



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

**Members Present**

Joseph Chow  
 Boyd Faust (By phone)  
 William Hobbs (By phone)  
 Richard Juelis  
 Gary Kalbach  
 Dave Reeder  
 John Zoglin, Chair

**Members Absent**

**Others Present**

Agenda Item	Comments/Discussion	Approvals/Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:30pm by Chair John Zoglin. Mr. Hobbs participated by phone and Mr. Faust joined by phone at 5:40 pm during agenda item 6 FY19 Period 4 Financials. All other Committee members were present at roll call.	
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	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.	
<b>3. PUBLIC COMMUNICATION</b>	There were no comments from the public.	
<b>4. CONSENT CALENDAR</b>	<p>Chair Zoglin asked if any member of the Committee or the public wished to remove an item from the consent calendar.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of Open Session of Finance Committee Meeting (September 24, 2018); and FY 19 Period 3 Financials.</p> <p><b>Movant:</b> Chow  <b>Second:</b> Kalbach  <b>Ayes:</b> Chow, Hobbs, Juelis, Kalbach, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Faust  <b>Recused:</b> None</p>	<i><b>Consent calendar approved</b></i>
<b>5. REPORT ON BOARD ACTIONS</b>	Chair Zoglin briefly reviewed the Report on Board Actions as further detailed in the packet.	
<b>6. FY19 PERIOD 4 FINANCIALS</b>	<p>Iftikhar Hussain, CFO, reviewed the FY19 Period 4 Financials with the Committee members. Overall ECH had a profitable October during which the IP volumes improved in the MCH, HVI, and Ortho/Neuro Spine Service Lines. YTD IP volume remained below budget by 3.2% and below prior year by 5.6%.</p> <p>October deliveries also improved, but YTD deliveries remain below budget by 4.7% and below prior year by 8.0%. YTD Operating income was favorable to budget by 9.7% (\$3.0M) YTD. Capitalized interest for the month is low due to true-up for completed projects. Investment income variance due to market decline. Commercial payor mix has decreased slightly due to decline in deliveries. The overall balance sheet reflects the AR is 46.6 days which is 1.4 days favorable to budget.</p> <p><b>Motion:</b> To recommend the Board approve the FY19 Period 4 Financials.</p>	<p><i><b>Report on increased expenses in Los Gatos that were not related to volume, to the January meeting.</b></i></p> <p><i><b>FY 19 Period 4 Financials were approved</b></i></p>


	<p><b>Movant:</b> Kalbach  <b>Second:</b> Chow  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Kalbach, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<b>7. POST IMPLEMENTATION PROJECT REVIEW</b>	<p>Iftikhar Hussain, CFO, reviewed the Post Implementation Project Review with the Committee members. Mr. Hussain stated since purchasing the two surgical robot models Xi in 2017 the volume for robotic procedures has increased, the cost has lowered, and length of stay for patients has decreased.</p> <p>In response to Mr. Faust's two part question, Dr. Adams stated that surgeons are attracted to using the Xi because they can sit down, it improves their vision, and increases their ability to work longer in their career. Surgeons would leave if we didn't have the Xi which is a state of the art machine.</p> <p><i>Chair Zoglin requested to add Post Implementation Review to the pacing plan 12-18 months after implementation of major requests.</i></p>	<p><b>Add Post Implementation Review to the pacing plan every 12-18 months.</b></p>
<b>8. PROPOSED POLICY REVISIONS</b>	<p>Cindy Murphy, Director of Governance Services stated to the Committee there are three items proposed for revision. The "Draft Revised Signature Authorization Policy"; the "Proposed Revisions to Corporate Compliance: Physician Financial Arrangements Policy"; and the "Draft Revised Finance Committee Charter."</p> <ol style="list-style-type: none"> <li>Signature Authorization Policy: Mr. Hussain stated there are two changes: We're suggesting budgeted and unbudgeted amounts for Capital Projects between \$1M -5M require only Finance Committee approval and over \$5M will still require Board approval.</li> </ol> <p><i>Mr. Faust stated that item #4 <u>Building Leases</u> needs to be clarified for authority or just signature execution only for CEO.</i></p> <ol style="list-style-type: none"> <li>Proposed Revisions to Corporate Compliance: Physician Financial Arrangements Policy: Ms. Murphy explained the proposed revisions to the Policy And noted that the Board will receive summary reports of the Finance Committee and Compliance Committee approvals.</li> <li>.</li> </ol> <p><b>Motion:</b> To recommend the Proposed Policy Revisions and Revised Finance Committee Charter be approved by the Board</p> <p><b>Movant:</b> Juelis  <b>Second:</b> Chow  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Kalbach, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b>Signature Authorization Policy #4 <u>Building Leases</u> needs to be clarified</b></p> <p><b>Proposed Policy Revisions approved</b></p>
<b>9. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 6:16pm pursuant to Gov't Code Section 54957.2 for approval of the Minutes of Closed Session of Finance Committee Meeting (September 24, 2018).</p> <p><b>Movant:</b> Chow  <b>Second:</b> Kalbach  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Kalbach, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b>Adjourned to closed session at 6:16 pm</b></p>



<b>10. AGENDA ITEM 19: RECONVENE OPEN SESSION/ REPORT OUT</b>	<p>Open session was reconvened at 7:57pm. Agenda items 10-17 were covered in closed session. During the closed session the committee approved the Minutes of the Closed Session of the Finance Committee (September 24, 2018).</p> <p>By a unanimous vote in favor by all present Committee Members (Chow, Juelis, Kalbach, Reeder and Zoglin) and Faust by phone. Mr. Hobbs was absent.</p>	
<b>11. AGENDA ITEM 20: APPROVAL OF CONTRACTS</b>	<p><b>Motion:</b> To recommend that the Board approve; MV Perinatal Diagnostic Center Professional Services Agreement Renewal; Enterprise Radiology Professional Services Agreement Renewal; MV &amp; LG ASPIRE Program Medical Director Renewal Agreement; MV Gastroenterology Call Panel Renewal; MV Orthopedic Surgery Call Panel Renewal; MV Hospitalist Professional Service Agreement Renewal; and Enterprise Orthopedic Co-Management Agreement contracts.</p> <p><b>Movant:</b> Chow  <b>Second:</b> Kalbach  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Kalbach, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>Physician Contracts approved</i></p>
<b>12. AGENDA ITEM 21: CAPITAL FUNDING</b>	<p>The Women's Hospital Capital Funding request will be forward to the Board for review and approval at its January 16, 2019 meeting.</p> <p><b>Motion:</b> To recommend that the Board approve Los Gatos Cancer Center Funding and not to exceed \$6.4 million.</p> <p><b>Movant:</b> Chow  <b>Second:</b> Kalbach  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Kalbach, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>Los Gatos Cancer Center funding approved</i></p>
<b>13. AGENDA ITEM 22: APPOINTMENT OF AD HOC</b>	<p><b>Motion:</b> To Appoint an Ad Hoc Committee composed of John Zoglin, Gary Kalbach and Boyd Faust to oversee management's due diligence process and plan to acquire the assets and enter into a Professional Service Agreement with a multi-specialty medical group during December 2018 and January 2019.</p> <p><b>Movant:</b> Chow  <b>Second:</b> Faust  <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Kalbach, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i>Appointment of AD HOC approved</i></p>
<b>14. AGENDA ITEM 23: FY19 COMMITTEE PACING PLAN</b>	<p>Chair Zoglin requested adding Post Implementation Review of major capital requests every 12 – 18 months to the pacing plan.</p>	
<b>15. AGENDA ITEM 16: CLOSING COMMENTS</b>	<p>None</p>	

<b>16. AGENDA ITEM 17: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 8:21pm <b>Movant:</b> Chow <b>Second:</b> Juelis <b>Ayes:</b> Chow, Faust, Hobbs, Juelis, Kalbach, Reeder, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None	<i>Meeting adjourned at 8:21 pm</i>
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Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:

  
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John Zoglin  
Chair, Finance Committee