



**Minutes of the Joint Open Session of the
Finance Committee and the
El Camino Hospital Board of Directors
Tuesday, May 29, 2018
2500 Grant Road, Mountain View, CA 94040
Conference Rooms EF&G (ground floor)**

Board Members Present

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

Board Members Absent

Lanhee Chen, Chair

Members Absent

Committee Members Present

Joseph Chow
Boyd Faust
Richard Juelis (via teleconference)
William Hobbs (via teleconference)

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	<p>The open session of the Joint Meeting of the Finance Committee (the “Committee”) and the El Camino Hospital Board of Directors (the “Board”) was called to order by Vice Chair Zoglin at 5:30pm. A verbal roll call was taken. Chair Chen, Director Rebitzer and Mr. Richard Juelis were absent. All other Board and Committee members were present.</p> <p>Director Rebitzer joined the meeting at 5:39pm during Agenda Item 4: FY19 Operating and Capital Budget.</p>	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Zoglin asked if any Board or Committee members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. FY19 OPERATING AND CAPITAL BUDGET	<p>Dan Woods, CEO, reviewed the Hospital’s Strategic Framework with the Board and Committee Members, highlighting FY19 initiatives associated with the three strategic themes: High Performing Operating Model; Consumer, Payer & Employer Alignment; and Physician Integration. He also described the Draft FY19 Organizational Goals and reported that they have been reviewed by the Executive Compensation Committee and will be reviewed by the Quality Committee on June 4th.</p> <p>Iftikhar Hussain, CFO, reported that the FY17 and FY18 operating margins have been favorable compared to history and to budget, and explained that the variance in FY17 was primarily due to better charge capture following EPIC implementation and in FY18 was primarily due to higher volumes than expected. Mr. Hussain explained the FY19 revenue, volume, and expense assumptions. He reviewed the proposed budget with the Board and Committee Members, noting that budgeting operating margin is lower for FY19.</p> <p>Mr. Hussain reviewed the proposed FY19 Capital Spending Plan and reported that \$900,000 from the Board designated Community Benefit Endowment Fund will be available in FY19, up from \$500,000 in FY18.</p> <p>In response to questions from the Board and Committee members, Mr. Hussain reported the following:</p> <ul style="list-style-type: none"> - FY18 ED and Med/Surg volumes were higher than expected due to an unusually severe flu season and other volumes were higher than 	

	<p>expected due exceptional growth of the HVI, Oncology, and Neuroscience service lines.</p> <ul style="list-style-type: none"> - CONCERN revenue is down due to the loss of one large client that received a lower bid from a competitor. ECH could not provide the level of service this client demands at that price, but has a good track record of growth and continues to attract new clients. - The supplies savings initiative will be achieved through a value analysis process. ECH continues to work with Adventist to get volume pricing and may need to change some of the supplies we use. - \$500,000 is budgeted for the Alexa pilot (hospital room of the future). Following the pilot, management will consider deployment throughout the hospital. - The major construction projects are proceeding and expected to be completed within the approved budgets. - Pharmacy and supply cost projections are obtained through ECH's GPO. - ECH's contract rates for deliveries are mid-market. 	
5. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 6:20pm pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets.</p> <p>Movant: Miller Second: Kalbach Ayes: Chow, Davis, Faust, Fligor, Fung, Hobbs, Kliger, Miller, Rebitzer, Reeder, Zoglin Noes: None Abstentions: None Absent: Chen, Juelis Recused: None</p>	<i>Adjourned to closed session at 6:20pm</i>
6. AGENDA ITEM 9: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 6:55 pm by Vice Chair Zoglin. Agenda items 6-8 were addressed in closed session. There were no actions taken in closed session. Director Reeder was not present when open session reconvened. Mr. Juelis joined the meeting during the closed session.</p>	
7. AGENDA ITEM 10: ADJOURNMENT	<p>Motion: To adjourn at 6:56 pm.</p> <p>Movant: Miller Second: Kalbach Ayes: Chow, Davis, Faust Fligor, Fung, Hobbs, Juelis, Kliger, Miller, Rebitzer, Zoglin Noes: None Abstentions: None Absent: Chen, Reeder Recused: None</p>	<i>Meeting adjourned at 6:56pm</i>

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


Lanhee Chen
Chair, ECH Board of Directors


Julia E. Miller
Secretary, ECH Board of Directors


John Zoglin
Chair, Finance Committee

Prepared by: Cindy Murphy, Director of Governance Services