



Minutes of the Open Session of the Finance Committee
Monday, September 24, 2018
El Camino Hospital | Conference Rooms A & B (ground floor)
2500 Grant Road, Mountain View, CA 94040

Members Present

Boyd Faust
 William Hobbs (By phone)
 Richard Juelis
 David Reeder
 John Zoglin, Chair

Members Absent

Joseph Chow
 Gary Kalbach

Others Present

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:29pm by Chair John Zoglin. Mr. Chow and Mr. Kalbach were absent. All other Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Zoglin asked if any Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Zoglin asked if any member of the Committee or the public wished to remove an item from the consent calendar.</p> <p>Motion: To approve the consent calendar: Minutes of Open Session of Finance Committee Meeting (July 30, 2018); and FY 19 Period 1 Financials.</p> <p>Movant: Reeder Second: Faust Ayes: Faust, Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Kalbach Recused: None</p>	<i>Consent calendar approved</i>
5. REPORT ON BOARD ACTIONS	Chair Zoglin briefly reviewed the Report on Board Actions as further detailed in the packet.	
6. FY19 PERIOD 2 FINANCIALS	<p>Iftikhar Hussain, CFO, reviewed the FY19 Period 2 Financials with the Committee members. Overall ECH had strong volumes in August which brings the adjusted discharges for the year to budget. IP volume is below budget by 6.2% and below prior year by 8.0%. YTD Deliveries are below budget by 5.4% and below prior year by 7.8%. The majority of the IP decline occurred in the MCH, HVI, Ortho/Neuro/Spine and Orthopedics service lines. OP cases YTD are favorable to budget by 1.6% and greater than prior year by 0.6%. Most notable increases are in Imaging and Lab, however Oncology, Urology, as well as BHS are lower than budget.</p> <p>August operating income is YTD is \$3.2M favorable to budget but \$2.8M below prior year for the same time period. Operating Expense was favorable to budget by 1.2% YTD and above prior year by 7.6%, primarily due to flexing of labor and supplies in line with reduction in volumes and timing in hiring budgeted management positions. Also, Net Patient Revenue favorable to budget YTD by 1.5% and above prior year by 5.7%. The increase in OP volumes contributed to the overall positive revenue. Strong investments continue for August, investment earnings are \$15.5 million ahead of target. The Payor Mix has decreased slightly over expected and PY due to decline in deliveries. The overall balance sheet reflects the AR is 46.9 days which is 1.1 days better than budget.</p>	<i>FY 19 Period 2 Financials approved with requested revisions</i>

	<p><i>The Committee requested the following revisions; 1) Change the typo from \$25K to \$25M under the transfer to investments; 2) Correct variance sign in the income statement; 3) Update days cash on hand.</i></p> <p><i>The Committee requested that Mr. Hussain report on increased expenses in Los Gatos that were not related to volume at the next meeting.</i></p> <p>Motion: To recommend the Board approve the FY19 Period 2 Financials that includes the requested revisions.</p> <p>Movant: Juelis Second: Faust Ayes: Faust, Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Kalbach Recused: None</p>	
7. CAPITAL FUNDING REQUEST-LOS GATOS IMAGING EQUIPMENT	<p>David Clark, Interim, COO and Dr. Mark Adams, CMO reviewed the Capital Funding Requests for Los Gatos. Mr. Adams stated a replacement of the O-Arm portable x-ray unit and two Stealth Navigation Stations for the ECH Los Gatos Surgery Department are required. Dr. Adams commented that the new equipment would provide higher quality care.</p> <p><i>Chair Zoglin requested that a review of this purchase be added to the Pacing Plan in 12 months. Mr. Hobbs commented that as ECH continues to invest in Los Gatos the Committee would like some information about the long term plans for that campus.</i></p> <p>Motion: To recommend that the Board of Directors approve the Capital Funding Request for Los Gatos.</p> <p>Movant: Faust Second: Juelis Ayes: Faust, Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Kalbach Recused: None</p>	<i>Capital Funding Request – approved to recommend to the Board for approval.</i>
8. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:10pm pursuant to Gov't Code Section 54957.2 for approval of the Minutes of Closed Session of Finance Committee Meeting (July 30, 2018).</p> <p>Movant: Second: Ayes: Faust, Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Kalbach Recused: None</p>	<i>Adjourned to closed session at 6:10 pm</i>
9. AGENDA ITEM 13: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 7:09 pm. Agenda items 10-11 were covered in closed session. During the closed session the committee approved the Minutes of the Closed Session of the Finance Committee (July 30, 2018).</p> <p>By a unanimous vote in favor by all present Committee Members (Faust, Hobbs, Juelis, Reeder, and Zoglin). Chow & Kalbach was absent.</p>	
10. AGENDA ITEM 14: APPROVAL OF CONTRACTS	<p>Motion: To recommend that the Board approve the NICU Medical Director Agreement -Mountain View, and ED and Inpatient Consult On-Call Neuro-Interventional Panel Renewal- Mountain View contracts.</p>	<i>Physician Contracts approved</i>

	Movant: Juelis Second: Faust Ayes: Faust, Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Kalbach Recused: None	
11. AGENDA ITEM 15: FY19 COMMITTEE PACING PLAN	Chair Zoglin reminded the Committee there's an Educational Session in late October. Also there's another Service line presentation in November. He encourages the Committee to make sure the key factors are presented within the presentations: 1) What is our Strategy; 2) What are the goals for this year; 3) Are the goals tied to our strategy. Also, Mr. Juelis suggested please add new cutting edge technology tied to strategy if any.	
12. AGENDA ITEM 16: CLOSING COMMENTS	None	<i>Chair Zoglin requested to add a standing Executive Session topic to all FC agenda's.</i>
13. AGENDA ITEM 17: ADJOURNMENT	Motion: To adjourn at 7:14pm Movant: Second: Ayes: Faust, Hobbs, Juelis, Reeder, Zoglin Noes: None Abstentions: None Absent: Chow & Kalbach Recused: None	<i>Meeting adjourned at 7:14 pm</i>

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


 John Zoglin
 Chair, Finance Committee