



**Minutes of the Open Session of the
 El Camino Hospital Board of Directors
 Wednesday, August 15, 2018
 2500 Grant Road, Mountain View, CA 94040
 Conference Rooms F&G (ground floor)**

Board Members Present

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

Board Members Absent

None

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 Chair Chen. A silent roll call was taken. Director Davis joined the meeting at 5:35pm during Agenda Item 3: Board Recognition. Director Rebitzer joined the meeting at 5:39pm during Agenda Item 4: Finance Committee Report. All other Board members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Chen asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. BOARD RECOGNITION	<p>Motion: To approve <i>Resolution 2018-08</i>.</p> <p>Movant: Fung Second: Kalbach Ayes: Chen, Fligor, Fung, Kalbach, Kliger, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: Davis, Rebitzer Recused: None</p> <p>Mark Adams, MD, Interim CMO, recognized the Sepsis Committee for its work and efforts on earning disease-specific certification from The Joint Commission.</p>	<i>Resolution 2018-08 approved</i>
4. AGENDA ITEM 4: FINANCE COMMITTEE REPORT	<p>Iftikhar Hussain, CFO, provided an overview of the FY18 Period 12 Financials, including that:</p> <ul style="list-style-type: none"> - The growth in volume was due to the severe flu season and service line development efforts; - Net income was \$194 million; - As capital projects on the Mountain View campus (BHS, Women's Hospital) wrap up, there will be depreciation and no more capitalized interest, which will affect ECH's operating margin. <p>Mr. Hussain highlighted the importance of maintaining ECH's cost structure, noting that ECH has worked to have a smaller margin of loss by lowering length of stay and improving clinical documentation.</p>	<i>FY18 Period 12 Financials approved</i>

	<p>He also described:</p> <ul style="list-style-type: none"> - Investment income, noting that the market has performed very well the last two years and the expected return is generally around 4%; - ECH's 504 days of cash on hand; - The upcoming capital project work at both campuses (Women's Hospital in Mountain View, seismic improvements in Los Gatos); - The variance from budget, which was primarily driven by net revenue (\$29 million in unusual items for the year (including IGT payments) and higher volume). <p>In response to Director Rebitzer's question, Mr. Hussain described the changes in ECH's commercial market share.</p> <p>Director Miller requested that the census data for Los Gatos be separated out on the summary page in future presentations.</p> <p>In response to Director Fung's questions, Mr. Hussain further described IGT payments and Medi-Cal enrollment.</p> <p>Motion: To approve the FY18 Period 12 Financials.</p> <p>Movant: Reeder Second: Kalbach Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>5. AGENDA ITEM 3: QUALITY COMMITTEE REPORT</p>	<p>Director Reeder, Chair of the Quality Committee, noted that due to a lag in the data reporting, the year-end results will be available in September.</p> <p>Dr. Adams described the overall performance on the FY18 Quality Dashboard and the frequency of data collection and difficulty of achievement for each of the metrics. He also described the goal setting process for the FY19 dashboard, which included consultant input and various national benchmarks. He noted that there has been a shift from using rates to using indices.</p> <p>Chair Chen requested additional detail about statistical significance and to clarify the units of measurement. Director Kliger requested comparisons to like hospitals of a similar size and payor mix.</p> <p>In response to Director Fligor's question, Dr. Adams outlined the areas of improvement identified in the culture of safety survey for both caregivers and physicians.</p> <p>Director Fung suggested providing the Board with an exception report or highlighting one or two important areas rather using the same level of detail that the Quality Committee reviews.</p> <p>In response to Director Zoglin's questions, Dr. Adams noted that target should be above 50th percentile/50% on each metric and maximum should be around 80th percentile/80%. He also cautioned that quality measures can be difficult to predict and target. Dr. Adams and Cheryl Reinking, RN, CNO explained the process of goal setting for HCAHPS-related goals.</p> <p>Director Reeder described the Committee's robust discussion about the culture of safety survey and the upcoming review of multi-year quality</p>	

	goals. Chair Chen suggested having additional Board discussion on quality and outstanding questions on the dashboard.	
6. PUBLIC COMMUNICATION	John Carlsen expressed concerns about patient safety and his father's experience at the Hospital.	
7. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:16pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Special Meeting of the Hospital Board (August 6, 2018); pursuant <i>Gov't Code Section 54957.6</i> for a conference with labor negotiator Dan Woods: FY19 Chief Medical Officer Base Salary; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: CEO Performance Review; pursuant <i>Gov't Code Section 54957.6</i> for a conference with labor negotiator Bob Miller: Proposed CEO Base Salary and Salary Range and Second Amendment to Executive Employment Agreement; pursuant to <i>Health & Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Market Implications; pursuant to <i>Health & Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Physician Alignment Business Plan; pursuant to <i>Health & Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: New Hospital Program; <i>Health and Safety Code 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters, and <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending and threatened litigation: CEO Report on New Services and Programs, Quality Assurance Matters, and Legal Matters; and pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.</p> <p>Movant: Miller Second: Fligor Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Adjourned to closed session at 6:16pm</i>
8. AGENDA ITEM 19: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 9:20pm by Chair Chen. Agenda items 8-18 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Special Meeting of the Hospital Board (August 6, 2018), by a unanimous vote in favor of all members present (Directors Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, and Zoglin).</p>	
9. AGENDA ITEM 20: CONSENT CALENDAR	<p>Chair Chen asked if any member of the Board 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 Special Meeting of the Hospital Board (August 6, 2018); Resolution: 2018-09 Regarding Withdrawal of SVMD from Benefit Plans; FY18 Period 11 Financials; Medical Director, Palliative Care (Enterprise); Medical Director, Outpatient Medical Oncology (MV) Renewal; Proposed FY19/20 Hospital Board Competencies; FY19 Board Education Plan; and for information: Update on Major Construction Projects in Progress (MV campus); and Report on Educational Activities.</p>	<i>Consent calendar approved</i>

	<p>Movant: Reeder Second: Miller Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>10. AGENDA ITEM 21: APPROVAL OF FY19 CEO SALARY RANGE AND BASE SALARY</p>	<p>Chair Chen noted that copies of the proposal were available for the public. Motion: To approve the FY19 CEO Salary Range with a minimum of \$876,000, midpoint of \$1,095,000, and maximum of \$1,314,000 and a base salary of \$890,000. Movant: Kalbach Second: Reeder Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>FY19 CEO Salary Range and Base Salary approved</i></p>
<p>11. AGENDA ITEM 22: APPROVAL OF SECOND AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT</p>	<p>Chair Chen noted that copies of the proposal were available for the public. Motion: To approve the Second Amendment to the Executive Employment Agreement. Movant: Kalbach Second: Rebitzer Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Executive Employment Agreement Amendment approved</i></p>
<p>12. AGENDA ITEM 23: FY19 CMO BASE SALARY</p>	<p>Chair Chen noted that copies of the proposal were available for the public. Motion: To approve the FY19 CMO Base Salary of \$575,000. Movant: Kalbach Second: Kliger Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>13. AGENDA ITEM 24: APPROVAL OF REBRANDING USING NEW BRAND ARCHITECTURE</p>	<p>Kelsey Martinez, Director of Marketing & Communications, provided an overview of the recommendation to move to a unified brand name, “El Camino Health.” She outlined 1) consumer preferences and 2) why the shift is being recommended, and 3) the proposed brand architecture model. Motion: To approve a move to a unified brand name of El Camino Health. Movant: Kalbach Second: Rebitzer Director Zoglin commented as follows: “The idea of reviewing the brand</p>	<p><i>Unified brand name move approved</i></p>

	<p>structure and brand architecture I think is a wonderful idea. I guess the problem is we talk here at El Camino a lot about best practices and LEAN manufacturing and proper processes and the idea that we would make name change when we are months away from finishing a brand positioning that reflects a new strategy is I believe incredibly inconsistent with any kind of best practices, I am disappointed in the executive team bringing this forward at this time, and I think my pride in being on this board will be diminished if we vote to accept this without knowing what our brand positioning is.”</p> <p>Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder Noes: Zoglin Abstentions: None Absent: None Recused: None</p>	
14. AGENDA ITEM 25: LEADERSHIP UPDATE	Dan Woods, CEO, highlighted the formation of teams to focus on quality and safety, an upcoming transit pass subsidy program, and an employee’s feature in the Silicon Valley Business Journal. He also acknowledged the recent generous donations to the Foundation and the Auxiliary’s contribution of 7,059 volunteer hours in May and 6,522 hours in June.	
15. AGENDA ITEM 26: BOARD COMMENTS	Director Fligor thanked Mr. Woods for the work on the employee transit program.	
16. AGENDA ITEM 27: ADJOURNMENT	<p>Motion: To adjourn at 9:30pm.</p> <p>Movant: Kalbach Second: Fung Ayes: Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Meeting adjourned at 9:30pm</i>

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