



**Minutes of the Open Session of the
Governance Committee
Tuesday, June 5, 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
Christina Lai
Peter Moran
Bob Rebitzer

Members Absent

None

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 5:30pm by Chair Fung. A silent roll call was taken. Ms. Christina Lai arrived at 5:31pm during Agenda Item 4: Consent Calendar. Mr. Bob Rebitzer arrived at 5:36pm during Agenda Item 6: Advisory Committee Progress Against FY18 Goals. 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>Chair Fung thanked the Committee members for their continued service.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting (April 3, 2018); Proposed FY19 Board and Committee Meeting Calendar; Proposed FY19 Committee Chair and Committee Assignments; and for information: Report on ECH Board Self-Assessment Provided to the District Board and Articles of Interest.</p> <p>Movant: Moran Second: Kalbach Ayes: Fung, Lai, Kalbach, Moran Noes: None Abstain: None Absent: Rebitzer 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 Hospital Board's approval of the delegation of authority to the Executive Compensation Committee and the District Board's appointment of an Ad Hoc Committee on which Ms. Lai serves as an advisor.	
6. ADVISORY COMMITTEE PROGRESS AGAINST FY18 GOALS	<p>Dan Woods, CEO reported that the Committees are on track to achieve their FY18 goals as further detailed in the packet.</p> <p>There were no questions or comments from the Committee.</p>	
7. ANNUAL ECH BOARD AND	JoAnn McNutt of Nygren Consulting described the abbreviated, high level review conducted in this year's assessment, noting that the Board continues	

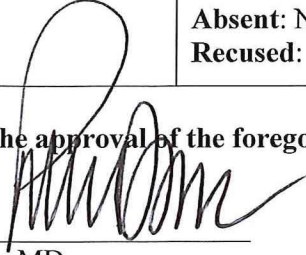
<p>BOARD CHAIR ASSESSMENT</p>	<p>to make progress. She explained that the opportunities for improvement remain the same as prior years: keeping the Board at a strategic/governance level rather than getting into management/operational-level detail. The Committee and staff discussed ways to address this concern: 1) the Board Chair course correcting “real time” during meetings; 2) involving the CEO in concert with the Board Chair (if appropriate); 3) reducing the level of operational detail in the materials provided to the Board to focus discussion; 4) Board members holding each other accountable; and 5) evaluating processes and discussions with a short conversation or survey following each Board meeting.</p> <p>Staff noted that the Board materials review is scheduled for the Committee’s August meeting.</p> <p>Ms. McNutt also reviewed the abbreviated FY18 Board Chair Assessment highlighting opportunities for improvement, and emphasizing that there must be alignment with the Board Chair regarding the definitions of governance versus management.</p> <p>Ms. McNutt commented that to see the fastest change the Governance Committee and the Board should work on improving the meeting materials and the culture simultaneously.</p>	
<p>8. ADVISORY COMMITTEE CHARTER REVIEW</p>	<p>Mr. Woods reported that the following Committees requested changes to their charters: Compliance (name change, fleshed out responsibilities related to IT Security), Executive Compensation (delegation of authority), and Governance Committee (adopting, rather than recommending an orientation program).</p> <p>Motion: To recommend that the Board approve the proposed changes to the Compliance, Executive Compensation, and Governance Committee Charters.</p> <p>Movant: Kalbach Second: Moran Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p>	<p><i>Charters recommended for approval</i></p>
<p>9. PROPOSED FY19 BOARD GOALS</p>	<p>Mr. Woods described the process of Proposed FY19 Board Goal development from verbatim Board comments at the Board Retreat through themes to the proposed goals in the packet. He emphasized the need for a coaching/collaborative mentality between Board members and members of the executive team.</p> <p>The Committee discussed reducing the volume of Board materials and including supplemental information beyond the 50-page proposed limit in an optional appendix. Ms. McNutt suggested developing and using one-page dashboards for each Committee.</p> <p>Chair Fung suggested making materials available to the Board more than 1 week ahead of the meeting. Cindy Murphy, Director of Governance Services, described the process of putting together Board materials and the cadence of meetings, noting that it would not be feasible to provide fresh materials to the Board any earlier. She also described the re-engagement of Via Healthcare Consulting to work with the executive team on materials and presentations. Ms. Murphy proposed that Via Healthcare Consulting come to the Committee’s August meeting to discuss their work and help the</p>	<p><i>FY19 Board Goals recommended for approval</i></p>

	<p>Committee make recommendations regarding Board materials.</p> <p>The Committee discussed potentially reducing the number of Board meetings. Ms. McNutt commented that if a Board is meeting monthly, it is much more likely they are veering into management work rather than working at the governance level.</p> <p>Chair Fung requested Committee dashboard samples. Ms. McNutt suggested an exercise for identifying the top 3-5 governance areas of interest.</p> <p>The Committee discussed the opportunity for Board education regarding what it means for the Board to be exercising oversight. Committee members suggested training about the kinds of questions to be asking in various areas and issues the Board should be reviewing.</p> <p>Motion: To recommend that the Board approve the proposed FY19 Board Goals.</p> <p>Movant: Kalbach Second: Fung</p> <p>Friendly Amendment (Moran): To add a fifth proposed tactic to Goal #1: "Create a governance coaching program for the Board."</p> <p>The Committee discussed engaging a third party for this work and how the education would be both at the group and individual level, and requested that the goal language remain broad to cover both.</p> <p>Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p> <p>Ms. McNutt left the meeting at 6:23pm.</p>	
10. PROPOSED FY19 GOVERNANCE COMMITTEE GOALS	<p>Chair Fung requested and the Committee agreed to revise the first metric for Goal #1 to read, "Recommendation for high-priority Hospital Board member competencies made to Hospital and District Board."</p> <p>Motion: To recommend that the Board approve the proposed FY19 Governance Committee Goals, amended as noted above.</p> <p>Movant: Kalbach Second: Moran Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p>	<i>FY19 Governance Committee goals recommended for approval</i>
11. PROPOSED FY19 ADVISORY COMMITTEE GOALS	<p>Ms. Murphy noted that the Quality Committee made additional changes to its Charter at its June 4, 2018 meeting, including: 1) omitting reference to the Greeley recommendations, which have already been implemented and 2) adding oversight of LEAN activities and cultural transformation work.</p> <p>Motion: To recommend that the Board approve the proposed FY19 Compliance, Executive Compensation, Finance, Investment, and Quality Committee Goals.</p> <p>Movant: Kalbach Second: Fung Ayes: Fung, Lai, Kalbach, Moran, Rebitzer</p>	<i>FY19 Advisory Committee goals recommended for approval</i>

	<p>Noes: None Abstain: None Absent: None Recused: None</p>	
<p>12. ASSESSING EFFECTIVENESS OF THE EL CAMINO HEALTHCARE DISTRICT BOARD RESTRUCTURING PLAN</p>	<p>Chair Fung noted that the Board's expansion was favorably received, highlighting the commentary in the Board's 2018 Self-Assessment.</p> <p>The Committee discussed the dynamics between the 5 publicly-elected Board members and the 5 appointed Board members, noting that on most issues, the full Board reaches agreement. Mr. Rebitzer commented that the areas where he has seen the most disagreement between Board members revolve around executive compensation..</p> <p>Ms. Murphy commented that adding two more Board members has prolonged the length of Board discussions, but Chair Chen and Vice Chair Zoglin work to run meetings as efficiently as possible.</p> <p>The Committee and staff discussed the effect of eliminating the CEO seat on the Board. The Committee discussed the possible timing of revisiting this issue requested information on benchmarks and best practice for CEO service on Boards when the topic is discussed again.</p>	
<p>13. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:40pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Governance Committee Meeting (April 3, 2018).</p> <p>Movant: Kalbach Second: Lai Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 6:40pm.</i></p>
<p>14. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 6:41pm. Agenda items 14-16 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Governance Committee Meeting (April 3, 2018) by a unanimous vote in favor of all members present (Fung, Kalbach, Lai, Moran, and Rebitzer).</p>	
<p>15. AGENDA ITEM 18: FY19 COMMITTEE PACING PLAN</p>	<p>The Committee requested that a discussion about CEO service on Boards be paced for February 2019 meeting.</p> <p>Ms. Murphy noted that 1) the details regarding the specific tactics for achieving the Board Goals can be fleshed out after the Board finalizes and approves them at their June 13, 2018 meeting; 2) Via Healthcare Consulting will come to the Committee's August meeting; and 3) the revised Compensation and Reimbursement and Education Policies will be brought for review to better reflect escalating prices for travel and education.</p> <p>Motion: To approve the FY19 Pacing Plan with the changes noted above.</p> <p>Movant: Kalbach Second: Lai Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None</p>	<p><i>FY19 Pacing Plan approved</i></p>

16. AGENDA ITEM 18: ROUND TABLE DISCUSSION	The Committee reviewed the meeting, highlighting the Articles of Interest, the efficient, professional discussion, and the unique and diverse comments from each Committee member.	
17. AGENDA ITEM 19: ADJOURNMENT	Motion: To adjourn at 6:52pm. Movant: Kalbach Second: Moran Ayes: Fung, Lai, Kalbach, Moran, Rebitzer Noes: None Abstain: None Absent: None Recused: None	<i>Meeting adjourned at 6:52pm.</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