

## AGENDA

### REGULAR MEETING OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

**Wednesday, August 15, 2018 – 5:30pm**

El Camino Hospital | Conference Rooms A&B, F&G (ground floor)  
2500 Grant Road Mountain View, CA 94040

**MISSION:** To heal, relieve suffering, and advance wellness as your publicly accountable health partner.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<b>1. CALL TO ORDER/ROLL CALL</b>	Lanhee Chen, Board Chair		<b>5:30 – 5:32pm</b>
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Lanhee Chen, Board Chair		<b>5:32 – 5:33</b>
<b>3. BOARD RECOGNITION</b> <i>Resolution 2018-08</i> <a href="#">ATTACHMENT 3</a>	Mark Adams, MD, Interim CMO	<i>public comment</i>	<b>motion required</b> <b>5:33 – 5:38</b>
<b>4. FINANCE COMMITTEE REPORT</b> Approval of FY18 Year-End Financials <a href="#">ATTACHMENT 4</a>	John Zoglin, Finance Committee Chair; Iftikhar Hussain, CFO	<i>public comment</i>	<b>possible motion</b> <b>5:38 – 5:48</b>
<b>5. QUALITY COMMITTEE REPORT</b> <a href="#">ATTACHMENT 5</a>	David Reeder, Quality Committee Chair; Mark Adams, MD, Interim CMO		<b>information</b> <b>5:48 – 5:58</b>
<b>6. PUBLIC COMMUNICATION</b> a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Lanhee Chen, Board Chair		<b>information</b> <b>5:58 – 6:01</b>
<b>7. ADJOURN TO CLOSED SESSION</b>	Lanhee Chen, Board Chair		<b>motion required</b> <b>6:01 – 6:02</b>
<b>8. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Lanhee Chen, Board Chair		<b>6:02 – 6:03</b>
<b>9. CONSENT CALENDAR</b> <i>Any Board Member may remove an item for discussion before a motion is made.</i>  <b>Approval</b> <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the Hospital Board Meeting (August 6, 2018)	Lanhee Chen, Board Chair		<b>motion required</b> <b>6:03 – 6:05</b>
<b>10. Report involving Gov't Code Section 54957.6 for a conference with labor negotiator Dan Woods:</b> - FY19 Chief Medical Officer Base Salary	Dan Woods, CEO		<b>discussion</b> <b>6:05 – 6:10</b>
<b>11. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters – Senior Management:</b> - CEO Performance Review	Lanhee Chen, Board Chair		<b>discussion</b> <b>6:10 – 6:20</b>

A copy of the agenda for the Regular Board Meeting will be posted and distributed at least seventy two (72) hours prior to the meeting.

In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
<b>12.</b> Report involving <i>Gov't Code Section 54957.6</i> for conference with labor negotiator Bob Miller: <ul style="list-style-type: none"> <li>- Proposed FY19 CEO Base Salary and Salary Range and Second Amendment to Executive Employment Agreement</li> </ul>	Bob Miller, Executive Compensation Committee Chair; Lanhee Chen, Board Chair		<b>discussion</b> <b>6:20 – 6:40</b>
<b>13.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: <ul style="list-style-type: none"> <li>- Market Implications for New Programs and Services</li> </ul>	Dan Woods, CEO		<b>discussion</b> <b>6:40 – 7:10</b>
<b>14.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: <ul style="list-style-type: none"> <li>- Physician Alignment Business Plan</li> </ul>	Bruce Harrison, President, Silicon Valley Medical Development, LLC		<b>discussion</b> <b>7:10 – 7:40</b>
<b>15.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: <ul style="list-style-type: none"> <li>- New Hospital Program</li> </ul>	Kelsey Martinez, Director, Marketing & Communications; Chris Bevolo, Executive Vice President, ReviveHealth		<b>discussion</b> <b>7:40 – 8:20</b>
<b>16.</b> <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trades secrets; <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters; <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending or threatened litigation: <ul style="list-style-type: none"> <li>- CEO Report on New Services and Programs, Quality Assurance Matters, and Legal Matters</li> </ul>	Dan Woods, CEO		<b>discussion</b> <b>8:20 – 8:30</b>
<b>17.</b> Report involving <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: <ul style="list-style-type: none"> <li>- Executive Session</li> </ul>	Lanhee Chen, Board Chair		<b>discussion</b> <b>8:30 – 8:35</b>
<b>18. ADJOURN TO OPEN SESSION</b>	Lanhee Chen, Board Chair		<b>motion required</b> <b>8:35 – 8:36</b>
<b>19. RECONVENE OPEN SESSION/ REPORT OUT</b>  To report any required disclosures regarding permissible actions taken during Closed Session.	Lanhee Chen, Board Chair		<b>8:36 – 8:37</b>
<b>20. CONSENT CALENDAR ITEMS:</b> <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required</b> <b>8:37 – 8:39</b>
<b>Approval</b> a. <a href="#">Minutes of the Open Session of the Hospital Board Meeting (August 6, 2018)</a> b. <a href="#">Resolution 2018-09: Regarding Withdrawal of SVMD from Benefit Plans</a>  <i>Reviewed by the Finance Committee</i> c. <a href="#">FY18 Period 11 Financials</a>			

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
d. <a href="#">Palliative Care Medical Director (Enterprise)</a> e. <a href="#">Outpatient Medical Oncology Medical Director (MV) Renewal</a>  <i>Reviewed and Recommended for Approval by the Governance Committee</i> f. <a href="#">Proposed FY19/20 Hospital Board Competencies</a> g. <a href="#">FY19 Board Education Plan</a>  <i>Information</i> h. <a href="#">Update on Major Construction Projects in Progress (MV campus)</a> i. <a href="#">Report on Educational Activities</a>			
<b>21. APPROVAL OF FY19 CEO SALARY RANGE AND BASE SALARY</b>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 8:39 – 8:41</b>
<b>22. APPROVAL OF SECOND AMENDMENT TO EXECUTIVE EMPLOYMENT AGREEMENT</b>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 8:41 – 8:43</b>
<b>23. APPROVAL OF FY19 CMO BASE SALARY</b>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 8:43 – 8:45</b>
<b>24. APPROVAL OF REBRANDING USING NEW BRAND ARCHITECTURE</b>	Kelsey Martinez, Director, Marketing & Communications	<i>public comment</i>	<b>motion required 8:45 – 8:50</b>
<b>25. LEADERSHIP UPDATE <a href="#">ATTACHMENT 25</a></b>	Dan Woods, CEO		<b>information 8:50 – 8:52</b>
<b>26. BOARD COMMENTS</b>	Lanhee Chen, Board Chair		<b>information 8:52 – 8:54</b>
<b>27. ADJOURNMENT</b>	Lanhee Chen, Board Chair	<i>public comment</i>	<b>motion required 8:54 – 8:55 pm</b>

**Upcoming Meetings:**

- September 12, 2018
- October 10, 2018
- November 14, 2018
- December 12, 2018
- February 13, 2019
- March 13, 2019
- April 10, 2019
- May 8, 2019
- June 12, 2019

**Board & Committee Education:**

October 24, 2018 | April 24, 2019

# EL CAMINO HOSPITAL BOARD

RESOLUTION 2018 - 08

## RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY

**WHEREAS**, the Board of Directors of El Camino Hospital values and wishes to recognize the contribution of individuals who enhance the experience of the hospital's patients, their families, the community and the staff, as well as individuals who in their efforts exemplify El Camino Hospital's mission and values.

**WHEREAS**, the Board wishes to honor and acknowledge the Sepsis Committee for continuously working to improve the quality of care provided for patients with sepsis, severe sepsis, and septic shock. Ultimately, the hospital's goal is zero preventable deaths from sepsis. The Sepsis Committee is leading the organization in its work to achieve this goal.

The Sepsis Committee was originally formed in 2009 when El Camino Hospital received a grant from the Gordon & Betty Moore Foundation to participate in a regional collaborative to work on sepsis mortality reduction. Since then, an interdisciplinary team has continued to work towards attaining a level of performance equal to the top 10% of hospitals in the nation with regard to inpatient sepsis mortality rate and compliance with the CMS sepsis core measure (SEP-1); and earn disease-specific certification from The Joint Commission.

Over the past 18 months, the committee has focused its efforts on: educating staff and caring for patients with sepsis, severe sepsis, and septic shock in Critical Care, Progressive Care, Telemetry, Medical-Surgical, Women's Hospital, Perioperative Services and Patient Care Resource areas. The committee has worked to expand the screening and alert process, develop processes specific to the obstetric population and utilize sepsis-related iCare elements to improve care and prepare for certification. The committee has also reached out and collaborated with EMS, skilled nursing facilities and non-profit organizations to provide sepsis education.

The hard work and dedication of the committee has helped more than 1,340 patients survive sepsis since June 2017.

**WHEREAS**, the Board would like to publically acknowledge the Sepsis Committee for its work and efforts on earning disease-specific certification from The Joint Commission.

**NOW THEREFORE BE IT RESOLVED** that the Board does formally and unanimously pay tribute to:

### Sepsis Committee

#### FOR THEIR DEDICATION TO IMPROVING PATIENT CARE.

**IN WITNESS THEREOF**, I have here unto set my hand this **15TH DAY OF AUGUST, 2018**.

#### EL CAMINO HOSPITAL BOARD OF DIRECTORS:

Lanhee Chen, JD, PhD  
Jeffrey Davis, MD  
Neysa Fligor

Peter C. Fung, MD  
Gary Kalbach  
Julie Kliger, RN  
Julia Miller

Bob Rebitzer  
David Reeder  
John Zoglin

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**JULIA MILLER**  
SECRETARY/TREASURER,  
EL CAMINO HOSPITAL BOARD OF DIRECTORS





**El Camino Hospital**

THE HOSPITAL OF SILICON VALLEY

Financial Report to the Board

Fiscal Year 2018 – Period 12  
7/1/2017 to 6/30/2018

# Financial Overview

- **Volume:**

- For the year, overall volume, measured in adjusted discharges is 5.4% higher than budget of 34,080. Medical and ER cases were high due to the flu season. Strong service line growth in Neurosciences, HVI, BHS, Oncology. Deliveries are lower than prior year and 4.4% below budget primarily due to the decline in birth rate.
- OP cases also show strong service line growth in General Surgery, General Medicine, Orthopedics, Imaging Services, MCH and Rehab.

- **Financial Performance:**

- For the month, operating income is \$15.5M better than budget of \$5.2 M due to \$8.4 million in IGT revenue \$2.3 million in revenue due to reversal of Medicare RAC reserve. For the year operating margin is \$63.3 million ahead of target of \$77 M due to higher volume, \$29 million in unusual items and strong revenue cycle operations.
- Strong investment income during the month and the year, investment earnings are \$40.5 million ahead budget. The portfolio return was 110 bps above benchmark.

- **Payor Mix:**

- Medicare Mix is higher due to growth in HVI, oncology and general medicine which have a high Medicare mix.

- **Cost:**

- Prod Hrs/APD for June is unfavorable vs target. YTD we are on budget.

- **Balance Sheet:**

- Net days in AR is 46.8 which is 1.2 days better than budget.

# Dashboard - ECH combined as of June 30, 2018

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
<b>Volume</b>								
Licensed Beds	443	443	443	-	443	443	443	-
ADC	245	227	237	(10)	239	239	240	(1)
Utilization MV	67%	63%	65%	-3%	66%	66%	66%	-1%
Total Discharges (Excl NNB)	1,682	1,664	1,607	57	19,646	20,313	19,695	618
<b>Financial Perf.</b>								
Net Patient Revenues	87,356	84,329	68,354	15,975	832,263	896,484	832,066	64,418
Operating Income \$	24,211	20,692	5,169	15,524	112,176	140,408	77,090	63,318
Operating Margin	27.1%	23.9%	7.4%	16.5%	13.1%	15.2%	9.0%	6.2%
EBITDA %	29.1%	29.1%	15.0%	14.0%	18.9%	21.1%	16.2%	4.9%
<b>Payor Mix</b>								
Medicare	47.7%	46.3%	47.4%	-1.1%	47.7%	47.6%	47.4%	0.2%
Medi-Cal	7.0%	8.5%	7.2%	1.3%	7.3%	7.8%	7.2%	0.6%
Total Commercial	43.0%	43.5%	42.9%	0.6%	42.5%	42.1%	42.9%	-0.8%
Other	2.4%	1.6%	2.5%	-0.9%	2.5%	2.5%	2.5%	0.0%
<b>Cost</b>								
Total FTE	2,578.6	2,585.2	2,525.6	60	2,506.7	2,578.7	2,529.6	49
Productive Hrs/APD	30.0	31.4	30.3	1	30.3	30.4	30.4	(0)
<b>Balance Sheet</b>								
Net Days in AR	44.8	46.8	48.0	(1)	44.8	46.8	48.0	(1)
Days Cash	444	504	266	238	444	504	266	238
<b>Affiliates - Net Income (\$000s)</b>								
Hosp	25,493	22,015	5,394	16,622	169,576	194,220	79,793	114,427
Concern	307	(94)	126	(220)	1,556	707	1,430	(723)
ECSC	(14)	(5)	0	(5)	(105)	(96)	0	(96)
Foundation	243	173	135	38	2,420	1,911	737	1,175
SVMD	204	(270)	(7)	(263)	209	1,127	(0)	1,127

# Budget Variances

## Fiscal Year 2018 YTD (7/1/2017-06/30/2018) Waterfall

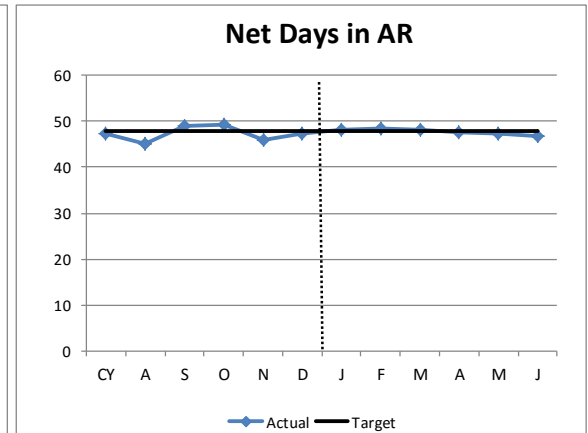
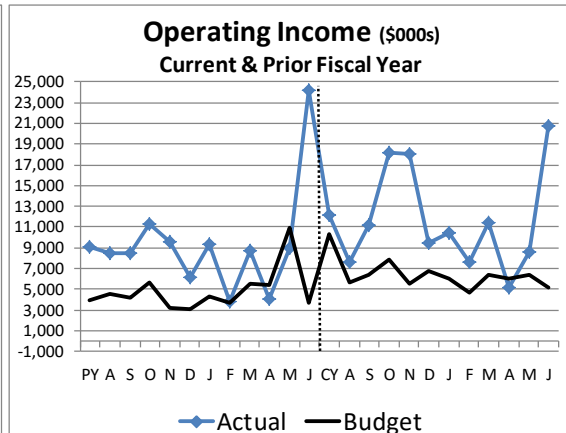
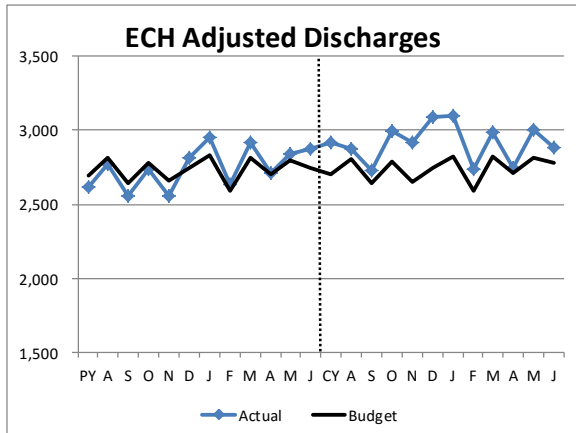
(in thousands; \$000s)	Year to Date (YTD)	
	Net Income	% Net Revenue
<b>Budgeted Hospital Operations FY2018</b>	<b>77,090</b>	<b>9.0%</b>
<b>Net Revenue</b> - Favorable due higher volume, revenue cycle operations and \$25 million unusual items. Fav. volume in General Med and ED due to flu and Service Line growth in HVI, Neuro, Imaging and rehab	70,621	7.6%
<b>Labor and Benefit Expense Change</b> - Labor favorable vs budget after adjusting for volume, GASB credit in P12	2,091	0.2%
<b>Professional Fees &amp; Purchased Services</b> -Recruiting costs for several key positions in the organization and backfill for vacant positions, repairs for survey readiness	(11,068)	-1.2%
<b>Supplies</b> - unfavorable due to increase in surgical and other general supplies, offset by savings in Spine supplies as well as Drugs. Higher volumes also driving increase and net positive to volume adjusted budget	(6,027)	-0.7%
<b>Other Expenses</b> - primarily due strategic fund expenses not spent	937	0.1%
<b>Depreciation &amp; Interest</b> - Favorable due to delay in Parking Structure as well as LG projects	6,764	0.7%
<b>Actual Hospital Operations FY2018</b>	<b>140,408</b>	<b>15.2%</b>

# El Camino Hospital (\$000s)

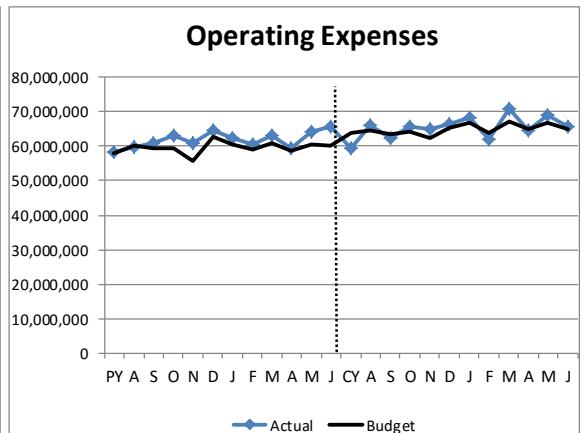
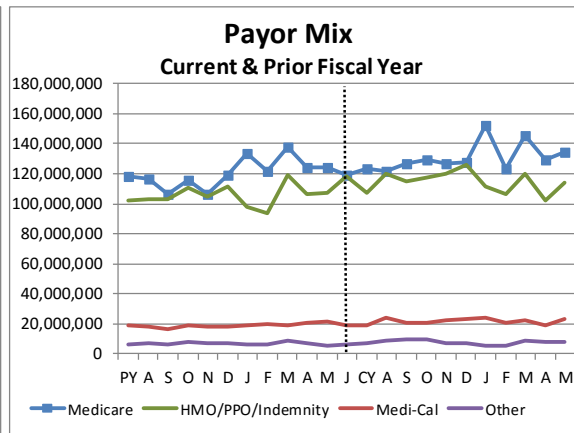
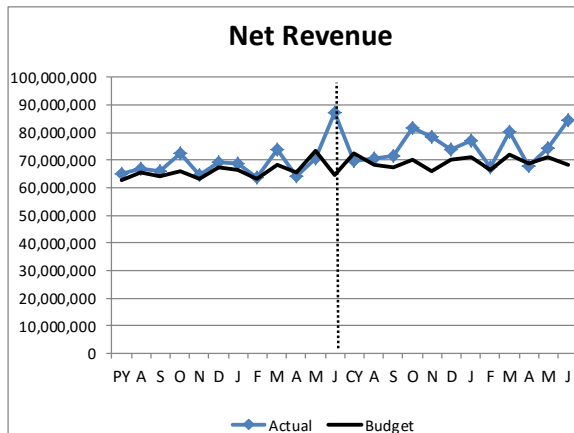
12 months ending 06/30/2018

Period 12 FY 2017	Period 12 FY 2018	Period 12 Budget 2018	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE</b>										
264,551	268,471	264,630	3,841	1.5%	<b>Gross Revenue</b>	3,019,083	3,295,842	3,193,505	102,337	3.2%
(177,195)	(184,142)	(196,276)	12,134	1.0%	<b>Deductions</b>	(2,186,820)	(2,399,358)	(2,361,440)	(37,918)	1.6%
<b>87,356</b>	<b>84,329</b>	<b>68,354</b>	<b>15,975</b>	<b>23.4%</b>	<b>Net Patient Revenue</b>	<b>832,263</b>	<b>896,484</b>	<b>832,066</b>	<b>64,418</b>	<b>7.7%</b>
1,840	2,224	1,861	363	19.5%	<b>Other Operating Revenue</b>	26,085	29,332	23,129	6,202	26.8%
<b>89,196</b>	<b>86,554</b>	<b>70,215</b>	<b>16,338</b>	<b>23.3%</b>	<b>Total Operating Revenue</b>	<b>858,347</b>	<b>925,816</b>	<b>855,195</b>	<b>70,621</b>	<b>8.3%</b>
<b>OPERATING EXPENSE</b>										
34,869	35,604	39,532	3,928	9.9%	<b>Salaries &amp; Wages</b>	446,085	468,265	470,357	2,091	0.4%
13,572	11,407	9,994	(1,413)	-14.1%	<b>Supplies</b>	121,826	128,179	122,151	(6,027)	-4.9%
12,251	11,670	7,830	(3,840)	-49.0%	<b>Fees &amp; Purchased Services</b>	101,123	105,970	94,901	(11,068)	-11.7%
2,558	2,721	2,309	(412)	-17.8%	<b>Other Operating Expense</b>	27,503	27,986	28,924	937	3.2%
(2,141)	241	725	485	66.8%	<b>Interest</b>	1,709	5,531	8,705	3,174	36.5%
3,876	4,218	4,656	438	9.4%	<b>Depreciation</b>	47,925	49,477	53,067	3,590	6.8%
<b>64,985</b>	<b>65,861</b>	<b>65,047</b>	<b>(815)</b>	<b>-1.3%</b>	<b>Total Operating Expense</b>	<b>746,171</b>	<b>785,408</b>	<b>778,105</b>	<b>(7,303)</b>	<b>-0.9%</b>
<b>24,211</b>	<b>20,692</b>	<b>5,169</b>	<b>15,524</b>	<b>300.3%</b>	<b>Net Operating Income/(Loss)</b>	<b>112,176</b>	<b>140,408</b>	<b>77,090</b>	<b>63,318</b>	<b>82.1%</b>
1,282	1,323	225	1,098	487.2%	<b>Non Operating Income</b>	57,400	53,812	2,704	51,109	1890.4%
<b>25,493</b>	<b>22,015</b>	<b>5,394</b>	<b>16,622</b>	<b>308.2%</b>	<b>Net Income(Loss)</b>	<b>169,576</b>	<b>194,220</b>	<b>79,793</b>	<b>114,427</b>	<b>143.4%</b>
29.1%	29.1%	15.0%	14.0%		<b>EBITDA</b>	18.9%	21.1%	16.2%	4.9%	
27.1%	23.9%	7.4%	16.5%		<b>Operating Margin</b>	13.1%	15.2%	9.0%	6.2%	
28.6%	25.4%	7.7%	17.8%		<b>Net Margin</b>	19.8%	21.0%	9.3%	11.6%	

# Monthly Financial Trends

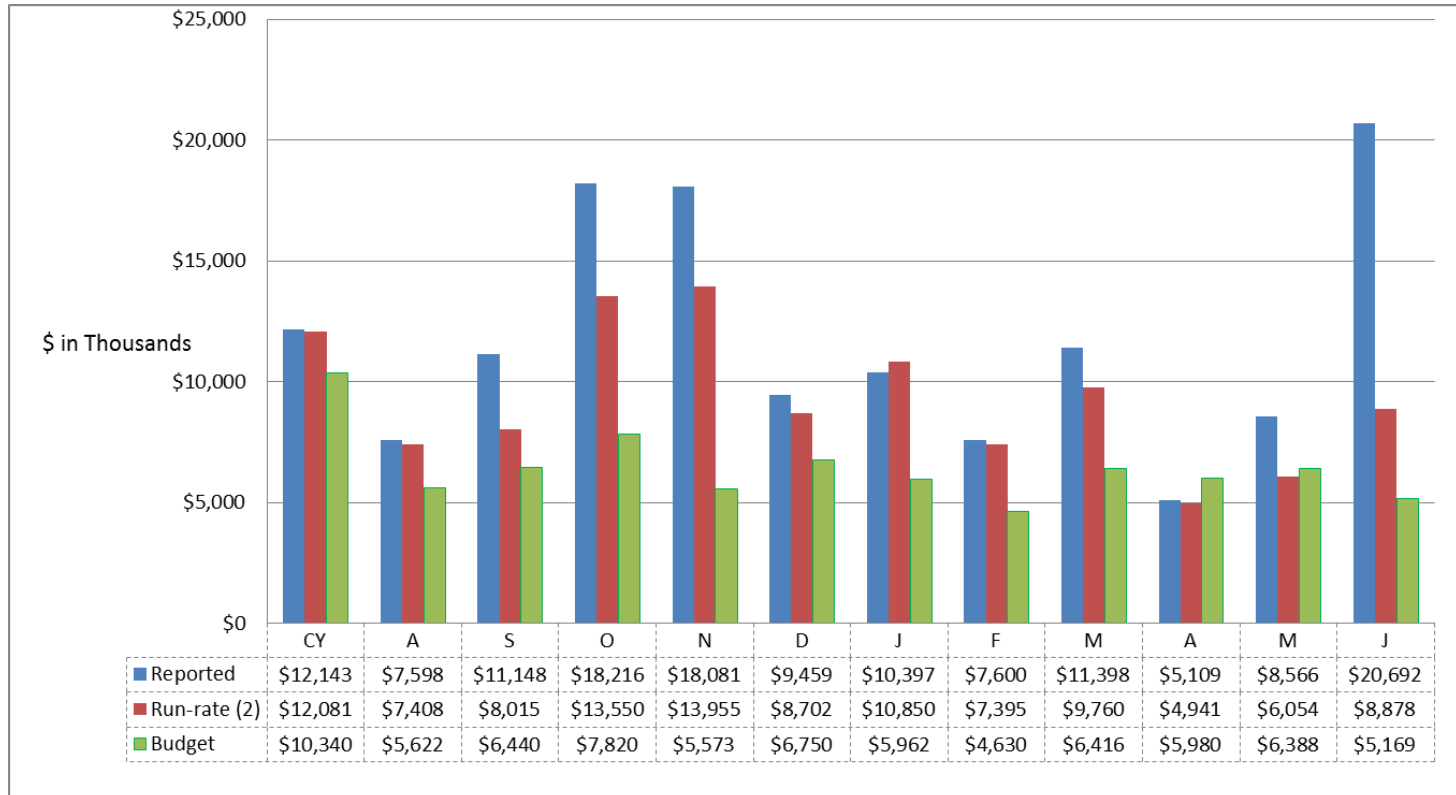


Higher inpatient volume occurring in Inpatient Behavioral Health, HVI, Neurosciences and General Medicine. High Outpatient volume is General Medicine, Imaging Services, MCH, Lab, Outpatient Clinics, General Surgery and Rehab. Payor mix shows growth in Medicare primarily due to growth in Medicare intensive services such as Gen Med, HVI and Oncology



# ECH Operating Margin

Run rate is booked operating income adjusted for material non-recurring transactions



FY 2018 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>

Revenue Adjustments	J	A	S	O	N	D	J	F	M	A	M	J	YTD
Insurance (Payment Variance)	-	-	-	611	-	669	28	-	603	-	-	204	2,116
Mcare Settlmt/Appeal/Tent Settlmt/PIP	54	155	905	54	184	81	396	92	92	224	92	(16)	2,312
BPCI Settlement	-	-	-	-	-	-	-	-	-	-	-	331	331
Medi-Cal Supplemental	-	-	-	-	-	-	-	-	-	0	-	899	900
IGT Supplemental	-	-	-	-	-	-	-	-	-	-	-	8,410	8,410
AB 915	-	-	-	-	-	-	-	103	926	-	1,302	-	2,332
RAC Release	-	-	-	-	-	-	(894)	-	-	(63)	(1)	2,348	1,391
Hospital Fee	-	-	-	712	1,024	-	-	-	-	-	-	-	1,736
PRIME Incentive	-	-	-	-	2,902	-	-	-	-	-	1,108	-	4,010
Credit Balance Quarterly Review	-	-	2,201	-	-	-	-	-	-	-	-	(582)	1,620
Late Charge Accrual	-	-	-	3,283	-	-	-	-	-	-	-	-	3,283
Various Adjustments under \$250k	9	35	27	6	16	8	(878)	10	17	(56)	9	218	(579)
<b>Total</b>	<b>63</b>	<b>190</b>	<b>3,134</b>	<b>4,667</b>	<b>4,126</b>	<b>757</b>	<b>(453)</b>	<b>205</b>	<b>1,638</b>	<b>169</b>	<b>2,511</b>	<b>11,814</b>	<b>28,819</b>

## El Camino Hospital Investment Committee Scorecard

June 30, 2018

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY18 Year-end Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		2Q 2018		Fiscal Year-to-date		5y 8m Since Inception (annualized)			2018
Surplus cash balance*		\$942.9	--	--	--	--	--	\$926.1	--
Surplus cash return		1.3%	0.8%	6.9%	5.8%	5.7%	5.4%	1.9%	5.3%
Cash balance plan balance (millions)		\$264.4	--	--	--	--	--	\$257.1	--
Cash balance plan return		2.0%	0.9%	8.9%	7.0%	8.1%	7.2%	6.0%	5.7%
403(b) plan balance (millions)		\$464.6	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		3-year				5y 8m Since Inception (annualized)			2018
Surplus cash Sharpe ratio		0.99	0.96	--	--	1.30	1.24	--	0.43
Net of fee return		5.3%	5.0%	--	--	5.7%	5.4%	--	5.3%
Standard deviation		4.7%	4.6%	--	--	4.1%	4.0%	--	6.7%
Cash balance Sharpe ratio		1.02	0.96	--	--	1.41	1.31	--	0.40
Net of fee return		6.6%	5.9%	--	--	8.1%	7.2%	--	5.7%
Standard deviation		5.8%	5.5%	--	--	5.4%	5.2%	--	8.1%
<b>Asset Allocation</b>		2Q 2018							
Surplus cash absolute variances to target		7.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		6.1%	< 10%	--	--	--	--	--	--
<b>Manager Compliance</b>		2Q 2018							
Surplus cash manager flags		20	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		22	< 27 Green < 34 Yellow	--	--	--	--	--	--

\*Excludes debt reserve funds (~\$223 mm), District assets (~\$33 mm), and balance sheet cash not in investable portfolio (~\$133 mm).

Includes Foundation (~\$26 mm) and Concern (~\$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.



# El Camino Hospital

## Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	2018 Current Proj Spend	FY18 Orig Proj Spend	Variance Between Current Proj Spend and Orig Proj Spend		FY 18 YTD Spent
<b>CIP</b>	EPIC Upgrade			1.9	1.1	1.9	1.9	0.0		1.1
<b>IT Hardware, Software, Equipment &amp; Imaging*</b>				12.2	1.2	12.2	12.2	0.0		1.2
<b>Medical &amp; Non Medical Equipment FY 17**</b>				14.0	13.0	8.6	0.0	8.6 <sup>2</sup>		7.6
<b>Medical &amp; Non Medical Equipment FY 18***</b>				5.6	6.3	5.6	5.6	0.0		6.3
<b>Facility Projects</b>										
	1245 Behavioral Health Bldg	FY16	96.1	96.1	45.4	27.0	51.4	-24.4 <sup>1</sup>		27.8
	1413 North Drive Parking Expansion	FY15	24.5	24.5	24.2	2.6	3.4	-0.8		4.5
	1414 Integrated MOB	FY15	302.1	302.1	119.0	72.0	130.1	-58.1 <sup>1</sup>		73.1
	1422 CUP Upgrade	FY16	9.0	9.0	7.6	5.5	4.0	1.5		5.3
	1430 Women's Hospital Expansion	FY16	120.0	6.0	3.2	3.6	7.0	-3.4		2.8
	1425 IMOB Preparation Project - Old Main	FY16	20.0	0.0	2.8	0.0	0.0	0.0		0.2
	1502 Cabling & Wireless Upgrades	FY16	0.0	0.0	2.6	0.0	0.0	0.0		0.2
	1525 New Main Lab Upgrades		3.1	3.1	2.2	2.5	0.0	2.5		1.7
	1515 ED Remodel Triage/Psych Observation	FY16	5.0	0.3	0.0	0.4	0.0	0.4		0.0
	1503 Willow Pavilion Tomosynthesis	FY16	0.8	0.0	0.3	0.0	0.0	0.0		0.0
	1602 JW House (Patient Family Residence)		6.5	0.5	0.2	0.5	0.5	0.0		0.2
	Site Signage and Other Improvements		1.0	0.0	0.0	0.3	1.0	-0.8		0.0
	Nurse Call System Upgrades		2.4	0.0	0.0	0.1	0.0	0.1		0.0
	1707 Imaging Equipment Replacement ( 5 or 6 rooms)		20.7	0.0	0.0	0.3	0.1	0.2		0.0
	1708 IR/ Cath Lab Equipment Replacement		19.4	0.0	0.0	0.3	2.0	-1.8		0.0
	Flooring Replacement		1.6	0.3	0.0	0.4	0.0	0.4		0.0
	1219 LG Spine OR	FY13	0.0	0.0	3.8	0.0	0.0	0.0		0.4
	1313 LG Rehab HVAC System & Structural	FY16	0.0	0.0	4.1	0.0	0.0	0.0		0.4
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	8.8	9.0	8.9	0.6	0.7	-0.1		1.6
	1307 LG Upgrades	FY13	19.3	19.3	17.8	4.9	5.0	-0.1		3.9
	1508 LG NICU 4 Bed Expansion	FY16	0.0	0.0	0.0	0.0	0.0	0.0		0.0
	1507 LG IR Upgrades		1.3	0.0	0.0	0.0	0.0	0.0		0.0
	1603 LG MOB Improvements (17)		5.0	5.0	4.9	3.5	3.5	0.0		4.6
	1711 Emergency Sanitary & Water Storage		1.4	0.3	0.1	0.2	3.2	-3.0		0.1
	LG Modular MRI & Awning		3.9	3.9	0.0	0.4	0.0	0.4		0.0
	LG Nurse Call System Upgrade		2.8	0.0	0.0	0.0	0.0	0.0		0.0
	LG Observation Unit (Conversion of ICU 2)		1.8	0.0	0.0	0.8	0.0	0.8		0.0
	1712 LG Cancer Center		2.4	0.3	0.2	0.4	0.0	0.4		0.2
	All Other Projects under \$1M		5.6	0.1	90.9	1.8	0.0	1.8		4.1
<b>GRAND TOTAL</b>			684.4	479.6	338.3	128.0	211.9	-83.9		131.2
				499.4	360.0	156.5	231.7	-75.2		147.4

\* Excluding EPIC

\*\* Unspent Prior Year routine used as contingency

\*\*\* Includes 2 robot purchases

<sup>1</sup> Variance due to delay in MV campus plan

<sup>2</sup> Initial assumption was to spend all FY17 in FY17

# Balance Sheet (in thousands)

## ASSETS

	Audited	
	June 30, 2018	June 30, 2017
<b>CURRENT ASSETS</b>		
Cash	118,976	125,551
Short Term Investments	158,582	140,284
Patient Accounts Receivable, net	116,372	109,089
Other Accounts and Notes Receivable	3,117	2,628
Intercompany Receivables	2,052	1,495
(1) Inventories and Prepaids	75,421	50,657
<b>Total Current Assets</b>	<b>474,520</b>	<b>429,705</b>
<b>BOARD DESIGNATED ASSETS</b>		
(2) Plant & Equipment Fund	153,784	131,153
Women's Hospital Expansion	9,298	9,298
(3) Operational Reserve Fund	127,908	100,196
(4) Community Benefit Fund	18,675	12,237
Workers Compensation Reserve Fund	22,261	20,007
Postretirement Health/Life Reserve Fund	19,787	19,218
PTO Liability Fund	24,532	23,409
Malpractice Reserve Fund	1,634	1,634
Catastrophic Reserves Fund	18,322	16,575
<b>Total Board Designated Assets</b>	<b>396,202</b>	<b>333,727</b>
(5) <b>FUNDS HELD BY TRUSTEE</b>	<b>197,269</b>	<b>287,052</b>
<b>LONG TERM INVESTMENTS</b>	<b>343,409</b>	<b>256,652</b>
<b>INVESTMENTS IN AFFILIATES</b>	<b>32,775</b>	<b>32,451</b>
<b>PROPERTY AND EQUIPMENT</b>		
(6) Fixed Assets at Cost	1,261,854	1,192,047
Less: Accumulated Depreciation	(577,959)	(531,785)
Construction in Progress	204,623	138,017
<b>Property, Plant &amp; Equipment - Net</b>	<b>888,518</b>	<b>798,279</b>
<b>DEFERRED OUTFLOWS</b>	<b>21,177</b>	<b>28,960</b>
<b>RESTRICTED ASSETS - CASH</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>2,353,871</b>	<b>2,166,825</b>

## LIABILITIES AND FUND BALANCE

	Audited	
	June 30, 2018	June 30, 2017
<b>CURRENT LIABILITIES</b>		
Accounts Payable	30,474	38,457
Salaries and Related Liabilities	27,476	25,109
Accrued PTO	24,532	23,409
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	7,000	10,438
Intercompany Payables	124	84
Malpractice Reserves	1,634	1,634
Bonds Payable - Current	3,850	3,735
Bond Interest Payable	13,031	11,245
Other Liabilities	9,078	4,889
<b>Total Current Liabilities</b>	<b>119,500</b>	<b>121,299</b>
<b>LONG TERM LIABILITIES</b>		
Post Retirement Benefits	19,787	19,218
Worker's Comp Reserve	19,961	17,707
Other L/T Obligation (Asbestos)	3,859	3,746
Other L/T Liabilities (IT/Medl Leases)	-	-
Bond Payable	517,781	527,371
<b>Total Long Term Liabilities</b>	<b>561,388</b>	<b>568,042</b>
<b>DEFERRED REVENUE-UNRESTRICTED</b>	<b>528</b>	<b>567</b>
(7) <b>DEFERRED INFLOW OF RESOURCES</b>	<b>21,333</b>	<b>10,666</b>
<b>FUND BALANCE/CAPITAL ACCOUNTS</b>		
Unrestricted	1,254,920	1,132,525
Board Designated	396,202	333,726
Restricted	0	0
(8) <b>Total Fund Bal &amp; Capital Accts</b>	<b>1,651,121</b>	<b>1,466,251</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>2,353,871</b>	<b>2,166,825</b>

## June 2018 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

- (1) The significant increase is due to the actuarially determined (GASB 68) prepaid funding of the Cash Balance Plan just completed by Conduent, as given the investment performance in calendar 2017 the value of prepaid funding grew by approximately \$20M. Note there is about a 50% offset on the Liability side of the Balance Sheet – see Deferred Inflow of Resources.
- (2) The increase is due to funded depreciation contributions (130% of straight depreciation expense. Note this amount also contains \$14M reserved for BHS replacement building currently under construction, in conjunction with bond proceeds, item (5).
- (3) The increase here is to reset the Operational Reserve (to cover 60 days of operating expenses) for FY2018. The prior year balance hadn't been reset in a couple of years.
- (4) The increase is due to an approved addition of \$5 million to the Community Benefit Board Designated Endowment as an outcome of the FY2018 budget process to generate additional investment income for the Community Benefits program.
- (5) The decrease is due to additional draws from the 2017 bond financing Project Funds in support of monthly payments to contractors involved with the construction projects at the Mountain View campus. As these projects are now in full progress greater amounts will be withdrawn in future periods.
- (6) The increase is due to the capitalization of the Parking Structure expansion in August, CT upgrades at LG in September and the MOB upgrades also at LG.
- (7) Increase related to Cash Balance adjust this year (GASB 68) – see footnote #1
- (8) The increase is mostly attributable to the year's financial performance producing an operating income of \$140 million and non-operating of \$54 million (mostly from unrealized gains on investments).

## EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY ( 1 OF 2)

- **Plant & Equipment Fund** – original established by the District Board in the early 1960's to fund new capital expansion projects of building facilities or equipment (new or replacements). The funds came from the M&O property taxes being received and the funding depreciation expense at 100%. When at the end of 1992, the 501(c)(3) Hospital was performed by the District, the property tax receipts remained with the District. The newly formed Hospital entity continued on with funding depreciation expense, but did that funding at 130% of the depreciation expense to account for an expected replacement cost of current plant and property assets. It is to be noted that within this fund is an itemized amount of \$14 million for the Behavioral Health Service building replacement project. This amount came from the District's Capital Appropriation Fund (excess Gann Limit property taxes) of the fiscal years of 2010 thru 2013 by various District board actions.
- **Women's Hospital Expansion** – established June 2016 by the District authorizing the amounts accumulated in its Capital Appropriation Fund (excess Gann Limit property taxes) for the fiscal years of 2014 and 2015 to be allocated for the renovation of the Women's Hospital upon the completion of Integrated Medical Office Building currently under construction.
- **Operational Reserve Fund** – originally established by the District in May 1992 to establish a fund equal to sixty (60) days of operational expenses (based on projected budget) and only be used in the event of a major business interruption event and/or cash flow.
- **Community Benefit Fund** – following in the footsteps of the District in 2008 of forming its Community Benefit Fund using Gann Limit tax receipts, the Hospital in 2010 after opening its campus outside of District boundaries in Los Gatos formed its own Community Benefit Fund to provide grants/sponsorships in Los Gatos and surrounding areas. The funds come from the Hospital reserving \$1.5M a year from its operations, the entity of CONCERN contributing 40% of its annual income each year (an amount it would have paid in corporate taxes if it wasn't granted tax exempt status), that generates an amount of \$800,000 or more a year. \$15 million within this fund is a board designated endowment fund formed in 2015 with a \$10 million contribution, and added to at the end of the 2017 fiscal year end with another \$5 million contribution, to generate investment income to be used for grants and sponsorships, currently anticipated to generate \$500,000 a year in investment income for the program.

## EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY ( 2 OF 2)

- **Workers Compensation Reserve Fund** – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000's by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.
- **Postretirement Health/Life Reserve Fund** – following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000's by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital's postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date.
- **PTO (Paid Time Off) Liability Fund** – originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.
- **Malpractice Reserve Fund** – originally established in 1989 by the then District's Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than \$50,000. Above \$50,000 our policy with the BETA Healthcare Group kicks in to a \$30 million limit per claim/\$40 million in the aggregate.
- **Catastrophic Loss Fund** – was established in 1999 by the Hospital Board to be a "self-insurance" reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring \$5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled \$6.8 million that did mostly cover all the necessary repairs.

# APPENDIX

# El Camino Hospital – Mountain View (\$000s)

12 months ending 06/30/2018

Period 12 FY 2017	Period 12 FY 2018	Period 12 Budget 2018	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE</b>										
215,651	220,687	214,584	6,103	2.8%	<b>Gross Revenue</b>	2,477,932	2,703,886	2,617,727	86,159	3.3%
(143,134)	(149,454)	(159,931)	10,477	-6.6%	<b>Deductions</b>	(1,789,652)	(1,963,531)	(1,943,291)	(20,239)	1.0%
<b>72,517</b>	<b>71,233</b>	<b>54,653</b>	<b>16,580</b>	<b>30.3%</b>	<b>Net Patient Revenue</b>	<b>688,281</b>	<b>740,355</b>	<b>674,436</b>	<b>65,919</b>	<b>9.8%</b>
1,676	1,732	1,648	85	5.1%	<b>Other Operating Revenue</b>	24,080	26,804	20,561	6,243	30.4%
<b>74,192</b>	<b>72,965</b>	<b>56,301</b>	<b>16,665</b>	<b>29.6%</b>	<b>Total Operating Revenue</b>	<b>712,360</b>	<b>767,159</b>	<b>694,997</b>	<b>72,162</b>	<b>10.4%</b>
<b>OPERATING EXPENSE</b>										
28,310	29,223	33,017	3,793	11.5%	<b>Salaries &amp; Wages</b>	370,202	389,302	393,466	4,165	1.1%
11,627	9,339	8,013	(1,325)	-16.5%	<b>Supplies</b>	99,717	104,625	98,332	(6,293)	-6.4%
10,623	10,004	6,561	(3,444)	-52.5%	<b>Fees &amp; Purchased Services</b>	84,598	89,542	79,535	(10,007)	-12.6%
918	1,212	772	(439)	-56.9%	<b>Other Operating Expense</b>	8,406	9,347	10,246	898	8.8%
(2,141)	241	725	485	66.8%	<b>Interest</b>	1,709	5,531	8,705	3,174	36.5%
3,382	3,493	3,819	326	8.5%	<b>Depreciation</b>	41,801	41,959	43,943	1,983	4.5%
<b>52,719</b>	<b>53,512</b>	<b>52,907</b>	<b>(605)</b>	<b>-1.1%</b>	<b>Total Operating Expense</b>	<b>606,434</b>	<b>640,307</b>	<b>634,227</b>	<b>(6,080)</b>	<b>-1.0%</b>
<b>21,473</b>	<b>19,453</b>	<b>3,394</b>	<b>16,060</b>	<b>473.2%</b>	<b>Net Operating Income/(Loss)</b>	<b>105,926</b>	<b>126,852</b>	<b>60,769</b>	<b>66,082</b>	<b>108.7%</b>
1,282	1,323	225	1,098	487.2%	<b>Non Operating Income</b>	57,410	53,857	2,704	51,153	1892.1%
<b>22,755</b>	<b>20,776</b>	<b>3,619</b>	<b>17,157</b>	<b>474.1%</b>	<b>Net Income(Loss)</b>	<b>163,337</b>	<b>180,709</b>	<b>63,473</b>	<b>117,236</b>	<b>184.7%</b>
30.6%	31.8%	14.1%	17.7%		<b>EBITDA</b>	21.0%	22.7%	16.3%	6.4%	
28.9%	26.7%	6.0%	20.6%		<b>Operating Margin</b>	14.9%	16.5%	8.7%	7.8%	
30.7%	28.5%	6.4%	22.0%		<b>Net Margin</b>	22.9%	23.6%	9.1%	14.4%	

# El Camino Hospital – Los Gatos(\$000s)

12 months ending 06/30/2018

Period 12 FY 2017	Period 12 FY 2018	Period 12 Budget 2018	Variance Fav (Unfav)	Var%		YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
					\$000s					
					<b>OPERATING REVENUE</b>					
48,900	47,784	50,047	(2,263)	-4.5%	<b>Gross Revenue</b>	541,151	591,956	575,778	16,178	2.8%
(34,061)	(34,688)	(36,346)	1,658	-4.6%	<b>Deductions</b>	(397,168)	(435,827)	(418,148)	(17,679)	4.2%
<b>14,839</b>	<b>13,096</b>	<b>13,701</b>	<b>(605)</b>	<b>-4.4%</b>	<b>Net Patient Revenue</b>	<b>143,982</b>	<b>156,129</b>	<b>157,630</b>	<b>(1,501)</b>	<b>-1.0%</b>
164	492	214	278	130.4%	<b>Other Operating Revenue</b>	2,005	2,528	2,568	(40)	-1.6%
<b>15,003</b>	<b>13,588</b>	<b>13,915</b>	<b>(326)</b>	<b>-2.3%</b>	<b>Total Operating Revenue</b>	<b>145,987</b>	<b>158,657</b>	<b>160,198</b>	<b>(1,541)</b>	<b>-1.0%</b>
					<b>OPERATING EXPENSE</b>					
6,559	6,381	6,515	134	2.1%	<b>Salaries &amp; Wages</b>	75,883	78,963	76,890	(2,073)	-2.7%
1,945	2,069	1,981	(87)	-4.4%	<b>Supplies</b>	22,109	23,553	23,819	266	1.1%
1,628	1,666	1,270	(396)	-31.2%	<b>Fees &amp; Purchased Services</b>	16,524	16,427	15,366	(1,061)	-6.9%
1,640	1,509	1,537	28	1.8%	<b>Other Operating Expense</b>	19,098	18,639	18,678	39	0.2%
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
495	725	837	112	13.4%	<b>Depreciation</b>	6,124	7,518	9,125	1,607	17.6%
<b>12,266</b>	<b>12,349</b>	<b>12,140</b>	<b>(210)</b>	<b>-1.7%</b>	<b>Total Operating Expense</b>	<b>139,737</b>	<b>145,101</b>	<b>143,878</b>	<b>(1,223)</b>	<b>-0.9%</b>
<b>2,738</b>	<b>1,239</b>	<b>1,775</b>	<b>(536)</b>	<b>-30.2%</b>	<b>Net Operating Income/(Loss)</b>	<b>6,250</b>	<b>13,556</b>	<b>16,320</b>	<b>(2,764)</b>	<b>-16.9%</b>
0	0	0	0	0.0%	<b>Non Operating Income</b>	(10)	(45)	0	(45)	0.0%
<b>2,738</b>	<b>1,239</b>	<b>1,775</b>	<b>(536)</b>	<b>-30.2%</b>	<b>Net Income(Loss)</b>	<b>6,240</b>	<b>13,511</b>	<b>16,320</b>	<b>(2,809)</b>	<b>-17.2%</b>
21.5%	14.5%	18.8%	-4.3%		<b>EBITDA</b>	8.5%	13.3%	15.9%	-2.6%	
18.2%	9.1%	12.8%	-3.6%		<b>Operating Margin</b>	4.3%	8.5%	10.2%	-1.6%	
18.2%	9.1%	12.8%	-3.6%		<b>Net Margin</b>	4.3%	8.5%	10.2%	-1.7%	

LG margin improved from prior year and favorable compared to benchmarks. However performance is lower than budget due to MD turnover.

# Non Operating Items and Net Income by Affiliate

## \$ in thousands

	Period 12 - Month			Period 12 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>El Camino Hospital Income (Loss) from Operations</b>						
Mountain View	19,453	3,394	16,060	126,852	60,769	66,082
Los Gatos	1,239	1,775	(536)	13,556	16,320	(2,764)
<b>Sub Total - El Camino Hospital, excl. Affiliates</b>	<b>20,692</b>	<b>5,169</b>	<b>15,524</b>	<b>140,408</b>	<b>77,090</b>	<b>63,318</b>
<b>Operating Margin %</b>	<b>23.9%</b>	<b>7.4%</b>		<b>15.2%</b>	<b>9.0%</b>	
<b>El Camino Hospital Non Operating Income</b>						
Investments	2,144	1,516	629	58,668	18,186	40,481
Swap Adjustments	64	0	64	1,151	0	1,151
Community Benefit	(33)	(283)	251	(3,153)	(3,400)	247
Pathways	(289)	42	(331)	(634)	500	(1,134)
Satellite Dialysis	56	(35)	92	(127)	(425)	298
Community Connect	0	(141)	141	0	(1,686)	1,686
SVMD Funding <sup>1</sup>	(448)	(448)	1	(2,695)	(5,380)	2,685
Premier Investment <sup>2</sup>	0	0	0	3,695	0	3,695
Other	(172)	(424)	252	(3,092)	(5,091)	1,999
<b>Sub Total - Non Operating Income</b>	<b>1,323</b>	<b>225</b>	<b>1,098</b>	<b>53,812</b>	<b>2,704</b>	<b>51,109</b>
<b>El Camino Hospital Net Income (Loss)</b>	<b>22,015</b>	<b>5,394</b>	<b>16,622</b>	<b>194,220</b>	<b>79,793</b>	<b>114,427</b>
<b>ECH Net Margin %</b>	<b>25.4%</b>	<b>7.7%</b>		<b>21.0%</b>	<b>9.3%</b>	
Concern	(94)	126	(220)	707	1,430	(723)
ECSC	(5)	0	(5)	(96)	0	(96)
Foundation	173	135	38	1,911	737	1,175
Silicon Valley Medical Development	(270)	(7)	(263)	1,127	(0)	1,127
<b>Net Income Hospital Affiliates</b>	<b>(196)</b>	<b>254</b>	<b>(450)</b>	<b>3,650</b>	<b>2,167</b>	<b>1,483</b>
<b>Total Net Income Hospital &amp; Affiliates</b>	<b>21,819</b>	<b>5,648</b>	<b>16,172</b>	<b>197,870</b>	<b>81,960</b>	<b>115,910</b>

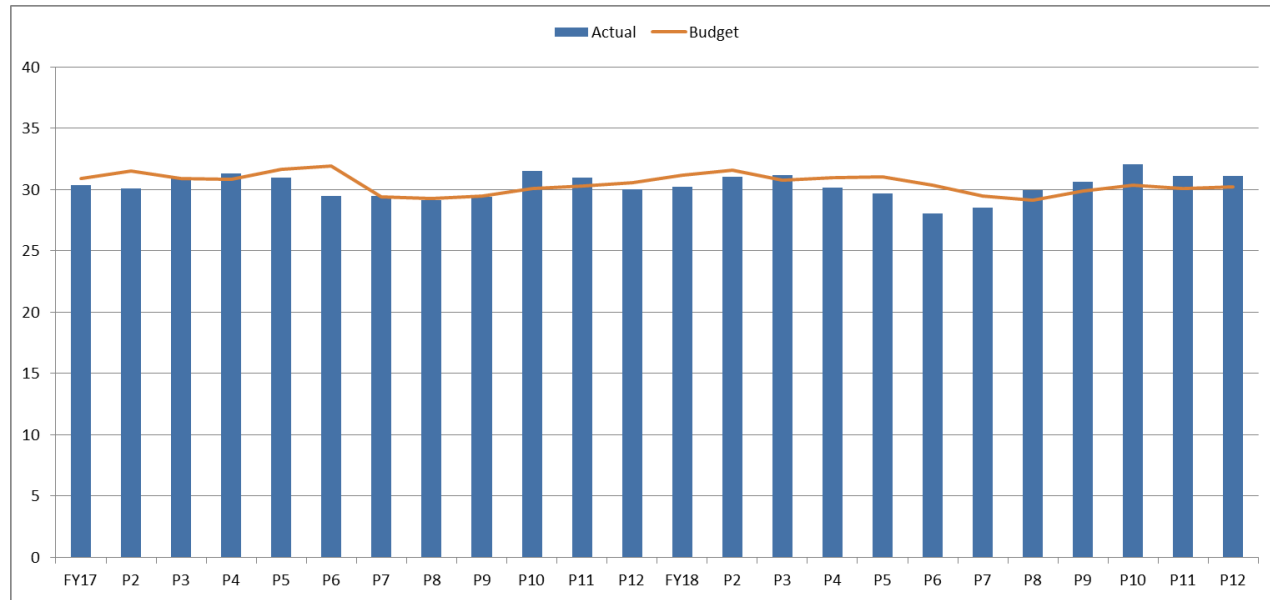
<sup>1</sup>Favorable variances for SVMD and Community Connect are due to delayed implementation

<sup>2</sup>Gain on Premier stock sale of shares eligible were sold with proceeds going to pooled investments. No impact on vendor relationships.

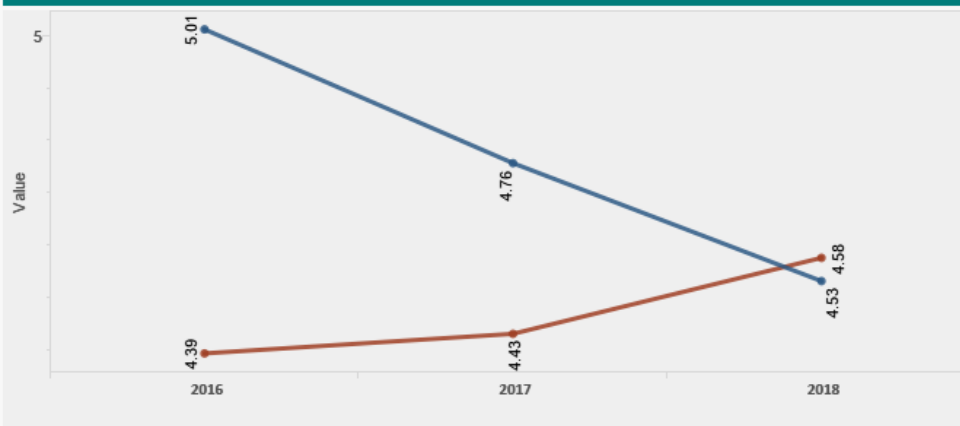
# Productivity and Medicare Length of Stay

Work hours per adjusted patient day in June is over budget by 1.1. Overall the month of June is 31.4 worked hours per adjusted patient day

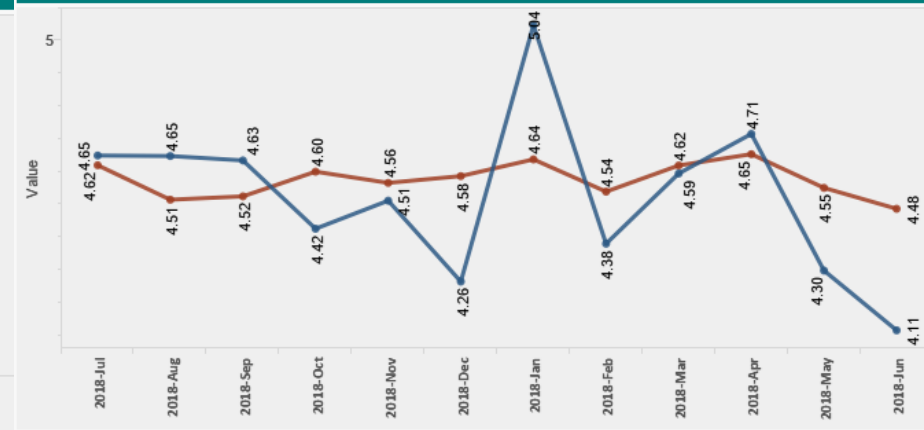
ALOS vs Milliman well-managed benchmark. Trend shows remarkable and steady improvement with FY 2018 at benchmark. Increase in benchmark beginning in FY 2017 due to Clinical Documentation Improvement (CDI)



AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR



AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR



## El Camino Hospital Volume Annual Trends – Inpatient

							FY 18 Bud Var		Growth FY 18	
	2014	2015	2016	2017	2018	2018B	Cases	%	Cases	%
Behavioral Health	1,012	1,052	928	924	1,099	912	187	21%	175	18.9%
General Medicine	4,160	4,591	4,459	4,961	5,288	4,679	609	13%	327	6.6%
General Surgery	1,243	1,150	1,311	1,318	1,304	1,306	(2)	0%	(14)	-1.1%
GYN	390	313	293	270	244	275	(31)	-11%	(26)	-9.6%
Heart and Vascular	1,859	1,998	2,001	2,203	2,372	2,082	290	14%	169	7.7%
MCH	6,695	6,371	5,951	5,819	5,754	6,206	(452)	-7%	(65)	-1.1%
Neurosciences	667	672	677	688	871	697	174	25%	183	26.6%
Oncology	606	564	652	594	633	572	61	11%	39	6.6%
Orthopedics	1,695	1,773	1,746	1,690	1,707	1,762	(55)	-3%	17	1.0%
Other	5	1				-	-		-	
Rehab Services	547	555	500	461	442	497	(55)	-11%	(19)	-4.1%
Spine Surgery	377	429	417	474	375	478	(103)	-22%	(99)	-20.9%
Urology	172	169	234	257	254	240	14	6%	(3)	-1.2%
	19,428	19,638	19,169	19,659	20,343	19,705	638	3%	684	3.5%
		1.1%	-2.4%	2.6%	3.5%					

- General Medicine, HVI, Behavioral Health, and Neuroscience display an increasing trend.
- Conversely, Rehab Services, MCH and GYN show a decreasing trend.
- The remaining service lines are staying flat.

## El Camino Hospital Volume Annual Trends – Outpatient

	2014	2015	2016	2017	2018	2018B	FY 18 Bud Var		Growth FY 18	
							Cases	%	Cases	%
Behavioral Health	911	886	2,395	3,262	3,151	3,282	(131)	-4%	(111)	-3.4%
Dialysis	1,059	154	6		22	-	22		22	
Emergency	46,019	49,105	48,592	48,625	49,442	48,975	467	1%	817	1.7%
General Medicine	6,754	6,874	7,053	6,622	6,726	6,504	222	3%	104	1.6%
General Surgery	1,840	1,854	1,798	1,843	2,012	2,049	(37)	-2%	169	9.2%
GYN	1,221	1,308	1,018	1,080	1,069	1,172	(103)	-9%	(11)	-1.0%
Heart and Vascular	2,575	2,719	3,812	4,375	4,361	4,393	(32)	-1%	(14)	-0.3%
Imaging Services	19,018	19,467	17,575	17,248	18,579	17,597	982	6%	1,331	7.7%
Laboratory Services	30,364	29,441	28,897	29,140	28,747	28,741	6	0%	(393)	-1.3%
MCH	5,040	4,829	4,952	5,475	5,614	5,200	414	8%	139	2.5%
Neurosciences	110	61	127	125	125	142	(17)	-12%	-	0.0%
Oncology	4,007	4,183	14,308	18,579	19,295	19,438	(143)	-1%	716	3.9%
Orthopedics	866	776	584	616	642	588	54	9%	26	4.2%
Other	620	603	622	547	605	703	(98)	-14%	58	10.6%
Outpatient Clinics	1,817	1,706	1,681	1,304	1,892	1,450	442	30%	588	45.1%
Rehab Services	1,733	1,747	3,953	4,518	4,934	4,326	608	14%	416	9.2%
Sleep Center	160	223	499	368	211	720	(509)	-71%	(157)	-42.7%
Spine Surgery	325	401	309	324	298	331	(33)	-10%	(26)	-8.0%
Urology	1,758	1,773	1,740	1,898	1,798	1,875	(77)	-4%	(100)	-5.3%
	126,197	128,110	139,921	145,949	149,523	147,485	2,038	1%	3,574	2.4%
		1.5%	9.2%	4.3%	2.4%					

- Comparing year-over-year Oncology, MCH, Rehab Services, Emergency and Outpatient Clinics are all increasing in volume. All others are remaining flat or decreasing.

## Capital Spend Trend & FY 18 Budget

Capital Spending (in 000's)	Actual FY2015	Actual FY2016	Actual FY2017	Projected FY2018
EPIC	29,849	20,798	2,755	1,922
IT Hardware / Software Equipment	4,660	6,483	2,659	12,238
Medical / Non Medical Equipment*	13,340	17,133	9,556	14,275
Non CIP Land, Land I , BLDG, Additions	-	4,189	-	-
Facilities	38,940	48,137	82,953	128,030
<b>GRAND TOTAL</b>	<b>86,789</b>	<b>96,740</b>	<b>97,923</b>	<b>156,465</b>
*Includes 2 robot purchases in FY2017				

# El Camino Hospital Capital Spending (in thousands) FY 2012 – FY 2017

Category	2013	2014	2015	2016	2017	Category	2013	2014	2015	2016	2017
<b>EPIC</b>	<b>0</b>	<b>6,838</b>	<b>29,849</b>	<b>20,798</b>	<b>2,755</b>	<b>Facilities Projects CIP cont.</b>					
<b>IT Hardware/Software Equipment</b>	<b>8,019</b>	<b>2,788</b>	<b>4,660</b>	<b>6,483</b>	<b>2,659</b>	1403 - Hosp Drive BLDG 11 TI's	0	86	103	0	0
<b>Medical/Non Medical Equipment</b>	<b>10,284</b>	<b>12,891</b>	<b>13,340</b>	<b>17,133</b>	<b>9,556</b>	1404 - Park Pav HVAC	0	64	7	0	0
<b>Non CIP Land, Land I, BLDG, Additions</b>	<b>0</b>	<b>22,292</b>	<b>0</b>	<b>4,189</b>	<b>0</b>	1405 - 1 - South Accessibility Upgrades	0	0	0	168	95
<b>Land Acquisition (1550)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,007</b>	<b>0</b>	1408 - New Main Accessibility Upgrades	0	0	7	46	501
<b>828 S Winchester Clinic TI (1701)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>145</b>	1415 - Signage & Wayfinding	0	0	0	106	58
						1416 - MV Campus Digital Directories	0	0	0	34	23
						1423 - MV MOB TI Allowance	0	0	0	588	369
<b>Facilities Projects CIP</b>						1425 - IMOB Preparation Project - Old Main	0	0	0	711	1,860
<b>Mountain View Campus Master Plan Projects</b>						1429 - 2500 Hospital Dr Bldg 8 TI	0	0	101	0	0
1245 - Behavioral Health Bldg Replace	0	1,257	3,775	1,389	10,323	1430 - Women's Hospital Expansion	0	0	0	0	464
1413 - North Drive Parking Structure Exp	0	0	167	1,266	18,120	1432 - 205 South Dr BHS TI	0	0	8	15	0
1414 - Integrated MOB	0	0	2,009	8,875	32,805	1501 - Women's Hospital NPC Comp	0	0	4	0	223
1422 - CUP Upgrade	0	0	0	896	1,245	1502 - Cabling & Wireless Upgrades	0	0	0	1,261	367
<b>Sub-Total Mountain View Campus Master Plan</b>	<b>0</b>	<b>1,257</b>	<b>5,950</b>	<b>12,426</b>	<b>62,493</b>	1503 - Willow Pavillion Tomosynthesis	0	0	0	53	257
						1504 - Equipment Support Infrastructure	0	0	61	311	0
<b>Mountain View Capital Projects</b>						1523 - Melchor Pavillion Suite 309 TI	0	0	0	10	59
9900 - Unassigned Costs	734	470	3,717	0	0	1525 - New Main Lab Upgrades	0	0	0	0	464
1108 - Cooling Towers	450	0	0	0	0	1526 - CONCERN TI	0	0	0	37	99
1120 - BHS Out Patient TI's	66	0	0	0	0	<b>Sub-Total Mountain View Projects</b>	<b>8,145</b>	<b>7,219</b>	<b>26,744</b>	<b>5,588</b>	<b>5,535</b>
1129 - Old Main Card Rehab	9	0	0	0	0	<b>Los Gatos Capital Projects</b>					
0817 - Womens Hosp Upgrds	645	1	0	0	0	0904 - LG Facilities Upgrade	2	0	0	0	0
0906 - Slot Build-Out	1,003	1,576	15,101	1,251	294	0907 - LG Imaging Masterplan	244	774	1,402	17	0
1109 - New Main Upgrades	423	393	2	0	0	1005 - LG OR Light Upgrd	14	0	0	0	0
1111 - Mom/Baby Overflow	212	29	0	0	0	1122 - LG Sleep Studies	7	0	0	0	0
1204 - Elevator Upgrades	25	30	0	0	0	1210 - Los Gatos VOIP	147	89	0	0	0
0800 - Womens L&D Expansion	2,104	1,531	269	0	0	1116 - LG Ortho Pavillion	177	24	21	0	0
1131 - MV Equipment Replace	216	0	0	0	0	1124 - LG Rehab BLDG	49	458	0	0	0
1208 - Willow Pav. High Risk	110	0	0	0	0	1247 - LG Infant Security	134	0	0	0	0
1213 - LG Sterilizers	102	0	0	0	0	1307 - LG Upgrades	376	2,979	3,282	3,511	3,081
1225 - Rehab BLDG Roofing	7	241	4	0	0	1308 - LG Infrastructure	0	114	0	0	0
1227 - New Main eICU	96	21	0	0	0	1313 - LG Rehab HVAC System/Structural	0	0	0	1,597	1,904
1230 - Fog Shop	339	80	0	0	0	1219 - LG Spine OR	0	214	323	633	2,163
1315 - 205 So. Drive TI's	0	500	2	0	0	1221 - LG Kitchen Refrig	0	85	0	0	0
0908 - NPCR3 Seismic Upgrds	1,302	1,224	1,328	240	342	1248 - LG - CT Upgrades	0	26	345	197	6,669
1125 - Will Pav Fire Sprinkler	57	39	0	0	0	1249 - LG Mobile Imaging	0	146	0	0	0
1211 - SIS Monitor Install	215	0	0	0	0	1328 - LG Ortho Canopy FY14	0	255	209	0	0
1216 - New Main Process Imp Office	19	1	16	0	0	1345 - LG Lab HVAC	0	112	0	0	0
1217 - MV Campus MEP Upgrades FY13	0	181	274	28	0	1346 - LG OR 5, 6, and 7 Lights Replace	0	0	285	53	22
1224 - Rehab Bldg HVAC Upgrades	11	202	81	14	6	1347 - LG Central Sterile Upgrades	0	0	181	43	66
1301 - Desktop Virtual	0	13	0	0	0	1421 - LG MOB Improvements	0	0	198	65	303
1304 - Rehab Wander Mgmt	0	87	0	0	0	1508 - LG NICU 4 Bed Expansion	0	0	0	0	207
1310 - Melchor Cancer Center Expansion	0	44	13	0	0	1600 - 825 Pollard - Aspire Phase II	0	0	0	0	80
1318 - Women's Hospital TI	0	48	48	29	2	1603 - LG MOB Improvements	0	0	0	0	285
1327 - Rehab Building Upgrades	0	0	15	20	0	<b>Sub-Total Los Gatos Projects</b>	<b>1,150</b>	<b>5,276</b>	<b>6,246</b>	<b>6,116</b>	<b>14,780</b>
1320 - 2500 Hosp Dr Roofing	0	75	81	0	0	<b>Subtotal Facilities Projects CIP</b>	<b>9,294</b>	<b>13,753</b>	<b>38,940</b>	<b>24,130</b>	<b>82,808</b>
1340 - New Main ED Exam Room TVs	0	8	193	0	0	<b>Grand Total</b>	<b>27,598</b>	<b>58,561</b>	<b>86,789</b>	<b>96,740</b>	<b>97,923</b>
1341 - New Main Admin	0	32	103	0	0	Forecast at Beginning of year	70,503	70,037	101,607	114,025	212,000
1344 - New Main AV Upgrd	0	243	0	0	0						
1400 - Oak Pav Cancer Center	0	0	5,208	666	52						

## ECH BOARD MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Quality, Patient Care and Patient Experience Committee ("Quality Committee") Report  El Camino Hospital Board of Directors  August 15, 2018
<b>Responsible party:</b>	Dave Reeder, Quality Committee Chair Mark Adams, MD, Interim CMO
<b>Action requested:</b>	For Information
<b>Background:</b> The Quality Committee meets 10 times per year. The Committee last met on August 6, 2018 and meets next on September 5, 2018.	
<b>Summary and session objectives: Summary of August 6, 2018 Meeting:</b> <ol style="list-style-type: none"> <li>1. <u>FY18 Quality Dashboard</u>: The FY18 Quality Dashboard was reviewed. Data for July is still pending to complete the fiscal year report. So far, goal achievement is assured for CLABSI, CDI, and Sepsis IVF bolus. Goal achievement is close for ALOS/GMLOS and HCAHPS Rate Hospital. CAUTI, SEP-1, Falls, and Mortality Index did not meet goal. Mortality Index was the only metric showing a declining trend.</li> <li>2. <u>HAI A3</u>: A summary of the HAI reduction organization and accomplishments was presented.</li> <li>3. <u>FY19 Quality Dashboard</u>: The completed FY19 Quality Dashboard with specific goals was reviewed and approved.</li> <li>4. <u>Committee Charter</u>: The Committee voted to recommend some revisions to its Charter. The proposed revisions will go to the Governance Committee in October, then to the Board for approval.</li> <li>5. <u>Culture of Safety</u>: The committee heard a presentation re a culture of safety as a foundation for a high reliability organization including the essential components such as the application of Just Culture and the use of Failure Mode Effects Analysis (FMEA). The last culture of safety survey was reviewed showing opportunities for improvement. A thorough discussion ensued with general support for the concept evident.</li> <li>6. <u>Lean Progress Report</u>: A brief summary of the current state of lean management application was reported. The committee visited the strategic deployment command center to illustrate how this work is progressing.</li> </ol>	
<b>Suggested discussion questions:</b> None.	
<b>Proposed Board motion, if any:</b> None.	
<b>Attachment:</b> <ol style="list-style-type: none"> <li>1. FY18 Quality Dashboard</li> <li>2. FY19 Quality Dashboard</li> </ol>	

## Quality and Safety Dashboard (Monthly)

		Baseline	FY18 Goal	Trend	Comments
SAFETY EVENTS		Performance			
		Month	FYTD	FY2017 Actual	FY2018 Goal
1	<b>Patient Falls</b> Med / Surg / CC Falls / 1,000 CALNOC Pt. Days  Date Period: June 2018	1.85 (9/4875)	1.41 (89/63120)	1.49	0.74 (Top decile CALNOC)
	*Organizational Goal <b>Hospital Acquired Infection (Infection rate)</b> <b>Catheter Associated Urinary Tract Infection (CAUTI)</b> per 1,000 urinary catheter days Date Period: June 2018 SIR Goal: <= 0.75	0.0 (0/919)	0.77 (13/16929)	1.09	SIR Goal: <= 0.75 SIR July-Dec.2017 = 1.459
3	<b>Central Line Associated Blood Stream Infection (CLABSI)</b> per 1,000 central line days Date Period: June 2018 SIR Goal: <= 0.50	1.09 (1/919)	0.23 (2/8635)	0.56	SIR Goal: <= 0.50 SIR July-Dec.2017 = 0.423
4	<b>Clostridium Difficile Infection (CDI)</b> per 10,000 patient days Date Period: June 2018 SIR Goal: <= 0.70	1.31 (1/7662)	1.13 (11/97325)	1.89	SIR Goal: <= 0.70 SIR July-Dec.2017 = 0.30
					Falls Committee increased membership of front line nursing staff and LG staff. With Employee Health, Committee is trialing a line clamp to secure IV and other lines, as both staff & pts. have tripped over lines. With fall risk tool validated, Committee members will begin monthly audits of completion of the Fall Risk Assessment.  No new CAUTI's in June! Foley catheter days have been reduced by 29% over 2017. Each day a patient has a foley catheter increases the risk of CAUTI by 5%.  1 new CLABSI in June. Young patient admitted though ED with psychiatric issues; polydypsia resulting electrolyte issues. Central line needed for hypertonic saline infusion. Pt. picked at CL dressing, was reinforced, not changed.  1 new C.Diff in June. Elderly pt. flown from Chicago by son to ECH, with history of loose stools. ED MD ordered C.Diff toxin test, was canceled by hospitalist. Could not prove C.Diff was present on admission.
Efficiency		Performance			
		Month	FYTD	FY17 Actual	FY 2018 Goal
5	★Organizational Goal <b>Arithmetic Observed LOS Average/Geometric LOS Expected for Medicare Population (ALOS/Expected GMLOS)</b> (Medicare definition, MS-CC, Inpatient) Date Period: May 2018	1.06	1.12	1.16	1.11
					Improvements in LOS continue in May with 1.06 below goal.

## Definitions and Additional Information

Measure Name	Definition Owner	Work Group	FY 2017 Definition	FY 2018 Definition	Source
Patient Falls	Sheetal Shah; Cheryl Reinking	Falls Committee	<p>All Med/Surg/CC falls reported to CALNOC per 1,000 CALNOC (Med/Surg/CC) patient days</p> <p>CALNOC Fall Definition: The rate per 1,000 patient days at which patients experience an unplanned descent to the floor (or extension of the floor, e.g., trash can or other equipment, including bedside mat). All falls are reported and described by level of injury or no injury, and circumstances (observed, assisted, restrained at the time of the fall). Include Assisted Falls (when staff attempts to minimize the impact of the fall, it is still a fall).</p> <p><i>Excludes Intentional Falls: When a patient (age 5 or older) falls on purpose or falsely claims to have fallen, it is considered an Intentional Fall and is NOT included. It is NOT considered a fall according to the CALNOC definition.</i></p>		QRR Reporting and Staff Validation
Hospital Acquired Infection (SIR Rate) CAUTI (Catheter-acquired Urinary Tract Infection)	Catherine Carson/Catherine Nalesnik				
Hospital Acquired Infection (SIR Rate) CLABSI (Central line associated blood stream infection)	Catherine Carson/Catherine Nalesnik		<p>The standardized infection ratio (SIR) is a summary measure used to track HAIs over time at a national, state, local level. This is a summary statistic that compares the actual number of HAIs reported with the baseline US experience (NHSN aggregate data are used as the standard population), adjusting for several risk factors that are significantly associated with differences in infection incidence. An SIR greater than 1.0 indicates that more HAIs were observed than predicated, accounting for differences in types of patients followed, a SIR less than 1.0 indicates fewer HAIs were observed than predicated.</p>		
Hospital Acquired Infection (SIR Rate) C. Diff (Clostridium Difficile Infection)	Catherine Carson/Catherine Nalesnik				
Arithmetic Observed LOS Average over Geometric LOS Expected.	Cheryl Reinking Catherine Carson (Jessica Hatala)		<p>The Observed LOS over the Expected LOS Ratio is determined by calculating the average length of stay of all Medicare financial class divided by the GMLOS (geometric LOS associated with each patient's MD-DRG.</p>		

		Baseline	FY18 Goal	Trend	Comments
6	<b>Sepsis Core Measure</b> SEP-1 100% or O% Date Period: May 2018	<p>SEP-1: MONTHLY Compliance Rate ECH vs All Core Measure Hospitals</p>			Non-compliance due to 2 failures; 1 - the physician focused exam completed but not in the required time frame, 2nd - Repeat Lactic acid not drawn w/ 6 hrs of Time of Presentation.
7	<b>IVF Bolus Ordered within 2 Hours of TOP of Severe Sepsis or Septic Shock</b> (Patients lacking initial hypotension or lactate <3 excluded) Date Period: April 2018	<p>With <math>\geq 30\text{ml/kg}</math> Crystalloid IV or NICOM Ordered within 2 Hours of Time of Presentation of Severe Sepsis or Septic Shock Patients Lacking Initial Hypotension or Lactate <math>&lt; 3</math> Excluded.</p>			TJC Sepsis Certification Survey on July 11-12, 2018. Result is 3 requirements for improvement; evaluate program patient satisfaction, provide patient education on sepsis earlier in hospital stay, one provider's license and verification was not up-to-date. Responses due w/ 60 days, Surveyor stated these findings would not prevent TJC Certification.
<b>Mortality</b>		<b>Performance</b>	<b>FY 2017</b>	<b>FY 2018 Goal</b>	
		<b>Month</b>	<b>FYTD</b>		
8	<b>*Organizational Goal Mortality</b> Index Observed/Expected Premier Standard Risk Calculation Mode Date Period: May 2018	1.22 (2.00%/1.64%)	1.06 (1.70/1.61)	1.02 (1.88%/1.83%)	0.62
				<p>1.38 0.71 0.95</p>	Open positions in CDI affect the expected mortality rate, as CDI staff have fewer queries to physicians regarding Major Co-morbidities. May's MCC rates were reduced in May for both Medical & Surgical cases.
<b>SERVICE</b>		<b>Performance</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Goal</b>	
		<b>Month</b>	<b>FYTD</b>		
9	<b>«Organizational Goal</b> HCAHPS Rate Hospital 0-10 Top Box Rating 9 and 10 Date Period: June 2018	75.5 (216/286)	77.5 (2281/2942)	76.30	78.0%
				<p>82.05 76.7 71.38 78</p>	Nursing Communication team is now focusing on Leader rounding and Purposeful rounding.

Measure Name	Definition Owner	Work Group	FY 2017 Definition	Source
<b>Sepsis Core Measure- SEP-1: MONTHLY Compliance Rate ECH vs. All Core Measure Hospitals</b>	Catherine Carson/Kelly Nguyen	Sepsis Steering Committee	New Core Measure from Oct. 2015. Severe sepsis is defined as sepsis plus a lactate > 2 or evidence of organ dysfunction, Hospital must meet ALL 4 measures in order to be compliant with this core measure, Patients with septic shock require an assessment of volume status and tissue perfusion within 6 hours of presentation, Patients NOT included are those transferred from another facility or those placed on comfort cares.	EPIC Chart Review
<b>IVF Bolus Ordered within 2 Hours of TOP of Severe Sepsis or Septic IVF Bolus Ordered within 2 Hours of TOP of Severe Sepsis or Septic Shock (Patients lacking initial hypotension or lactate &lt;3 excluded)Shock</b>	Catherine Carson		Percentage of Randomly Sampled ED Patients (LG & MV) who had IVF >=30 ml/kg ordered within 2 Hours of Time of Presentation of Severe Sepsis or Septic Shock (Patients Lacking Initial Hypotension or Lactate <3 Excluded)	EPIC Chart Review
<b>Mortality Rate (Observed/Expected)</b>	Catherine Carson			Premier Quality Advisor
<b>HCAHPS Rate Hospital 0-10 Top Box Rating 9 and 10</b>	Michelle Gabriel; Ashley Fontenot Cheryl Reinking	Patient Experience Committee	“‘9’ or ‘10’ (high)” for the Overall Hospital Rating item	Press Ganey Tool

7/27/2018 12:03 PM

## Definitions and Additional Information

Measure Name	Definition Owner	Work Group	FY 2018 Definition	FY 2019 Definition	Source
<b>Hospital Acquired Infection (SIR Rate) CAUTI (Catheter-acquired Urinary Tract Infection)</b>  <b>Hospital Acquired Infection (SIR Rate) CLABSI (Central line associated blood stream infection)</b>  <b>Hospital Acquired Infection (SIR Rate) C. Diff (Clostridium Difficile Infection)</b>  <b>Mortality Index (Observed/Expected)</b>  <b>Readmission Index (All Patient, All Cause Redmit) Observed/Expected</b>	Catherine Carson/Catherine Nalesnik		<p>The standardized infection ratio (SIR) is a summary measure used to track HAIs over time at a national, state, local level. This is a summary statistic that compares the actual number of HAIs reported with the baseline US experience (NHSN aggregate data are used as the standard population), adjusting for several risk factors that are significantly associated with differences in infection incidence. An SIR greater than 1.0 indicates that more HAIs were observed than predicated, accounting for differences in types of patients followed, a SIR less than 1.0 indicates fewer HAIs were observed than predicated.</p>		
	Catherine Carson/Catherine Nalesnik				
	Catherine Carson/Catherine Nalesnik				
	Catherine Carson				Premier Quality Advisor
	Catherine Carson				Premier Quality Advisor

			Baseline	FY19 Goal	Trend	Comments
Quality	FY18 Performance		FY 2017	FY 2019		
	Month	FYTD				
6	<b>Sepsis Mortality Rate Enterprise</b> Date Period: May 2018		17.91	11.52%	13.66%	11%
7	<b>Sepsis Mortality Index</b> (Observed over Expected) Date Period: May 2018		1.60	1.20	1.05	1.14
Efficiency	FY18 Performance		FY17 Actual	FY 2019 Goal		
	Month	FYTD				
8	<b>★Organizational Goal</b> <b>Arithmetic Observed LOS</b> <b>Average/Geometric LOS</b> <b>Expected for Medicare Population (ALOS/Expected GMLOS)</b> (Medicare definition, MS-CC, Inpatient) Date Period: May 2018		1.06	1.12	1.16	1.09
9	<b>★Organizational Goal</b> <b>Patient Throughput-Average minutes from ED Door to Patient Admitted</b> (excludes Behavioral Health Inpatients) Date Period: June 2018		MV: 342 mins LG: 330 mins		280 mins	

Measure Name	Definition Owner	Work Group	FY 2018 Definition	FY 2019 Definition	Source
Sepsis Mortality Rate Enterprise	Catherine Carson				Premier Quality Advisor
Sepsis Mortality Index Observed over Expected	Catherine Carson				Premier Quality Advisor
Arithmetic Observed LOS Average over Geometric LOS Expected.	Cheryl Reinking Catherine Carson (Jessica Hatala)		The Observed LOS over the Expected LOS Ratio is determined by calculating the average length of stay of all Medicare financial class divided by the GMLOS (geometric LOS associated with each patient's MD-DRG.		Premier Quality Advisor
Patient Throughput- Average Minutes from ED Door to Patient Admitted (excludes Behavioral Health Inpatients)	Catherine Carson				EPIC

SERVICE		FY18 Performance		Baseline	FY19 Goal	Trend	Comments																										
		Month	FYTD	Q4 FY17 + Qtrs 1,2,3 FY18	FY 2019 Goal																												
10	«Organizational Goal HCAHPS Nursing Communication Domain Top Box Rating of Always Date Period: June 2018	79.8 (213/267)	79.8 (2318/2905)	80.00	81.0	<table><caption>HCAHPS Nursing Communication Domain - Monthly Top Box Rating of Always</caption><thead><tr><th>Month</th><th>Rating</th></tr></thead><tbody><tr><td>Jul</td><td>79.76</td></tr><tr><td>Aug</td><td>82.97</td></tr><tr><td>Sep</td><td>76.55</td></tr><tr><td>Oct</td><td>80.00</td></tr><tr><td>Nov</td><td>80.00</td></tr><tr><td>Dec</td><td>76.55</td></tr><tr><td>Jan</td><td>80.00</td></tr><tr><td>Feb</td><td>80.00</td></tr><tr><td>Mar</td><td>82.97</td></tr><tr><td>Apr</td><td>82.97</td></tr><tr><td>May</td><td>80.00</td></tr><tr><td>June</td><td>80.00</td></tr></tbody></table>	Month	Rating	Jul	79.76	Aug	82.97	Sep	76.55	Oct	80.00	Nov	80.00	Dec	76.55	Jan	80.00	Feb	80.00	Mar	82.97	Apr	82.97	May	80.00	June	80.00	
Month	Rating																																
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Feb	80.00																																
Mar	82.97																																
Apr	82.97																																
May	80.00																																
June	80.00																																
11	«Organizational Goal HCAHPS Responsiveness of Staff Domain Top Box Rating of Always Date Period: June 2018	62.8 (158/252)	70.1 (1942/2769)	65.10	67.0	<table><caption>HCAHPS Responsiveness of Staff Domain - Monthly Top Box Rating of Always</caption><thead><tr><th>Month</th><th>Rating</th></tr></thead><tbody><tr><td>Jul</td><td>65.33</td></tr><tr><td>Aug</td><td>65.33</td></tr><tr><td>Sep</td><td>62.80</td></tr><tr><td>Oct</td><td>65.10</td></tr><tr><td>Nov</td><td>70.10</td></tr><tr><td>Dec</td><td>67.00</td></tr><tr><td>Jan</td><td>65.10</td></tr><tr><td>Feb</td><td>60.00</td></tr><tr><td>Mar</td><td>71.42</td></tr><tr><td>Apr</td><td>65.10</td></tr><tr><td>May</td><td>67.00</td></tr><tr><td>June</td><td>62.80</td></tr></tbody></table>	Month	Rating	Jul	65.33	Aug	65.33	Sep	62.80	Oct	65.10	Nov	70.10	Dec	67.00	Jan	65.10	Feb	60.00	Mar	71.42	Apr	65.10	May	67.00	June	62.80	
Month	Rating																																
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Apr	65.10																																
May	67.00																																
June	62.80																																
12	«Organizational Goal HCAHPS Cleanliness of Hospital Environment Question Top Box Rating of Always Date Period: June 2018	70.4 (202/287)	75.4 (2276/3018)	74.50	76.0	<table><caption>HCAHPS Cleanliness of Hospital Environment Question - Monthly Top Box Rating of Always</caption><thead><tr><th>Month</th><th>Rating</th></tr></thead><tbody><tr><td>Jul</td><td>74.13</td></tr><tr><td>Aug</td><td>80.40</td></tr><tr><td>Sep</td><td>70.40</td></tr><tr><td>Oct</td><td>74.50</td></tr><tr><td>Nov</td><td>69.00</td></tr><tr><td>Dec</td><td>74.50</td></tr><tr><td>Jan</td><td>70.40</td></tr><tr><td>Feb</td><td>74.50</td></tr><tr><td>Mar</td><td>79.00</td></tr><tr><td>Apr</td><td>74.50</td></tr><tr><td>May</td><td>75.40</td></tr><tr><td>June</td><td>70.40</td></tr></tbody></table>	Month	Rating	Jul	74.13	Aug	80.40	Sep	70.40	Oct	74.50	Nov	69.00	Dec	74.50	Jan	70.40	Feb	74.50	Mar	79.00	Apr	74.50	May	75.40	June	70.40	
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Measure Name	Definition Owner	Work Group	FY 2018 Definition	FY 2019 Definition	Source
HCAHPS Nursing Communication Domain Top Box Rating of Always	Michelle Gabriel; Ashley Fontenot Cheryl Reinking	Patient Experience Committee	HCAHPS Rate Communication with Nurse Top Box Rating 9 and 10		Press Ganey Tool
HCAHPS Responsiveness of Staff Domain Top Box Rating of Always	Michelle Gabriel; Ashley Fontenot Cheryl Reinking	Patient Experience Committee	HCAHPS Rate Response of Hospital StaffTop Box Rating 9 and 10		Press Ganey Tool
HCAHPS Cleanliness of Hospital Environment Question Top Box Rating of Always	Michelle Gabriel; Ashley Fontenot Cheryl Reinking	Patient Experience Committee	HCAHPS Rate Cleanliness of Hospital Environment Top Box Rating 9 and 10		Press Ganey Tool



**Minutes of the Open Session of the  
El Camino Hospital Board of Directors  
Monday, August 6, 2018  
2500 Grant Road, Mountain View, CA 94040  
Conference Rooms A&B (ground floor)**

**Board Members Present**

Lanhee Chen, Chair  
Jeffrey Davis, MD  
Neysa Fligor  
Peter C. Fung, MD  
Gary Kalbach  
Julia E. Miller, Secretary/Treasurer  
David Reeder  
John Zoglin, Vice Chair (via  
teleconference)

**Board Members Absent**

Julie Kliger  
Bob Rebitzer

**Members Excused**

None

Agenda Item	Comments/Discussion	Approvals/ Action
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:31pm by Chair Chen. A verbal roll call was taken. Director Zoglin participated via teleconference. Directors Davis and Fung joined the meeting during the closed session. Directors Kliger and Rebitzer were absent. All other Board members were physically present at roll call.	
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	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.	
<b>3. ADJOURN TO CLOSED SESSION</b>	<p><b>Motion:</b> To adjourn to closed session at 5:31pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (June 13, 2018); and pursuant to <i>Health and Safety Code 32155</i> for deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Fligor, Kalbach, Miller, Reeder, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Davis, Fung, Kliger, Rebitzer  <b>Recused:</b> None</p>	<b><i>Adjourned to closed session at 5:31pm</i></b>
<b>4. AGENDA ITEM 8: RECONVENE OPEN SESSION/ REPORT OUT</b>	<p>Open session was reconvened at 5:43pm by Chair Chen. Agenda items 4-7 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (June 13, 2018) by a unanimous vote in favor of all members present (Directors Chen, Fligor, Kalbach, Miller, Reeder, and Zoglin; Directors Davis, Fung, Kliger, and Rebitzer were absent). The Board also approved the Medical Staff Report by a unanimous vote in favor of all members present (Directors Chen, Davis, Fligor, Fung, Kalbach, Miller, Reeder, and Zoglin; Directors Kliger and Rebitzer were absent).</p>	
<b>5. AGENDA ITEM 9: CONSENT CALENDAR</b>	<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><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of</p>	<b><i>Consent calendar approved</i></b>

	the Hospital Board Meeting (June 13, 2018); and the Medical Staff Report. <b>Movant:</b> Reeder <b>Second:</b> Kalbach <b>Ayes:</b> Chen, Davis, Fligor, Fung, Kalbach, Miller, Reeder, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Kliger, Rebitzer <b>Recused:</b> None	
<b>6. AGENDA ITEM 10: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 5:47pm. <b>Movant:</b> Fligor <b>Second:</b> Fung <b>Ayes:</b> Chen, Davis, Fligor, Fung, Kalbach, Miller, Reeder, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Kliger, Rebitzer <b>Recused:</b> None	<b>Meeting adjourned at 5:47pm</b>

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

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Lanhee Chen  
Chair, ECH Board of Directors

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Julia E. Miller  
Secretary, ECH Board of Directors

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

## ECH BOARD MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	<p>Draft El Camino Hospital Resolution 2018-09 Regarding Withdrawal of Silicon Valley Medical Development, LLC (SVMD) From Benefit Plans</p> <p>El Camino Hospital Board of Directors</p> <p>August 15, 2018</p>
<b>Responsible party:</b>	<p>Bruce Harrison, President SVMD</p> <p>Julie Johnston, Director Total Rewards</p> <p>As Plan Administrator for El Camino Hospital's Cash Balance Plan, 403(b) Retirement Plan, and Group Insurance Plans</p>
<b>Action requested:</b>	For Approval
<b>Background:</b>	<p>El Camino Hospital sponsors retirement plans and group insurance benefits under ERISA. The Hospital may administer benefits on behalf of affiliate organizations and has done so for SVMD since inception. However, the SVMD has taken action to withdrawal from the Hospital's benefits programs and has approved a resolution to offer future SVMD employees other benefit programs.</p> <p>The Resolution was prepared by ERISA counsel and there are no current employees that will be affected by this change.</p>
<b>Board Advisory Committee(s) that reviewed the issue and recommendation, if any:</b>	<p>None. However, the Retirement Plan Administrative Committee has reviewed and recommended approval and the SVMD Board as approved withdrawal from the benefit programs sponsored by the Hospital.</p>
<b>Summary and session objectives :</b>	<p>To support the decision of the SVMD Board and approve the withdrawal of SVMD from the Hospital's benefit programs.</p>
<b>Proposed board motion</b>	<p>To approve Draft El Camino Hospital Resolution 2018-09.</p>
<b>LIST OF ATTACHMENTS:</b>	<ol style="list-style-type: none"> <li>1. Draft El Camino Hospital Resolution 2018-09</li> <li>2. Signed SVMD Resolution</li> </ol>

**RESOLUTION OF THE  
BOARD OF DIRECTORS OF  
EL CAMINO HOSPITAL**

**Resolution 2018-09**

**WHEREAS**, El Camino Hospital (the "Hospital") sponsors the El Camino Hospital Cash Balance Plan, the El Camino Hospital 403(b) Retirement Plan and the El Camino Hospital Group Insurance Plan (collectively the "Plans") for the benefit of its eligible employees and the eligible employees of affiliated employers that may adopt the Plan as participating employers; and

**WHEREAS**, Silicon Valley Medical Development, LLC ("SVMD") previously adopted the Plans as a participating employer; and

**WHEREAS**, SVMD now desires to withdraw from participating in the Plans as of August 26, 2018 or such later date as the reorganization of SVMD is effective (the "Withdrawal Date"); and

**WHEREAS**, the Hospital desires to ratify and memorialize SVMD's withdrawal from the Plans as of the Withdrawal Date.

**NOW THEREFORE BE IT RESOLVED THAT** the Hospital hereby ratifies and memorializes SVMD's withdrawal from the Plans as of the Withdrawal Date.

**FURTHER RESOLVED**, that the Hospital hereby authorizes and directs the appropriate officers or employees of the Hospital to take any and all actions deemed necessary or desirable to implement these resolutions, including any actions required to maintain the qualified status of the El Camino Hospital Cash Balance Plan and the status of the El Camino Hospital 403(b) Retirement Plan as a plan that meets the requirements of Section 403(b) of the Internal Revenue Code of 1986, as amended.

\*\*\*\*\*

**CERTIFICATE**

I, \_\_\_\_\_, the Secretary of El Camino Hospital, hereby certify that the foregoing Resolutions were adopted by the Board of Directors at a meeting held on August 15, 2018.

**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2018.

By: \_\_\_\_\_

Title: Secretary of El Camino Hospital Board

**RESOLUTION OF THE  
BOARD OF DIRECTORS OF  
SILICON VALLEY MEDICAL DEVELOPMENT, LLC**

**Resolution 2018-01**

**WHEREAS**, El Camino Hospital (the "Hospital") sponsors the El Camino Hospital Cash Balance Plan, the El Camino Hospital 403(b) Retirement Plan and the El Camino Hospital Group Insurance Plan (collectively the "Plans") for the benefit of its eligible employees and the eligible employees of affiliated employers that may adopt the Plan as participating employers; and

**WHEREAS**, Silicon Valley Medical Development, LLC ("SVMD") previously adopted the Plans as a participating employer; and

**WHEREAS**, SVMD now desires to withdraw from participating in the Plans as of August 26, 2018 or such later date as the reorganization of SVMD is effective (the "Withdrawal Date").

**NOW THEREFORE BE IT RESOLVED THAT** SVMD hereby withdraws from participation in the Plans as of the Withdrawal Date.

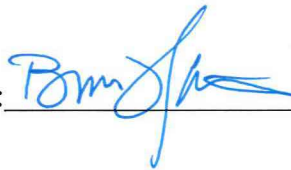
**FURTHER RESOLVED**, that SVMD hereby authorizes and directs the appropriate officers or employees of SVMD to take any and all actions deemed necessary or desirable to implement these resolutions.

\*\*\*\*\*  
**CERTIFICATE**

I, Bruce Harrison, the President of Silicon Valley Medical Development, LLC hereby certify that the foregoing Resolutions were adopted by the Board of Directors at a meeting held on August 1, 2018.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 1<sup>st</sup> day of August, 2018.

By: \_\_\_\_\_



Title: President SVMD



**El Camino Hospital**

THE HOSPITAL OF SILICON VALLEY

## Financial Report to the Board

Fiscal Year 2018 – Period 11  
7/1/2017 to 05/31/2018

# Financial Overview

- **Volume:**

- For the year, overall volume, measured in adjusted discharges is 5.3% higher than budget. Medical and ER cases were high due to the flu season. Strong service line growth in Neurosciences, HVI, BHS, Oncology. Deliveries are lower than prior year and 4.6% below budget primarily due to the decline in birth rate.
- OP cases also show strong service line growth in General Surgery, General Medicine, Orthopedics, Imaging Services, MCH and Rehab.

- **Financial Performance:**

- For the month, operating income is \$2.2M better than budget due to \$1.3 million in Medic-Cal outpatient supplemental funding(AB915) and \$1.1 million in PRIME funding. For the year operating margin is \$47.8M ahead of target due to higher volume, \$17 million in unusual items and strong revenue cycle operations.
- Strong investment results for the month and the year

- **Payor Mix:**

- Medicare Mix is higher due to growth in HVI and general medicine which have a high Medicare mix.

- **Cost:**

- YTD productivity is ahead of budget but recent months show a decline as volume has eased.

- **Balance Sheet:**

- Net days in AR is 47.4 which is 0.6 days better than budget.

# Dashboard - ECH combined as of May 31, 2018

	Month					YTD			
	PY	CY	Bud/Target	Variance CY vs Bud		PY	CY	Bud/Target	Variance CY vs Bud
Volume									
Licenced Beds	443	443	443	-		443	443	443	-
ADC	235	219	241	(22)		239	240	240	(0)
Utilization MV	66%	60%	66%	-6%		66%	66%	66%	0%
Utilization LG	25%	26%	29%	-3%		29%	30%	29%	1%
Utilization Combined	53%	49%	54%	-5%		54%	54%	54%	0%
Total Discharges (Excl NNB)	1,664	1,683	1,682	1		17,964	18,649	18,088	561
Financial Perf.									
Total Operating Revenue	74,454	77,398	73,068	4,329		769,151	839,262	784,979	54,283
Operating Income \$	8,947	8,566	6,388	2,178		87,965	119,715	71,921	47,794
Operating Margin	12.0%	11.1%	8.7%	2.3%		11.4%	14.3%	9.2%	5.1%
EBITDA %	17.7%	17.0%	16.1%	0.9%		17.7%	20.3%	16.3%	3.9%
Payor Mix									
Medicare	47.8%	48.6%	47.4%	1.2%		47.7%	47.7%	47.4%	0.3%
Medi-Cal	8.0%	7.6%	7.2%	0.4%		7.3%	7.7%	7.2%	0.5%
Total Commercial	42.0%	41.1%	42.9%	-1.7%		42.5%	42.0%	42.9%	-0.9%
Other	2.3%	2.6%	2.5%	0.1%		2.5%	2.5%	2.5%	0.0%
Cost									
Total FTE	2,534.9	2,564.2	2,539.3	25		2,500.3	2,578.2	2,529.9	48
Productive Hrs/APD	31.0	31.3	30.1	1		30.4	30.3	30.4	(0)
Balance Sheet									
Net Days in AR	44.8	47.4	48.0	(1)		44.8	47.4	48.0	(1)
Days Cash	444	500	266	234		444	500	266	234
Affiliates - Net Income (\$000s)									
Hosp	18,137	17,733	6,613	11,120		144,084	172,204	74,399	97,805
Concern	(108)	(139)	115	(254)		1,249	801	1,304	(503)
ECSC	(9)	(31)	0	(31)		(92)	(91)	0	(91)
Foundation	37	22	105	(83)		2,177	1,738	602	1,137
SVMD	(85)	557	(23)	581		5	1,397	7	1,390

# Budget Variances

## Fiscal Year 2018 YTD (7/1/2017-05/31/2018) Waterfall

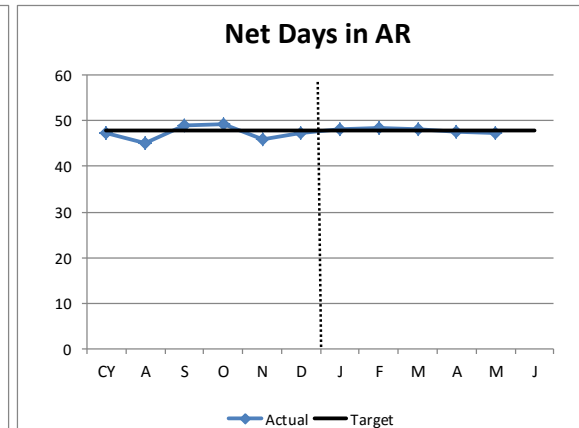
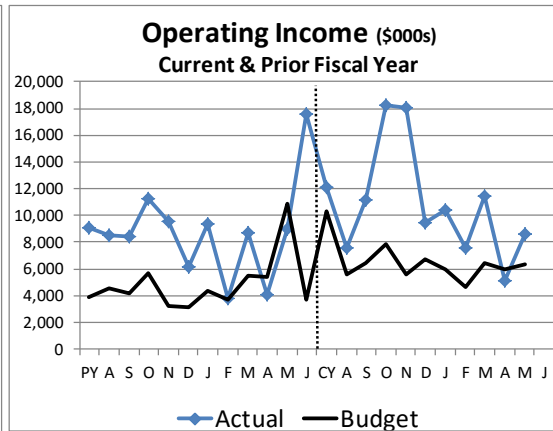
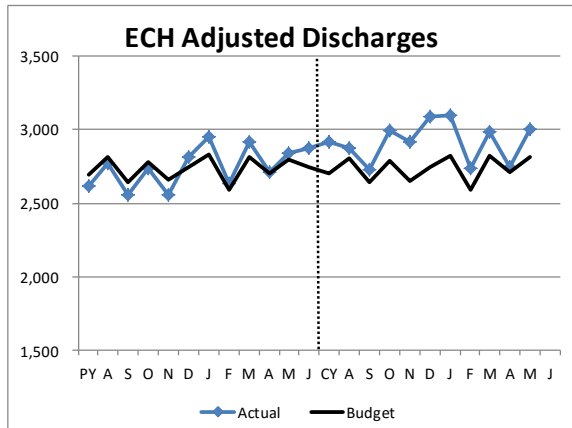
(in thousands; \$000s)	Year to Date (YTD)	
	Net Income Impact	% Net Revenue
<b>Budgeted Hospital Operations FY2018</b>	<b>71,921</b>	<b>9.2%</b>
<b>Net Revenue</b> - Favorable due higher volume, revenue cycle operations and \$14 million unusual items	54,283	6.5%
<b>Labor and Benefit Expense Change</b> - Labor favorable vs budget after adjusting for volume	(1,836)	-0.2%
<b>Professional Fees &amp; Purchased Services</b> -Recruiting costs for several key positions in the organization and backfill for vacant positions, repairs for survey readiness	(7,228)	-0.9%
<b>Supplies</b> - unfavorable due to increase in surgical and other general supplies, offset by savings in Spine supplies as well as Drugs. Higher volumes also driving increase and net positive to volume adjusted budget	(4,615)	-0.5%
<b>Other Expenses</b> - primarily due strategic fund expenses not spent	1,349	0.2%
<b>Depreciation &amp; Interest</b> - Favorable due to delay in Parking Structure as well as LG projects	5,842	0.7%
<b>Actual Hospital Operations FY2018</b>	<b>119,715</b>	<b>14.3%</b>

# El Camino Hospital (\$000s)

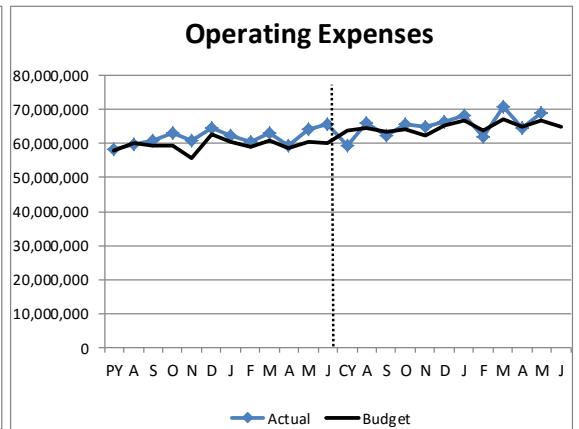
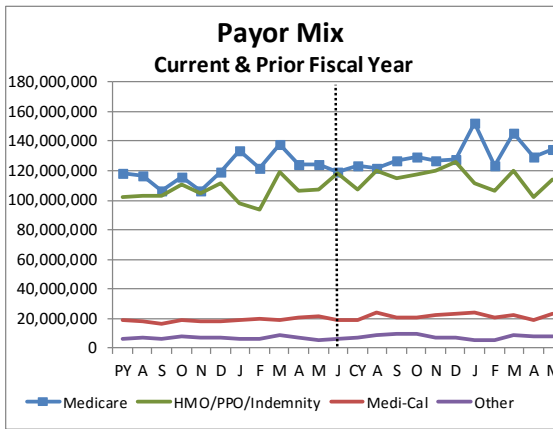
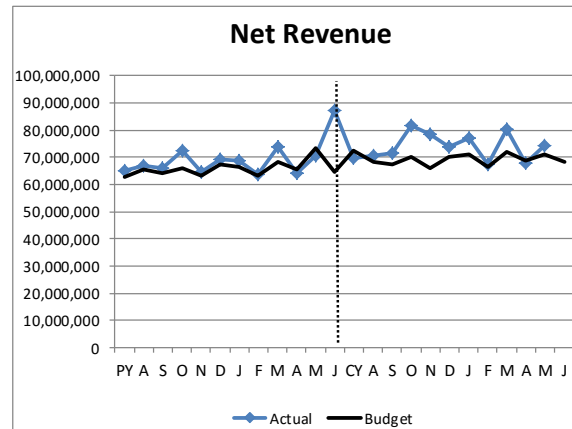
11 months ending 05/31/2018

Period 11 FY 2017	Period 11 FY 2018	Period 11 Budget 2018	Variance Fav (Unfav)	Var%		YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
					\$000s					
					<b>OPERATING REVENUE</b>					
264,096	277,853	275,712	2,141	0.8%	<b>Gross Revenue</b>	2,754,532	3,027,371	2,928,875	98,496	3.4%
(193,442)	(203,761)	(204,515)	754	1.0%	<b>Deductions</b>	(2,009,625)	(2,215,216)	(2,165,164)	(50,053)	2.3%
<b>70,653</b>	<b>74,092</b>	<b>71,197</b>	<b>2,895</b>	<b>4.1%</b>	<b>Net Patient Revenue</b>	<b>744,907</b>	<b>812,155</b>	<b>763,712</b>	<b>48,443</b>	<b>6.3%</b>
3,800	3,305	1,871	1,435	76.7%	<b>Other Operating Revenue</b>	24,245	27,107	21,268	5,839	27.5%
<b>74,454</b>	<b>77,398</b>	<b>73,068</b>	<b>4,329</b>	<b>5.9%</b>	<b>Total Operating Revenue</b>	<b>769,151</b>	<b>839,262</b>	<b>784,979</b>	<b>54,283</b>	<b>6.9%</b>
					<b>OPERATING EXPENSE</b>					
38,903	40,884	40,631	(253)	-0.6%	<b>Salaries &amp; Wages</b>	411,216	432,661	430,825	(1,836)	-0.4%
11,455	11,556	10,437	(1,119)	-10.7%	<b>Supplies</b>	108,254	116,771	112,157	(4,615)	-4.1%
8,764	9,404	7,815	(1,589)	-20.3%	<b>Fees &amp; Purchased Services</b>	88,872	94,299	87,071	(7,228)	-8.3%
2,149	2,368	2,392	24	1.0%	<b>Other Operating Expense</b>	24,946	25,265	26,614	1,349	5.1%
292	431	725	295	40.6%	<b>Interest</b>	3,851	5,290	7,980	2,689	33.7%
3,944	4,189	4,680	491	10.5%	<b>Depreciation</b>	44,049	45,259	48,411	3,152	6.5%
<b>65,507</b>	<b>68,832</b>	<b>66,681</b>	<b>(2,151)</b>	<b>-3.2%</b>	<b>Total Operating Expense</b>	<b>681,186</b>	<b>719,547</b>	<b>713,058</b>	<b>(6,488)</b>	<b>-0.9%</b>
<b>8,947</b>	<b>8,566</b>	<b>6,388</b>	<b>2,178</b>	<b>34.1%</b>	<b>Net Operating Income/(Loss)</b>	<b>87,965</b>	<b>119,715</b>	<b>71,921</b>	<b>47,794</b>	<b>66.5%</b>
9,191	9,167	225	8,942	3969.1%	<b>Non Operating Income</b>	56,118	52,489	2,478	50,011	2018.0%
<b>18,137</b>	<b>17,733</b>	<b>6,613</b>	<b>11,120</b>	<b>168.2%</b>	<b>Net Income(Loss)</b>	<b>144,084</b>	<b>172,204</b>	<b>74,399</b>	<b>97,805</b>	<b>131.5%</b>
17.7%	17.0%	16.1%	0.9%		<b>EBITDA</b>	17.7%	20.3%	16.3%	3.9%	
12.0%	11.1%	8.7%	2.3%		<b>Operating Margin</b>	11.4%	14.3%	9.2%	5.1%	
24.4%	22.9%	9.1%	13.9%		<b>Net Margin</b>	18.7%	20.5%	9.5%	11.0%	

# Monthly Financial Trends

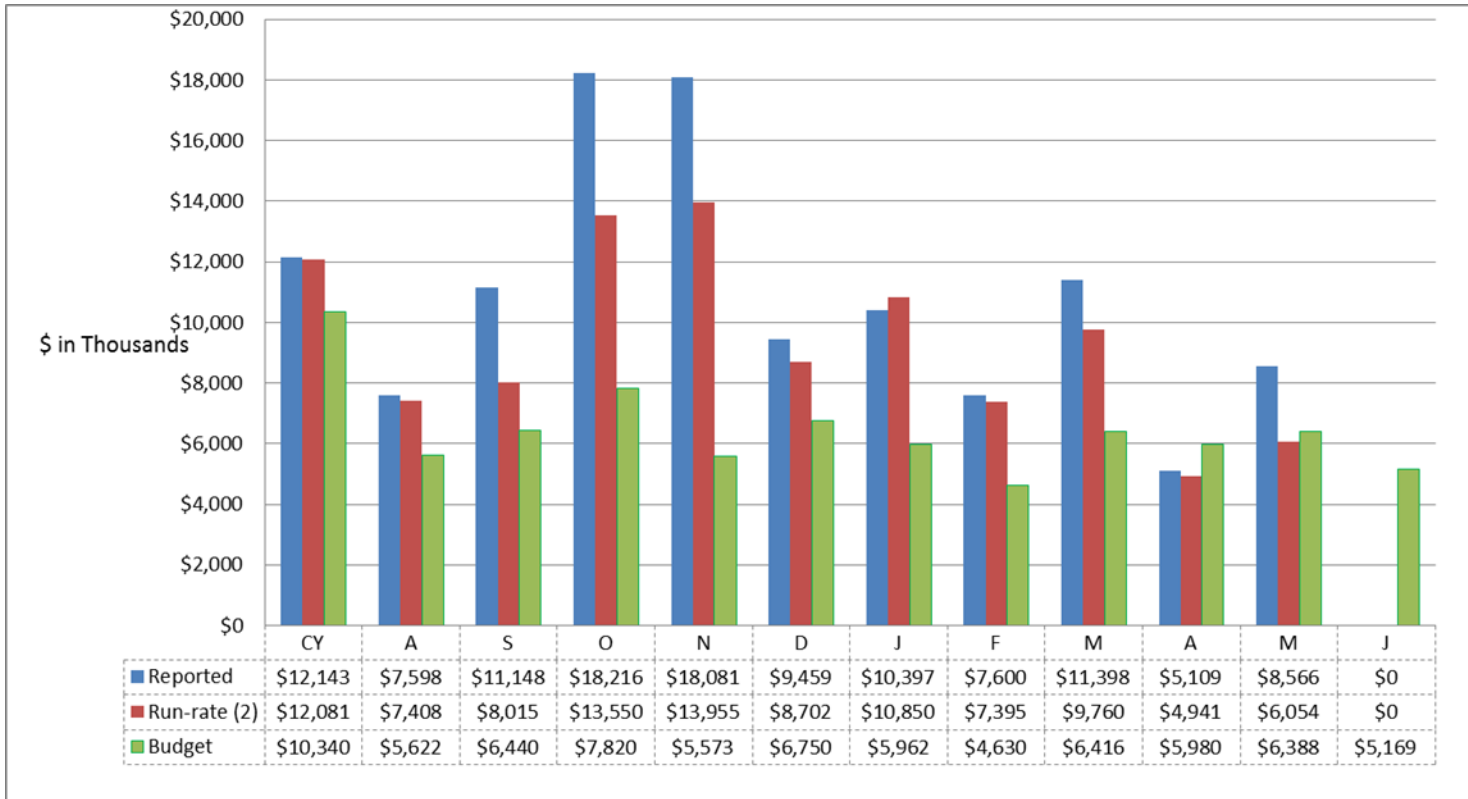


Higher inpatient volume occurring in Inpatient Behavioral Health, HVI, Neurosciences, Oncology and General Medicine. High Outpatient volume is General Medicine, Imaging Services, MCH, Orthopedics, Outpatient Clinics, General Surgery and Rehab.



# ECH Operating Margin

Run rate is booked operating income adjusted for material non-recurring transactions



## FY 2018 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>

Revenue Adjustments	J	A	S	O	N	D	J	F	M	A	M	YTD
Insurance (Payment Variance)	-	-	-	611	-	669	28	-	603	-	-	1,912
Mcare Settlmt/Appeal/Tent Settlmt/PIP	54	155	905	54	184	81	396	92	92	224	92	2,328
BPCI Settlement	-	-	-	-	-	-	-	-	-	-	-	-
Medi-Cal Supplemental	-	-	-	-	-	-	-	-	-	0	-	0
IGT Supplemental	-	-	-	-	-	-	-	-	-	-	-	-
AB 915	-	-	-	-	-	-	-	103	926	-	1,302	2,332
Hospital Fee	-	-	-	712	1,024	-	-	-	-	-	-	1,736
PRIME Incentive	-	-	-	-	2,902	-	-	-	-	-	1,108	4,010
Credit Balance Quarterly Review	-	-	2,201	-	-	-	-	-	-	-	-	2,201
Late Charge Accrual	-	-	-	3,283	-	-	-	-	-	-	-	3,283
Various Adjustments under \$250k	9	35	27	6	16	8	(878)	10	17	(56)	9	(797)
<b>Total</b>	<b>63</b>	<b>190</b>	<b>3,134</b>	<b>4,667</b>	<b>4,126</b>	<b>757</b>	<b>(453)</b>	<b>205</b>	<b>1,638</b>	<b>169</b>	<b>2,511</b>	<b>17,005</b>

# El Camino Hospital Investment Committee Scorecard

March 31, 2018

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY18 Year-end Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		<b>1Q 2018</b>		<b>Fiscal Year-to-date</b>		<b>5y 5m Since Inception (annualized)</b>		<b>2018</b>	
Surplus cash balance*		\$875.2	--	--	--	--	--	\$926.1	--
Surplus cash return		0.1%	-0.6%	5.5%	4.9%	5.7%	5.5%	1.9%	5.3%
Cash balance plan balance (millions)		\$260.0	--	--	--	--	--	\$257.1	--
Cash balance plan return		0.4%	-0.7%	6.7%	6.0%	8.1%	7.4%	6.0%	5.7%
403(b) plan balance (millions)		\$455.1	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		<b>3-year</b>		<b>5y 5m Since Inception (annualized)</b>		<b>2018</b>			
Surplus cash Sharpe ratio		0.93	0.91	--	--	1.29	1.26	--	0.43
Net of fee return		4.9%	4.7%	--	--	5.7%	5.5%	--	5.3%
Standard deviation		4.8%	4.7%	--	--	4.1%	4.1%	--	6.7%
Cash balance Sharpe ratio		0.95	0.92	--	--	1.39	1.32	--	0.40
Net of fee return		6.0%	5.6%	--	--	8.1%	7.4%	--	5.7%
Standard deviation		5.9%	5.6%	--	--	5.5%	5.3%	--	8.1%
<b>Asset Allocation</b>		<b>1Q 2018</b>							
Surplus cash absolute variances to target		6.4%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		4.9%	< 10%	--	--	--	--	--	--
<b>Manager Compliance</b>		<b>1Q 2018</b>							
Surplus cash manager flags		29	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		32	< 27 Green < 34 Yellow	--	--	--	--	--	--

\*Excludes debt reserve funds (~\$223 mm), District assets (~\$33 mm), and balance sheet cash not in investable portfolio (~\$133 mm).

Includes Foundation (~\$26 mm) and Concern (~\$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.



# El Camino Hospital

## Capital Spending (in millions)

Category	Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	2018 Current Proj Spend	FY18 Orig Proj Spend	Variance Between Current Proj Spend and Orig Proj Spend		FY 18 YTD Spent
<b>CIP</b>	EPIC Upgrade			1.9	1.0	1.9	1.9	0.0		1.0
<b>IT Hardware, Software, Equipment &amp; Imaging*</b>				12.2	1.2	12.2	12.2	0.0		1.2
<b>Medical &amp; Non Medical Equipment FY 17**</b>				14.0	12.9	8.6	0.0	8.6 <sup>2</sup>		7.5
<b>Medical &amp; Non Medical Equipment FY 18***</b>				5.6	4.2	5.6	5.6	0.0		4.2
<b>Facility Projects</b>										
	1245 Behavioral Health Bldg	FY16	96.1	96.1	39.4	27.0	51.4	-24.4 <sup>1</sup>		21.8
	1413 North Drive Parking Expansion	FY15	24.5	24.5	23.9	2.6	3.4	-0.8		4.1
	1414 Integrated MOB	FY15	302.1	302.1	104.5	72.0	130.1	-58.1 <sup>1</sup>		58.6
	1422 CUP Upgrade	FY16	9.0	9.0	6.6	5.5	4.0	1.5		4.4
	1430 Women's Hospital Expansion	FY16	120.0	6.0	3.2	3.6	7.0	-3.4		2.7
	1425 IMOB Preparation Project - Old Main	FY16	20.0	0.0	2.8	0.0	0.0	0.0		0.2
	1502 Cabling & Wireless Upgrades	FY16	0.0	0.0	2.6	0.0	0.0	0.0		0.2
	1525 New Main Lab Upgrades		3.1	3.1	2.2	2.5	0.0	2.5		1.7
	1515 ED Remodel Triage/Psych Observation	FY16	5.0	0.3	0.0	0.4	0.0	0.4		0.0
	1503 Willow Pavilion Tomosynthesis	FY16	0.8	0.0	0.3	0.0	0.0	0.0		0.0
	1602 JW House (Patient Family Residence)		6.5	0.5	0.2	0.5	0.5	0.0		0.2
	Site Signage and Other Improvements		1.0	0.0	0.0	0.3	1.0	-0.8		0.0
	Nurse Call System Upgrades		2.4	0.0	0.0	0.1	0.0	0.1		0.0
	1707 Imaging Equipment Replacement ( 5 or 6 rooms)		20.7	0.0	0.0	0.3	0.1	0.2		0.0
	1708 IR/ Cath Lab Equipment Replacement		19.4	0.0	0.0	0.3	2.0	-1.8		0.0
	Flooring Replacement		1.6	0.3	0.0	0.4	0.0	0.4		0.0
	1219 LG Spine OR	FY13	0.0	0.0	3.8	0.0	0.0	0.0		0.4
	1313 LG Rehab HVAC System & Structural	FY16	0.0	0.0	4.1	0.0	0.0	0.0		0.4
	1248 LG Imaging Phase II (CT & Gen Rad)	FY16	8.8	9.0	8.9	0.6	0.7	-0.1		1.6
	1307 LG Upgrades	FY13	19.3	19.3	17.8	4.9	5.0	-0.1		3.9
	1508 LG NICU 4 Bed Expansion	FY16	0.0	0.0	0.0	0.0	0.0	0.0		0.0
	1507 LG IR Upgrades		1.3	0.0	0.0	0.0	0.0	0.0		0.0
	1603 LG MOB Improvements (17)		5.0	5.0	4.9	3.5	3.5	0.0		4.6
	1711 Emergency Sanitary & Water Storage		1.4	0.3	0.1	0.2	3.2	-3.0		0.1
	LG Modular MRI & Awning		3.9	3.9	0.0	0.4	0.0	0.4		0.0
	LG Nurse Call System Upgrade		2.8	0.0	0.0	0.0	0.0	0.0		0.0
	LG Observation Unit (Conversion of ICU 2)		1.8	0.0	0.0	0.8	0.0	0.8		0.0
	1712 LG Cancer Center		2.4	0.3	0.2	0.4	0.0	0.4		0.2
	All Other Projects under \$1M		5.6	0.1	69.1	1.8	0.0	1.8		4.0
<b>GRAND TOTAL</b>			684.4	479.6	294.6	128.0	211.9	-83.9		109.2
				499.4	313.9	156.5	231.7	-75.2		123.2

\* Excluding EPIC

\*\* Unspent Prior Year routine used as contingency

\*\*\* Includes 2 robot purchases

<sup>1</sup> Variance due to delay in MV campus plan

<sup>2</sup> Initial assumption was to spend all FY17 in FY17

# Balance Sheet (in thousands)

## ASSETS

		Audited	
	May 31, 2018	June 30, 2017	
<b>CURRENT ASSETS</b>			
Cash	134,334	125,551	(7)
Short Term Investments	155,866	140,284	
Patient Accounts Receivable, net	114,340	109,089	
Other Accounts and Notes Receivable	2,926	2,628	
Intercompany Receivables	1,829	1,495	
(1) Inventories and Prepaids	54,990	50,657	
<b>Total Current Assets</b>	<b>464,285</b>	<b>429,705</b>	
<b>BOARD DESIGNATED ASSETS</b>			
(2) Plant & Equipment Fund	154,352	131,153	
Women's Hospital Expansion	9,298	9,298	
(3) Operational Reserve Fund	127,908	100,196	
(4) Community Benefit Fund	18,656	12,237	
Workers Compensation Reserve Fund	21,949	20,007	
Postretirement Health/Life Reserve Fund	19,736	19,218	
PTO Liability Fund	23,916	23,409	
Malpractice Reserve Fund	1,634	1,634	
Catastrophic Reserves Fund	18,105	16,575	
<b>Total Board Designated Assets</b>	<b>395,554</b>	<b>333,727</b>	
(5) <b>FUNDS HELD BY TRUSTEE</b>	<b>204,759</b>	<b>287,052</b>	
<b>LONG TERM INVESTMENTS</b>	<b>319,741</b>	<b>256,652</b>	
<b>INVESTMENTS IN AFFILIATES</b>	<b>32,956</b>	<b>32,451</b>	
<b>PROPERTY AND EQUIPMENT</b>			
(6) Fixed Assets at Cost	1,259,134	1,192,047	
Less: Accumulated Depreciation	(573,741)	(531,785)	
Construction in Progress	189,276	138,017	
<b>Property, Plant &amp; Equipment - Net</b>	<b>874,669</b>	<b>798,279</b>	
<b>DEFERRED OUTFLOWS</b>	<b>28,410</b>	<b>28,960</b>	
<b>RESTRICTED ASSETS - CASH</b>	<b>0</b>	<b>0</b>	
<b>TOTAL ASSETS</b>	<b>2,320,372</b>	<b>2,166,825</b>	

## LIABILITIES AND FUND BALANCE

		Audited	
	May 31, 2018	June 30, 2017	
<b>CURRENT LIABILITIES</b>			
(7) Accounts Payable	30,048	38,457	
Salaries and Related Liabilities	28,191	25,109	
Accrued PTO	23,916	23,409	
Worker's Comp Reserve	2,300	2,300	
Third Party Settlements	9,522	10,438	
Intercompany Payables	125	84	
Malpractice Reserves	1,634	1,634	
Bonds Payable - Current	3,850	3,735	
(8) Bond Interest Payable	7,896	11,245	
Other Liabilities	7,702	4,889	
<b>Total Current Liabilities</b>	<b>115,184</b>	<b>121,299</b>	
<b>LONG TERM LIABILITIES</b>			
Post Retirement Benefits	19,736	19,218	
Worker's Comp Reserve	19,649	17,707	
Other L/T Obligation (Asbestos)	3,849	3,746	
Other L/T Liabilities (IT/Medl Leases)	-	-	
Bond Payable	521,631	527,371	
<b>Total Long Term Liabilities</b>	<b>564,865</b>	<b>568,042</b>	
<b>DEFERRED REVENUE-UNRESTRICTED</b>	<b>552</b>	<b>567</b>	
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>10,666</b>	<b>10,666</b>	
<b>FUND BALANCE/CAPITAL ACCOUNTS</b>			
Unrestricted	1,233,552	1,132,525	
Board Designated	395,554	333,726	
Restricted	0	0	
(9) <b>Total Fund Bal &amp; Capital Accts</b>	<b>1,629,106</b>	<b>1,466,251</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>2,320,372</b>	<b>2,166,825</b>	

## May 2018 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

- (1) The increase is due to two quarterly pension fundings of \$2.6M in October and January.
- (2) The increase is due to 11 months of funded depreciation contributions (130% of straight depreciation expense. Note this amount also contains \$14M reserved for BHS replacement building currently under construction, in conjunction with bond proceeds, item (5).
- (3) The increase here is to reset the Operational Reserve (to cover 60 days of operating expenses) for FY2018. The prior year balance hadn't been reset in a couple of years.
- (4) The increase is due to an approved addition of \$5 million to the Community Benefit Board Designated Endowment as an outcome of the FY2018 budget process to generate additional investment income for the Community Benefits program.
- (5) The decrease is due to additional draws from the 2017 bond financing Project Funds in support of monthly payments to contractors involved with the construction projects at the Mountain View campus. As these projects are now in full progress greater amounts will be withdrawn in future periods.
- (6) The increase is due to the capitalization of the Parking Structure expansion in August, CT upgrades at LG in September and the MOB upgrades also at LG.
- (7) The decrease is due to the significant General Contractor construction payments being accrued at year end, along with associated retentions and other general accounts payable activity that were subsequently relieved in this first quarter of fiscal year 2018.
- (8) The significant decrease is due to semi-annual 2015A and 2017 Bond interest payments having been paid in January.
- (9) The increase is mostly attributable to the first eleven periods of financial performance producing an operating income of \$120 million and non-operating of \$52 million (mostly from unrealized gains on investments).

## EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY ( 1 OF 2)

- **Plant & Equipment Fund** – original established by the District Board in the early 1960's to fund new capital expansion projects of building facilities or equipment (new or replacements). The funds came from the M&O property taxes being received and the funding depreciation expense at 100%. When at the end of 1992, the 501(c)(3) Hospital was performed by the District, the property tax receipts remained with the District. The newly formed Hospital entity continued on with funding depreciation expense, but did that funding at 130% of the depreciation expense to account for an expected replacement cost of current plant and property assets. It is to be noted that within this fund is an itemized amount of \$14 million for the Behavioral Health Service building replacement project. This amount came from the District's Capital Appropriation Fund (excess Gann Limit property taxes) of the fiscal years of 2010 thru 2013 by various District board actions.
- **Women's Hospital Expansion** – established June 2016 by the District authorizing the amounts accumulated in its Capital Appropriation Fund (excess Gann Limit property taxes) for the fiscal years of 2014 and 2015 to be allocated for the renovation of the Women's Hospital upon the completion of Integrated Medical Office Building currently under construction.
- **Operational Reserve Fund** – originally established by the District in May 1992 to establish a fund equal to sixty (60) days of operational expenses (based on projected budget) and only be used in the event of a major business interruption event and/or cash flow.
- **Community Benefit Fund** – following in the footsteps of the District in 2008 of forming its Community Benefit Fund using Gann Limit tax receipts, the Hospital in 2010 after opening its campus outside of District boundaries in Los Gatos formed its own Community Benefit Fund to provide grants/sponsorships in Los Gatos and surrounding areas. The funds come from the Hospital reserving \$1.5M a year from its operations, the entity of CONCERN contributing 40% of its annual income each year (an amount it would have paid in corporate taxes if it wasn't granted tax exempt status), that generates an amount of \$800,000 or more a year. \$15 million within this fund is a board designated endowment fund formed in 2015 with a \$10 million contribution, and added to at the end of the 2017 fiscal year end with another \$5 million contribution, to generate investment income to be used for grants and sponsorships, currently anticipated to generate \$500,000 a year in investment income for the program.

## EL CAMINO HOSPITAL - BOARD DESIGNATED FUND DESCRIPTIONS/HISTORY ( 2 OF 2)

- **Workers Compensation Reserve Fund** – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000's by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.
- **Postretirement Health/Life Reserve Fund** – following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000's by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital's postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date.
- **PTO (Paid Time Off) Liability Fund** – originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.
- **Malpractice Reserve Fund** – originally established in 1989 by the then District's Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than \$50,000. Above \$50,000 our policy with the BETA Healthcare Group kicks in to a \$30 million limit per claim/\$40 million in the aggregate.
- **Catastrophic Loss Fund** – was established in 1999 by the Hospital Board to be a "self-insurance" reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring \$5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled \$6.8 million that did mostly cover all the necessary repairs.

# APPENDIX

# El Camino Hospital – Mountain View (\$000s)

11 months ending 05/31/2018

Period 11 FY 2017	Period 11 FY 2018	Period 11 Budget 2018	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
220,897	227,364	224,335	3,029	1.4%	<b>Gross Revenue</b>	2,262,281	2,483,199	2,403,144	80,055	3.3%
(160,805)	(167,004)	(167,203)	200	-0.1%	<b>Deductions</b>	(1,646,517)	(1,814,077)	(1,783,361)	(30,716)	1.7%
<b>60,092</b>	<b>60,361</b>	<b>57,132</b>	<b>3,229</b>	<b>5.7%</b>	<b>Net Patient Revenue</b>	<b>615,764</b>	<b>669,122</b>	<b>619,783</b>	<b>49,339</b>	<b>8.0%</b>
3,630	3,084	1,656	1,427	86.2%	<b>Other Operating Revenue</b>	22,404	25,071	18,913	6,158	32.6%
<b>63,722</b>	<b>63,444</b>	<b>58,788</b>	<b>4,656</b>	<b>7.9%</b>	<b>Total Operating Revenue</b>	<b>638,168</b>	<b>694,193</b>	<b>638,696</b>	<b>55,497</b>	<b>8.7%</b>
					<b>OPERATING EXPENSE</b>					
32,622	34,026	33,908	(118)	-0.3%	<b>Salaries &amp; Wages</b>	341,891	360,079	360,450	371	0.1%
9,510	9,573	8,370	(1,203)	-14.4%	<b>Supplies</b>	88,091	95,287	90,319	(4,968)	-5.5%
7,405	7,962	6,514	(1,447)	-22.2%	<b>Fees &amp; Purchased Services</b>	73,975	79,538	72,975	(6,563)	-9.0%
744	831	780	(50)	-6.4%	<b>Other Operating Expense</b>	7,488	8,135	9,473	1,338	14.1%
292	431	725	295	40.6%	<b>Interest</b>	3,851	5,290	7,980	2,689	33.7%
3,453	3,496	3,838	342	8.9%	<b>Depreciation</b>	38,419	38,466	40,124	1,658	4.1%
<b>54,027</b>	<b>56,318</b>	<b>54,135</b>	<b>(2,183)</b>	<b>-4.0%</b>	<b>Total Operating Expense</b>	<b>553,715</b>	<b>586,795</b>	<b>581,320</b>	<b>(5,475)</b>	<b>-0.9%</b>
<b>9,695</b>	<b>7,127</b>	<b>4,653</b>	<b>2,473</b>	<b>53.2%</b>	<b>Net Operating Income/(Loss)</b>	<b>84,453</b>	<b>107,398</b>	<b>57,376</b>	<b>50,023</b>	<b>87.2%</b>
9,191	9,167	225	8,942	3969.1%	<b>Non Operating Income</b>	56,129	52,534	2,478	50,056	2019.8%
<b>18,885</b>	<b>16,294</b>	<b>4,878</b>	<b>11,416</b>	<b>234.0%</b>	<b>Net Income(Loss)</b>	<b>140,582</b>	<b>159,932</b>	<b>59,854</b>	<b>100,078</b>	<b>167.2%</b>
					<b>EBITDA</b>	19.9%	21.8%	16.5%	5.3%	
					<b>Operating Margin</b>	13.2%	15.5%	9.0%	6.5%	
					<b>Net Margin</b>	22.0%	23.0%	9.4%	13.7%	

# El Camino Hospital – Los Gatos(\$000s)

11 months ending 05/31/2018

Period 11 FY 2017	Period 11 FY 2018	Period 11 Budget 2018	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2017	YTD FY 2018	YTD Budget 2018	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
43,198	50,489	51,377	(888)	-1.7%	<b>Gross Revenue</b>	492,251	544,172	525,731	18,441	3.5%
(32,637)	(36,757)	(37,312)	554	-1.5%	<b>Deductions</b>	(363,108)	(401,140)	(381,803)	(19,337)	5.1%
<b>10,562</b>	<b>13,732</b>	<b>14,065</b>	<b>(334)</b>	<b>-2.4%</b>	<b>Net Patient Revenue</b>	<b>129,143</b>	<b>143,033</b>	<b>143,929</b>	<b>(896)</b>	<b>-0.6%</b>
170	222	215	7	3.3%	<b>Other Operating Revenue</b>	1,841	2,036	2,355	(319)	-13.5%
<b>10,732</b>	<b>13,953</b>	<b>14,280</b>	<b>(327)</b>	<b>-2.3%</b>	<b>Total Operating Revenue</b>	<b>130,984</b>	<b>145,069</b>	<b>146,283</b>	<b>(1,215)</b>	<b>-0.8%</b>
					<b>OPERATING EXPENSE</b>					
6,280	6,858	6,723	(135)	-2.0%	<b>Salaries &amp; Wages</b>	69,324	72,582	70,375	(2,207)	-3.1%
1,945	1,983	2,067	84	4.1%	<b>Supplies</b>	20,163	21,485	21,838	353	1.6%
1,359	1,442	1,301	(142)	-10.9%	<b>Fees &amp; Purchased Services</b>	14,897	14,761	14,096	(665)	-4.7%
1,404	1,538	1,612	75	4.6%	<b>Other Operating Expense</b>	17,458	17,130	17,141	11	0.1%
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
491	693	843	150	17.8%	<b>Depreciation</b>	5,629	6,793	8,288	1,495	18.0%
<b>11,480</b>	<b>12,514</b>	<b>12,545</b>	<b>31</b>	<b>0.2%</b>	<b>Total Operating Expense</b>	<b>127,471</b>	<b>132,752</b>	<b>131,738</b>	<b>(1,014)</b>	<b>-0.8%</b>
<b>(748)</b>	<b>1,439</b>	<b>1,734</b>	<b>(295)</b>	<b>-17.0%</b>	<b>Net Operating Income/(Loss)</b>	<b>3,512</b>	<b>12,317</b>	<b>14,545</b>	<b>(2,229)</b>	<b>-15.3%</b>
0	0	0	0	0.0%	<b>Non Operating Income</b>	(10)	(45)	0	(45)	0.0%
<b>(748)</b>	<b>1,439</b>	<b>1,734</b>	<b>(295)</b>	<b>-17.0%</b>	<b>Net Income(Loss)</b>	<b>3,502</b>	<b>12,272</b>	<b>14,545</b>	<b>(2,273)</b>	<b>-15.6%</b>
					<b>EBITDA</b>	7.0%	13.2%	15.6%	-2.4%	
-2.4%	15.3%	18.0%	-2.8%		<b>Operating Margin</b>	2.7%	8.5%	9.9%	-1.5%	
-7.0%	10.3%	12.1%	-1.8%		<b>Net Margin</b>	2.7%	8.5%	9.9%	-1.5%	
-7.0%	10.3%	12.1%	-1.8%							

Month and YTD unfav variance due to loss of surgical volume due to MD shift and unexpected retirements. Plan in place to replace lost volume by June.

# Non Operating Items and Net Income by Affiliate

\$ in thousands

	Period 11 - Month			Period 11 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>El Camino Hospital Income (Loss) from Operations</b>						
Mountain View	7,127	4,653	2,473	107,398	57,376	50,023
Los Gatos	1,439	1,734	(295)	12,317	14,545	(2,229)
<b>Sub Total - El Camino Hospital, excl. Affiliates</b>	<b>8,566</b>	<b>6,388</b>	<b>2,178</b>	<b>119,715</b>	<b>71,921</b>	<b>47,794</b>
<b>Operating Margin %</b>	<b>11.1%</b>	<b>8.7%</b>		<b>14.3%</b>	<b>9.2%</b>	
<b>El Camino Hospital Non Operating Income</b>						
Investments	10,314	1,516	8,798	56,523	16,671	39,853
Swap Adjustments	(982)	0	(982)	1,087	0	1,087
Community Benefit	(27)	(283)	256	(3,121)	(3,117)	(4)
Pathways	(202)	42	(243)	(345)	458	(803)
Satellite Dialysis	7	(35)	42	183	(390)	573
Community Connect	0	(141)	141	0	(1,546)	1,546
SVMD Funding <sup>1</sup>	(506)	(448)	(58)	(2,247)	(4,932)	2,684
Premier Investment <sup>2</sup>	0	0	0	3,695	0	3,695
Other	563	(424)	987	(3,287)	(4,667)	1,380
<b>Sub Total - Non Operating Income</b>	<b>9,167</b>	<b>225</b>	<b>8,942</b>	<b>52,489</b>	<b>2,478</b>	<b>50,011</b>
<b>El Camino Hospital Net Income (Loss)</b>	<b>17,733</b>	<b>6,613</b>	<b>11,120</b>	<b>172,204</b>	<b>74,399</b>	<b>97,805</b>
<b>ECH Net Margin %</b>	<b>22.9%</b>	<b>9.1%</b>		<b>20.5%</b>	<b>9.5%</b>	
Concern	(139)	115	(254)	801	1,304	(503)
ECSC	(31)	0	(31)	(91)	0	(91)
Foundation	22	105	(83)	1,738	602	1,137
Silicon Valley Medical Development	557	(23)	581	1,397	7	1,390
<b>Net Income Hospital Affiliates</b>	<b>410</b>	<b>197</b>	<b>213</b>	<b>3,845</b>	<b>1,913</b>	<b>1,932</b>
<b>Total Net Income Hospital &amp; Affiliates</b>	<b>18,143</b>	<b>6,810</b>	<b>11,333</b>	<b>176,050</b>	<b>76,312</b>	<b>99,737</b>

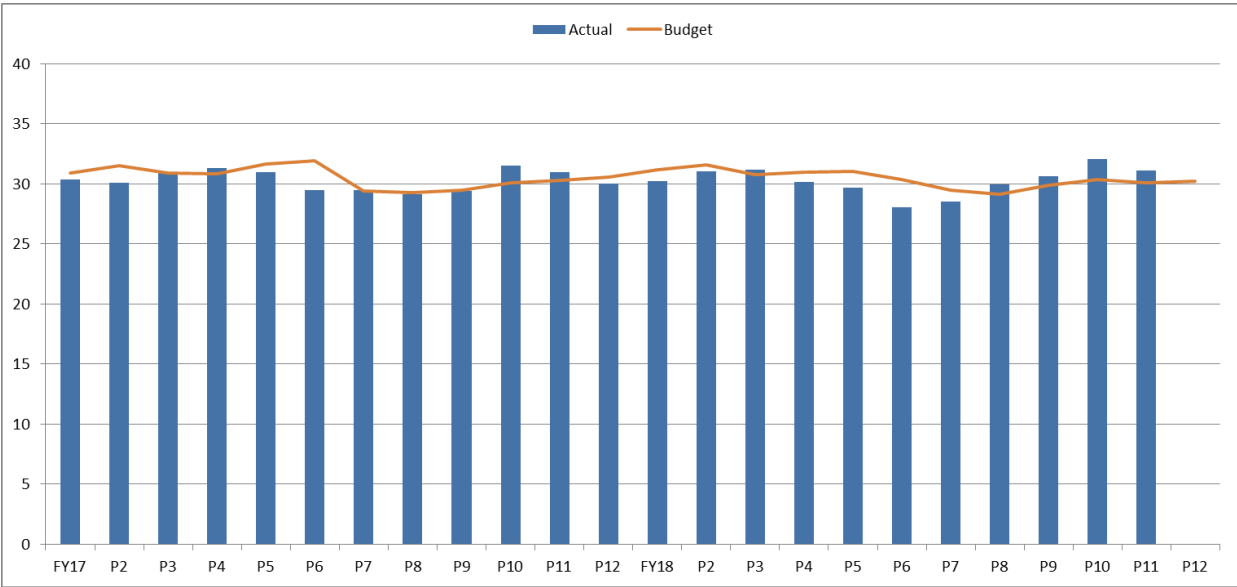
<sup>1</sup>Favorable variances for SVMD and Community Connect are due to delayed implementation

<sup>2</sup>Gain on Premier stock sale of shares eligible were sold with proceeds going to pooled investments. No impact on vendor relationships.

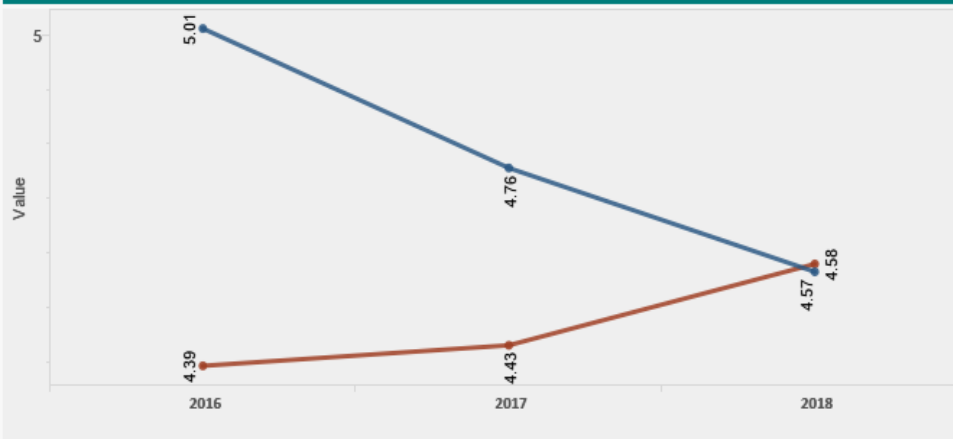
# Productivity and Medicare Length of Stay

Work hours per adjusted patient day in May is over budget by 1.2. Overall the month of May is 31.3 worked hours per adjusted patient day

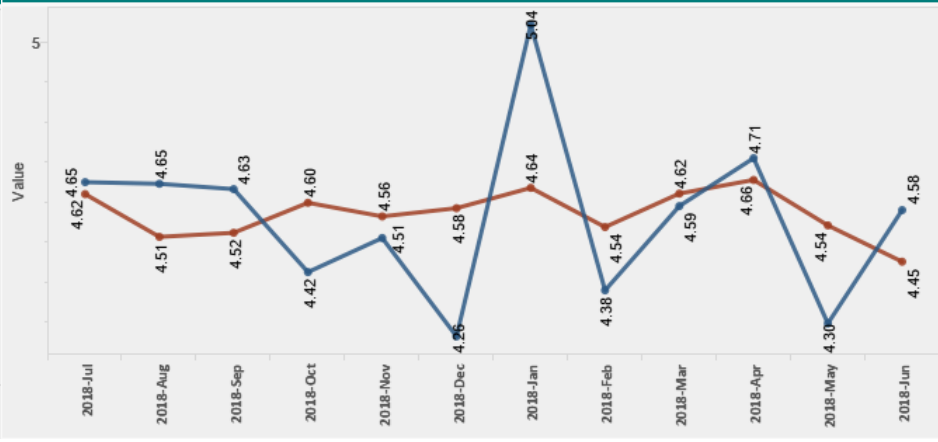
ALOS vs Milliman well-managed benchmark. Trend shows remarkable and steady improvement with FY 2018 at benchmark. Increase in benchmark beginning in FY 2017 due to Clinical Documentation Improvement (CDI)



AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR

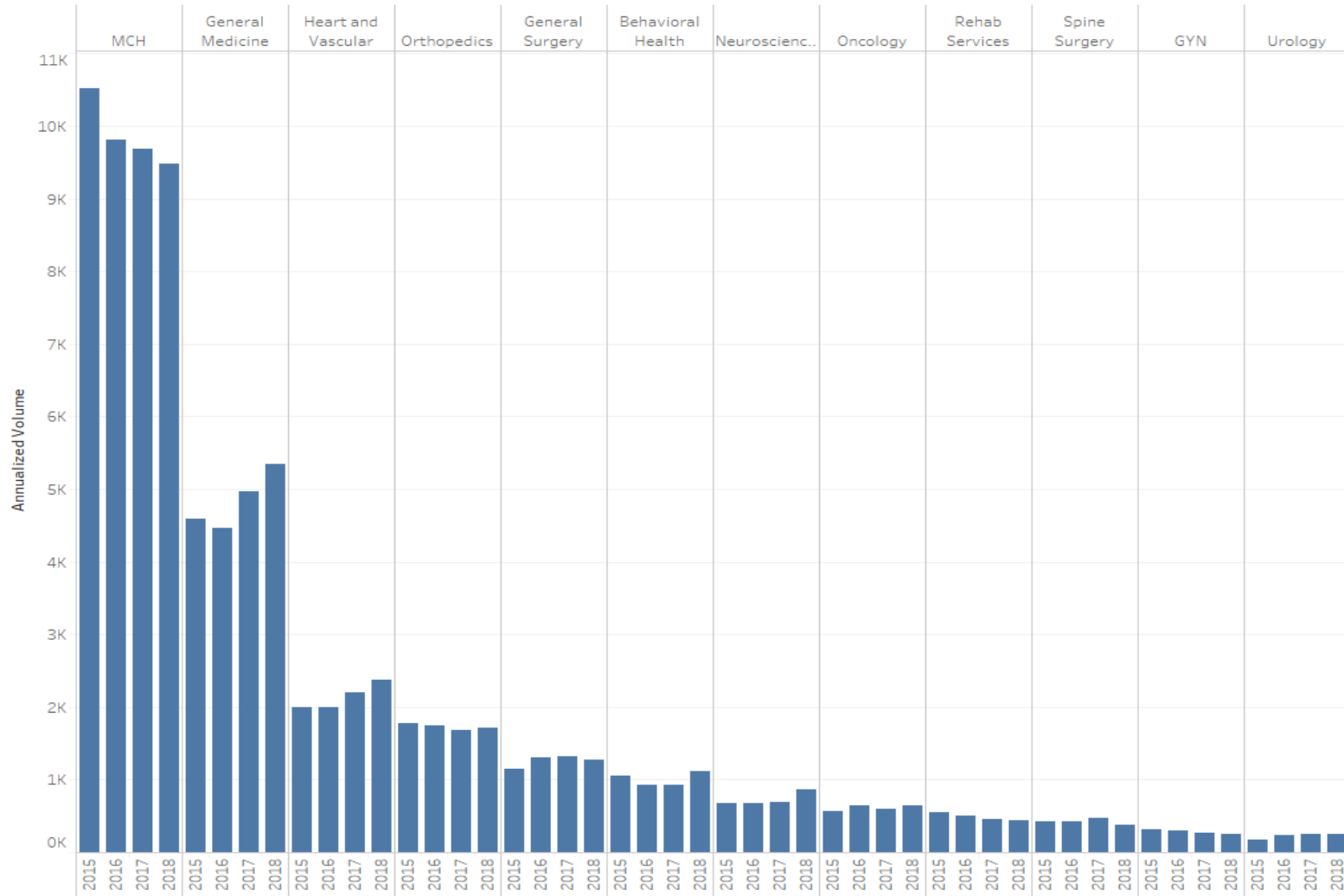


AVERAGE LENGTH OF STAY TREND BY MONTH/YEAR



# El Camino Hospital Volume Annual Trends – Inpatient

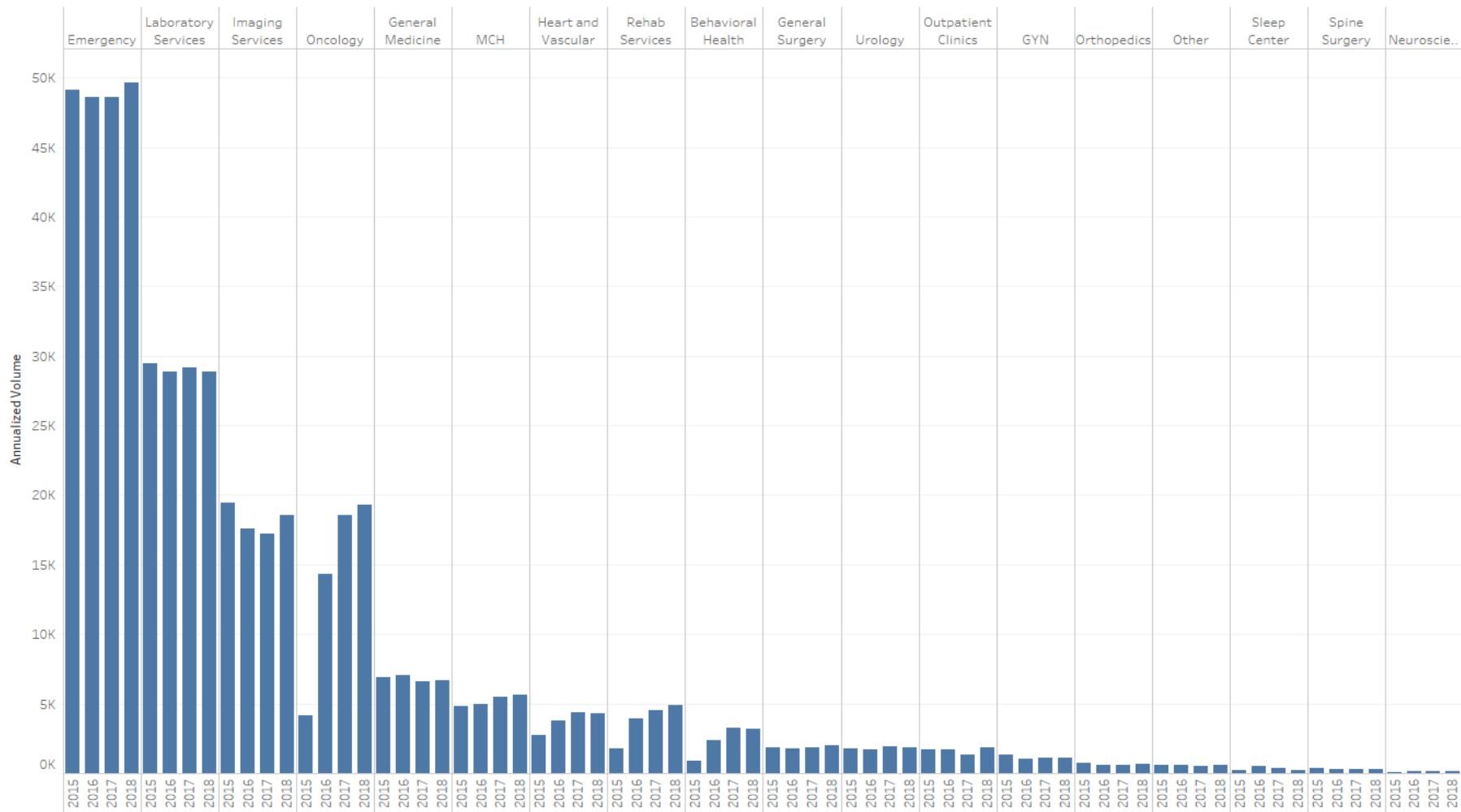
## FY 2018 is annualized



- General Medicine, HVI, Behavioral Health, and Neuroscience display an increasing trend.
- Conversely, Rehab Services, MCH and GYN show a decreasing trend.
- The remaining service lines are staying flat.

## El Camino Hospital Volume Annual Trends – Outpatient

FY 2018 is annualized



- Comparing year-over-year Oncology, MCH, Rehab Services, Emergency and Outpatient Clinics are all increasing in volume. All others are remaining flat or decreasing.

## Capital Spend Trend & FY 18 Budget

Capital Spending (in 000's)	Actual FY2015	Actual FY2016	Actual FY2017	Projected FY2018
EPIC	29,849	20,798	2,755	1,922
IT Hardware / Software Equipment	4,660	6,483	2,659	12,238
Medical / Non Medical Equipment*	13,340	17,133	9,556	14,275
Non CIP Land, Land I , BLDG, Additions	-	4,189	-	-
Facilities	38,940	48,137	82,953	128,030
<b>GRAND TOTAL</b>	<b>86,789</b>	<b>96,740</b>	<b>97,923</b>	<b>156,465</b>
*Includes 2 robot purchases in FY2017				

**El Camino Hospital Capital Spending (in thousands) FY 2012 – FY 2017**

Category	2013	2014	2015	2016	2017
EPIC	0	6,838	29,849	20,798	2,755
IT Hardware/Software Equipment	8,019	2,788	4,660	6,483	2,659
Medical/Non Medical Equipment	10,284	12,891	13,340	17,133	9,556
Non CIP Land, Land I, BLDG, Additions	0	22,292	0	4,189	0
Land Acquisition (1550)	0	0	0	24,007	0
828 S Winchester Clinic TI (1701)	0	0	0	0	145

**Facilities Projects CIP**

**Mountain View Campus Master Plan Projects**

1245 - Behavioral Health Bldg Replace	0	1,257	3,775	1,389	10,323
1413 - North Drive Parking Structure Exp	0	0	167	1,266	18,120
1414 - Integrated MOB	0	0	2,009	8,875	32,805
1422 - CUP Upgrade	0	0	0	896	1,245
<b>Sub-Total Mountain View Campus Master Plan</b>	<b>0</b>	<b>1,257</b>	<b>5,950</b>	<b>12,426</b>	<b>62,493</b>

**Mountain View Capital Projects**

9900 - Unassigned Costs	734	470	3,717	0	0
1108 - Cooling Towers	450	0	0	0	0
1120 - BHS Out Patient TI's	66	0	0	0	0
1129 - Old Main Card Rehab	9	0	0	0	0
0817 - Womens Hosp Upgrds	645	1	0	0	0
0906 - Slot Build-Out	1,003	1,576	15,101	1,251	294
1109 - New Main Upgrades	423	393	2	0	0
1111 - Mom/Baby Overflow	212	29	0	0	0
1204 - Elevator Upgrades	25	30	0	0	0
0800 - Womens L&D Expansion	2,104	1,531	269	0	0
1131 - MV Equipment Replace	216	0	0	0	0
1208 - Willow Pav. High Risk	110	0	0	0	0
1213 - LG Sterilizers	102	0	0	0	0
1225 - Rehab BLDG Roofing	7	241	4	0	0
1227 - New Main eICU	96	21	0	0	0
1230 - Fog Shop	339	80	0	0	0
1315 - 205 So. Drive TI's	0	500	2	0	0
0908 - NPCR3 Seismic Upgrds	1,302	1,224	1,328	240	342
1125 - Will Pav Fire Sprinkler	57	39	0	0	0
1211 - SIS Monitor Install	215	0	0	0	0
1216 - New Main Process Imp Office	19	1	16	0	0
1217 - MV Campus MEP Upgrades FY13	0	181	274	28	0
1224 - Rehab Bldg HVAC Upgrades	11	202	81	14	6
1301 - Desktop Virtual	0	13	0	0	0
1304 - Rehab Wander Mgmt	0	87	0	0	0
1310 - Melchor Cancer Center Expansion	0	44	13	0	0
1318 - Women's Hospital TI	0	48	48	29	2
1327 - Rehab Building Upgrades	0	0	15	20	0
1320 - 2500 Hosp Dr Roofing	0	75	81	0	0
1340 - New Main ED Exam Room TVs	0	8	193	0	0
1341 - New Main Admin	0	32	103	0	0
1344 - New Main AV Upgrd	0	243	0	0	0
1400 - Oak Pav Cancer Center	0	0	5,208	666	52

Category	2013	2014	2015	2016	2017
<b>Facilities Projects CIP cont.</b>					
1403 - Hosp Drive BLDG 11 TI's	0	86	103	0	0
1404 - Park Pav HVAC	0	64	7	0	0
1405 - 1 - South Accessibility Upgrades	0	0	0	168	95
1408 - New Main Accessibility Upgrades	0	0	7	46	501
1415 - Signage & Wayfinding	0	0	0	106	58
1416 - MV Campus Digital Directories	0	0	0	34	23
1423 - MV MOB TI Allowance	0	0	0	588	369
1425 - IMOB Preparation Project - Old Main	0	0	0	711	1,860
1429 - 2500 Hospital Dr Bldg 8 TI	0	0	101	0	0
1430 - Women's Hospital Expansion	0	0	0	0	464
1432 - 205 South Dr BHS TI	0	0	8	15	0
1501 - Women's Hospital NPC Comp	0	0	4	0	223
1502 - Cabling & Wireless Upgrades	0	0	0	1,261	367
1503 - Willow Pavillion Tomosynthesis	0	0	0	53	257
1504 - Equipment Support Infrastructure	0	0	61	311	0
1523 - Melchor Pavillion Suite 309 TI	0	0	0	10	59
1525 - New Main Lab Upgrades	0	0	0	0	464
1526 - CONCERN TI	0	0	0	37	99
<b>Sub-Total Mountain View Projects</b>	<b>8,145</b>	<b>7,219</b>	<b>26,744</b>	<b>5,588</b>	<b>5,535</b>
<b>Los Gatos Capital Projects</b>					
0904 - LG Facilities Upgrade	2	0	0	0	0
0907 - LG Imaging Masterplan	244	774	1,402	17	0
1005 - LG OR Light Upgrd	14	0	0	0	0
1122 - LG Sleep Studies	7	0	0	0	0
1210 - Los Gatos VOIP	147	89	0	0	0
1116 - LG Ortho Pavillion	177	24	21	0	0
1124 - LG Rehab BLDG	49	458	0	0	0
1247 - LG Infant Security	134	0	0	0	0
1307 - LG Upgrades	376	2,979	3,282	3,511	3,081
1308 - LG Infrastructure	0	114	0	0	0
1313 - LG Rehab HVAC System/Structural	0	0	0	1,597	1,904
1219 - LG Spine OR	0	214	323	633	2,163
1221 - LG Kitchen Refrig	0	85	0	0	0
1248 - LG - CT Upgrades	0	26	345	197	6,669
1249 - LG Mobile Imaging	0	146	0	0	0
1328 - LG Ortho Canopy FY14	0	255	209	0	0
1345 - LG Lab HVAC	0	112	0	0	0
1346 - LG OR 5, 6, and 7 Lights Replace	0	0	285	53	22
1347 - LG Central Sterile Upgrades	0	0	181	43	66
1421 - LG MOB Improvements	0	0	198	65	303
1508 - LG NICU 4 Bed Expansion	0	0	0	0	207
1600 - 825 Pollard - Aspire Phase II	0	0	0	0	80
1603 - LG MOB Improvements	0	0	0	0	285
<b>Sub-Total Los Gatos Projects</b>	<b>1,150</b>	<b>5,276</b>	<b>6,246</b>	<b>6,116</b>	<b>14,780</b>
<b>Subtotal Facilities Projects CIP</b>	<b>9,294</b>	<b>13,753</b>	<b>38,940</b>	<b>24,130</b>	<b>82,808</b>
<b>Grand Total</b>	<b>27,598</b>	<b>58,561</b>	<b>86,789</b>	<b>96,740</b>	<b>97,923</b>
Forecast at Beginning of year	70,503	70,037	101,607	114,025	212,000

August 15, 2018

To: El Camino Hospital Board of Directors  
From: Mark Adams, MD, Interim Chief Medical Officer  
Subject: **Palliative Care Medical Director Agreement - Enterprise**

1. **Recommendation:** We request that the Board of Directors approve delegating to the Chief Executive Officer the authority to enter into a Palliative Care Medical Director agreement for the Mountain View and Los Gatos campuses.
2. **Problem/Opportunity Definition:** The proposed physician is Board Certified in Palliative and Hospice Medicine and has provided medical director leadership and oversight for the Hospital's Palliative Care Program as an employee of El Camino Medical Associates (formerly SV Primary Medical Group) ("ECMA") since February 2017. This physician would like to terminate her employment agreement with ECMA and enter into an agreement with the Hospital to continue to provide Palliative Care Medical Director administrative services for the Hospital's Palliative Care Program at the Mountain View and Los Gatos campuses.
3. **Authority:** According to Administrative Policies and Procedures 51.00, Finance Committee review and Board approval is required prior to the Chief Executive Officer signature of physician agreements when compensation exceeds the 75<sup>th</sup> percentile.
4. **Process Description:** Upon Board approval, a Palliative Care Program Medical Director Agreement will be implemented effective August 26, 2018 through June 30, 2020.
5. **Alternative Solution which Includes Cost Benefit/SWOT Analysis:** An alternative solution is not being considered as the current physician has been performing in this role and continued leadership is essential in achieving the core goal of the organization's mission to "relieve suffering."
6. **Concurrence for Recommendation:** Approval of this recommendation is supported by the Chief Nursing Officer and Director of Care Coordination. This was recommended for approval by the Finance Committee at its July 30, 2018 meeting.
7. **Outcome Measures and Deadlines:** Quality goals for Fiscal Year 2019 are being negotiated and will be included in the Agreement no later than September 30, 2018, per contract requirement.
8. **Legal Review:** Legal counsel will review the final and approve the final agreement and compensation prior to execution.
9. **Compliance Review:** Compliance will review and approve the final agreement and compensation prior to execution.
10. **Financial Review:** This Medical Directorship will authorize up to 86.5 hours per month of administrative services at \$150.00 per hour, for a maximum annual compensation of \$155,700.00, which is above the 75<sup>th</sup> percentile (\$129,246.00), but lower than the 90<sup>th</sup> percentile (\$183,005.00) for two campuses according to the 2018 MD Ranger report for Hospice/Palliative Care medical director administrative services for all facilities.

August 15, 2018

2500 Grant Road  
Mountain View, CA 94040-4378  
Phone: 650-940-7000  
www.elcaminohospital.org

To: El Camino Hospital Board of Directors  
From: David Clark, Interim Chief Operating Officer  
Subject: **Medical Oncology – Outpatient Department Medical Director Agreement Renewal - Mountain View Campus**

1. **Recommendation:** Management requests that the Finance Committee recommend that the Board of Directors approve delegating to the Chief Executive Officer the authority to enter into a renewal Medical Oncology – Outpatient Department Medical Director Agreement for the Mountain View campus for an additional two years with the same terms.
2. **Problem/Opportunity Definition:** The current Medical Director for the Hospital's Oncology – Outpatient Department is employed by United Healthcare Alliance (“UHA”) and is a specialty trained Medical Oncologist who has served as the Hospital's Medical Director of the Medical Oncology Outpatient Department since 2012. This physician was out on Medical Leave since January 25, 2018 and returned July 17, 2018. The current agreement with UHA expires August 31, 2018.  
  
The Hospital Board approved the renewal of this Medical Directorship with the same compensation in June 2016. The current agreement with UHA expires August 31, 2018.
3. **Authority:** According to Administrative Policies and Procedures 51.00, Finance Committee review and Board approval is required prior to the Chief Executive Officer signature of physician agreements when compensation exceeds the 75<sup>th</sup> percentile.
4. **Process Description:** Upon Board approval, a renewal Medical Oncology – Outpatient Department Medical Director Agreement will be entered into with UHA effective September 1, 2018 through June 30, 2020.
5. **Alternative Solution which Includes Cost Benefit/SWOT Analysis:** Hospital leadership attempted to negotiate a lower hourly rate, but the offer was declined. There is a lack of other Oncologists to provide medical direction for the Medical Oncology – Outpatient Department.
6. **Concurrence for Recommendation:** The renewal of this Agreement is supported by the Interim Chief Medical Officer and Oncology Service Line Director. This was recommended for approval by the Finance Committee at its July 30, 2018 meeting.
7. **Outcome Measures and Deadlines:** The current physician did not meet his FY18 quality goals due to a medical leave of absence. This physician met one of the two quality goals for FY17. Quality goals for FY19 are being negotiated and will be included in the renewal Agreement.
8. **Legal Review:** Legal counsel will review the final and approve the final agreement and compensation prior to execution.
9. **Compliance Review:** Compliance will review and approve the final agreement and compensation prior to execution.
10. **Financial Review:** The current Medical Director agreement authorizes up to 40 hours per month of administrative services at \$260.00 per hour, which exceeds the 90<sup>th</sup> percentile (\$250.00) for a maximum annual compensation of \$124,800.00, which is below the 75<sup>th</sup> percentile (\$151,060.00), according to the 2018 MD Ranger report for Oncology – Cancer Center medical director administrative services for all facilities. There is no increase in either dollars or hours.

## ECH BOARD MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	El Camino Hospital Board Competencies El Camino Hospital Board of Directors August 15, 2018
<b>Responsible party:</b>	Peter C. Fung, MD, Governance Committee Chair
<b>Action requested:</b>	For Approval
<b>Background:</b> <p>For the past two years, the Governance Committee has recommended and the Board has adopted a Board competency matrix that included the following top 5 priority areas:</p> <ol style="list-style-type: none"> <li>1. Understanding of complex market partnerships</li> <li>2. Long-range strategic planning</li> <li>3. Healthcare insurance industry experience</li> <li>4. Finance experience/entrepreneurship</li> <li>5. Experience in clinical integration/continuum of care</li> </ol> <p>The ECHD Board used the matrix it to conduct a competency gap analysis with the assistance of Nygren Consulting. The gap analysis was then used to inform ECH Board member retention and recruitment. This year, the ECHD Board will consider electing Dr. Jeffrey Davis to a 4<sup>th</sup> term.</p>	
<b>Board Advisory Committee(s) that reviewed the issue and recommendation, if any:</b> <p>At its August 7, 2018 meeting, the Governance Committee discussed and voted to recommend the following four priority competency areas be incorporated into the Board's Competency Matrix for FY19:</p> <ol style="list-style-type: none"> <li>1. Understanding of complex market partnerships</li> <li>2. Long-range strategic planning</li> <li>3. Experience leading a high performing organization, healthcare-related or other industry, including Board-level experience</li> <li>4. Finance experience/entrepreneurship</li> </ol>	
<b>Summary and session objectives:</b> (See Proposed Motion below)	
<b>Suggested discussion questions:</b> None. This is a consent item.	
<b>Proposed Board motion(s), if any:</b> <p>To recommend the District Board adopt the attached FY19 Competency Matrix including the top four recommended priority competency areas described above.</p>	
<b>LIST OF ATTACHMENTS:</b> <ol style="list-style-type: none"> <li>1. Draft FY19 Board Competency Matrix</li> </ol>	

## **DRAFT** FY19 Competency Matrix Rating Tool & Rating Scale

[illegible]

## ECH BOARD MEETING AGENDA ITEM COVER SHEET

<b>Item:</b>	Proposed FY19 Board Education Plan El Camino Hospital Board of Directors August 15, 2018
<b>Responsible party:</b>	Peter C. Fung, MD, Governance Committee Chair
<b>Action requested:</b>	Possible Motion
<p><b>Background:</b></p> <p>Per the Committee's charter, the Governance Committee is to recommend an annual plan for Hospital Board and Committee Member education, training, and development.</p> <p>ECH's Board and Advisory Committee Continuing Education Policy ("the policy," last revised May 2015) provides an annual budget of \$4,000 per Board Member for individual continuing education and \$4,000 per Committee for either group or individual education. The Committees typically do not use their budgets, but between 1 and 3 Board members use their individual budgets each year. Attendance at the Estes Park Conference is most common and three Board members recently attended the AHA Leadership Summit. In FY18, approximately 20 Board and Committee members attended the Estes Park Conference as a group.</p> <p>The policy also provides for group continuing education. Staff proposed the following for FY19:</p> <ol style="list-style-type: none"> <li>1. Continue with Semi-Annual Board &amp; Committee Education Session to include Committee roundtable discussion and an educational topic:             <ol style="list-style-type: none"> <li>a. <b>October 24, 2018:</b> Dan Woods, CEO – Strategic Framework Implementation Update</li> <li>b. <b>April 24, 2019</b> – Dan Woods, CEO – Strategic Framework Implementation Update and educational presentation on industry trends</li> </ol> </li> <li>2. <b>February 27, 2019</b> Board Retreat – What is Quality and How Do We Measure It?</li> <li>3. Encourage interested Board members to attend the open sessions of other committee meetings to enhance their understanding of those topics.</li> </ol>	
<p><b>Board Advisory Committees that reviewed the issue and recommendation, if any:</b> At its August 7, 2018 meeting the Governance Committee voted to adopt the Proposed FY19 Education Plan</p>	
<p><b>Summary and session objectives:</b></p> <p>To approve the proposed FY19 Board education plan.</p>	
<p><b>Suggested discussion questions:</b></p> <p>None. This is a consent item.</p>	
<p><b>Proposed motion, if any:</b></p> <ol style="list-style-type: none"> <li>1. To approve the Proposed FY19 Board Education Plan.</li> </ol>	
<p><b>LIST OF ATTACHMENTS:</b> None.</p>	



**El Camino Hospital<sup>®</sup>**  
THE HOSPITAL OF SILICON VALLEY

## **Major Capital Projects Update**

ECH Board of Directors

Ken King, CASO

August 15, 2018

# Mountain View Campus Plan – Project List

## Project Name

## Current Phase

### Step 1

- |   |              |
|---|--------------|
| • North Parking Garage Expansion -            | Complete     |
| • Behavioral Health Services (BHS) Building - | Construction |
| • Integrated Medical Office (IMOB) Building - | Construction |
| • Central Utility Plant (CUP) Upgrades -      | Construction |

### Step 2

- |  |            |
|--|------------|
| • Women's Hospital Expansion -                 | Design     |
| • Demo Old Main Hospital & Related Site Work - | Assessment |

# MV Campus Development Projects Status Update

## May 21, 2018

- **Behavioral Health Services (BHS) Building**

- Interior and Exterior wall framing is 85%complete and MEP rough in is 55% complete. Construction is progressing as scheduled with a target completion in March 2019 and the project is forecasted to be within the approved budget.

- **Integrated Medical Office Building (IMOB) & Garage**

- Fireproofing of structure is 85%complete. Interior framing and overhead MEP installation is 50% complete. Exterior GFRC and window walls are 90% complete on the upper floors. Construction is progressing as scheduled with a target completion in May 2019 and the project is forecasted to be within the approved budget.

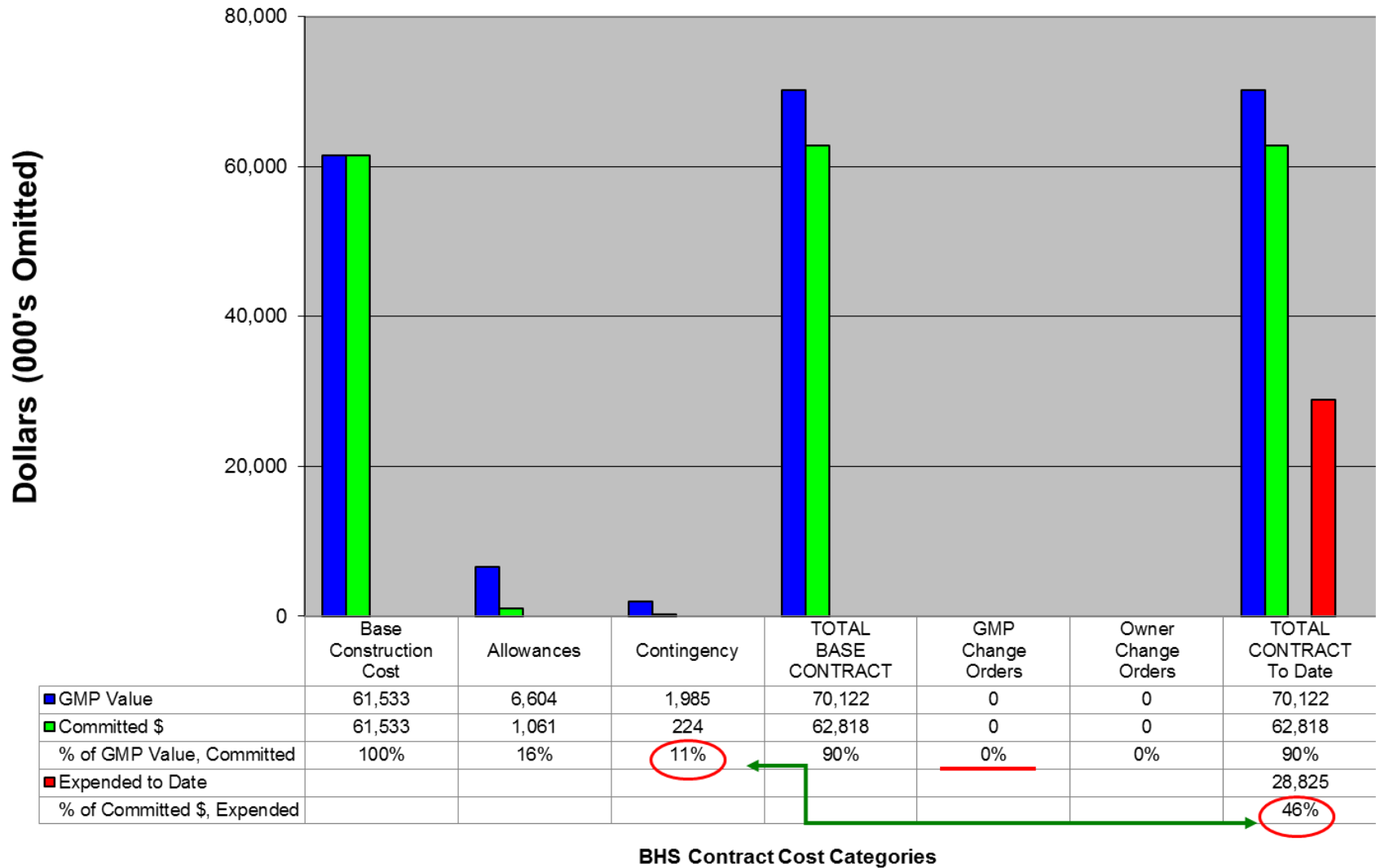
- **Central Utility Plant (CUP) Upgrade**

- Construction and equipment installation is substantially complete, with only commissioning and close out activities remaining. The project is forecasted to be within the approved budget.

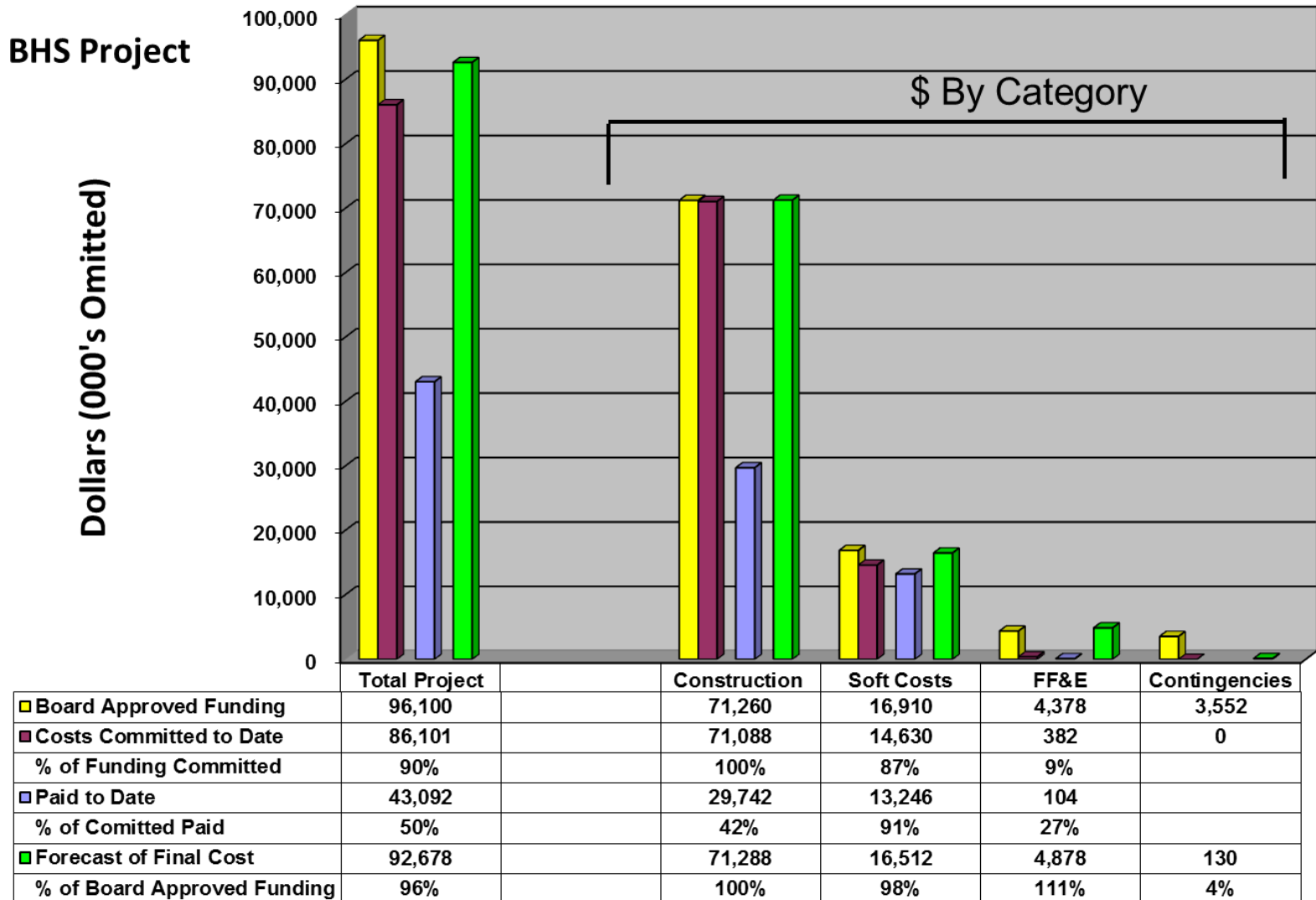
- **Women's Hospital Expansion**

- The development of the project plan is being adjusted to accommodate the temporary relocation of Labor & Delivery and NICU. A detail accounting of the costs schedule and operational implications are still be evaluated and will be presented at a future meeting of the Finance Committee.

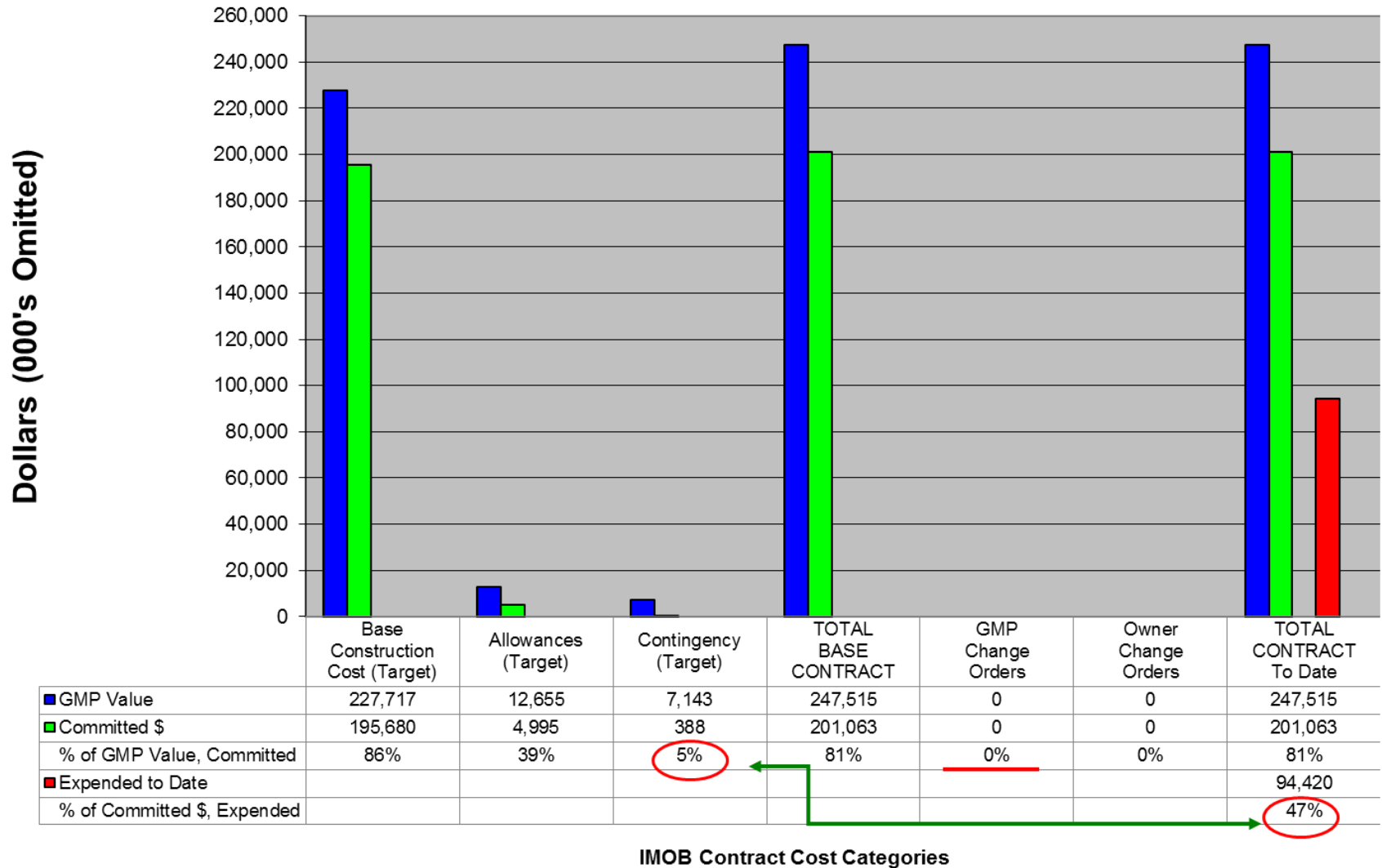
# Behavioral Health Services Building – Construction Contract Summary



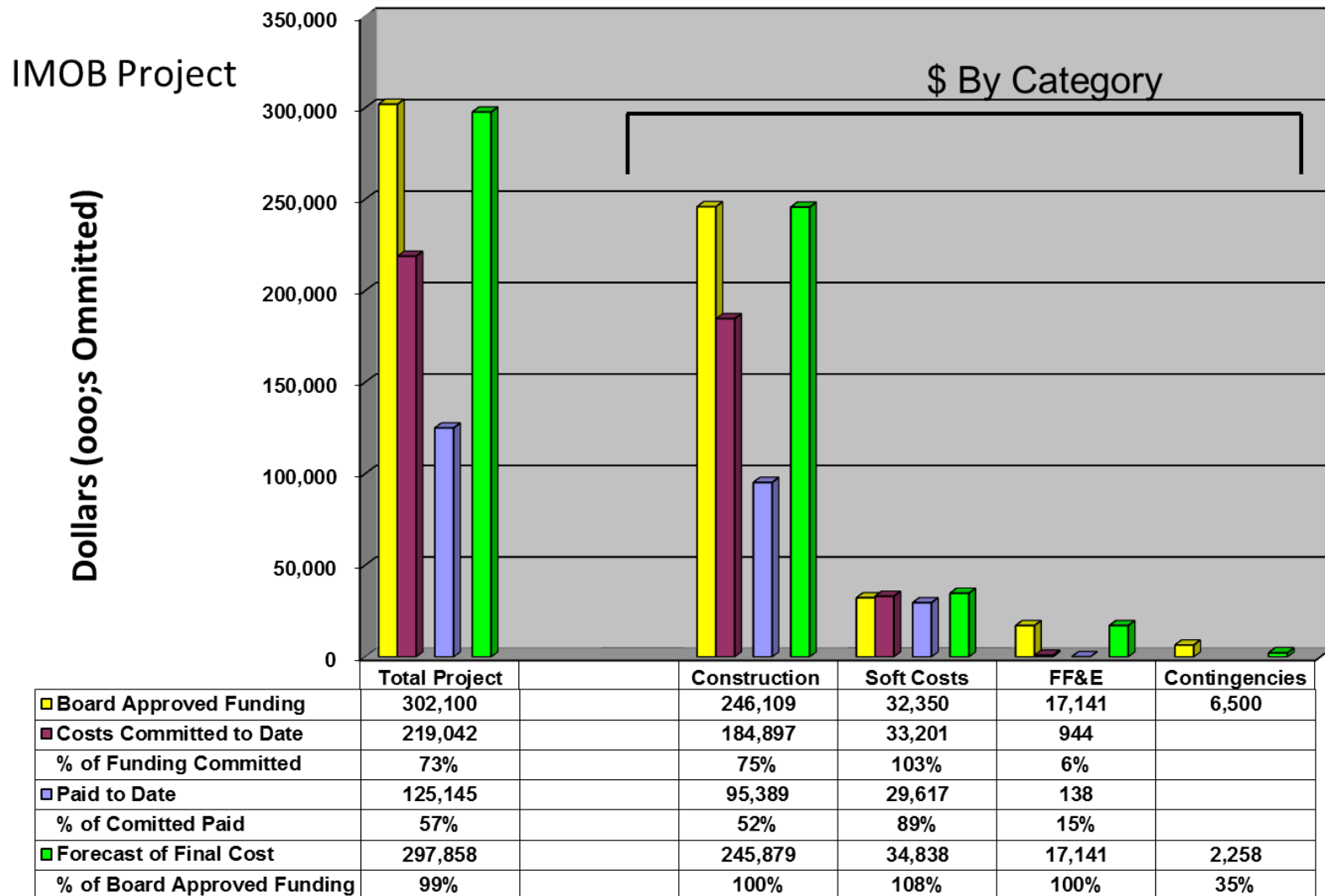
# Behavioral Health Services Building – Project Cost Summary



# Integrated Medical Office Building – Construction Contract Summary



# Integrated Medical Office Building - Project Cost Summary



## Memorandum

DATE: August 15, 2018  
TO: El Camino Hospital Board of Directors  
FROM: Peter C. Fung, MD, Gary Kalbach, Julia Miller Board Members  
SUBJECT: Report on Educational Activity  
BOARD ACTION: For Information

**Conference Title:** AHA Leadership Summit (July 2018)

**Sponsoring Organization:** American Hospital Association

**Key Educational Points, Lessons Learned:**

1. Presentation: "Decisions, Decisions" (Presenter: James Orlikoff)

The US is seeing a decreasing lifespan for the first time.  
Hospitals must make investment in IT/ acquiring physician practices.  
Taxes cut and spending increased = disaster  
Payouts are cut - especially Medicare, but private insurance also.  
Hospitals must make money on Medicare.  
Average hospital loses 9% on Medicare.  
Cost reduction is really cost shift (to individuals)  
Bad debts of hospitals largely for insured who cannot pay high deductible.  
Be careful of UBTI on non-mission revenue.  
Hospital should look at healthcare costs of its own employees.  
With uncertainty in income/expense a 5 year financial plan is too long, should be 3 year  
Insurance companies know their costs!  
Insurance companies are making record profits while hospitals struggle.  
Recommends reading "Leadership Is An Art" by Max De Pree

Governance levels - Fiduciary, Strategic or Generative. It's important for Boards to get to Generative!  
In making group decisions if there is discussion and some disagreement you end up with better decisions. A group **should not encourage "unanimous"** end result because it makes Directors vote without agreeing and will not support decision. First, decide how you are going to make decisions - majority, super majority etc.  
Taking a straw vote sometimes helps break preconceived opinion and allows for discussion.

2. Presentation: Engaging Trustees at ProMedia session

32 member volunteer Board  
Restructured Board meeting from "Operational" to Strategic"  
Before restructuring: Meetings lasted 5 - 5.5 hours

- CEO - 2.5 hours on operations
- Quality - .5 hours
- Minutes - .5 hours
- Balance on Strategy

After restructuring: 4 meetings per year

- Board members come prepared
- Consent calendar
- Short written “C” suite report on-line: Quality, Finance, etc.
- 2+ hour strategic discussion

Result: Board went from **operations orientation to strategic orientation**

3. Cyber Security Session (Presenter: Joshua Skule, Executive Assistant Director, Intelligence Branch, FBI Headquarters, Washington, DC)

Risks: Internal Security

Computer Intrusions- downloads

Ransom

Crypto hacking

Conduct “tests” of dummy “attachments” emailed to employees to see if there is click through.

First click-warning

Second offense - discipline

Third - terminate

Cyber Insurance: check for social engineering coverage.

Must have IT recovery plan - plan ahead of time! Practice

Perfect Incident Response Procedures”

Offsite storage away from hospital

If there is an incident: Communicate with employees, vendors and Board.

Communication with local police, FBI - talk ahead of time to establish contacts, plans.

Important to have network segmentation in information - separate access to finance, patient records, etc.

Use two factor authentication.

4. Best Practices in Governance: (Presenter: James Orlikoff)

Use performance reviews for individual board members - give feedback

Use term limits

Board should emphasize “competency”

Every Board member should be “literate” in governance of hospitals

Continuing education should be a **requirement** of reappointment

5. Managing Board Succession: (Presenters: Steve Gordon, MD, Board Chair, St Charles Hospital and James Orlikoff)

At St Charles - 4 hospitals - 6,000 employees, 12-15 Board members

Meet 6 times a year for 1.5 days at a time.

Thorough discussion of each Board committee.

Focus on strategy **reduced “board book” from 120 pages to 20!**

A self-perpetuating Board - new members bring:

- Fresh energy and perspective
- Reduce the risk of disruption

Process for new board members:

- First, a questionnaire to test interest, governance experience and understanding, willingness to commit, and potential conflicts. (He passed out their questionnaire which we will take to ECH Governance Committee)
- Second, group interview by Governance-look at behavioral (works in a group)
- CEO involved in interview, but not responsible for decision (this is a board, not CEO decision).
- On boarding, mandatory course/lessons on St Charles/governance

6. Disruptive thinking - Keynote speech (Presenter: Luke Williams)

Incremental Change is not enough in changing healthcare environment- must sometimes be disruptive.

Reorganize around existing assets, think disruptive vs. incremental/continuity

1-4 year olds are called “alpha generation.”

Other Presentations attended by Dr. Fung Only:

In an early morning workshop on Physician Alignment (Richard Priore) that lasted 2.5 hours, as one of the few physician attendees, I was picked and asked the definition of ‘**Physician Alignment**’, how it is measured, and how to improve it. After fumbling with words like employment, partnership, loyal, favorite, collaboration etc. for over 5 minutes, I was given the proper definition: It is the degree of unity or purpose and existence of mutually beneficial goals between the physicians and the hospital. Providers (physicians) control or influence 80-90% of healthcare expenses. Tight alignment is the critical success factor in a value-based reimbursement world while poor alignment contributes to rising costs and thinning of hospital margins. Providers not effectively trained or given adequate resources are like monkeys – a liability. Construct for measuring physician alignment includes:

1. Rulemaking (instituting evidence-based best practices);
2. Communicating Performance (with timely, accurate and actionable data);
3. Support Changes (with how to, training, and education);
4. Governance and Leadership (installing and cultivating physician leaders throughout all levels);
5. Enabling Structure (formal organization-sponsored relationship);
6. Risk and Reward (‘skin in the game’ pay for performance bonuses and risk based penalties);
7. Sociological-Culture (to foster trust, collaboration and motivation to achieve the organization goals.)

Remember: Physicians are scientists and **expect data**; physicians are **competitive**; and physicians like to get **good grades**.

In a breakout session on building physician resilience in the changing health care environment (AdvocateAuroraHealth,) they described 30 to 40% of physicians in the US experience burnout, associated with physical and mental illness and substance abuse, with increases in likelihood of making medical errors,

decreased career satisfaction and longevity. There was no discussion on a possible solution – After 1.5 hours, I was burnt out.

A welcoming lunch break – Helping Trustees Navigate the Complexities of Today’s Health Care Environment by Nathan Kaufman was both entertaining and refreshing, yet alarming regarding the “New Real Realities in Healthcare.” Some of his warning remarks included: There is a razor thin line between “innovation” and a really bad idea; Healthcare is local. Don’t base your decisions solely on the advice of those who don’t have to live with the results; and. Before taking any advice go visit a similar example, look at the **financials**, and talk to the **doctors**. He joked: As-the-industry-shifts-from-fee-for-service-to-value-coma as a possible illness, that so far, 80-85% of healthcare is still fee for service. He cited there will be intense pressure on PRICE which will have unintended consequences. Both Inpatient Services and Physician Employment and Stipends will continue to be loss-leaders, while Outpatient (Imaging, Surgical centers; Lab) and Cardiology should be emphasized. ED, essential for Medicaid and charity access will pose a small profit margin. Only three things would happen naturally in organization: friction, confusion, and underperformance. Everything else requires leadership. It is about Creating New Realities: Become **the essential** provider of high-value inpatient and outpatient care; Maintain industry **benchmark financial performance**; Pivot towards **innovative high-value care** with “no-regret” **investments**; Garner the support of “**white coat**” **physicians**” – encourage their leadership; Develop a robust plan for **what to stop doing** and stop doing those things **now**; Practice ‘radically open’ communication; Use **market share and profitability** to measure achievement; Create a sense of **urgency** and a culture focused on **accountability**. He emphasized on the accelerated pace of physician employment and how many systems are not profitable because of this. We need to find the “Magic” in **physician alignment** with radically open communication and convert them into collaborators. Whatever strategy we do, we have to **Start with Why**.

Another morning session, May the Workforce Be With You; Next-Generation Provider Workforce Planning (Ascension; The Chartis Group), described the three tools of intelligent physician employment. These include **Evaluating the Market** so as to develop provider workforce planning. This includes analyzing the local population growth by sub-market; demographic shifts, including population aging; emerging markets and partnership, strategic growth by specialty and attempt to transition to value-based care and utilization shifts. Other analysis includes: Multiple methods for forecasting demand; Full inventory of physicians in the market; Consideration of operational constraints; Comprehensive of workforce action plans for each specialty; Dashboard for ongoing evaluation of needs. These would lead to **Planning Readiness** to be done in a highly objective mathematical fashion, and **Score your Physician Performance**. I was impressed how this was taken to such a sophisticated level. I want to add that my initial pessimism was removed after hearing Bruce’s presentation on the **SVMD board**. Apart from the last item, which is easiest to implement, he and others have led the organization well in the first two tools.

### **Do you recommend this conference to other members of the Board?**

Yes! The caliber of the speakers and 1,400 attendees is very high and each session was very useful. Discussion within session attendees was lively and relevant. One of the added benefits of the four of us (Dan Woods attended in addition to Peter, Julia, and Gary) going to the conference was the time together over meals and between events where we spent significant time getting to know each other “out of the office”. We would encourage more informal time between Board members as we face tough decisions together.

## OPEN SESSION LEADERSHIP UPDATE

August 15, 2018

Dan Woods, CEO

### **Organizational Goal Update through February (SIR) and June (Others) 2018**

Organizational Goals FY18	Benchmark	2017 ECH Baseline	Minimum	Target	Maximum	Weight	Performance Timeframe	FY18 through June
<b>Quality, Patient Safety &amp; iCare</b>								
Arithmetic Observed LOS Average / Geometric LOS Expected for Medicare Population (ALOS /GMLOS)	External: Expected via Epic Methodology	FY 2016: 1.21 (ALOS 4.86/GMLOS 4.00) FY 2017 YTD April: 1.18 (4.81/4.08)	1.12	1.11	1.09	34%	4Q FY18	1.09
HCHAPS Service Metric: Rate Hospital	External Benchmark	HCAHPS Baseline: 10/2016-12/2016: 75.5% 1/2017-3/2017: 75.1%	77%	78%	79%	33%	4Q FY18	78.7%
Standardized Infection Ratio (SIR)* Observed HAIs/Predicted HAIs (Hospital Acquired Infections)	External Benchmark	July- Dec 2016 CAUTI 1.37, CLABSI 0.25, C.DIFF 0.59 Avg: 0.738	0.670	0.602	0.534	33%	FY18	CAUTI: 1.459 CLABSI: 0.423 C.Diff: 0.30 Avg: 0.525
<b>Threshold Goals</b>								
Budgeted Operating Margin	95% Threshold	Achieved Budget	95% of Budgeted			Threshold	FY 18	Met

\* Updated Infection Data will not be available until mid-to-late August 2018.

### **Quality and Safety**

We established a new patient safety task force to enhance our focus on this vital area. Following two clinical summits with a multidisciplinary team of physicians, nurses, pharmacists, and management, we initiated an extensive work plan to address our organizational quality goals to reduce mortality and readmissions. The Joint Commission (TJC) preparation continues. Weekly follow-up on action items identified through the mock survey is conducted. The window for TJC survey is now open and they could arrive any week between now and January 2019.

### **Patient Experience**

We developed a Patient Experience Plan to achieve our FY19 strategic and organizational goals related to patient experience improvements. Of note, in June we began a weekly meeting focused in specific initiatives related to communication improvements in our ED that are being initiated. These include care team coaching for all physicians and other communication techniques that will improve expectation and experience for our patients. We await our final survey to determine how we performed on our Patient Experience FY18 goals.

### **Operations**

High Performance Organization Team: Strategy Deployment Update - During Q4 of FY18, members of the ECH leadership team focused significant efforts on deploying Lean management throughout the enterprise, including a value stream analysis with a multidisciplinary team of roughly 30 clinical and administrative personnel, covering the Patient Flow initiative from ED arrival until the patient's "head in bed." As a result, 18 performance improvement teams are being organized with specific goals and objectives to accomplish during Q1 of FY19.

## **Workforce**

On June 27, 2018, the U.S. Supreme Court voted to support the Janus decision that held it unconstitutional for employees in a public union bargaining unit to pay fees to the union if they choose not to be part of the bargaining unit. On June 28, 2018, Governor Brown issued a new bill setting significant limitations on public sector employers from communicating with employees about changes under Janus and on establishing “meet and confer” requirements on communicating these changes with employees. Given these two back-to-back decisions, we worked with our unions to agree upon a process and, as a result, 220 former fee payers were notified that, as of 6/28/18, they would no longer be required to pay fees. Going forward, those who choose to join the union will no longer need to individually authorize dues deductions, but, the Hospital will now receive a list of union members from whom to deduct dues.

Our Employee Alternative Transportation Strategy Task Force continues to work on creating alternative transportation options for employees commuting to/from ECH each day. In the next two months we will prepare to launch a Transit Pass Subsidy program. If ridership is sufficient to substantiate the expense, we will launch an East Bay Shuttle pilot later this fall. The Enterprise Resource Planning (ERP) Initiative is targeted for a formal launch September 1, 2018. On September 17<sup>th</sup>, we will begin our combined Employee and Physician Engagement, Culture of Safety, and Nursing Excellence survey.

This year, we doubled our commitment to our partnership with Cristo Rey, a private Jesuit High School in San Jose, and will welcome eight new students in various areas in the Hospital including Accounting, Patient Experience, Human Resources, Heart & Vascular Institute, Retail Services, Health Information Management, and Quality/Risk Management.

Cohort 5 (8 students) began their New RN Graduate Program journey with us this summer and Cohort 6 (7 students) will begin on September 25. This program will build our pipeline of ECH nurses as we mitigate nursing staff vacancies due to retirements, a national nursing shortage, and local housing and traffic barriers.

We achieved ANCC (American Nurses Credential Center) Accreditation for our Practice Transition Program (training program for new graduates and change of specialty RNs). This is a new requirement for our 4<sup>th</sup> Magnet Designation application.

## **Financial Services**

The Revenue Cycle Team achieved outstanding results in FY18. Our cash collection was \$882 million exceeding our target by \$50 million, up front collections were \$4.1 million achieving \$1 million more than target, and insurance denial recoveries in FY18 was \$27.9 million. In FY19, we are going to increase our focus on preventing avoidable denials and work closely with our Departments and Service Lines to achieve this.

Our cost initiative for FY19 is \$2,200,000. As of July 26, 2018 we have implemented \$310,351 in savings.

To avoid interruption in dictation/transcription capabilities, we completed the dual transcription platform project with iMedx as the secondary vendor providing redundancy for these services.



This aligns with physician integration supporting an excellent environment for physician practice at El Camino.

### **Marketing and Communications**

The marketing team is heavily engaged in consumer research planning, implementation and reporting for multiple studies as well as working towards enhancing our consumers' experience online via upgrading and rebuilding our website in FY19. They are also providing help with overall marketing strategy for SVMd and marketing support for its clinic openings. The annual Men's Health Fair at our Los Gatos Campus enabled three hundred community members to connect with more than 20 physician specialties.

### **Information Services**

Implementation of a new PACs system is on track for activation by early 2019 and ePrescribing of controlled substances is available to improve the medication ordering process.

The Physician Efficiency Initiative focused upon the Winchester Clinic to provide training, workflow improvements, Epic software enhancements, and personalization with physician efficiency improvement measures. The two ambulatory physicians demonstrated a 16.9% and 0.4% increase in efficiency saving between 75 and 110 minutes per day for the physicians. A physician onboarding and data conversion plan is in process to improve physician efficiency when transitioning to Epic from a paper or EMR based system.

Registration staff have iPads to assist patients with enrollment in MyChart during registration process. Over 200 employees signed up for MyChart last month and overall patient enrollment is at 12% for June 2018. We are meeting with Ambulatory Clinics and departments to review department specific statistics and determine plan to increase numbers to reach the 50% goal.

Progress on the MyChart Bedside project continues with plans to bring the initially identified departments live with MyChart Bedside on a mounted iPad for each patient by the end of this calendar year.

### **Corporate and Community Health (CONCERN and Community Benefit)**

In June, the Community Benefit Sponsorship Program provided support to a Silicon Valley YWCA event to address domestic violence, the Sunnyvale Police Athletic League's Kick, Lead and Dream Camp for underserved youth, and Los Gatos Lions Club event to address youth mental health.

The South Asian Heart Center partnered with India Community Center on a health and wellness event "Cracking the Wellness Code" attended by over 600 members of the community and with MayView Community Health center to conduct a nutrition workshop for underserved patients.

The LG Health Librarian provided information about ECH's involvement in the Health Equality Index during the week of June 18th through June 22<sup>nd</sup> to visitors and staff. This included information regarding ECH's commitment to supporting the LGBTQ Community in a culturally competent manner. LGBTQ Community resource flyers and information on staff CEU training resources were distributed.



The Chinese Health Initiative surpassed all the goals of its new diabetes prevention and education program (funded by the ECH Foundation). They provided culturally tailored educational materials, screening, and dietitian consultations to help Chinese community members who are at high risk for diabetes make positive life styles changes. The Foundation approved a second year of grant funding.

### **Silicon Valley Medical Development, LLC**

SVMD is rapidly filling out its administrative infrastructure and has its administrative office with Concern:EAP in Mountain View. The new Melchor Clinic was opened with support by the IT Department to enable technology and the Epic platform for Dr. Gussous and Dr. Prabhu who joined ECMA this summer.

### **Philanthropy**

The El Camino Hospital Foundation achieved 100% of its FY18 fundraising goal by the end of the fiscal year. During the month of June, the Foundation secured \$410,768 which brought its annual total to \$6,149,592. Giving from Foundation Board members totaled \$414,420.

### **Auxiliary**

The Auxiliary contributed 7,059 volunteer hours in May and 6,522 hours on June 2018.

**El Camino Hospital Auxiliary**  
**Membership Report to the Hospital Board**  
**Meeting of August 8, 2018**

Combined Data as of June 30, 2018 for Mountain View and Los Gatos Campuses

**Membership Data:**

**Senior Members**

Active Members	368	+6 Net change compared to previous month
Dues Paid Inactive	84	(Includes Associates & Patrons)
Leave of Absence	14	
<b>Subtotal</b>	<b>466</b>	

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Resigned in Month      10  
Deceased in Month      0  
-----

**Junior Members**

Active Members	255	+1 Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	15	
<b>Subtotal</b>	<b>270</b>	

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**Total Active Members      623**

**Total Membership          736**

**Combined Auxiliary Hours from Inception (to June 30, 2018):    5,907,666**  
**Combined Auxiliary Hours for FY2017 (to June 30, 2018): 85,166**  
**Combined Auxiliary Hours for June 30, 2018: 6,522**

**El Camino Hospital Auxiliary**  
**Membership Report to the Hospital Board**  
**Meeting of July 11, 2018**

Combined Data as of May 31, 2018 for Mountain View and Los Gatos Campuses

**Membership Data:**

**Senior Members**

Active Members	362	+5 Net change compared to previous month
Dues Paid Inactive	86	(Includes Associates & Patrons)
Leave of Absence	15	
<b>Subtotal</b>	<b>463</b>	

-----  
Resigned in Month      9  
Deceased in Month      1  
-----

**Junior Members**

Active Members	254	+3 Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	8	
<b>Subtotal</b>	<b>262</b>	

-----  
**Total Active Members      616**

**Total Membership          725**

**Combined Auxiliary Hours from Inception (to May 31, 2018): 5,901,218**  
**Combined Auxiliary Hours for FY2017 (to May 31, 2018): 78,716**  
**Combined Auxiliary Hours for May 31, 2018: 7,059**

## Memorandum

DATE: July 25, 2018

TO: El Camino Hospital Board of Directors

FROM: Lane Melchor, Chair, El Camino Hospital Foundation Board of Directors  
Jodi Barnard, President, El Camino Hospital Foundation

SUBJECT: Report on Foundation Activities FY 2018 Period 12

ACTION: For Information

El Camino Hospital Foundation achieved 100% of its 2018 fundraising goal by close of the fiscal year. During the month of June, the Foundation secured \$410,768, which brought our annual fundraising total to \$6,149,592.

### **FY 18 Period 12 Fundraising Performance**

#### ***Major & Planned Gifts***

In fiscal year 2018, the Foundation raised \$3,232,425 in major and planned gifts. We received \$26,060 in June from one unrestricted major gift, one gift designated for the South Asian Heart Center, and the realization of one planned gift.

During the course of the year, the philanthropy officers made 133 major gift solicitations, which were tracked in our Raiser's Edge relational database. Of those, 110 were accepted (83%), 10 were declined (7.5%), nine are pending (6.8%) and four resulted in no response (3%).

#### ***Special Events***

- **Spring Forward** – This spring, the Foundation launched Spring Forward, a new gala to fulfill the promise, benefiting mental health and addiction services at El Camino Hospital. It was held on May 5, 2018 at the Morgan Estate, a private mansion in Los Altos Hills. Model and actress Brooke Shields was featured in a conversation with Moryt Milo (a grateful parent) and Lisa Abramson (a grateful MOMS patient). Grammy winner Tony Lindsey, world-renowned singer for Santana, performed.

#### ***Financials At-A-Glance***

Gross Revenue: \$360,650

- Sponsorships \$195,000
- Individual Tickets \$26,000
- Fund-in-Need \$119,100
- Shoemaker "Path of Hope" Challenge \$15,000

- Raffle Tickets \$4,600
- Donations \$950

Expenses: \$205,000

**Net Proceeds: \$157,150**

Although the gala did not meet the financial goal, which was set before the event format changed, we accomplished our aim of lowering expenses and earning enough unrestricted revenue to cover event costs, garnering true net proceeds for the first time.

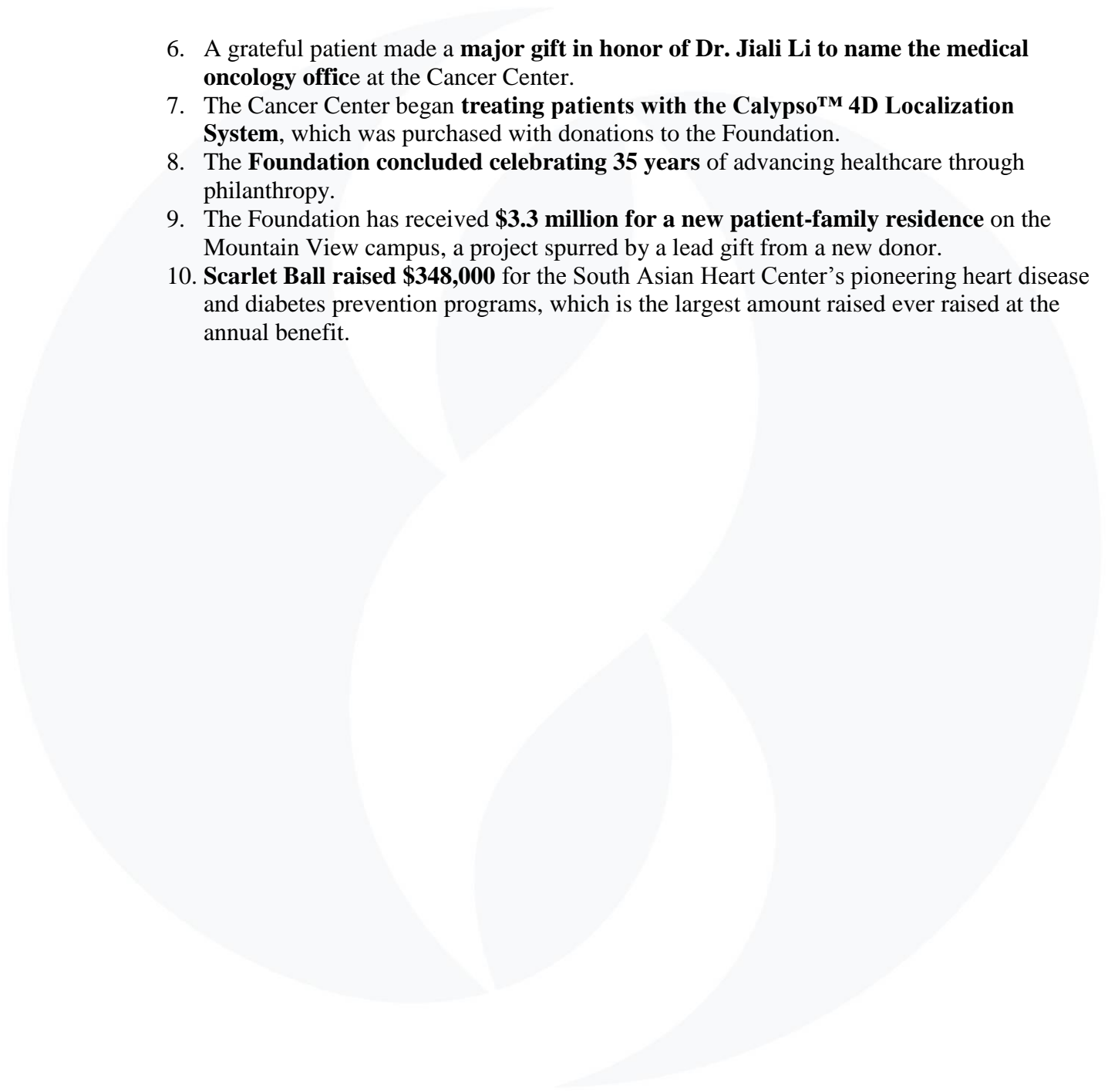
- **Scarlet Ball** – The annual gala benefit for the South Asian Heart Center was held at Dolce Hayes Mansion in San Jose on March 17. The event grossed \$349,209 in sponsorship and ticket revenue. In June the Foundation received \$17,984 of outstanding commitments.
- **Norma’s Literary Luncheon** – The annual fundraiser took place on February 8, 2018 at Sharon Heights Golf & Country Club in Menlo Park and raised \$214,380. In June the Foundation received a generous commitment from the Melchor Family to sponsor the 2019 luncheon. With this commitment, the total raised for the year is \$284,380.

### ***Annual Giving***

In fiscal year 2018, the Foundation raised \$658,005 in annual gifts, 120% of goal. The annual giving portfolio was bolstered by a special, one-year campaign to sell bricks for a “Path of Hope” into the new behavioral health building that is being constructed on the Mountain View campus.

### ***Top 10 Accomplishments of FY18***

1. The Foundation filled **100 bricks that will be placed along the Path of Hope** into the new mental health pavilion, raising \$250,000 for mental health and addiction services.
2. Model and actress Brooke Shields spoke movingly about her experience of postpartum depression at the Spring Forward gala. The first-time event raised **\$157,150 to support mental health and addiction services.**
3. The El Camino Heritage **Golf Tournament raised more than \$200,000 for clinical research**, enabling the hospital to expand the number of studies that can be conducted at any one time.
4. The Foundation **allocated more than \$1 million of unrestricted donations** to support nursing research and innovation, nursing scholarships, the Healing Arts Program, the Chinese Health Initiative, “Answers in the Aisles” at Safeway, and a variety of other new initiatives.
5. Hospital and Foundation board members, physicians and staff, grateful patients and concerned community members **signed the last beam of the new mental health pavilion**, which was hoisted in place in November. **One hundred community leaders attended conversation and site tours** of the new mental health pavilion.

- 
6. A grateful patient made a **major gift in honor of Dr. Jiali Li to name the medical oncology office** at the Cancer Center.
  7. The Cancer Center began **treating patients with the Calypso™ 4D Localization System**, which was purchased with donations to the Foundation.
  8. The **Foundation concluded celebrating 35 years** of advancing healthcare through philanthropy.
  9. The Foundation has received **\$3.3 million for a new patient-family residence** on the Mountain View campus, a project spurred by a lead gift from a new donor.
  10. **Scarlet Ball raised \$348,000** for the South Asian Heart Center's pioneering heart disease and diabetes prevention programs, which is the largest amount raised ever raised at the annual benefit.

## FOUNDATION PERFORMANCE

### FY18 Fundraising Report through 6/30/18

ACTIVITY		FY18 YTD (7/1/17 - 6/30/18)	FY18 Goals	FY18 % of Goal	Difference Period 11 & 12	FY17 YTD (7/1/16 - 6/30/17)	FY16 YTD (7/1/15 - 6/30/16)
Major & Planned Gifts		\$3,232,425	\$3,750,000	86%	\$26,060	\$4,213,319	\$4,059,779
Special Events	Spring Event	\$360,650	\$600,000	60%	\$60,000	\$788,360	\$936,240
	Golf	\$353,650	\$300,000	118%	\$0	\$273,100	\$326,205
	South Asian Heart Center Event	\$349,209	\$300,000	116%	\$17,984	\$315,295	\$292,180
	Norma's Literary Luncheon	\$284,380	\$150,000	190%	\$70,000	\$153,300	\$245,106
Annual Gifts		\$658,005	\$550,000	120%	\$47,908	\$587,582	\$507,745
Grants*		-	-	-	-	-	\$64,833
Investment Income		\$911,273	\$500,000	182%	\$188,816	\$1,138,296	\$1,319,905
<b>TOTALS</b>		<b>\$6,149,592</b>	<b>\$6,150,000</b>	<b>100%</b>	<b>\$410,768</b>	<b>\$7,469,252</b>	<b>\$7,751,993</b>

\*Beginning in FY17 Grants is no longer an activity line. Any grants received in the future will either be reflected in the Annual Gifts or Major & Planned Gifts activity line pending funding level.

### Highlighted Assets through 6/30/18

Board Designated Allocations	\$618,293
Donor Endowments	\$3,318,051
Operational Endowments	\$15,195,148
Pledge Receivables	\$4,592,334
Restricted Donations	\$11,066,923
Unrestricted Donations	\$518,697

5.4% Investment Return looking back over the last 12 months.