



**Minutes of the Open Session of the
El Camino Hospital Board of Directors
Wednesday, April 18, 2018
2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)**

Board Members Present

Jeffrey Davis, MD
Neysa Fligor
Gary Kalbach
Julie Kliger, RN
Julia E. Miller, Secretary/Treasurer
Bob Rebitzer
David Reeder
John Zoglin, Vice Chair

Board Members Absent

Lanhee Chen, Chair
Peter C. Fung, MD

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:30pm by Vice Chair Zoglin. A silent roll call was taken. Directors Chen and Fung were absent. Director Rebitzer and Director Davis arrived at 5:34pm and 5:37pm respectively during Agenda Item 3: Quality Committee Report. All other Board members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Zoglin asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. QUALITY COMMITTEE REPORT	<p>Director Reeder, Chair of the Quality Committee, reported that the Committee discussed one of the Committee member's experience as a patient, her interactions with staff regarding her experience and her subsequent service on ECH's Patient Family Advisory Council (PFAC) and Pain Management Committee.</p> <p>He described the Committee's discussion on catheter associated urinary tract infections (CAUTIs) with staff (including the Director of Infection Control), which focused on the nurse-driven protocols.</p> <p>Cheryl Reinking, RN, CNO provided an overview of the Patient Care Experience Road Map reviewed by the Committee. She highlighted the inclusion of patient stories at all physician meetings, incorporation of best practices, training and leader rounding, and recruitment for PFAC, which meets monthly. She noted that implementation of the long-term items on the roadmap will begin in July. She also described the alignment of the Road Map with Picker's Eight Principles of Patient-Centered Care.</p> <p>In response to Director Zoglin's question, Iftikhar Hussain, CFO, explained that ECH is not currently paying any penalties to CMS for Hospital-acquired infections.</p> <p>In response to Director Fligor's questions, Ms. Reinking reported that management is currently analyzing the survey results for how best to communicate internally with employees and that ECH uses HCAHPS scores to evaluate patient experience. Director Fligor requested additional information regarding ECH's infection rates.</p> <p>Dan Woods, CEO, introduced Mark Adams, MD, Interim CMO.</p>	<i>Staff to provide additional detail regarding ECH infection rates</i>
4. FINANCE COMMITTEE	Iftikhar Hussain, CFO, reviewed the FY18 Period 8 Financials, noting that:	<i>FY18 Period 8</i>

<p>REPORT</p>	<ul style="list-style-type: none"> - ECH is 5.6% ahead of budget on volume, growth over the prior year; fixed cost structure that is offset by payor mix. - The volume in February dropped off due to the lower volume of flu cases. - Operating income is \$2.9m ahead of plan. - Cost for February was unfavorable due to lower volume. <p>Mr. Hussain reported that Los Gatos had a loss for the month of February due to a drop in surgical volume, but overall is still ahead of last year's performance. He noted that there have been some setbacks in the concierge program and that staff are working on filling vacancies.</p> <p>In response to Director Rebitzer's question, Mr. Hussain noted that the increase in volume is due to a combination of the flu season and initiatives of the service lines to build capacity.</p> <p>In response to Director Kliger's question, Mr. Hussain described ECH's collaboration with MayView, including the grant that ECH provides to support MayView's physician recruitment efforts.</p> <p>Director Kliger suggested examining regarding where patients are coming from (geography, which physician practices) to be able to anticipate growth. Mr. Hussain and David Clark, Interim COO, noted that it is physician-related, tied to service line business development, and that staff can provide additional information in this area.</p> <p>Motion: To approve the FY18 Period 8 Financials.</p> <p>Movant: Reeder Second: Kalbach Ayes: Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p>	<p><i>Financials approved</i></p> <p><i>Staff to provide additional information about volume growth</i></p>
<p>5. MV SITE PLAN STATUS</p>	<p>Ken King, CASO, reviewed the status of the construction projects currently in progress on the Mountain View campus, highlighting:</p> <ul style="list-style-type: none"> - All projects currently under construction are moving along according to schedule and their approved budgets; and - Development work on the Women's Hospital revolves around how to operationally make room for the construction and expansion while continuing to provide services. He noted that ECH is currently weighing options, and there will be presentations to the Finance Committee in May and the Board in June. <p>In response to Director Fligor's question, Mr. King explained that ECH's property on Phyllis Avenue is currently used for construction staging activities, but there are no definitive future plans for the parcel.</p>	
<p>6. EMBEDDING LEAN MANAGEMENT IN CULTURE</p>	<p>Dan Woods, CEO, introduced Isidro ("Izzy") Galicia, President & CEO of Incito Consulting Group. Mr. Galicia presented an overview of LEAN Management, which covered the following:</p> <ul style="list-style-type: none"> - The concept of embedding a LEAN management culture: a systematic approach that aligns purpose, people, and approach, engaging the entire culture, starting from the top of the organization; - The history of LEAN in healthcare; - Focus on both the cultural and technical sides of change through: <ol style="list-style-type: none"> 1) strategy deployment (ECH's strategy deployment and a system 	

	<p>for monitoring progress), 2) value creation (waste identification and processes with true value), 3) continuous improvement (process, performance, and people), 4) people development (leadership coaching, employee engagement), and 5) sustainment-PDCA (plan-do-check); and</p> <ul style="list-style-type: none"> - The importance of strategy alignment and communication. <p>He also outlined the key deliverables over the next 18 months (through Q1 FY20).</p> <p>In response to Director Rebitzer's question; Mr. Galicia described the enterprise-wide value stream mapping and alignment with organizational strategy.</p> <p>In response to Director Kliger's questions, Mr. Galicia explained ways to measure the success of the LEAN effort include standardization and a functioning PDCA system.</p> <p>In response to Director Davis' questions, Mr. Galicia outlined pros and cons of focusing on a departmental versus enterprise level. He spoke to pitfalls and lessons learned from other organizations' LEAN implementation, noting the importance of monitoring system improvement progress and building overall accountability.</p> <p>In response to Director Miller's questions, Mr. Galicia described the progression from procedural change through behavioral change ultimately to cultural change. He also described the identification of priorities through the enterprise value stream mapping.</p>	
<p>7. GOVERNANCE COMMITTEE REPORT</p>	<p>Director Kalbach, Vice Chair of the Governance Committee, described the Governance Committee's review of any potential delegation of authority to the Advisory Committees. He noted that the Executive Compensation Committee's proposed delegation is a good test case of this concept. He also commented that the ultimate goal is to increase efficiency and utilization of Advisory Committee member expertise.</p> <p>Director Reeder commented that the expanded Committee structure with subject matter experts is very useful and voiced his support of delegated authority.</p> <p>Director Fligor requested that Mary Rotunno, General Counsel, and outside counsel research whether or not a Committee with delegated authority would continue to be called an Advisory Committee.</p> <p>Director Davis commented that this is a good step, but Committees should be much more conversant with organizational strategy to ensure that the Committee work is effective and aligned.</p> <p>Director Miller expressed concerns about delegating work that is the fiduciary duty of the Board. Director Kalbach commented that any delegation must be very explicit and measured and that it is incumbent on Board members to monitor Committee work. Director Zoglin commented that any delegation should be within the specific areas of expertise for each Committee.</p> <p>In response to Director Davis' question, Director Kalbach explained that the Governance Committee suggested that staff review other specific opportunities for delegation and solicit the specific Committee's feedback. Staff will bring those suggestions and feedback back to the Governance Committee for review. Any recommendations will be brought to the Board.</p> <p>The Board discussed how any the process for delegating authority should</p>	

	<p>work (consistent with what is currently been done for the Executive Compensation Committee):</p> <ol style="list-style-type: none"> 1. Evaluate and specify, on a case-by-case basis, what the appropriate guardrails and limitations for any delegation would be to be vetted by legal counsel; 2. Bring any proposal to the Board for review and eventual approval by Resolution; and 3. Document any approved delegation and changes in the specific Committee's Charter and (if any) applicable policies for review and approval by the Board. 	
<p>8. EXECUTIVE COMPENSATION COMMITTEE REPORT</p>	<p>Bob Miller, Chair of the Executive Compensation Committee, outlined the proposed delegation of authority as further detailed in the packet.</p> <p>He provided examples of possible Executive Compensation Committee conclusions that, if not within Board-approved policy, would still require Board approval.</p> <p>Mr. B. Miller noted that a future delegation of authority could include approving the participants in the Incentive Plan.</p> <p>Director Reeder commented that this delegation is appropriate and would be beneficial to the Board. Director Rebitzer commended the Committee for this recommendation.</p> <p>Director Zoglin expressed concerns about the average percentage of executive compensation growth exceeding average compensation growth of other, including union, employees. Mr. B. Miller noted that the Committee would review 1) what it takes to stay competitive in the marketplace, 2) recommendations relative to other groups in the organization. He explained that further control comes from the salary budgets set at the beginning of the year and any recommendations outside of the budget would require Board approval. He noted that reports to the Board regarding Committee recommendations and approvals will include the context of 1) the aggregate numbers and 2) comparison with other constituent groups. He also commented that the Board reserves always the right to revoke any delegation.</p> <p>Motion: To (1) approve Draft Resolution 2018-05 including a delegation of authority to approve adjustments to annual salary ranges and base salaries for all executives except the CEO.</p> <p>Movant: Miller Second: Kliger</p> <p>In response to Director Reeder's question, Mr. B. Miller explained that a revised Executive Compensation Committee Charter will be brought back to the Board for review and approval.</p> <p>Ayes: Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p> <p>Motion: To direct staff to develop draft amendments to the Executive Compensation Committee Charter and Policies 3.01, 3.02, 3.03, and 3.04 to comport with the delegation of authority for consideration by the Executive Compensation Committee and the Board.</p> <p>Movant: Miller</p>	<p><i>Resolution 2018-05 approved ; staff directed to draft amendments to applicable policies and the Executive Comp Committee Charter; Draft Procedures approved</i></p>

	<p>Second: Kalbach Ayes: Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p> <p>Motion: To approve the Draft Procedures to be Followed by the El Camino Hospital Compensation Committee When Approving Compensation Pursuant to a Delegation of Authority Under California Nonprofit Corporation Law §5210.</p> <p>Movant: Miller Second: Kliger Ayes: Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p> <p>Director Miller thanked Mr. B. Miller for his leadership as Executive Compensation Committee Chair.</p>	
9. PUBLIC COMMUNICATION	In response to Director Miller's question, Ms. Murphy described the process for processing written communications sent to the Board.	
10. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:58pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (March 14, 2018) and the Minutes of the Closed Session of the Executive Compensation Committee Meeting (January 31, 2018), pursuant to <i>Health and Safety Code 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Organizational Clinical Risks; pursuant to <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation: Corporate Compliance/Privacy and Internal Audit Committee Report; pursuant to <i>Health and Safety Code 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health & Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Finance Committee Report: New Programs and Services, including FY19 Budget Assumptions; pursuant to <i>Health & Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets and <i>Gov't Code Sections 54957</i> and <i>54957.6</i> for report and discussion on personnel matters: CEO Report on New Services and Programs and Personnel Matters; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session – Senior Management.</p> <p>Movant: Reeder Second: Fligor Ayes: Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p>	<i>Adjourned to closed session at 6:58pm</i>
11. AGENDA ITEM 18: RECONVENE OPEN SESSION/ REPORT OUT	Open session was reconvened at 9:00pm by Vice Chair Zoglin. Agenda items 11-17 were addressed in closed session. Directors Davis and Reeder were absent at the beginning of the second open session and rejoined the meeting during Agenda Item 19: Consent Calendar.	


	During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (March 14, 2018), the Minutes of the Closed Session of the Executive Compensation Committee Meeting (January 31, 2018), and the Medical Staff Report by a unanimous vote in favor of all members present (Directors Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, and Zoglin). Directors Chen and Fung were absent.	
12. AGENDA ITEM 19: CONSENT CALENDAR	<p>Vice Chair Zoglin asked if any member of the Board or the public wished to remove an item from the consent calendar. Director Miller requested that Agenda Item 19b: Draft <i>Resolution 2018-06</i>: Approving Acting as a Member of Pathways Continuous Care to Approve the Winding up and Dissolution of Pathways Continuous Care and Delegating Authority to Certain Officers be pulled for discussion.</p> <p>Barbara Burgess, CEO of Pathways Home Health & Hospice, described the decision and process of dissolving Pathways Continuous Care (of which El Camino Hospital is a voting member) due to the continued shortage of aides who could provide quality services on a sustainable scale. She noted that, the Institute on Aging (IOA) has employed a significant number of former Pathways aides at comparable salary ranges and has assumed responsibility for the care of the clients served by such aides.</p> <p>Director Miller thanked Ms. Burgess and Pathways for 30 years of service.</p> <p>Director Zoglin suggested that, if there is interest, IOA could be involved in ECH's Community Benefit grant program.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (March 14, 2018); Draft <i>Resolution 2018-06</i>: Approving Acting as a Member of Pathways Continuous Care to Approve the Winding up and Dissolution of Pathways Continuous Care and Delegating Authority to Certain Officers; Minutes of the Open Session of the Executive Compensation Committee Meeting (January 31, 2018); FY18 Period 7 Financials; Extension of Hospitalist Agreement (MV); Associate Chief Medical Officer Hours Increase (LG); Finance: Pricing and Chargemaster Policy; Draft Revised ECH Bylaws Sections 5.1 and 5.2; Draft Revised Process for Election and Re-Election of Non-District Board Members; Medical Staff Report; and for information: Reports on Educational Activity; Investment Committee Report; and Corporate Compliance/Privacy and Internal Audit Committee Report.</p> <p>Movant: Kalbach Second: Fligor Ayes: Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None</p>	<i>Consent calendar approved</i>
13. AGENDA ITEM 20: CEO REPORT	Dan Woods, CEO, highlighted current progress toward achievement of the FY18 organizational goals focused on addressing infection rates, the new employed physicians providing services at El Camino Health Primary Care, and CONCERN's Digital Transformation Project. He also acknowledged the recent donations to the El Camino Hospital Foundation and recognized the Auxiliary's contribution of 6,787 volunteer hours in February.	
14. AGENDA ITEM 21: BOARD COMMENTS	Director Miller thanked Directors Kalbach and Kliger for the informational reports on the Estes Park Conference they attended as further detailed in the packet.	

15. AGENDA ITEM 22: ADJOURNMENT	Motion: To adjourn at 9:15pm. Movant: Reeder Second: Kalbach Ayes: Davis, Fligor, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Fung Recused: None	Meeting adjourned at 9:15pm
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Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Hospital:



Lanhee Chen
Chair, ECH Board of Directors



Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Cindy Murphy, Director of Governance Services
Sarah Rosenberg, Contracts & Board Services Coordinator