<i>public comment</i>	possible motion 6:38 – 7:08
12. ADJOURN TO CLOSED SESSION	Peter C. Fung, MD, Chair		motion required 7:08 – 7:09
13. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter C. Fung, MD, Chair		7:09 – 7:10
14. 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 (August 7, 2018)	Peter C. Fung, MD, Chair		motion required 7:10 – 7:11
15. ADJOURN TO OPEN SESSION	Peter C. Fung, MD, Chair		motion required 7:11 – 7:12
16. RECONVENE OPEN SESSION/ REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Peter C. Fung, MD, Chair		7:12 – 7:13
17. FY19 COMMITTEE PACING PLAN ATTACHMENT 17	Peter C. Fung, MD, Chair		discussion 7:13 – 7:15
18. ROUND TABLE DISCUSSION ATTACHMENT 18	Peter C. Fung, MD, Chair		discussion 7:15 – 7:19
19. ADJOURNMENT	Peter C. Fung, MD, Chair	<i>public comment</i>	motion required 7:19 – 7:20pm

Upcoming Meetings: December 4, 2018 (*tentative*) | March 5, 2019 | April 2, 2019 | June 4, 2019 ||
Board & Committee Education: April 24, 2019



**Minutes of the Open Session of the
Governance Committee
Tuesday, August 7, 2018**

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

Members Present

Peter C. Fung, MD, Chair
Gary Kalbach, Vice Chair
Julia E. Miller
Peter Moran (via teleconference)
Bob Rebitzer

Members Absent

Christina Lai

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 5:32pm by Chair Fung. A verbal roll call was taken. Mr. Peter Moran participated via teleconference. Ms. Lai was absent. All other Committee members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	<p>Chair Fung 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 (June 5, 2018); and for information: Articles of Interest.</p> <p>Movant: Kalbach Second: Moran Ayes: Fung, Kalbach, Moran, Rebitzer Noes: None Abstain: Miller Absent: Lai Recused: None</p>	<i>Consent Calendar approved</i>
5. REPORT ON BOARD ACTIONS	Chair Fung referred to the written report in the packet, highlighting the discussion of the Hospital Board goals, the approval of the FY19 Community Benefit plans, and recent District Board approvals.	
6. FY19/20 HOSPITAL BOARD COMPETENCIES	<p>Dan Woods, CEO, outlined the list of proposed competencies as further detailed in the packet, highlighting the new proposal of other Board experience and experience leading a high performing organization.</p> <p>Cindy Murphy, Director of Governance Services, reviewed materials from the Governance Institute’s Support Forum, which focused on:</p> <ul style="list-style-type: none"> - Embracing lessons learned from other industries that have handled disruptions/transformation - Competencies/attributes that hospital boards should consider <p>Mr. Rebitzer cautioned that the health care industry may not be changing as completely or as quickly as those referenced in the materials.</p> <p>The Committee discussed including competencies related to 1)</p>	<i>Competencies recommended for approval</i>

	<p>understanding disruption/change and change management and 2) Board-level experience.</p> <p>The Committee also discussed a competency area related to physician engagement and whether that should be present on the Board or management team.</p> <p>Mr. Woods described the consideration of cybersecurity competencies, noting that there is currently that expertise on the Compliance and Audit Committee.</p> <p>Motion: To recommend the following FY19 priorities for ECH Board Member Competencies: 1) understanding of complex market partnerships; 2) long-range strategic planning; 3) finance/entrepreneurship; and 4) experience leading a high performing organization, healthcare-related or other industry, including Board-level experience.</p> <p>Movant: Moran Second: Kalbach</p> <p>The Committee discussed the use of the priorities in developing a competency matrix that will be approved by the Hospital and District Boards and used by the District's Ad Hoc Committee. Mr. Rebitzer suggested maintaining separation between Board evaluation tools and criteria (or analyses) used for recruitment purposes.</p> <p>Ayes: Fung, Kalbach, Miller, Moran, Rebitzer Noes: None Abstain: None Absent: Lai Recused: None</p>	
<p>7. BOARD ORIENTATION PROGRAM</p>	<p>Mr. Woods reviewed the orientation agenda and materials used to on-board Directors Kalbach and Kliger. He noted that staff would like to implement a 90-day check in following orientation.</p> <p>The Committee discussed opportunities for improvement, including: 1) more emphasis on strategy; 2) more coherence and building the schedule/agenda around an educational objective; 3) ensuring the following are incorporated: financial state of the organization, meetings with key members of the management team who regularly interface with the Board, and strategic direction; 4) Brown Act education very early in orientation; and 5) streamlined and fewer sessions to allow for longer, deeper dives on certain topics.</p> <p>Erica Osborne of Via Healthcare Consulting explained that some of Via's clients break orientation into multiple sessions that are held once per quarter, which are open to new and existing board members (who may want to brush up on topics). Topics may include Governance, Quality, Finance, and Strategy.</p> <p>Mr. Moran suggested providing new Board members with packets from the last two or three meetings to review and acquaint themselves with processes and materials when they first get started.</p> <p>Staff noted that it will incorporate the Committee's feedback and bring a formal proposal back to the Committee for review in October.</p>	

<p>8. BOARD AGENDA AND PACKET REVIEW</p>	<p>Erica Osborne from Via Healthcare Consulting provided an overview of the review she and her team completed of Hospital Board and Committee materials, noting that their work included interviews with the executive team, observational attendance at Board and Committee meetings, and packet and agenda review.</p> <p>Ms. Osborne and the Committee discussed the findings as further detailed in the packet, including focus on 1) the need for Board communication and education to explain the changes/removal of information from the packets; 2) how best to satisfy different areas of interest and potentially different levels of detail needed to make good governing decisions; and 3) whether additional material should be linked to the packet, in appendices, and/or discussed in the meeting.</p> <p>Ms. Osborne noted that any information for the Board should be 1) framed appropriately, 2) at a governance level, 3) understandable and concise, and 4) sufficient for decision making.</p> <p>Mr. Woods commented that materials should enable the Board to test the executive team's process rather than remake the decision.</p> <p>Chair Fung requested additional information on the amount of time spent at Hospital Board meetings on strategic versus operational matters.</p> <p>Ms. Osborne suggested that the Committee review packets again in 6 months. She reviewed Via's specific recommendations based on the 3 Hospital Board packets Via reviewed as further detailed in the materials; some suggestions included:</p> <ul style="list-style-type: none"> - Exploring opportunities for delegation - Redesigning agenda: start with main objectives and build materials from there - Including the "Bottom Line Up Front" (BLUF) - Streamlining policy approvals (potentially a subcommittee of the Quality Committee) - Using Articles of Interest for the Board's education and further information - Clearly identifying Board-sanctioned requests for executive work - Use of a Board Action Plan rather than a Pacing Plan <p>The Committee discussed ideas regarding 1) the appropriate level of detail in materials, 2) collaboration between the Executive Sponsor and Committee Chairs on Committee reports, 3) tracking follow up items, and 4) recalibration of expectations regarding the level of detail in/volume of materials.</p> <p>Mr. Rebitzer suggested using a concrete example with the Board to solicit specific feedback on new/alterd materials.</p>	
<p>9. FY19 BOARD GOAL ACHIEVEMENT PLAN</p>	<p>The Committee reviewed the proposed Board Goal Achievement Plan as further detailed in the packet.</p> <p>The Committees discussed whether or not the Hospital Board should adopt a document regarding Standards of Conduct like the District Board.</p> <p>Ms. Miller suggested that the Governance Committee should report to the District Board.</p> <p>Mr. Rebitzer suggested that the Governance Committee should provide feedback on September and October meeting materials to provide staff with more time to start modifying agendas and materials.</p> <p>The Committee discussed a potential coaching program for the Board,</p>	<p><i>Board Goal achievement plan tactics accepted</i></p>

	<p>including hiring someone like an executive coach or online governance education. Ms. Osborne suggested using GovernWell or iProtean.</p> <p>Mr. Moran discontinued participation in the meeting at 7:37pm.</p> <p>Motion: To accept the tactics recommended by staff as further detailed in the packet.</p> <p>Movant: Kalbach Second: Rebitzer</p> <p>Chair Fung noted that he will raise the question regarding the Standards of Conduct with the Hospital Board.</p> <p>Ayes: Fung, Kalbach, Miller, Rebitzer Noes: None Abstain: None Absent: Lai, Moran Recused: None</p>	
10. FY19 BOARD EDUCATION PLAN	<p>Mr. Woods outlined the proposed education plan. He noted that the April roundtables could provide an opportunity for education on industry changes and trends.</p> <p>Ms. Osborne suggested surveying Board members to select areas of interest for education; the management team can provide a list of 10 topics from which the Board can choose.</p> <p>Motion: To recommend that the Board approve the proposed FY19 Board Education Plan.</p> <p>Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller, Rebitzer Noes: None Abstain: None Absent: Lai, Moran Recused: None</p>	<i>FY19 Board Education Plan recommended for approval</i>
11. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 7:42pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Governance Committee Meeting (June 5, 2018).</p> <p>Movant: Kalbach Second: Miller Ayes: Fung, Kalbach, Miller, Rebitzer Noes: None Abstain: None Absent: Lai, Moran Recused: None</p>	<i>Adjourned to closed session at 7:42pm.</i>
12. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 6:41pm. Agenda items 13-15 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (June 5, 2018) by a unanimous vote in favor of all members present (Fung, Kalbach, Miller, Rebitzer). Ms. Lai and Mr. Moran were absent.</p>	
13. AGENDA ITEM 16: FY19 COMMITTEE PACING PLAN	<p>Chair Fung requested that the Committee review Hospital Board agendas at its October meeting.</p> <p>In response to Chair Fung's question, Ms. Murphy explained the "CEO Board service" topic that was paced for the Committee's February meeting</p>	<i>FY19 Pacing Plan approved</i>

	at the Committee's request.	
14. AGENDA ITEM 17: ROUND TABLE DISCUSSION	The Committee reviewed the effectiveness of the discussion and materials for the meeting.	
15. AGENDA ITEM 18: ADJOURNMENT	Motion: To adjourn at 8:01pm. Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller, Rebitzer Noes: None Abstain: None Absent: Lai, Moran Recused: None	<i>Meeting adjourned at 8:01pm.</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

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

	Item:	Proposed Revised Quality, Patient Care, and Patient Experience Committee ("Quality Committee") Charter Governance Committee November 6, 2018
	Responsible party:	Mark Adams, MD, CMO
	Action requested:	Possible Motion
	<p>Background: The Quality, Patient Care, and Patient Experience Committee completed its biennial review of its Charter at its August meeting. The Governance Committee's Charter provides that it will ensure that each Board Advisory Committee reviews its Charter every other year. The Governance Committee reviews any proposed changes and recommends approval to the Board.</p> <p>Summary of Proposed Changes:</p> <ol style="list-style-type: none"> 1. Simplified the definition of quality and clarify the role of the Committee. 2. Assumed responsibility for establishing the enterprise quality dashboard. 3. Added physician satisfaction as a proxy for quality satisfaction, as it is influenced by physician engagement. 4. Deleted the reference to large scale IT projects now that Epic is now in a steady state. 	
	<p>Other Board Advisory Committees that reviewed the issue and recommendation, if any:</p> <p>The Quality Committee voted to recommend approval of the revised Charter to the Board.</p>	
	<p>Summary and session objectives:</p> <p>For the Committee to review the proposed changes and make a recommendation to the Board.</p>	
	<p>Suggested discussion questions:</p> <p>None. This is a consent item.</p>	
	<p>Proposed Committee motion, if any:</p> <p>To recommend the Board approve the Revised Quality, Patient Care and Patient Experience Committee Charter</p>	
	<p>LIST OF ATTACHMENTS:</p> <ol style="list-style-type: none"> 1. Proposed Revised Quality, Patient Care and Patient Experience Committee Charter (redline) 	

Quality, Patient Care and Patient Experience Committee Charter

Purpose

The purpose of the Quality, Patient Care and Patient Experience Committee (“Quality Committee” or the “Committee”) is to advise and assist the El Camino Hospital Board of Directors (“Board”) in constantly enhancing and enabling a culture of quality and safety at ECH. The committee will work to ensure that the staff, medical staff and management team are aligned in operationalizing the tenets described in the El Camino strategic plan related to delivering high quality healthcare to the patients that we serve. High quality care is defined as care that is: safe, timely, effective, efficient, equitable, and person-centered ~~4) in a culture of safety that mitigates risk and utilizes best practice risk prevention strategies; 2) patient-centered; 3) delivered in an efficient and effective manner; 4) timely; and 5) delivered in an equitable, unbiased manner.~~

The organization will provide to the Committee standardized quality metrics with appropriate benchmarks so that the Committee can adequately assess the level of quality care being provided, measure the degree to which ECH has achieved high quality healthcare using the CMS value-based purchasing program among other measures.

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 issues related to clinical quality, safety, patient care and experience, risk prevention/risk management, and quality improvement. 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.

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 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 Quality Committee may also include 1) no more than nine (9) external (non-Hospital Board member) members with expertise in assessing quality indicators, quality processes (*e.g.*, LEAN), patient safety, care integration, payor industry issues, customer service issues, population health management, alignment of goals and incentives, or medical staff members, and members who have previously held executive positions in other hospital institutions (*e.g.*, CNO, CMO,

HR) and 2) no more than two (2) patient advocate members who have had significant exposure to ECH as a patient and/or family member of a patient. Approval of the full Board is required if more than nine external members are recommended to serve on this 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 Director, the Vice Chair of the Committee shall be a Hospital Board Director.

Staff Support and Participation

The Chief Medical Officer (CMO) 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 clinical representatives as well as members of the executive team may participate in the Committee meetings upon the recommendation of the CMO and subsequent approval from both the CEO and Committee Chair. ~~Thisese~~ may include the Chiefs/Vice Chiefs of the Medical Staff.

General Responsibilities

The Committee's primary role is to develop a deep understanding of the organizational strategic plan, the quality plan, and associated risk management/prevention and performance improvement strategies and to advise the management team and the Board on these matters. With input from the Committee and other key stakeholders, the management team shall develop dashboard metrics that will be used to measure and track quality of care and outcomes, and patient satisfaction 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 1) ensuring that performance metrics meet the Board's expectations; 2) align those metrics and associated process improvements to the quality plan, strategic plan, organizational goals, ~~and quality plan~~; and 3) ensuring that communication to the Board and external constituents is well executed.

Specific Duties

The specific duties of the Committee include the following:

- Oversee management's development of a multi-year strategic quality plan (PaCT) ~~to benchmark progress using a dashboard.~~
- Review and approve an annual "Quality Dashboard" for tracking purposes.
- Oversee management's development of Hospital's goals encompassing the measurement and improvement of safety, risk, efficiency, patient-centeredness, patient satisfaction, and the scope of continuum of care services.
- Review reports related to ECH-wide quality and patient safety initiatives in order to monitor and oversee the quality of patient care and service provided. Reports will be provided in the following areas:

- ECH-wide performance regarding the quality care initiatives and goals highlighted in the strategic plan.
- ECH-wide patient safety goals and hospital performance relative to patient safety targets.
- ECH-wide patient safety surveys (including the culture of safety survey), sentinel event and red alert reports, and risk management reports.
- ECH-wide LEAN management activities and cultural transformation work.
- ECH-wide patient satisfaction and patient experience surveys.
- ECH-wide physician satisfaction surveys.
- Ensure the organization demonstrates proficiency through full compliance with regulatory requirements, to including, but limited to, The Joint Commission (TJC), Department of Health and Human Services (HHS), California Department of Public Health (CDPH), and Office of Civil Rights (OCR).
- In cooperation with the Compliance Committee, review results of regulatory and accrediting body reviews and monitor compliance and any relevant corrective actions with accreditation and licensing requirements.
- Review ~~s~~Sentinel ~~e~~Events (SE), Seriously Safety Events (SSE), and red alerts as per the hospital and board policy.
- Oversee organizational quality and safety performance improvement for both hospital and medical staff activities ~~and ensure that tactics and plans, including large-scale IT projects that target clinical needs, are appropriate and move the organization forward with respect to objectives described in the strategic plan.~~
- Ensure that ECH scope of service and community activities and resources are responsive to community need.

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. Committee members shall be responsible for keeping themselves up to date with respect to drivers of change in healthcare and their impact on quality activities and plans.

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-for review and approval.

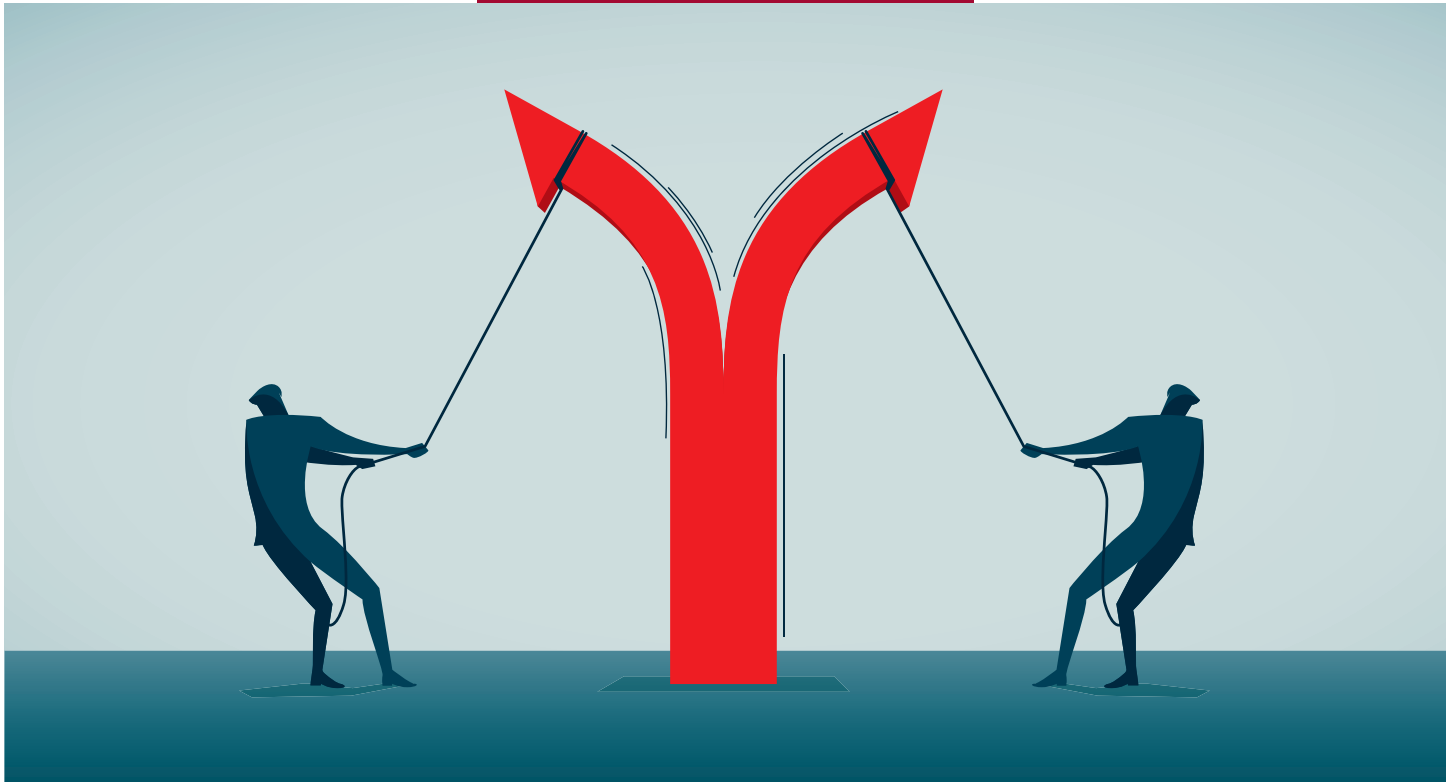
Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board or the Committee Chair. 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.

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VIEWPOINT



Preserving the Distinction Between Management and Governance

Clarifying accountabilities is essential for high performance

BY STEPHEN L. MANSFIELD

One of the most difficult aspects of effective governance is understanding the distinction between the roles of management and the board, and how that demarcation varies among different organizations. After three decades of working for boards and serving on many myself, I have learned that clarifying these roles is imperative to well-functioning organizations and their boards. Fundamentally, the distinction answers

the questions: How do boards excel at governing without stepping into management? And how do CEOs ensure that boards have what they need from management in order to govern effectively?

Knowing how to govern well differs in many respects

Board Culture

from knowing how to lead or manage an organization capably and is perhaps more art than science. Formal education and training, as well as daily practice, equips organizational managers and leaders for their roles. However, best-practice governance principles are perhaps less well studied and applied; and most of us who serve on boards evolve our governance skill sets

over time through participation in periodic board and committee meetings.

Setting policy and direction for the organization, overseeing performance, imparting wisdom, fulfilling the fiduciary responsibilities implicit in governance — and equipping and supporting management to execute the board's adopted strategy, mission and vision — is challenging work. Doing so without micromanaging the execution is in some respects unnatural and even more challenging, especially because most board members are themselves successful CEOs or senior executives of organizations and are usually "executors extraordinaire" in their own right.

It's understandable, therefore, that some board members are uncomfortable with executing through management while holding management accountable to deliver desired results; yet effectively discharging this role is central to effective governance. I've always viewed governance as disproportionately owning the "why/what" and sharing the "when/where," but relying on management for the "who/how" associated with organizational initiatives.

Defining the Distinction at Methodist Health System

While the board and management share overall responsibility for organizational leadership, essential duties can and must be clearly defined as either the board's or management's responsibility.

As CEO of Methodist Health System, I've developed a [grid](#) to define roles for governance, leadership, and management in working

through major organizational initiatives. This grid seeks to create a clear distinction and identify optimal roles for governance and management in each area.

For example, consider the development and implementation of the organization's strategic plan. While the board is heavily involved in developing an aspirational strategy, based on our system's stated mission and vision, management must establish an operating model and develop a team capable of

it allows management to focus full attention on the complexity of operational excellence and strategic success without being hampered by micromanagement from the board.

Building and Maintaining a Shared Understanding

Defining the distinction between governance and management, and successfully adhering to it, depends on a shared understanding and agreement upon which the

I've always viewed governance as disproportionately owning the "why/what" and sharing the "when/where," but relying on management for the "who/how" associated with organizational initiatives.

executing the plan effectively. In my view, it is unhealthy for the organization if management develops the strategic plan without sufficient input and guidance from the board; and likewise, the board oversteps its responsibility if it dips down into actual execution of the plan.

Alternatively, boards and management can come together to lead the organization by jointly participating in local, state or federal advocacy efforts. In this situation, the board reviews, adjusts as necessary, and approves management's plan; and then everyone performs his or her role in this key function.

Having clarity around related but very different accountabilities is imperative for a high-performing board and organization for many reasons. Perhaps most importantly,

distinction is based. In order to avoid confusion, we have agreed at Methodist Health System to a few key principles that underlie how we have defined our relative roles:

- The CEO works for the board of directors as a whole, not for any individual board member and not even for the board chair. Understanding the need to manage based on the consensus of the board avoids having management focus on tangential priorities that do not reflect the will of the board as a whole.
- Board members work through the full board and CEO. Intelligent, well-intended board members can wreak havoc in the organization if they engage and advise members of the management team apart from the CEO and outside the consensus of the board. It is important that all

board communication to management go through the CEO instead of individual executives. Imagine, for example, if a board member wants a consultant to do some work for the organization's human resources department, and the board member

tial benefit for the organization, the chair raises it with the full board and then with the CEO, who decides whether to pursue it.

- The CEO is usually the only employee of the board of directors. (Some organizations such as ours

boards and management change. We use a [board chair/CEO compact](#) that describes the delineation between board/governance and CEO/management roles and responsibilities in detail. We discuss this compact extensively with incoming board chairs as they prepare for their roles. At regular intervals during their relationship, board chairs and CEOs should review the compact and discuss what is and is not working well and how to improve.

Few things are more important for a CEO and board than achieving a clear and consistent balance between governance and management. Otherwise, a lack of balance can become a distraction to the challenging and complex work at hand.

Stephen L. Mansfield, Ph.D., FACHE (stephenmansfield@mhd.com), is president and CEO of Methodist Health System, based in Dallas.

Even with sound principles and clearly defined board and management roles and responsibilities, the distinction can blur, especially as boards and management change.

brings his or her recommendation directly to the chief human resources officer. How does/should the CHRO react? In our organization, we encourage board members to make such a recommendation to the board chair; if the chair deems the recommendation to have poten-

have staff dedicated to assisting the governance process; but they are part of management's structure, not the board's.)

Even with sound principles and clearly defined board and management roles and responsibilities, the distinction can blur, especially as

Trustee Insights

TRANSFORMING GOVERNANCE



The board of St. Charles Health System in Bend, Ore., applied Lean principles not only to patient care, but governance as well.

Applying Lean Principles to Board Work

St. Charles Health System's embrace of Lean practices led to a new culture and revitalized governance model

BY MARY K. TOTTEN

Health care is ripe for change. The evidence is all around us. A majority of health care leaders recently surveyed said hospitals and health systems are most in need of disruptive innovation (*New England Journal of Medicine Catalyst*, February 16, 2017). Consumers are taking charge of their own health and seeking providers that deliver high-quality, affordable and accessible care in ways they have come to expect from their favorite retailers. And disrupters from

within and outside of health care are joining forces and competing with traditional health care organizations to give consumers what they are looking for.

Change is here and more is coming. The impact of forces like consumerism and disruptive innovation, critical for health care organizations to understand and address, will likely vary across markets and over time. But, when significant, targeted and sustainable organizational change is needed, how exactly do large organizations like

hospitals make that happen? And what role, if any, can the board play?

Right People, Place, Time and Approach

Sometimes the stars align. In many ways, that's what happened at St. Charles Health System. Having the right people in the right place at the right time embracing Lean philosophy and process improvement tools made change possible for this four-hospital system based in Bend, Ore. The system board set the clear expectation that improving care quality and safety was imperative and needed to accelerate. The system board went further and agreed both to participate in the organization's Lean work and to apply Lean principles and practices to governance. Two events prompted the system and its board

to make these commitments.

December 1, 2014, was a significant day for St. Charles Health System. First, it was the day Joe Sluka joined the organization as its new CEO. Sluka had experience with and was interested in heading an organization committed to or willing to adopt an operating model based on Lean — a methodology that focuses an organization's culture and work processes on maximizing value for customers while minimizing waste. Sluka

ment.

"We understood that under Joe's leadership we had committed to applying Lean organizationwide," says system board chair Dan Schuette. "However, the board initially was concerned about a total commitment to Lean for several reasons. Our system had been involved in a variety of performance improvement initiatives for more than 10 years. We learned that it takes five to 10 years to hardwire Lean into an organization and that

a total, long-term commitment to a single methodology like Lean, they often revert back to previous performance. To create and sustain performance improvement, Lean adoption must be led from the top — by the organization's CEO and board."

Sluka began to bring Lean concepts and practices into the organization by involving 350 leaders and physicians, including board members, in a kickoff event in the spring of 2015. Rapid Improvement Events (RIEs) applying Lean tools and practices began systemwide that June.

"Without a total, long-term commitment to a single methodology like Lean, [health care organizations] often revert back to previous performance. To create and sustain performance improvement, Lean adoption must be led from the top — by the organization's CEO and board."

Joe Sluka, president and CEO, St. Charles Health System

was attracted to the CEO position because the St. Charles system board supported his interest in Lean.

December 1 also was the day that a medication error at the system's hospital in Bend caused the death of a patient. Under Sluka's leadership, the system immediately acknowledged and apologized for the error. A week later, system leadership publicly reviewed the results of an investigation into what caused the error and the steps being taken to avoid recurrence. The events of Sluka's first days at St. Charles brought unexpected focus to the system's overall approach to patient safety and to performance improve-

ment. "We understood that under Joe's leadership we had committed to applying Lean organizationwide," says system board chair Dan Schuette. "However, the board initially was concerned about a total commitment to Lean for several reasons. Our system had been involved in a variety of performance improvement initiatives for more than 10 years. We learned that it takes five to 10 years to hardwire Lean into an organization and that

few organizations that commit to Lean are able to sustain it. We needed to understand how applying Lean in our organization would be different and how we could ensure that Lean could be sustained long after our current board and executive leaders had moved on." According to Sluka, adopting Lean often fails when organizations focus mainly on implementing a series of projects using Lean tools and concepts without embedding Lean into the organization's philosophy and culture. "Many health care organizations have used a variety of approaches to process improvement," Sluka explains, "but without

Setting Goals

Three goals were eventually affirmed based on the organization's values of accountability, caring and teamwork:

- **5-year goal:** To become the best place to work
- **7-year goal:** To become the best health system in the nation
- **10-year goal:** To create America's healthiest communities

Aligned with these goals are the system's six 2026 "True North" targets:

- **People:** 100 percent staff engagement
- **Safety:** Zero harm
- **Quality:** Zero admissions for ambulatory sensitive conditions
- **Experience:** 100 percent clinic patient and inpatient satisfaction
- **Delivery:** Zero waiting time
- **Cost:** Reduction in cost from the patient's perspective

As the board learned more about Lean, the challenge of sustainability became paramount. A board retreat in the fall of 2015 led to an agree-

ment that the board would “learn by doing.” Several board members, including most officers, then convened in the summer of 2016 for a five-day RIE focused on a key governance responsibility — succession planning at both the board and organizational leadership levels.

Schuette describes the board’s application of Lean practices to governance as an “aha!” moment. “We realized we couldn’t expect the organization to change unless the board changed as well,” he recalls.

The retreat and subsequent RIE became catalysts for stepping up performance for both the organization and the board. At the retreat the board set the expectation that the system needed to accelerate the pace of care improvement to be able to meet patient and community expectations in a changing health care environment. The board also challenged itself to determine its role in the system’s Lean journey, distinct from and supportive of the roles played by executives, managers and frontline teams. Figure 1 (see page 6) from St. Charles shows how governance fits into the system’s Lean operating model.

The Board’s Role in Lean

According to Steve Gordon, M.D., chair of the system board Governance Committee, the board is now addressing sustainability of Lean with a three-pronged approach:

- **Education:** Ongoing trustee attendance at conferences and site visits and participation in RIEs to learn Lean thinking and how to use Lean practices and tools.

- **Organizational presence:** Board member visibility in the

organization’s Lean initiatives by observing frontline staff conducting process improvement work; by attending activities such as report-outs and leadership huddles focused on process improvement; and by

Creating Standard Work for Governance

Areas of Lean governance work conducted by the St. Charles Health System board Governance Committee include:

- Conflict-of-interest disclosure
- IRS Form 990 review
- Board evaluations
- Attending outside education events
- Meeting attendance
- Election of directors and officers
- Board stipends
- Board meeting agenda development
- On-boarding new members

recognizing and celebrating staff, providers, managers and executives for their contributions.

- **Governance effectiveness:**

Considering the work of governance itself as a “model cell” to test new approaches, including leveraging learnings from the Lean journeys of other organizations and applying them to St. Charles’ board work.

The board’s involvement in Lean governance includes several touchpoints to the system’s Lean work. These include ensuring consistency with True North — the system’s vision, mission, and goals; application of Lean tools and approaches;

and adherence to guiding principles focused on establishing and practicing Lean behaviors.

The board’s initial RIE on succession planning illustrates how Lean governance integrates with the system’s Lean work. As part of improving board and executive succession processes, board members determined that candidates should be considered across four dimensions: subject matter expertise; perspectives they could bring to the board’s and organization’s work; leadership qualities; and attributes and values.

“We asked ourselves what qualities we should be looking for in candidates that would support problem solving, enable our system’s long-term Lean strategy and indicate a willingness to continue to learn, sustain and improve it,” Gordon says. “Our CEO and executive team had been working on ‘fit criteria’ for new executives. The board borrowed these Lean leader attributes for board succession to ensure they were parallel with what the organization was looking for in executive candidates.”

This initial RIE helped the board expand Lean governance. “The spirit of Lean is experimentation,” Gordon says, “so the board has conducted a number of experiments designed to improve other governance processes by creating standard work.” Examples of the board’s Lean governance work are included in the sidebar on this page.

Change for the Better

Adoption of a Lean operating model at St. Charles Health System has

resulted in significant improvements in performance for both the organization and its board.

For example, the organization's first RIE focused on hospitalist documentation and charge capture. When the RIE began, it took 28 days to get a bill for hospitalist services out the door, Sluka says. Within 90 days, bill turnaround time went from 28 days to one day.

Additional Lean work focused on improving the organization's electronic medical record and installing infrastructure for quality and safety.

Gordon. "As a management philosophy, Lean empowers frontline workers to improve performance," Sluka says. "It flips the organization upside down, putting the people closest to the patient at the top and the CEO and board at the bottom to set direction, support the front-line and remove obstacles to their work."

The board's participation in Lean and the expectations it sets for the organization further embed Lean within the system, Sluka says. "The board clearly indicates it is very

Board meeting agendas and materials

In order to spend more time on strategic and generative discussions and executive sessions at board meetings, the board streamlined its agenda and meeting materials development and management process. The board, CEO and governance support staff focused on being more intentional about which issues should come to the board. Agendas are organized around fiduciary, strategic and generative topics, with specific time allocated for each topic.

The number of presentations is limited at each meeting. At first, each presentation included three slides. Today, as Lean work has further evolved, presentations are composed of one slide with three bullets, accompanied by a one-page executive summary of the issues. The board also receives a written biweekly update from the CEO and a weekly one-page "In the Know" briefing so that time at board meetings does not have to be spent on sharing this information. Between 2015 and 2017, the average number of pages in board meeting agenda packets decreased from 111 to 26. Over the same period, the amount of board time spent on strategy rose from 12 percent to 47 percent.

Meeting conversations

According to Sluka, the board used to spend much of its meeting time discussing operational issues and governance practices. Using Lean to create standard work for many governance practices and tying board education to Lean practices

"The spirit of Lean is experimentation. So the board has conducted a number of experiments designed to improve other governance processes by creating standard work."

Steve Gordon, M.D., chair, St. Charles Health System board Governance Committee

Results include hiring the system's first quality and safety officer, ensuring transparency for quality and safety issues — employees that identify quality and safety concerns receive an award presented by the board's vice chair — and improving the organization's quality and safety reporting system. St. Charles Health System also participates in a council of representatives from care coordination organizations throughout the state to help address social determinants of health.

Changing the organization's culture is perhaps the most significant outcome of applying Lean at St. Charles Health System, and culture change remains a work in progress, according to Sluka and

serious about improving care and wants to be involved."

Application of Lean practices to board work has resulted in dramatic changes for governance as well. According to Gordon, the board has moved toward process-driven governance where the steps involved in board work are clarified and codified to avoid wasting time reinventing how the work should be done. He considers the development of standard governance work "our gift to future boards."

Figure 2 (see page 7) from St. Charles offers an example of standard work for the distribution of board stipends. A description of standard work focused on other board practices appears below.

and system objectives resulted in a major shift toward strategic and generative discussions at meetings, with less time devoted to operational and fiduciary issues. The commitment to performance transparency also means that quality and safety issues, such as sentinel events, are now discussed at board meetings. “The board can’t guide change if it doesn’t know that problems exist,” Schuette says.

Board chair/CEO check-ins

Each Friday at 4 p.m., Sluka and Schuette have a check-in call or meeting to focus on their relationship and discuss system business. They use a “Lean Status Sheet” tool to outline the issues they want to talk about at the check-in. Schuette says that touching base weekly builds confidence, trust and transparency in his relationship with the CEO. “We have learned how isolated the board chair and CEO positions can be, so we use the check-in as an opportunity to support each other and reinforce our commitment to ‘no surprises.’”

Accepting the Challenge

Applying Lean doesn’t mean spending less time on governance, but rather that time is well spent and adds value. The 12-member system board meets for a day and a

half, six times a year. All committees meet, followed by a five-hour board meeting, which also incorporates Lean work. “We ask for a lot of time from our board members at meetings and participating in Lean education, training and other activities,” Sluka says, “but the more we’ve challenged them, the more they’ve risen to it.”

Schuette says that at times he wonders whether board members feel overwhelmed by their governance work. But so far, he says, current members want to continue serving on the board, and others want to join. “People vote with their

a board chair from outside the community. However, if the board chair position is limited to local board members, the pool for future chairs may be too small. Therefore, the board is using Lean tools to identify the traits needed for board leadership so they can be used in more broadly identifying and developing future leaders.

Schuette believes that, for Lean-driven change to be successful and sustained, boards must set the tone at the top and have a “pure commitment” to participate in Lean work.

“Boards need to understand how to do work in a complex system

like health care that is being forced to change,” he says.

“Our board may not do everything right, but we are willing to continuously examine our work and make it more efficient and focused on delivering value to the patients

and communities we serve.”

“The board has committed to this level of intensity, and the more we ask of our members, the more they step up to more sophisticated levels of governance.”

Dan Schuette, board chair, St. Charles Health System

feet,” says Gordon.

“The board has committed to this level of intensity, and the more we ask of our members, the more they step up to more sophisticated levels of governance,” Schuette says. For example, the board is now using Lean tools to identify what board members need in order to develop further in their governance role.

While the board includes members from within and outside of the community, Schuette says there is a concern that the organization may not yet be ready for

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Note: The author would like to acknowledge and thank Dr. Steve Gordon for his extensive collaboration and assistance with this article. Dr. Gordon is a management consultant with Point B, Inc., and chairs the St. Charles Health System board’s Governance Committee.

FIGURE 1

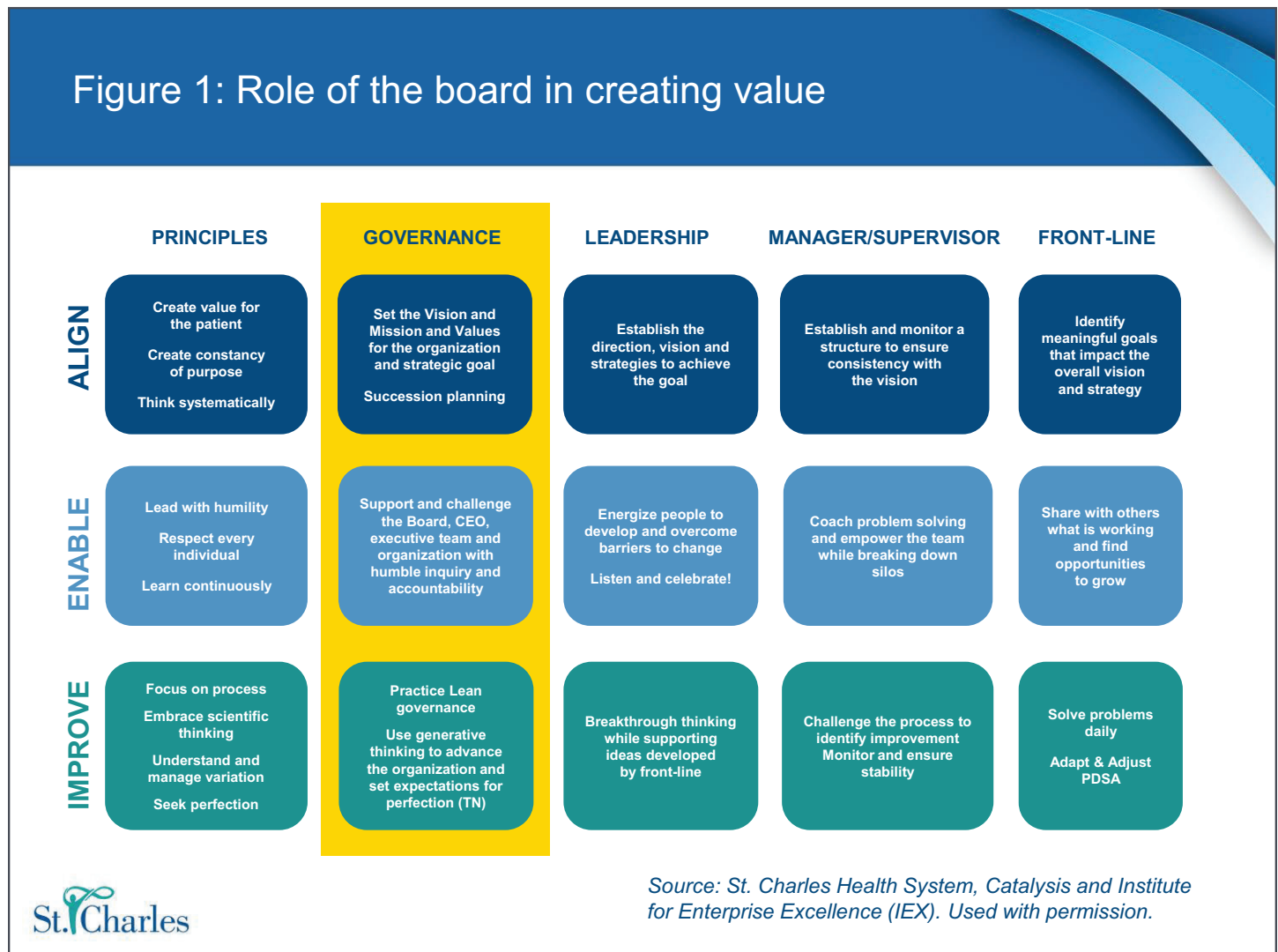


FIGURE 2



SCHS Board Current State Standard Work Biannual Distribution of Director Stipends

Purpose: Compensate Board Members for their time and efforts in continuing the work and improvements of St. Charles Health System.

Goal: Distribute stipends by the June and December Board meetings (with direct deposit).

Prerequisites: Board members must be in good standing.

Process

Trigger: Completion of a six month period (either Dec-May or Jun-Nov).

End: Stipend is distributed to Board Member.

Stipends: (Bi-annually)

1. In mid-May and mid-November, Manager of Board Governance completes check requests for every Board Member in good standing and sends to Board Chair and System CEO for confirmation.
2. Manager of Board Governance notifies Board Chair and System CEO of any members not in good standing, and that check requests have NOT been completed for these members.
3. System CEO signs requests.
4. Manager of Board Governance copies requests and places in Board Member files for record keeping and sends original signed requests to Accounts Payable for processing.
5. Accounts Payable sends checks to Board Members.

Determination of Good Standing:

1. Mid-March Manager of Board Governance pulls and reviews attendance and Education, and Post Conference Reports as follows:
 - **Attendance:** 75% of Board Meetings in person occurring since July 1 two years previous. Example: in March 2016, look back to all meetings since July 1, 2014. If there were ten board meetings during this meeting period, the member would meet the attendance requirement by having attended at least eight meetings in person and would fail the requirement with seven or fewer.
 - **Education:** Board Member has attended at least one educational event since July 1 two years prior and completed the Post Conference Report.
 - **Conflict of Interest Survey:** Board Member has completed the annual conflict of interest survey sent to the Compliance Coordinator and compiled into the Annual Summary by the VP of Compliance.
 - Manager of Board Governance informs all members of their standing based upon these records, and provides each member the opportunity to correct/update the records.
 - Board Chair or designee contacts members out of good standing to develop corrective action plan, which is reviewed at next meeting of the Governance Committee.

Target State:

- Good Standing Status determined and completed annually by March 31st.

Source: St. Charles Health System. Used with permission.

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Report on ECH and ECHD Board Actions Governance Committee November 6, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	For Information
Background: <p>In FY16, we added this item to each Board Committee agenda to keep Committee members informed about Board actions via a verbal report by the Committee Chair. This written report is intended to supplement a verbal report by the Chair of the Committee and/or Board members who also serve on the Committee.</p>	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: <p>None.</p>	
Summary and session objectives: <p>To inform the Committee about recent Board actions.</p>	
Suggested discussion questions: None.	
Proposed Committee motion, if any: None. This is an informational item.	
LIST OF ATTACHMENTS: <ol style="list-style-type: none"> Report on August, September and October 2018 ECH and ECHD Board Actions 	

ECH Board Actions*

1. August 15, 2018
 - a. Resolution 2018-08 Recognizing the Sepsis Team for Joint Commission Gold Seal of Approval Award
 - b. FY18 Year End Financials
 - c. FY19 Base Salary for Chief Medical Officer Mark Adams, MD
 - d. FY19 CEO Salary Range and Base Salary
 - e. Second Amendment to Executive (CEO) Employment Agreement extending Mortgage Assistance benefit for additional 12 months
 - f. Approval of Re-Branding Using New Brand Architecture (El Camino Health)
2. September 12, 2018 – Approved FY18 Organizational Goal Score
3. October 10, 2018
 - a. Approved FY19 Period 2 Financials
 - b. Approved FY18 Financial Audit
 - c. Approved FY18 Annual 430(b) Retirement Plan and Cash Balance Retirement Plan Audits
 - d. Approved Appointment of Robin Driscoll to the El Camino Hospital Foundation Board of Directors
 - e. Approved Revised Executive Benefit Plan Policy (Life Insurance and Eligibility Date Provisions)
 - f. Approved Purchase of Los Gatos Imaging Equipment (O-Arm)
 - g. Approved NICU Medical Director and Neuro-Interventional Call Panel Contracts
 - h. Appointed Director Julie Kliger as Quality, Patient Care and Patient Experience Committee Chair
 - i. Approved FY18 CEO Incentive Plan Payment

ECHD Board Actions*

4. September 12, 2018 - Approved Re-Branding Using New Brand Architecture (El Camino Health)
5. October 16, 2018
 - a. Approved Resolution 2018-11 recognizing Community Benefit Partner Bay Area Women's Sports Initiative
 - b. Approved Resolution 2018-12 Adopting Calendar year 2019 Meeting Dates
 - c. Approved Resolution 2018-13 Amending the ECHD Conflict of Interest Code
 - d. Approved FY18 ECH and ECHD Consolidated Year-End Financials
 - e. Approved the FY18 Community Benefit Report
 - f. Approved the FY18 Year-End Stand Alone Financials
 - g. Approved the FY19 Financials YTD
 - h. Approved the FY19 Financial Audit
 - i. Approved a Revision to the El Camino Hospital Bylaws providing that a vacancy in the Board of Directors shall be deemed to exist when a Director, who was appointed or elected as a Director while serving as a Director of the sole Member is no longer a director of the sole Member.

*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:	<p>Draft Revised Board Compensation and Reimbursement Policy and Procedure</p> <p>Governance Committee</p> <p>November 6, 2018</p>
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	For Approval
Background:	<p>The Board Compensation and Reimbursement Policy and Procedure (“the Policy”) was last reviewed and approved as revised on May 10, 2017. The proposed revision increases the daily meal allowance to \$130.00 per day (\$35/day increase) and changes it to an average daily allowance for Board members when traveling on company business or education. The meal allowance has not been increased since at least 2014 and is proposed to accommodate for increasing cost of meals while traveling.</p>
Board Advisory Committees that reviewed the issue and recommendation, if any:	None.
Summary and session objectives:	To obtain a recommendation for approval of the Proposed Revisions to the Board Compensation and Reimbursement Policy and Procedure.
Suggested discussion questions:	None.
Proposed Board motion, if any:	To recommend that the Board approve the Proposed Revisions to the Board Compensation and Reimbursement Policy and Procedure.
LIST OF ATTACHMENTS:	<ol style="list-style-type: none"> 1. Draft Revised Board Compensation and Reimbursement Policy and Procedure.

TITLE:	El Camino Hospital Board Director Compensation and Reimbursement Policy and Procedure
CATEGORY:	Administration
LAST APPROVAL:	<u>Draft Revised November 6, 2018</u> May 10, 2017 (Revisions Effective July 1, 2017)

TYPE:	<input checked="" type="checkbox"/> Policy <input type="checkbox"/> Protocol <input type="checkbox"/> Scope of Service/ADT <input checked="" type="checkbox"/> Procedure <input type="checkbox"/> Standardized Process/Procedure
SUB-CATEGORY:	Board
OFFICE OF ORIGIN:	Administration
ORIGINAL DATE:	February 12, 2014 (applicable to events after 1/8/14)

I. **COVERAGE:** All Members of the El Camino Hospital Board of Directors with the exception of the Chief Executive Officer.

II. **PURPOSE:**

- A. To define the events for which Board Directors other than the CEO shall receive compensation and reimbursement.
- B. To define the amount of compensation Board Directors shall receive.
- C. To define the procedures necessary to implement this policy.

III. **POLICY STATEMENT:**

- A. El Camino Hospital shall pay its Board Chairperson an annual stipend in the amount of \$12,000, payable during the third month of each quarter of the fiscal year.
- B. El Camino Hospital shall pay members of its Board of Directors, with the exception of the Board Chairperson, a stipend for in person attendance at each of the events listed below, not to exceed seven events per month. However, one of the compensable events per month may be attended by teleconference. Members of the Board of Directors who do not wish to receive such payments may notify the Director of Governance Services~~Board Liaison~~ and the CEO by submitting a "Board of Directors' Compensation Op-Out" form. Any member not receiving compensation may request to receive such compensation for attendance at future events by notifying the Director of Governance Services~~Board Liaison~~ and the CEO. Notwithstanding the above, a stipend shall be paid for participation in the event described in Section C(3)(e) for either in person or telephonic attendance.

C. Events which are subject to compensation include:

- 1. Board members shall be paid \$200 for attendance at Regular, Special and Emergency Meetings of the El Camino Hospital Board of Directors.

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2. Board members shall be paid \$100 for attendance at meetings of the Standing Board Advisory Committees of which the Director is a member or an alternate.
3. In addition to the foregoing meetings, the Board, by adoption of this policy, declares that the following events constitute performance of official duties by a member of the Board of Directors for which Board members shall be paid \$100 for attending:
 - a. Meetings of the Board's Ad Hoc Committee established by the Board of which the Director is a member.
 - b. Meetings of the El Camino Hospital Foundation, when the Director is then serving as an ex-officio member of the Foundation Board.
 - c. Meetings of the Community Benefit Advisory Council ("CBAC") if the Director has been appointed to the CBAC by the El Camino Hospital Board of Directors.
 - d. Meetings of the PAMF/ECH Joint Operating Council if the Director has been appointed as the Board's liaison to the Council.
 - e. Advisory Committee Meeting agenda setting meetings, in person or telephonic, if the Director is the Chair of the Committee.
- D. El Camino Hospital shall also pay to members of its Board of Directors, including the Board Chairperson, (who request such payment reimbursement and submit the required form) an amount equal to his or her actual necessary travel and incidental expenses, including but not limited to travel, lodging and meals incurred (1) as a result of attending events specified in Section B above and (2) as a result of attending educational events funded by El Camino Hospital.
- E. Board members who reside within the El Camino Healthcare District shall not be eligible for reimbursement for mileage to events at El Camino Hospital.
- F. Board members are expected to use prudent judgment in selecting their travel accommodations and otherwise incurring expenses which will be reimbursed by the Hospital.
- G. This policy shall be implemented in accordance with the procedures described in Section VI below.

TITLE:	El Camino Hospital Board Director Compensation and Reimbursement Policy and Procedure
CATEGORY:	Administration
LAST APPROVAL:	<u>Draft Revised November 6, 2018</u> May 10, 2017 (Revisions Effective July 1, 2017)

IV. DEFINITIONS (if applicable):

N/A

V. REFERENCES:

N/A

VI. PROCEDURE:

A. Stipends

1. Hospital staff will track Board members' attendance at meetings and, on a monthly basis, provide Board members who have not opted out of the policy with a "Meeting Attendance Report Confirmation" Form for signature.
2. Upon receipt of the signed Meeting Attendance Report Confirmation and following approval of the Board Chair, (or the Vice Chair, in the case of the Chair's compensation) Hospital staff will forward the document to accounting.
3. Stipends paid to Directors are IRS Form 1099 – Miscellaneous reportable. Directors who have not opted out of participation (See, Section III A) and are accepting stipend payments must submit IRS FORM W-9 to ECH Accounting before receiving payment. Annually, ECH will provide IRS Form 1099-Miscellaneous to Directors receiving stipend compensation in excess of \$600.00 in a calendar year.

B. Use of Personal Vehicle for attendance at meetings or educational events.

1. The Hospital will pay the current IRS mileage rate for miles actually traveled, but not more than, from the Board member's home or usual place of business within California to events as defined in Section III B and to educational events funded by the Hospital. Board members who reside within the El Camino Healthcare District shall not be eligible for reimbursement for mileage traveled to events at El Camino Hospital.
2. To be reimbursed, the Board member must complete the Mileage Reimbursement form provided by the Director of Governance Services~~Board Liaison~~. The form must be signed by the Board Chair (or the

TITLE:	El Camino Hospital Board Director Compensation and Reimbursement Policy and Procedure
CATEGORY:	Administration
LAST APPROVAL:	<u>Draft Revised November 6, 2018</u> May 10, 2017 (Revisions Effective July 1, 2017)

Vice Chair in the case of the Chair's reimbursement) and sent to accounting (OAK200) for processing.

- C. Educational seminars, conferences, events etc. attended for the benefit of the Hospital and in accordance with the Board and Committee Education Policy.
1. **Seminar/conference fees** will be reimbursed in full or at a pro-rated amount in accordance with the Board and Committee Education Policy.
 2. **Air travel** will be reimbursed at "coach" airfare rates. No reimbursement should be claimed for personal convenience fees such as those associated with priority boarding or seating upgrades.
 3. **Ground travel** to a seminar or a meeting using the Board member's personal vehicle will be reimbursed as noted in item D.1., at the current IRS mileage rate per mile. Board members should consider use of a rental car in cases where the expenses are expected to be less than the reimbursement for a personal vehicle.
 4. **Taxi, bus, rail, limo or rental car service**, if required at the destination, may be reimbursed by the Hospital if necessary for business purposes, as follows:
 - a. Reimbursement for car rental expenses incurred by the Board member will be limited to the amount charged for a standard "intermediate" car unless there is a business need for a larger vehicle (multiple travelers with luggage, for example). If the requester requests a larger automobile than is necessary to meet the business need, he/she is to have the rental agency document what the price would have been for a standard "intermediate" vehicle and seek reimbursement for only the lower amount. If a larger vehicle is required to meet a business need, this need must be documented on the "Business-Education-Travel Reimbursement Authorization" form.
 - b. Limousine service is permitted if it is no more expensive than available alternatives.
 - c. Board members should choose the least expensive available alternative suitable for the purpose and situation.
 5. **Lodging** will be reimbursed at the standard private room rate at the selected motel/hotel.

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6. **Meals** will be reimbursed at actual cost plus tip (normally 15%). The maximum reimbursement per day is an average of \$13095.00. It is the responsibility of the Board member to decide how he/she spends the average per day maximum allowable amount for meals. Detailed receipts indicating the items purchased must be submitted.

[Note: Other than contracted medical directors, this policy shall not apply to reimbursement for meals involving physicians, regardless of whether submitted by a physician or a non-physician employee. Refer to Policy 37.00 for expenses involving physicians.]

7. **Alcohol** will not be reimbursed unless approved by the CEO, CFO or Board Chair. Because approval will only be granted in unusual circumstances, it is recommended that Board members request approval in advance of the expenditure. The maximum reimbursement of \$13095.00 per day includes any approved expenses for alcohol.
8. **Telephone calls and Internet Service**, during travel, required for necessary Hospital business will be reimbursed at cost. These expenses should be itemized on the statement. The Hospital will also reimburse expenses for a personal telephone call home each day while on Hospital business. The conversation should be kept to a reasonable length and will be reimbursed at cost.

D. The Hospital will not advance or reimburse for the following:

1. Any expenses of a spouse or other individual who accompanies the Board member on travel.
2. Any additional expenses for travel by business or first class, or any charges for special boarding privileges or seats.
3. Lodging amenities such as subscription television, valet service, cleaning/pressing of clothes (if the function is greater than one week, this service is allowed), concierge, etc. In-room meal service is subject to the normal meal reimbursement rates detailed in D.2.f above.
4. If an offsite event is within a reasonable radius of the Board member's home or usual place of business and the function is starting after 7:30 a.m.

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and/or will be ending before 11:30 p.m., the Hospital will not pay for overnight accommodations, as it is expected that the Board member will commute that distance to and from the function within that business day.

5. Car rental fees on an individual basis where there is the opportunity to share a rental car for a group of participants.
6. Additional per mileage charge or gasoline expense by a car rental agency for personal pleasure driving.
7. Any entertainment such as theater, tours, nightclubs, etc.
8. Discretionary expenses for another Board member or Hospital staff, such as a birthday, holiday (e.g. Christmas), weddings, child birth, special days (i.e. Administrative Day, or some life event).
9. Professional memberships are generally not reimbursable.

E. Travel Reservations: When booking accommodations and/or air travel, the following points should be noted:

1. If a deposit is required to be made by the Hospital, prior approval of the travel request must be received in sufficient time for Accounting to process the request and ensure that the payment reaches its destination by the required date.
2. When booking air travel utilizing a travel agency, the Hospital's current travel agency must be used. Board members may book airfares over the Internet using the Board member's~~employee's~~ personal credit card. The Board member must then seek reimbursement from the Hospital.
3. In most cases, air travel should be booked as a non-refundable fare. The much-lower cost of these non-refundable fares is normally so great that the extra cost, should a trip be re-scheduled, is still much less than paying a full-price fare.

F. Expense Account Reporting

1. Expense account reporting must be in conformity with minimum IRS standards and all expenses of \$25.00 or greater must be supported by detailed receipts. Expense reports must indicate as a minimum all of the following:
 - a. Business purpose
 - b. Date and location
 - c. Name and position

TITLE:

El Camino Hospital Board Director Compensation and Reimbursement Policy and Procedure

CATEGORY:

Administration

LAST APPROVAL:Draft Revised November 6, 2018~~May 10, 2017 (Revisions Effective July 1, 2017)~~

2. Noncompliance with the above requirements could cause the reimbursement to be considered as additional compensation to the Board member and thus would become taxable (via a W-2 or Form 1099). To avoid this potential problem, the employee must complete the "Business-Education-Travel Reimbursement Authorization" form and attach all supporting documentation.

G. Procedure for Completing Form

1. All Board members must complete the "Business-Education-Travel Reimbursement Authorization" form (Form 2085). Local business mileage reimbursement may be requested via the use of the Mileage Reimbursement form (form #54.00a).
2. Form #2085 is self-explanatory, but listed below are key points to remember.
 - a. All supporting documents must be attached to the request form. Examples of supporting documents include
 - i. Copy of registration form
 - ii. Lodging receipts
 - iii. *Detailed* meal receipts
 - iv. Car rental receipts
 - v. Parking fee receipts
 - b. In circumstances where a receipt is not obtainable (or lost), the Board member must attach a statement detailing the expense as to date, place, reason for expense, and amount. All reports with missing receipts require approval by the CFO or CEO.
 - c. Where receipts are given that include non-reimbursable expenses, these expenses must be marked in some fashion and deducted from the total so that only eligible expenses are reimbursed.
3. When travel advances are provided, the recipient must submit a final accounting of his/her expenses on the Business, Education, and Travel Expense form and return any excess advance, no later than 120 days from the date of the event. If this is not done, disciplinary action may be taken. In addition, any undocumented advance will be considered additional income to the recipient and reported as a W-2 or Form 1099 transaction.
4. Signature Authority (approval) for the completed form, as well as travel agency invoices, is as follows:

TITLE:	El Camino Hospital Board Director Compensation and Reimbursement Policy and Procedure
CATEGORY:	Administration
LAST APPROVAL:	<u>Draft Revised November 6, 2018</u> May 10, 2017 (Revisions Effective July 1, 2017)

- a. Department Manager/Director - up to \$5,000.00 per activity.
 - b. Department Line Vice President - up to \$50,000.00 per activity.
 - c. CEO - amounts greater than \$50,000.00 per activity.
5. A Board Member cannot approve her/his own reimbursement of funds.

H. Exceptions: Because it is impossible to foresee every possible situation, it is recognized that exceptions may sometimes be appropriate. As a result, expenses which are not generally reimbursed under this policy may be reimbursed by the Hospital upon determination of the appropriateness and reasonableness of the expenses by the CEO or CFO. Any such exception, including the justification for the exception, shall be attached to the request for reimbursement.

VII. APPROVAL:

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Originating Committee or UPC Committee	N/A
(name of) Medical Committee (if applicable):	N/A
ePolicy Committee:	N/A
Pharmacy and Therapeutics (if applicable):	N/A
Medical Executive Committee:	N/A
Board of Directors:	5/10/17
Historical Approvals:	2/12/1, 6/10/15 (applicable to covered events occurring after 1/8/14)

VIII. ATTACHMENTS (if applicable):

N/A

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Draft Revised Board and Committee Education Policy Governance Committee November 6, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Possible Motion
Background: <p>The Board and Committee Education Policy (“the Policy”) was last reviewed and approved as revised on February 14, 2018. At that time, the total allowance for Board and Committee Education was increased from \$60,000 to \$75,000 to accommodate for the addition of two new Board members, but the allowance per individual Board member or Committee has not changed since at least 2014. The proposed revision to Appendix A increases the allowance by \$1,000 per Board member and \$1,000 per Committee and leaves a \$10,000 buffer for speakers at Board Retreats or Joint Board and Committee Education Sessions. The revisions are proposed to accommodate increasing rates for hotels, airfares, ground transportation, and meals while traveling.</p>	
Board Advisory Committees that reviewed the issue and recommendation, if any: None.	
Summary and session objectives: <p>To obtain a recommendation for approval of the Proposed Revisions to the Board and Committee Education Policy Appendix A. No revisions to the body of the policy or Appendix B are recommended at this time.</p>	
Suggested discussion questions: None.	
Proposed Board motion, if any: <p>To recommend that the Board approve the proposed revisions to the Board and Committee Education Policy Appendix A.</p>	
LIST OF ATTACHMENTS: <ol style="list-style-type: none"> 1. Draft Revised Board and Committee Education Policy (including Appendix A). 	

TITLE: Board and Advisory Committee Continuing Education Policy

CATEGORY: Administrative

LAST APPROVAL: Draft Revised November 6, 2018 February 14, 2018

TYPE:



Policy



Protocol



Scope of Service/ADT



Procedure



Standardized Process/Procedure

SUB-CATEGORY:

Board

OFFICE OF ORIGIN:

Administration

ORIGINAL DATE:

November 14, 2012

I. COVERAGE:

All Members of the El Camino Hospital Board of Directors and Board Advisory Committees

II. PURPOSE:

- To set forth the budget parameters for Board and Advisory Committee education, including both in-house training, such as study sessions, and off site programs offered by institutions such as the Estes Park Institute, the Center for Healthcare Governance and the Governance Institute.
- To establish procedures for budgeting, reporting back to the Board, and requesting funding and reimbursement for educational activities.

III. POLICY STATEMENT: It is the policy of the El Camino Hospital Board of Directors to provide Board Directors and Advisory Committee Members with ongoing governance and healthcare education, to strengthen the skill set of each Director and Committee member and to ensure the Board and its Committees are maintaining contemporary knowledge on topics of general Board duties, changes in the healthcare industry, healthcare governance and other areas specific to Committee responsibility.

IV. DEFINITIONS:

N/A

V. REFERENCES:

Appendices A and B attached.

VI. PROCEDURE:

- A. **Board and Advisory Committee Education Goals:** The Board and Advisory Committees will identify their educational goals both individual and collective, and submit them to the Governance Committee on an annual basis. These goals should be tied to, or in support of, Board, Committee, or Hospital goals. The Board and Committees should also identify the programs or training opportunities (in-house or off-site) to fulfill their learning objectives.

TITLE:	Board and Advisory Committee Continuing Education Policy
CATEGORY:	Administrative
LAST APPROVAL:	<u>Draft Revised November 6, 2018</u> February 14, 2018

B. Expectations of Board and Advisory Committees:

1. Board of Directors:

- a. Group Education: El Camino Hospital (“ECH”) will coordinate occasional group training where the full Board, along with the senior management team, can receive education on the latest trends in the healthcare industry and further their understanding of governance. At the Board’s discretion, committee members may be invited to partake in the event.
- b. Individual Education: Board directors are encouraged to individually attend one off-site program at ECH’s expense, on an annual basis, that best suits their development as a hospital director.

2. Board Advisory Committees:

- a. Group Education: In addition to any committee-specific in-house training provided by ECH throughout the year, committees are expected to identify how they can achieve their educational goals. For example, a committee may elect to attend an off-site training event or collaborate with another committee to invite a guest speaker.
- b. Individual Education: While it is the expectation of the Board that outside committee members keep up with their own continuing education in their professions, the Board recognizes that additional education and training will further enhance their ability to serve on the committees. As such, outside committee members who wish to individually attend an education program/conference may submit a request for funding to their committee chair.

- C. Return on Investment:** The Board should be able to justify the cost of all Board education (in-house and off-site) and be able to demonstrate a return on investment. In support of that goal, individuals who attend off-site educational trainings are expected to submit a one-page summary highlighting the key learnings that would be shared with other members. The summary should describe how the new learning will enhance the performance of the committee, board and/or the hospital. The summary shall be submitted to the Director of Governance Services within 30 days of attendance at off-site educational trainings and shall be provided to the full Board via inclusion on the Board’s consent calendar for information at the next regularly scheduled Board meeting following submission. See, Appendix B.

TITLE: Board and Advisory Committee Continuing Education Policy

CATEGORY: Administrative

LAST APPROVAL: Draft Revised November 6, 2018 February 14, 2018

D. Budget and Delegated Authority:

1. The Governance Committee, in collaboration with the CEO and Finance Committee, will develop a budget for Board and committee member education for adoption by the Board, which shall be reviewed in conjunction with review of this policy very third year. This budget will enable both collective and individual educational opportunities. The amounts will be based on market data, while taking into consideration the needs of the Board and committee members.
2. The Board will delegate authority to the Board Chair (and to the Chair of the Governance Committee in the case of the Board Chair's requests) to approve requests for education by a Board member that exceed the per member/per event limits in the budget. The Board will delegate authority to each committee chair to approve education and training requests up to a specific amount, which the Board will establish annually. The Board will delegate authority to the Board Chair to consider and approve or reject any request above this amount.
3. The total annual budget for Board and Committee member education, as well as the approval limit for Committee chairs, as approved by the Board will be noted, and updated as necessary, in the appendix of this policy.
4. The Governance Committee will recommend to the Board how remaining funds, if any, should be managed. Unused funds may not be rolled over into the next fiscal year.
5. ECH shall pay all costs associated with the program, i.e., registration fees, travel and lodging. Directors and Committee members shall adhere to the ECH reimbursement policy.

E. Requesting Funding for Training:

1. Directors need only inform the Board Chair of their request to participate in a training event provided that the total fees do not exceed the established event limitation amount set forth in the Appendix to this Policy. If the amount exceeds this limit, the request will be reviewed by the Board Chair and approved, conditioned (e.g., reducing the amount allocated to the Director by the amount of the excess), modified or rejected.
2. Committee members shall submit to their Committee chair a request for training no less than 30 days prior to the program's registration deadline. Upon consideration, the Committee chair may approve the request for training provided that the total costs do not exceed the per Committee member event limit established by the Board. If the amount requested exceeds the limit, the request will be sent to the Board Chair for consideration.

TITLE:	Board and Advisory Committee Continuing Education Policy
CATEGORY:	Administrative
LAST APPROVAL:	<u>Draft Revised November 6, 2018</u> February 14, 2018

3. Any requests made by the Board Chair for approval of amounts in excess of the limits set forth in the Appendix to this Policy shall be submitted to the Chair of the Governance Committee for approval.
4. Board or Committee members shall request reimbursement by submitting Form 2085 to the CEO for approval within 30 days of completing training.

F. Point of Contact: The Director of Governance Services is the primary point of contact for Board and Committee members with respect to the process concerning continuing education and training for Board and Committee members.

VII. APPROVAL:

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Originating Committee or UPC Committee	Governance Committee
(name of) Medical Committee (if applicable):	N/A
ePolicy Committee:	N/A
Pharmacy and Therapeutics (if applicable):	N/A
Medical Executive Committee:	N/A
Board of Directors:	

Historical Approvals:	11/14/12, 3/12/14, 8/13/14, 5/13/15, 2/14/18
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VIII. ATTACHMENTS (if applicable):

Appendix A - Budget for FY 2019-2021

Appendix B – Report on Educational Activity

Appendix A

Fiscal Year: 2019-2021

	Limit Amount
Total Annual Training Budget for Board and Committees	\$ 9075 ,000
Individual Limit for Hospital Directors	\$ 5,000 4,000 per person
Committee Chair Approval Limit	\$ 5,000 4,000 per committee

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Proposed Board Assessment Process Governance Committee November 6, 2018
Responsible party:	Dan Woods, CEO
Action requested:	Possible Motion
<p>Background:</p> <p>For at least the last six years, the El Camino Hospital Board of Directors has engaged an outside consultant to facilitate its annual Board Self-Assessment. This year, staff recommends engaging Via Healthcare Consulting (“Via”) to develop a tool and facilitate the Self-Assessment. Via suggested the following which is its standard process.</p> <ol style="list-style-type: none"> 1. This year, do the assessment in June or July – when the “new” Board has had 5-6 meetings together. 2. On-Line Survey: 6 Domains, Likert Scale 1-5 (questions can be customized for ECH): a) Mission and Planning Oversight, b) Quality and Safety Oversight, c) Financial Oversight, d) Legal and Regulatory Oversight, e) Management Oversight, f) Board Effectiveness. 3. Use survey results to develop interview guide and interview key informants: full Board, CEO, and Director, Governance Services. Via does not typically include other management team members in the survey or interviews, but could. 4. Prepare report focused on key themes with all quantitative data included and qualitative data summarized. 5. Present report at half day off-site meeting (or could do at regular meeting): Discussion and create action plan with 4 -5 things to work on over the next year. 	
Other Board Advisory Committees that reviewed the issue and recommendation, if any: N/A	
<p>Summary and session objectives:</p> <p>To consider recommending that the Board engage Via Healthcare Consulting to facilitate its Board Self-Assessment.</p>	
<p>Suggested discussion questions:</p> <ol style="list-style-type: none"> 1. Via has been come to know ECH through its work with the Board in 2015 and the executive team in 2018. Is there an opportunity to leverage that knowledge by having Via facilitate ECH’s Board Self-Assessment? 2. Would the Committee recommend that management be included in the survey and/or interviews? 	
<p>Proposed Committee motion, if any:</p> <ol style="list-style-type: none"> 1. To recommend the Board direct staff to engage Via to facilitate its Board Self-Assessment in late spring or summer 2019. 2. Assuming the Board approves the recommendation, direct staff to work with Via to develop a proposed assessment tool for review at the Committee’s March meeting. 	
LIST OF ATTACHMENTS: None.	

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Delegation of Authority to the Advisory Committees Governance Committee November 6, 2018
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Possible Motion
<p>Background: At its May 2018 meeting, the Board delegated authority to the Executive Compensation Committee to make final decisions regarding some executive (non-CEO) compensation matters. Subsequently, to achieve the purpose of reducing Board administrative review and freeing up Board time for strategic work, the Governance Committee recommended that the Board consider delegating authority to its other Committees. The Board directed staff to suggest areas of possible delegation of authority to the Board's other committees. Staff presented the following suggestions to the Finance Committee and the Compliance and Audit Committee.</p> <ol style="list-style-type: none"> 1. Physician Contracts: The Physician Financial Arrangements Policy requires Board approval of any physician financial arrangement that exceeds the 75th percentile of fair market value. The policy also requires Board approval of any physician financial arrangement that exceeds \$250,000 annually, or is increased by more than 10% on renewal. An exception to the \$250,000/10% criteria exists for Professional Services Agreements with ECMA as long as the total cash compensation to each physician employed by ECMA does not exceed the 75th percentile of fair market value or \$1,000,000 annually. Currently, the Finance Committee reviews these physician financial arrangements prior to Board review and approval. Number of FY17 Approvals: 15 (includes 2 ECMA physician arrangements that no longer require Board approval) Number of FY18 Approvals: 24 2. Funding Requests: The Signature Authority Policy requires Board approval of operational or capital spending requests (budgeted or unbudgeted) in excess of \$1 million. In FY17, there were ten such requests and approvals between \$1 million and \$5 million and 1 such request in FY18. Ken King, CASO, reports that there were an unusually low number of requests in FY18 due to prioritization of major construction project activity and predicts an average of 6-10 such requests for approval annually going forward. FY17 Approvals: <div style="display: flex; justify-content: space-between;"> <div> Da Vinci Robots - \$3.94 million New Main Hospital Lab Upgrades - \$3.1 million Winchester Tenant Improvements - \$3.6 million Stryker Laparoscopic Platform - \$1.5 million Women's Hospital incremental funding - \$5 million </div> <div> LG MOB Improvements - \$5 million LG MRI - \$3.9 million LG Facility Improvements - \$2 million Ventilator Replacements - \$1.1 million </div> </div> FY18 Approval: PACS Imaging and Archive System - \$2.2 million 	

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

	<p>3. <u>Annual Review of Physician Financial Arrangements:</u> The Corporate Compliance: Physician Financial Arrangements – Review and Approval Policy requires presentation of a summary report to the Compliance and Audit Committee, the Finance Committee, and the full Board describing the arrangements, the organizational need that justifies each arrangement, the total annual amount paid to each physician or group, comparison to prior year, and any recommendations for change to policy or procedure related to physician financial arrangements. For Medical Directorships, the summary report also includes goals, contracted rate and hours, and performance against goals. The Board receives the informational report on its consent calendar.</p>
	<p>Other Board Advisory Committees that reviewed the issue and recommendation, if any:</p> <p>The Finance Committee and the Compliance and Audit Committee reviewed the respective proposed delegations and each recommended approval. However, that Finance Committee did not consider delegation of the Annual Report of Physician Financial Arrangements.</p>
	<p>Summary and session objectives:</p> <ol style="list-style-type: none"> 1. To consider recommending the Board delegate the following to the Finance Committee: <ol style="list-style-type: none"> a. Authority to approve funding requests not to exceed \$5 million. b. The same authority to approve physician financial arrangements that is currently reserved to the Board in accordance with The Physician Financial Arrangements Policy, but that that do not exceed the 75th percentile of market value. 2. To consider recommending that final review of the Annual Report of Physician Financial Arrangements rest with the Finance Committee and the Compliance and Audit Committee.
	<p>Suggested discussion questions:</p> <ol style="list-style-type: none"> 1. Assuming the Board would be informed of the approvals, is there any reason the Board should not make the suggested delegations? 2. Would the proposed delegations take appropriate advantage of the Committee’s expertise and have substantial impact on the Board’s time spent reviewing and approving these matters?
	<p>Proposed Committee motion, if any:</p> <ol style="list-style-type: none"> 1. To recommend the Board delegate the following authority to the Finance Committee: <ol style="list-style-type: none"> a. Authority to approve funding requests not to exceed \$5 million. b. The same authority to approve physician financial arrangements that is currently reserved to the Board in accordance with The Physician Financial Arrangements Policy but that that do not exceed the 75th percentile of market value. 2. To recommend the Board delegate authority to review and approve Annual Report of Physician Financial Arrangements to the Compliance and Audit Committee and the Finance Committee.
	<p>LIST OF ATTACHMENTS: None.</p>

ECH BOARD COMMITTEE MEETING AGENDA ITEM COVER SHEET

Item:	Proposed Board Orientation Plan Governance Committee November 6, 2018
Responsible party:	Dan Woods, CEO
Action requested:	For Approval
<p>Background:</p> <p>At its last meeting , this Committee discussed opportunities for improving our current Board Orientation, including: 1) more emphasis on strategy; 2) more coherence and building the schedule/agenda around an educational objective; 3) ensuring the following are incorporated: financial state of the organization, meetings with key members of the management team who regularly interface with the Board 4) Brown Act education very early in orientation; and 5) streamlined and fewer sessions to allow for longer, deeper dives on certain topics. Following discussion, the Committee asked staff to bring back a proposed Board Orientation Plan</p> <p>With those comments in mind and to ensure that Board members receive an orientation that enables them to effectively govern in accordance with their fiduciary duty, staff has developed the attached Proposed Board Orientation Plan.</p>	
<p>Other Board Advisory Committees that reviewed the issue and recommendation, if any:</p> <p>None.</p>	
<p>Summary and session objectives:</p> <p>To approve a Board Orientation Plan. Per its Charter, this Committee has authority to approve the Plan without additional approval by the Board.</p>	
<p>Suggested discussion questions:</p> <p>What will be most effective about the Proposed Board Orientation Plan? What could be improved? What is missing?</p>	
<p>Proposed motion, if any:</p> <p>To approve the Proposed Board Orientation Plan (or as modified).</p>	
<p>LIST OF ATTACHMENTS:</p> <p>1. Proposed Board Orientation Plan</p>	

DRAFT ECH Board Orientation Plan

Prior to attendance at 1st Board meeting:

one full day or two half days, depending on preference

1. **Strategic Plan | 2 hours**

includes update on current fiscal year metrics as last presented to the full Board

With: CEO, COO, Chief Medical Officer (CMO), Chief Nursing Officer (CNO), and President, Silicon Valley Medical Development (SVMD)

2. **Mountain View Site Tour | 45 min**

With: Chief Admin Services Officer

3. **Lunch | 1 hour**

With: CEO and Board Chair(s)

4. **Policies and Procedures | 2 hours**

includes Board logistics overview, technology setup, headshot, ID badge

With: Director of Governance Services, Board Services Coordinator, ECH photographer

5. **Financial Performance | 1 hour**

Hospital and District

With: CFO and Controller

6. **Governance, Fiduciary Duties, and the Brown Act | 1 hour**

With: General Counsel

7. **Board Meeting Materials | 30-60 min**

separate meeting or phone call to review the Board meeting agenda and packet in detail

With: Director of Governance Services

Prior to attendance at 2nd Board meeting / 1st Committee meeting(s)

one full day or two half days, depending on preference

1. **Intro to Related Entities | 1.5 hours**

including the following sessions:

- SVMD Strategy with President, SVMD
- CONCERN:EAP with President, CONCERN
- ECH Foundation with President, Foundation
- Pathways Home Health & Hospice with CFO

2. **Intro to Quality | 1 hour**

including the following sessions:

- Quality Measures (HCAHPS, Core Measures, Org Goals) with CNO and CMO
- Clinical Effectiveness Org Structure: CMO
- Regulatory Oversight: CMO
- Medical Staff Structure and Responsibility: CMO

3. **Committee Onboarding | 2-3 hours**

With: Executive Sponsors, Committee Chairs

4. **Compliance Program | 30 min**

With: Sr. Director, Corporate Compliance

5. **Community Benefit | 30 min**

With: Director, Community Benefit

6. **Workforce | 30 min**

With: CHRO

7. **Site Tours | as requested**

Los Gatos campus, clinics, etc.

90-Day Check In

1. **Lunch | 1 hour**

With: CEO

2. **Check-In Meeting | 1 hour**

With: Director of Governance Services

3. **Other Meetings | as requested**
with other executives and Board member

For Future Consideration:

iProtean Assessment | online
guided Board education webinars



El Camino Hospital[®]

THE HOSPITAL OF SILICON VALLEY

Board Agenda and Packet Evaluation ECH Governance Committee

November 6, 2018

Erica Osborne

Via Healthcare Consulting

Evaluation Objectives

Deliver feedback on progress towards delivering materials that:

- Provide the information and analysis necessary to fulfill the board's oversight and ability to make informed decisions
- Maintain board members' focus on strategic issues
- Increase and validate board confidence in committees and staff and strengthen board-staff relations

Successful Implementation

- Effectively curated materials to include fewer operational details
- Organized materials in a consistent and accessible format
- Included “the ask” up front
- Provided greater context on the issues
- Reduced overall packet size



Visionary Boards

Fiduciary Governance:

- Oversight and policy
- Problems are meant to be spotted
- Question: *Can we afford it? Does the budget balance?*

Strategic Governance:

- Strategic indicators and balanced scorecards
- Problems are meant to be solved
- Question: *What's the plan? What are the opportunities?*

Generative Governance:

- Framing questions
- Problems are meant to be framed
- Question: *What's the key question? What bigger purpose are we serving?*

Shared Opportunities

- Continue efforts to curate information
- Focus on the “*What If*” & “*So What*”
- Ensure balance between governance/ management
- Restructure agenda to include fewer items
- Encourage less reporting, more discussion
- Continue to build trust between Board, committees and ELT



Group Discussion

Governance Committee

Updated October 1, 2018

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 - Via Healthcare Consulting 	<p><i>No scheduled meeting</i></p>
FY19 GC Pacing Plan – Q2		
October 2018	November 6, 2018	December 4, 2018
<p><i>October meeting moved to 11/6</i></p> <p>Wed., 10/24/2018 Board & Committee Educational Gathering</p>	<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 - Review Board and Committee Education Policy - Review Changes to Board Materials 	<p>**Possible additional meeting to review November Hospital Board Packet and Annual Board Self-Assessment Tool</p>

Governance Committee

Updated October 1, 2018

FY19 GC Pacing Plan – Q3		
January 2019	February 2019	March 5, 2019
<p><i>No scheduled meeting</i></p>	<p>February meeting moved to 3/5</p> <p>Launch Annual Board and Board Chair Assessments</p>	<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 - Discuss CEO Board service
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>	<p><i>No scheduled meeting</i></p>	<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 November 6, 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.