El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

AGENDA
REGULAR MEETING OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, September 12, 2018 – 5:45pm
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
1.	**CALL TO ORDER/ROLL CALL**	Lanhee Chen, Board Chair		**5:45 – 5:47pm**
2.	**POTENTIAL CONFLICT OF INTEREST DISCLOSURES**	Lanhee Chen, Board Chair		**5:47 – 5:48**
3.	**BOARD RECOGNITION** *Resolution 2018-10* **ATTACHMENT 3**	Dan Woods, CEO	*public comment*	**motion required** **5:48 – 5:53**
4.	**QUALITY COMMITTEE REPORT** **ATTACHMENT 4**	David Reeder, Quality Committee Chair; Mark Adams, MD, CMO		**information** **5:53 – 6:08**
5.	**FY18 ORGANIZATIONAL GOAL ACHIEVEMENT** **ATTACHMENT 5**	Dan Woods, CEO Mark Adams, MD, CMO	*public comment*	**possible motion** **6:08 – 6:18**
6.	**PATHWAYS BUSINESS UPDATE** **ATTACHMENT 6**	Barbara Burgess, CEO of Pathways Home Health & Hospice		**discussion** **6:18 – 6:48**
7.	**PUBLIC COMMUNICATION** a. Oral Comments *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.* b. Written Correspondence	Lanhee Chen, Board Chair		**information** **6:48 – 6:51**
8.	**ADJOURN TO CLOSED SESSION**	Lanhee Chen, Board Chair		**motion required** **6:51 – 6:52**
9.	**POTENTIAL CONFLICT OF INTEREST DISCLOSURES**	Lanhee Chen, Board Chair		**6:52 – 6:53**
10.	**CONSENT CALENDAR** *Any Board Member may remove an item for discussion before a motion is made.* ***Approval*** *Gov't Code Section 54957.2:* a. Minutes of the Closed Session of the Hospital Board Meeting (August 15, 2018) ***Information*** *Gov't Code Section 54956.9(d)(2)* – conference with legal counsel – pending or threatened litigation: b. Compliance Committee Report c. FY18 Annual Patient Safety Report	Lanhee Chen, Board Chair		**motion required** **6:53 – 6:55**

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
11.	*Health and Safety Code Section 32155* for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: - Medical Staff Report	Imtiaz Qureshi, MD, Mountain View Chief of Staff; Linda Teagle, MD, Los Gatos Chief of Staff		**motion required 6:55 – 7:05**
12.	*Health and Safety Code Section 32155* for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: - Grievance	Mark Adams, MD, CMO		**discussion 7:05 – 7:25**
13.	*Health and Safety Code Section 32106(b)* for a report and discussion involving health care facility trades secrets; *Health and Safety Code Section 32155* for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters*; Gov't Code Section 54956.9(d)(2)* – conference with legal counsel – pending or threatened litigation: - CEO Report on New Services and Programs, Quality Assurance Matters, and Legal Matters	Dan Woods, CEO		**discussion 7:25 – 7:40**
14.	Report involving *Gov't Code Section 54957* for discussion and report on personnel performance matters – Senior Management: - Executive Session	Lanhee Chen, Board Chair		**discussion 7:40 – 7:45**
15.	**ADJOURN TO OPEN SESSION**	Lanhee Chen, Board Chair		**motion required 7:45 – 7:46**
16.	**RECONVENE OPEN SESSION/ REPORT OUT** To report any required disclosures regarding permissible actions taken during Closed Session.	Lanhee Chen, Board Chair		**7:46 – 7:47**
17.	**CONSENT CALENDAR ITEMS:** *Any Board Member or member of the public may remove an item for discussion before a motion is made.* ***Approval*** a. Minutes of the Open Session of the Hospital Board Meeting (August 15, 2018) ***Reviewed and Recommended for Approval by the Medical Executive Committee*** b. Medical Staff Report ***Information*** c. Investment Committee Report d. Compliance Committee Report e. FY19 Period 1 Financials	Lanhee Chen, Board Chair	*public comment*	**motion required 7:47 – 7:49**
18.	**LEADERSHIP UPDATE** **ATTACHMENT 18**	Dan Woods, CEO		**information 7:49 – 7:52**
19.	**BOARD COMMENTS**	Lanhee Chen, Board Chair		**information 7:52 – 7:54**

	AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
20.	**ADJOURNMENT**	Lanhee Chen, Board Chair		**motion required 7:54 – 7:55pm**

Upcoming Meetings: 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 2018-10

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 Michael Fitzgerald, Brenda Taussig, Joe Sandoval, and Joy Villaverde for working with Santa Clara County to broaden the Medi-Cal funded network of mental health services for low-income adolescents and their parents. Families will now be able to use their Medi-Cal coverage for enrollment in the After-School Program Interventions and Resiliency Education® (ASPIRE) program. This is the first time the County has authorized the use of Medi-Cal funding for an intensive outpatient mental health program. It serves as a model for Medi-Cal contracts throughout the state of California.

The individuals being recognized tirelessly worked for more than a year to reach an agreement with the County. Michael Fitzgerald is the visionary leader for ASPIRE program design, implementation, and expanded access. Brenda Taussig championed a new approach to Medi-Cal funding with hospital, County, and elected leaders, securing the political and executive support that enabled success. Joe Sandoval connected clinical, billing, and contract teams to resolve issues and keep the project moving forward. Joy Villaverde negotiated the complex financial and operational details of the contract with county staff, ensuring it would meet the needs of patients and satisfy all regulations.

The program started in 2010 after a series of tragic events occurred in the Bay Area involving youth who died by suicide. ASPIRE is designed for youth ages 13-18 who are experiencing significant anxiety, depression, or other symptoms related to a mental health condition. The program is accredited by the Western Association of Schools and Colleges as a high school supplementary education program, offering full academic credit for those who complete the program. In 2016, El Camino Hospital further developed ASPIRE to include targeted programs serving middle school students and young people ages 18-25.

WHEREAS, the Board would like to publically acknowledge Michael Fitzgerald, Brenda Taussig, Joe Sandoval, and Joy Villaverde for improving access to innovative, high-quality mental health services.

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

Michael Fitzgerald Brenda Taussig
Joe Sandoval Joy Villaverde

FOR THEIR COMMITMENT TO TEEN MENTAL HEALTH.

IN WITNESS THEREOF, I have here unto set my hand this **12TH DAY OF SEPTEMBER, 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 E. Miller
Bob Rebitzer
David Reeder
John Zoglin

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

ECH BOARD MEETING AGENDA ITEM COVERSHEET

	Item:	Quality, Patient Care and Patient Experience Committee ("Quality Committee") Report El Camino Hospital Board of Directors September 12, 2018
	Responsible party:	Dave Reeder, Quality Committee Chair; Mark Adams, MD, Chief Medical Officer
	Action requested:	For Information
	Background: The Quality Committee meets 10 times per year. The last meeting was September 5, 2018.	
	Summary and session objectives: To update the Board on the work of the Quality Committee. **Summary of September 5, 2018 Meeting:** The final results of the FY18 Quality Committee Dashboard were reviewed. They are summarized as follows: 1. Patient Falls: This was selected since it is a common source of patient injury both in and out of the hospital. The metric selected was based on CALNOC data with .74 being the top decile. Many organizations have now shifted to tracking falls with injury rather than falls alone. While we did not meet our target of .74, our falls with injury rate has been declining. 2. Catheter Associated Urinary Tract Infection (CAUTI): This was selected as this measure impacts patient outcomes, value based purchasing (VBP), and the Hospital Acquired Infection (HAI) penalty program. A CAUTI team was constituted and approached this from several angles. The greatest success was establishment of a nurse driven protocol to automatically remove the catheters. While the target (based on National Health Safety Network (NHSN) data) was not met, the trend was very positive comparing FY17 to FY18 (30% improvement). 3. Central Line Associated Blood Stream Infection (CLABSI) Another metric that intersects patient outcomes, VBP, and HAI penalty program. A CLABSI team was established with emphasis on insertion bundle compliance (elements required for proper insertion) and maintenance of the lines. The goal was based on NHSN data, we achieved 59% improvement, and this target was met. 4. Clostridium Difficile Infection (CDI): This also impacts patient outcomes and the HAI penalty program. A team was assembled to reduce these events with particular emphasis on hand washing and sanitation of rooms and equipment with UV light. There was steady improvement (40%) over the course of FY18, but the target was not met. 5. ALOS/GMLOS: This goal was selected as a measure of efficiency in patient care which has financial as well as patient satisfaction impact. It is important to note that the Quality Committee Dashboard Goal was set at 1.11 and reflects an entire year of data. Our FY18 actual was 1.12, a slight but steady improvement from the FY17 baseline of 1.16, though still .01 below the FY18 Quality Committee Dashboard goal. However, we exceeded the FY18 Organizational Goal of 1.09 by achieving 1.08 in FY18Q4 which was	

the approved measurement period for the Organizational Goal. The care management team worked on this goal but this affects many parts of the organization from admission to discharge.

6. Sepsis Core Measure (SEP-1): This comprises a list of diagnostic and interventional measures that originally were thought to improve sepsis treatment. The goal of 100% was ambitious and probably not ever attainable. In the meantime, evidence has shown that SEP-1 per se does not significantly impact sepsis care. The target was not met.
7. IVF Bolus within 2 hours for severe sepsis: This measure does correlate with improved sepsis care and this target was met.
8. Mortality Index: 1.0 is the expected outcome as defined by how the measure is derived. There is little documentation regarding how ECH selected the goal of .62, but given that the very top performing organizations in the Premier database are at .77 and our baseline was 1.02 for FY17, it was unrealistic to expect that much change in one year. Actual FY18 was 1.05 and our FY19 target is 0.95.
9. HCAHPS Rate the Hospital top box: Again, it is important to note that the FY18 Quality Dashboard Goal was measured differently than the Organizational Goal. The Dashboard shows a FY18 actual result (measured 7/1/17 through 6/30/18) of 77.5 %, which is 0.5% below the Dashboard target. Because the approved measurement period for the Organizational Goal was FY18 Q4, we exceeded the Organizational Goal target by 0.7%. The goal of 78.0% was based on data analysis by our HCAHPS vendor Press Ganey. To achieve this improvement management focused on several areas, most importantly nurse communication.

The Committee also reviewed the FY19 Quality Dashboard:

- The Committee recognized that management tracks and reports many quality and safety metrics. This dashboard reflects outcome metrics the Committee has chosen to track this fiscal year. However, management is also following additional measures that support the outcome metrics. For example, hospital acquired infections (HAI) can be reduced by hand washing so management tracks hand washing compliance in addition to the actual outcome metric.
- The Committee discussed revising the dashboard to replace the term “goal” with the term “target” since using the term “goal” both oversimplifies the data and creates confusion with the organizational incentive goals. For measures #1, #2, and #3, we are using the NHSN targets for top performing organizations. Since national data is adjusted only every 6 months we are only able to compare ourselves to benchmark twice per year. However, each month, management identifies and investigates each infection occurrence. The Committee was apprised of potentially 6 CAUTI occurrences for the 1st Quarter (some were not preventable) and the details of the causes were discussed and corrective action plans reviewed.
- Our YOY sepsis mortality rate has steadily decreased such that we are now below both the California and Northern California averages. It is not uncommon to see hospitals

ECH BOARD MEETING AGENDA ITEM COVERSHEET

	with 30 – 40% sepsis mortality rates. Maintaining such a low rate—11%-- will be a significant challenge. Focus on continued improvement in clinical documentation will help maintain and lower this rate. - Measures #10, #11, and #12 are patient experience areas where we have opportunities for improvement. These are also organizational goals. Please note that the organizational goal setting was based on a baseline score that included the last quarter of FY17 and the first three quarters of FY18. Previous versions of the quality dashboard reflected the final FY18 scores but this was not baseline used to select the organizational goal numbers. The responsiveness domain goal of 67.0 was selected based on both the baseline defined above and input from our HCAHPS partner, Press Ganey. Already in FY 19, with one month reported so far, 63.8 is well below our goal of 67.0. The Committee had an in depth discussion focused on the two organizational quality goals—mortality index and readmission index. An explanation of the derivation of the indexing was presented. Goal target selection was based on prior year performance, volatility, and trending. The work plan to address these goals will involve clinical factors, care management, post-acute care, palliative care, and clinical documentation. Cheryl Reinking presented a patient experience update. Emphasis has been placed on nursing communication, cleanliness, and nursing responsiveness. Specific work to improve ED patient experience has been accelerated following our recent social media event.
	Suggested discussion questions: None.
	Proposed Board motion, if any: None
	Attachments: 1. FY18 Quality Dashboard 2. FY19 Quality Dashboard

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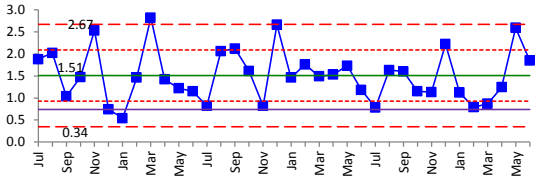
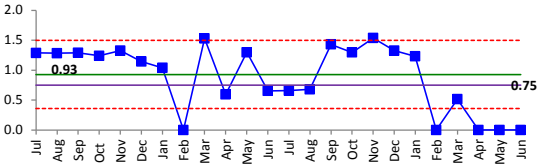
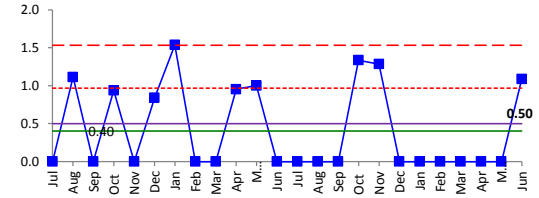
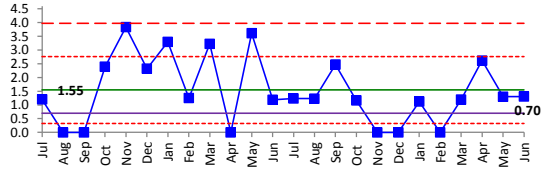
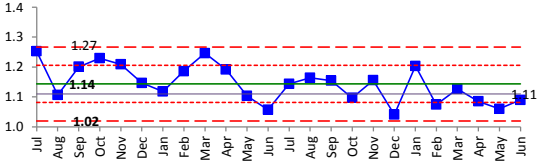
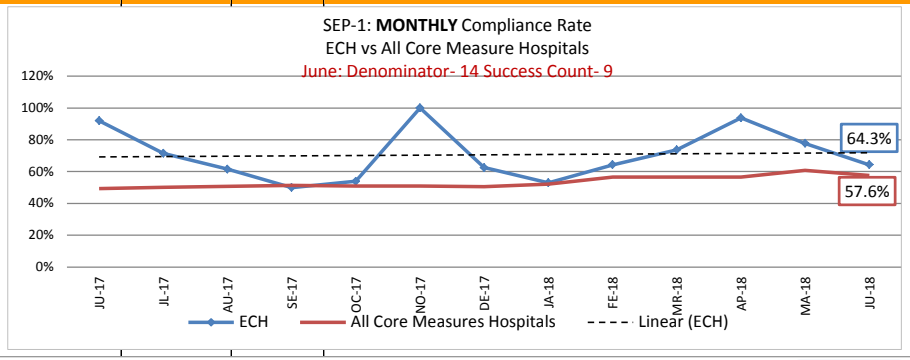
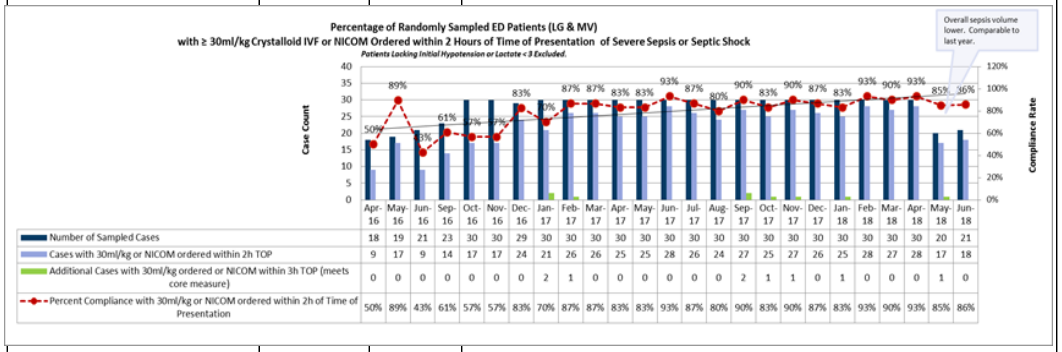
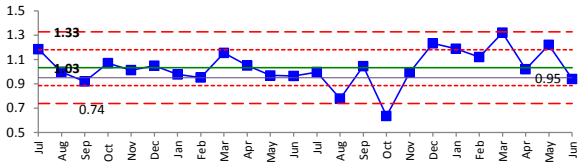
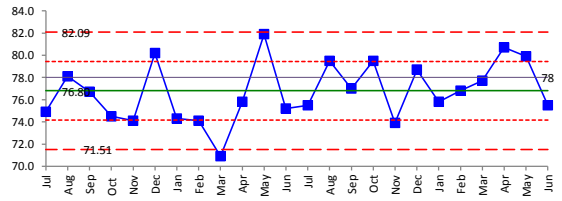
Quality and Safety Dashboard (June)

		Performance Month	Performance FYTD	Baseline FY2018 Actual	FY18 Goal FY2018 Goal	Trend	Comments
SAFETY EVENTS							
1	**Patient Falls** *Med / Surg / CC Falls / 1,000 CALNOC Pt. Days* *Date Period: June 2018*	1.85 (9/4875)	1.41 (89/63120)	1.41 (improved from 1.49 for FY 2017)	0.74 (Top decile CALNOC)		Reduction in falls for July may be related to 8 new RN Grads and new CNAs on the nursing units freshly trained. Falls team added front line RN staff, and in July these RNs conducted the review of each fall.
2	*Organizational Goal **Hospital Acquired Infection (Infection rate)** *Catheter Associated Urinary Tract Infection (CAUTI)* *per 1,000 urinary catheter days* *Date Period: June 2018* *SIR Goal: <= 0.75*	0.0 (0/919)	0.77 (13/16929)	0.77 (Improved from 1.09 for FY 2017)	SIR Goal: <= 0.75 SIR Jan-June 2018 = 0.951		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%. FY18 SIR both MV & LG = 0.929.
3	*Central Line Associated Blood Stream Infection (CLABSI)* *per 1,000 central line days* *Date Period: June 2018* *SIR Goal: <= 0.50*	1.09 (1/919)	0.23 (2/8635)	0.23 (improved from 0.56 for FY 2017)	SIR Goal: <= 0.50 SIR Jan-June 2018 = 0.376		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. FY18 SIR both MV & LG = 0.199
4	*Clostridium Difficile Infection (CDI)* *per 10,000 patient days* *Date Period: June 2018* *SIR Goal: <= 0.70*	1.31 (1/7662)	1.13 (11/97325)	1.13 (improved from 1.89 for FY 2017)	SIR Goal: <= 0.70 SIR Jan-June 2018 = 0.44		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. FY18 SIR both MV & LG = 0.1995
Efficiency		**Performance FY2018 Month**	**Performance FY2018 FYTD**	**FY18 Actual**	**FY 2018 Goal**		
5	**Arithmetic Observed LOS Average/Geometric LOS Expected for Medicare Population (ALOS/Expected GMLOS)** *(Medicare definition, MS-CC, Inpatient)* *Date Period: June 2018*	1.09	1.12	1.12 (improved from 1.16 for FY 2017)	1.11		While up slightly in June, ALOS/GMLOS is below goal. FY18 Goal, measurement period 4th QTR FY18, = 1.08.

		Baseline	FY18 Goal	Trend	Comments
6	**Sepsis Core Measure** SEP-1 100% or O% *Date Period: June 2018*				Non-compliance due to 5 failures in sample cases: 3 due to issues with Crystalloid fluids, 1 Blood cultures not drawn in time, 1 Vasopresser admin. not in time. I issue with multiple Lactic acid tests, with relfex tests added to routine orders, issue with Lab & EPIC software communication.
7	**IVF Bolus Ordered within 2 Hours of TOP of Severe Sepsis or Septic Shock** (Patients lacking initial hypotension or lactate <3 excluded) *Date Period: June 2018*				TJC Sepsis Certification Survey on July 11-12, 2018, notice of Certification received in August, 2 year accreditation.

Mortality	Performance Month	Performance FYTD	FY 2018 Actual	FY 2018 Goal		
8	***Organizational Goal** **Mortality Index** ***Observed/Expected*** ***Premier Standard Risk Calculation Mode*** *Date Period: June 2018*	0.94 (1.35%/1.43%)	1.05 (1.67/1.59)	1.05 (stable, compared to 1.02 for FY 2017)	0.62		O/E just below goal in June @ 0.94. Implementation of new teams to address organization quality goal of Mortality Index formed in July, roll out in August. Teams include: Palliative Care Team. Mortality Review, Cardiovascular Mortality Team, and CDI Steering Committee.

SERVICE	Performance FY2019 Month	Performance FY2019 FYTD	FY 2018 Actual	FY 2018 Goal		
9	«Organizational Goal **HCAHPS Rate Hospital 0-10 Top Box Rating 9 and 10** *Date Period: June 2018*	75.5 (216/286)	77.5 (2281/2942)	77.5 (improved from 76.30 for FY 2017)	78.0%		Patient Experience expanding hospital teams to address Nurse Communication, Cleanliness and Responsiveness to work on meeting organizational service goal for FY19.

El Camino Hospital
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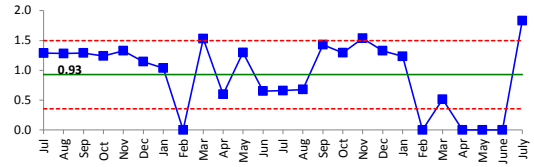
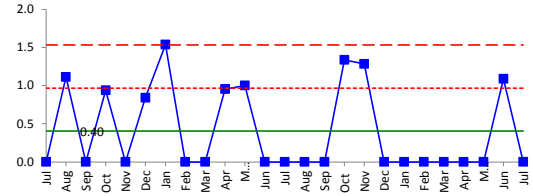
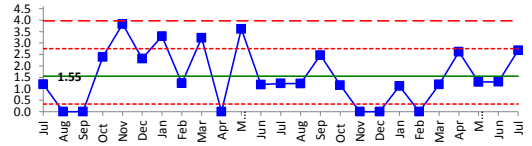
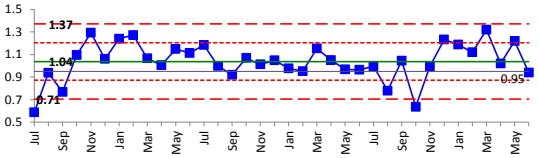
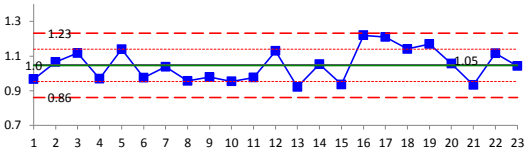
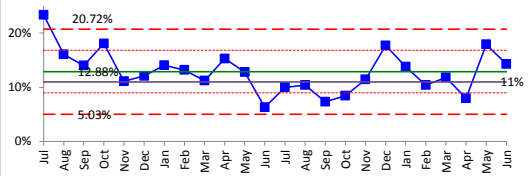
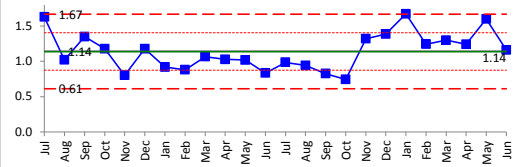
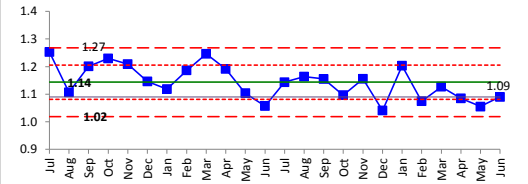
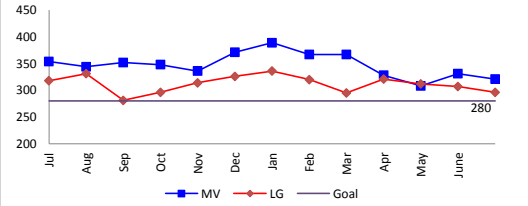
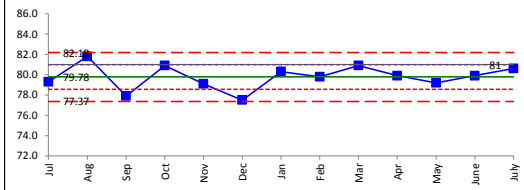
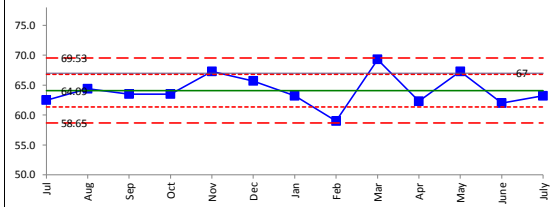
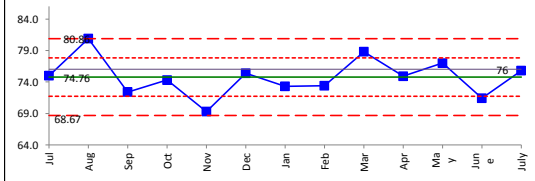
Final Quality and Safety Dashboard (July)

	Quality	Performance Month	Performance FYTD	Baseline FY18 Actual	FY19 Goal FY2019 Goal	Trend	Comments
1	**Hospital Acquired Infection (Infection rate)** *Catheter Associated Urinary Tract Infection (CAUTI)* *per 1,000 urinary catheter days* *Date Period: July 2018* *SIR Goal: <= 0.75*	1.83 (2/1091)	1.83 (2/1091)	0.77 (Improved from 1.09 for FY 2017)	SIR Goal: <= 0.75		Spike in July w/4 new CAUTIs: 3 in 3AC, 1-3C. 1-63 y/o male coded in ED, emergent foley insertion probable cause, 2- 63 y/o female w/TB, with trach. Poss cross contaimination from trach by pt, same organism, 27 total foley days, 3 -77 y/o male post cranioplasty, MD ordered Urine culture w/o UA first - to prompt culture if neeeded, staff educated to not use axillary temp., 4- 61 y/o male w/ 35 foley days due to retention.
2	*Central Line Associated Blood Stream Infection (CLABSI)* *per 1,000 central line days* *Date Period: July 2018* *SIR Goal: <= 0.50*	0.0 (0/879)	0.0 (0/879)	0.23 (improved from 0.56 for FY 2017)	SIR Goal: <= 0.50		Return to zero for CLABSI in July. For FY19 on HAIs, one new team for CAUTI, CLABSI, Hand Hygiene is meeting monthly to complete unfinished work of the FY18 HAI teams. After Infection Prevention review all possibel HAIs with the IC Medical Director, an intensive analysis is done with the nursing unit mgr/staff, then the HAI is reviewed with this team to take action if more education, training or new procedures are needed, and to distribute the information to the hosptial.
3	*Clostridium Difficile Infection (CDI)* *per 10,000 patient days* *Date Period: July 2018* *SIR Goal: <= 0.70*	2.68 (2/7450)	2.68 (2/7450)	1.13 (improved from 1.89 for FY 2017)	SIR Goal: <= 0.70		2 new C.Dff HAIs, 1- very ill male w/necrotizing pancreatitis, on Antibiotics x5 + Protonics, developed C. Diff 14 days post admission, expired in August, 2 - 22 y/p female re-admitted after days days home, no diarrhea w/necrotizing pancreatitis, Antibiotics x2, protonics, develope C.Diff 18 days post admission
4	***Organizational Goal** **Mortality Index** ***Observed/Expected*** ***Premier Standard Risk Calculation Mode*** *Date Period: June 2018*	0.94 (1.35%/1.43%)	1.05 (1.67/1.59)	1.05 (stable, compared to 1.02 for FY 2017)	0.95		CDI has filled 3 open positions, only 2 inplace. Mgr.meeting with HVI physicians weekly to address documentation and risk of mortality. Mortality review committee will include risk of mortality in weekly reviews, and provide feedback to physicians. Additonal teams formed to support organization's mortality goal.
5	***Organizational Goal** **Readmission Index (All Patient, All Cause Redmit)** *Observed/Expected* ***Premier Standard Risk Calculation Mode*** Date Period: May 2018	1.04	1.08	1.02	1.05		6 teams have been formed to support the organization' Readmission Quality Goal. Inlcuded are Chronic Respiratory team, Weekly Readmission Review, Care Coordination Readmission team, Chronic Disease Mgmt team, Discharge Teaching team, and Palliative Care Team. The Weekly Readmission Review team will expand cases to imclude MediCal as well as Medicare Readmissions to address the "all patient" index.

		FY18 Performance		Baseline	FY19 Goal	Trend	Comments
Quality		Month	FYTD	FY 2018	FY 2019		
6	**Sepsis Mortality Rate Enterprise** *Date Period: June 2018*	14.29%	11.71%	11.71% (improved from 13.66% for FY 2017)	11%		CMS recntly posted on Hospital Compare the Sep-1 compliance and mortality rate. California's mortality rate for 2017 = 14.9 % while the northern CA (Hospital Council) rate for 2017 is 13.7%.
7	**Sepsis Mortality Index** *(Observed over Expected)* *Date Period: June 2018*	1.16	1.19	1.19 (1.05 for FY 2017)	1.14		Sepsis deaths are part of the Clinical Effectiveness mortality review, the Sepsis Committee will begin to review deaths, focused on the Risk of mortality.
Efficiency		Performance Month	FYTD	FY18 Actual	FY 2019 Goal		
8	**Arithmetic Observed LOS Average/Geometric LOS Expected for Medicare Population (ALOS/Expected GMLOS)** *(Medicare definition, MS-CC, Inpatient)* *Date Period: June 2018*	1.09	1.12	1.12 (improved from 1.16 for FY 2017)	1.09		Trend of lower ALOS/GMLOS contines since February 2018, with achievement of O/E goal in 4th qtr. FY18. GMLOS (expected LOS) is provided to nursing/providers in EPIC for each inpt. 2 days after admission, and this is revised with additional provider documentation.
9	★Organizational Goal **Patient Throughput-Median minutes from ED Door to Patient Admitted** *(excludes Behavioral Health Inpatients)* *Date Period: July 2018*	MV: 321 mins LG: 296 mins	MV: 321 mins LG: 296 mins	MV: 350 mins; LG: 314 mins	280 mins		Process targets have been set for door to consult, consult to admit order and admit order to floor and communicated them to the inpatient units and a provider workgroup. In Mountain View,a standard form has been establishd to capture daily data on admits from the ED for inpatient units to track further discreet process metrics and barriers that explain delays. The plan is to do the same for the ED and Assistant Hospital Managers. LG will work to spread the data capture piece to start identifying their issues as well. A weekly flow huddle will be started to share previous week's performance and learnings across units.

				Baseline	FY19 Goal	Trend	Comments
SERVICE		FY19 Performance Month	FYTD	Q4 2017-Q3 2018	FY 2019 Goal		
10	«Organizational Goal **HCAHPS Nursing Communication Domain** **Top Box Rating of Always** *Date Period: July 2018*	80.6 (216/268)	80.6 (216/268)	80.0	81.0		For Service goal FY19: • Work groups formed for each measure with frontline staff, management, patient and family advisors, and patient experience dept. • Monthly education to all staff via newsletter • Working with all three workgroups on purposeful rounding and how each measure can support the proper execution of purposeful rounding. For Nursing Communication: Doing observations on the nursing units to map out RN and CNA responsibilities.
11	«Organizational Goal **HCAHPS Responsiveness of Staff Domain** **Top Box Rating of Always** *Date Period: July 2018*	63.2 (159/252)	63.2 (159/252)	65.1	67.0		Currently: Process mapping of call light system and identifying roadblocks
12	«Organizational Goal **HCAHPS Cleanliness of Hospital Environment Question** **Top Box Rating of Always** *Date Period: July 2018*	75.8 (201/265)	75.8 (201/265)	74.5	76.0		Currently: Looking at issues with facilities (temperature, bathroom, etc.)

ECH BOARD MEETING AGENDA ITEM COVER SHEET

	Item:	FY18 Organizational Goal Achievement El Camino Hospital Board of Directors September 12, 2018
	Responsible party:	Dan Woods, CEO Mark Adams, MD, CMO
	Action requested:	For Motion

Background:

The FY18 organizational goals for the Executive Performance Incentive Plan were approved by the Board in June 2017.

1. **Arithmatic Observed LOS Average /Geometric LOS for Medicare Population (ALOS/GMLOS)**: This goal was selected as a measure of efficiency in patient care which has financial, clinical outcome, and patient satisfaction impact. The care management team worked on this goal but this affects many parts of the organization from admission to discharge. The target goal was a .07 improvement from our FY17 (through April) baseline of 1.18 to 1.11 for FY18. We achieved 1.08 which is .01 of above the maximum goal of 1.09.
2. **HCAHPS Service Metric: Rate Hospital**: The target goal of 78.0% was based on data analysis from our HCAHPS vendor, Press Ganey. The target goal was exceed by .7. To achieve this improvement we focused on several areas including nurse communication because that has the greatest correlation to overall patient experience. We implemented a nurse communication tool kit, bedside shift report, care team coaching, and leader rounding. We also brought in patient family advisory council members to internal committees across the organization.
3. **Standardized Infection Ratio (SIR) Observed HAIs / Predicted HAIs (Hospital Acquired Infections):** The maximum goal, based on the average rate of three (3) Hospital Acquired Infections, was met due to great success avoiding central line associated blood stream infections (CLABSIs) and improvements in CAUTI and Clostridium Difficile infection rates.
    - Catheter Associated Urinary Tract Infection (CAUTI): This was selected as this measure impacts patient outcomes, value based purchasing (VBP), and the HAI penalty program. A CAUTI team was constituted and approached this from several angles. The greatest success was establishment of a nurse driven protocol to automatically remove the catheters. While the goal for this infection (based on National Health Safety Network (NHSN) data) was not met, the trend was very positive comparing FY17 to FY18 (30% improvement).
    - Central Line Associated Blood Stream Infection (CLABSI): Another metric that

ECH BOARD MEETING AGENDA ITEM COVER SHEET

intersects patient outcomes, VBP, and the HAI penalty program. A CLABSI team was established with emphasis on insertion bundle compliance (elements required for proper insertion) and maintenance of the lines. The goal was based on NHSN data we achieved 59% improvement and this goal was met.

- Clostridium Difficile Infection (CDI): This also impacts patient outcomes and the HAI penalty program. A team was assembled to reduce these events with particular emphasis on hand washing and sanitation of rooms and equipment with UV light. There was steady improvement (40%) over the course of FY18 but the goal was not met.

4. **Budgeted Operating Margin**: The threshold goal of 95% of budgeted operating margin was met.

Result data has been verified and reviewed by the Executive Leadership Team (ELT). Organizational Goals account for 70% of executive performance pay (50% for Presidents), 90% of CEO's performance pay, and 50% of management staff's performance incentive pay. Board approval of the score is dependent upon the Board's acceptance of the independent auditor's report in October. Goals were established with performance measures for threshold, target, and maximum levels and per the Executive Performance Incentive policy, scores will be on a continuum.

Board Advisory Committees that reviewed the issue and recommendation, if any: None.

Summary and session objectives:

To review the organizational results against approved goals and measurements.

Suggested discussion questions:

1. Are there any questions about the results?

Proposed Board motion, if any:

To approve the FY 18 Organizational Score subject to the Board's approval of the financial audit.

Attachments:

1. FY18 Organizational Goals (scored)
2. Historical Organizational Goal Performance (2010-2018)

ECH FY18 Organizational Goals
Proposed Score

Organizational Goals FY18	Benchmark	2017 ECH Baseline	Minimum	Target	Maximum	Weight	Performance Timeframe	Goal Results: Actual Year End	Goal Results: Performance Level Achieved	Goal Results: Weighted Score
Organizational Goals										
Arithmetic Observed LOS Average / Geometric LOS Expected for Medicare population (ALOS / GMLOS)	External: Expected via Epic Methodology	*FY2016: 1.21 (ALOS 4.86 / GMLOS 4.00)* *FY2017 YTD April:* ***1.18*** *(4.81/4.08)*	1.12	1.11	1.09	34%	4Q FY18	1.08	100.0%	34.0%
HCAHPS 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	90.0%	29.7%
Standardized Infection Ratio (SIR) Observed HAIs / Predicted HAIs (Hospital Acquired Infections)	External Benchmark	July - Dec 2016: CAUTI 1.37, CLABSI .25, C.DIFF .59 **Avg of .738**	0.670	0.602	0.534	33%	FY18	0.442	100.0%	33.0%
Threshold Goals										
Budgeted Operating Margin	95% threshold	Achieved Budget	95% of Budgeted			Threshold	FY 18		Met	N/A
								Proposed Total Score		**96.7%**

ECH FY18 Organizational Goals
Proposed Score as of 9-13-18
Detailed Notes for Board of Directors

Organizational Goals FY18	Benchmark	2017 ECH Baseline	Minimum	Target	Maximum	Weight	Performance Timeframe	Goal Results: Actual Year End	Goal Results: Performance Level Achieved	Goal Results: Weighted Score
Organizational Goals										
Arithmetic Observed LOS Average / Geometric LOS Expected for Medicare population (ALOS / GMLOS)	External: Expected via Epic Methodology	*FY2016: 1.21 (ALOS 4.86 / GMLOS 4.00)* *FY2017 YTD April: **1.18** (4.81/4.08)*	1.12	1.11	1.09	34%	4Q FY18	1.08	100.0%	34.0%
HCAHPS 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	90.0%	29.7%
Standardized Infection Ratio (SIR) Observed HAIs / Predicted HAIs (Hospital Acquired Infections)	External Benchmark	July - Dec 2016: CAUTI 1.37, CLABSI .25, C.DIFF .59 **Avg of .738**	0.670	0.602	0.534	33%	FY18	0.442	100.0%	33.0%
Threshold Goals										
Budgeted Operating Margin	95% threshold	Achieved Budget	95% of Budgeted			Threshold	FY 18		Met	N/A
								Proposed Total Score		**96.7%**

Per the Executive Performance Incentive Plan policy, "whenever possible, each goal will have performance measures for threshold, target, and maximum levels and payouts will be on a continuum."
The organizational goals for FY 2018 were established to be scored on a continuum.

Note: the purpose of scoring on a continuum is to incent and reward incremental improvements in results which align with a "pay for performance" philosophy and rewards continuous improvement. Variable compensation best practices suggest that continuum scoring is a more effective motivator to achieving higher levels of team and individual performance.

Calculation for HCAHPS Service Metric: Result of 78.7 is between target (78.0) and maximum (79.0) measures.

	Measure	Score
At Minimum	77	33.33
At Target	78	66.67
At Maximum	79	100.00
ACTUAL SCORE	**78.7**	**90.0**

Calculation:
(((Target-Actual)/(Target-Max)) X 33.33%) (the Difference between Target and Max)) + 66.67% (Target)
(((78-78.7)/(78-79)) X 33.33%) + 66.67% =90.0%

Historical Goal Performance

ORGANIZATIONAL PERFORMANCE INCENTIVE SCORES FY10-FY18

Goal	FY 2018 Performance Incentive Goals	FY 2017 Performance Incentive Goals	FY 2016 Performance Incentive Goals	FY 2015 Performance Incentive Scores	FY 2014 Performance Incentive Scores	FY 2013 Performance Incentive Scores	FY 2012 Performance Incentive Scores	FY 2011 Performance Incentive Scores	FY 2010 Performance Incentive Scores	Average Score
Organizational Score	96.70%	80.70%	67.00%	63.60%	93.00%	71.00%	87.00%	93.00%	0.00%	72.44%

Scores Reported as Percent of Maximum

PATHWAYS

Home Health Hospice Palliative Care

Moving care forward over 40 years www.PathwaysHealth.org

PRESENTATION GOALS

- Services
- Organizational Snapshot
- Statement of Financial Position
- Program Performance and Statistics
- Quality
- Challenges

Home Health

Care where you live

Our Services

- Wound care for pressure sores or a surgical wound
- Managing serious illness and unstable health status
- Patient and caregiver education
- Intravenous (IV) or nutrition therapy
- Physical and occupational therapy
- Speech-language therapy
- Stroke rehabilitation
- Fracture and joint rehabilitation
- Home safety and mobility instruction

Chronic Disease / Transition Care Programs

Programs to help people living with chronic diseases reduce their risk of going to the hospital again.

Palliative Care

Before Hospice, There's Palliative Care

Joint Commission Accredited
A Bay Area Not-for-Profit
501(c)(3) Organization

How is Palliative Care different from Hospice?

Hospice and palliative care programs share similar goals of providing symptom relief and pain management.

Palliative care services can be for anyone with a serious, complex illness; whether they are expected to recover fully, to live with a chronic illness for an extended time, or to experience disease progression.

Hospice

Caring for life at all stages

Hospice Team

Pathways Hospice care is provided by an interdisciplinary team of health care professionals led by a registered nurse

Other services include:

- Social worker
- Personal care aide
- Spiritual care counselor
- Volunteers

Behind-the-scenes team members include pharmacists, hospice physicians, and a host of advice and triage nurses.

What Makes Pathways Hospice Special?

Complementary therapies include aroma-therapy, relaxation skills and music.

Bereavement Services

Pathways offers the following bereavement services at no charge to our patient's, their families, or the community:

- Bereavement support calls and visits
- Counseling
- Grief workshops
- Mailings and publications
- Memorial services
- Remembrance events
- Support groups for adults and...
- Children's bereavement specialists

Thankful

For Our Volunteers

187 Volunteers / 13,115 Volunteer Hours

- Caring Connections
- Vigil Services
- Veteran Volunteer
- Integrated Therapies
  - Pet Assistance Services
  - Comfort Touch
  - Reiki
- Acutonics

Pathways Foundation

FY 2017-2018

Investments in Caring Make a Difference

1923 Donors Contributed
6505 Gifts

70%
from
Individuals

15%
from
Foundations

15%
from
Estates
Corporations
Organizations

ORGANIZATIONAL SNAPSHOT

PATHWAYS

Strategic Plan

1. Pathways People
2. Quality
3. Epic Partner Connectivity

Core Programs

- Hospice
- Home Health
- Palliative Care
- Fund Development

About Pathways

- **600** Census
- **500+** Employees and Volunteers
- **20** Languages
- **9** Medical Directors
- **30+** Acute Care Referring Hospitals
- **200+** Contracted SNFs/Facilities
- **1,000** Referring Physicians
- **2,000** Donors
- **3** Offices
- **5** Counties Served

Specialized Program

- Pathways KIDS Bereavement
- Stanford Hospice GIP
- Stanford Bone Marrow Transplant (BMT)
- Caring Connections
- Telehealth – Connected Home Living
- Advance Care Planning
- St Mary's GIP
- Infusion Therapy

STATEMENT OF FINANCIAL POSITIONS

PATHWAYS

	FY 15/16	FY 16/17	FY 17/18
Current assets	23,014,900	20,313,600	20,089,200
Endowment	883,900	1,205,800	1,299,000
Land, building, equipment (net)	4,938,800	6,950,600	6,459,400
Investments	30,364,900	33,574,900	39,435,200
TOTAL ASSETS	**59,202,500**	**62,044,900**	**67,282,800**

	FY 15/16	FY 16/17	FY 17/18
Current liabilities	5,341,300	6,419,500	8,866,100
Long-term debt	4,528,400	4,363,100	4,192,700
Net assets	48,729,500	50,459,300	53,421,000
Net assets - permanently restricted	603,300	803,000	803,000
TOTAL ASSETS	**59,202,500**	**62,044,900**	**67,282,800**

PROGRAM PERFORMANCE & STATISTICS

(in millions)	FY 15/16	FY 16/17	FY 17/18
Service and support revenue	48.7	43.7	40.3
Operational bottom-line	.3	(1.5)	(3.2)
Investments results	.43	3.1	2.4
Home Health admissions	2,344	2,478	2,428
Home Health census	354	332	320
Hospice admissions	1,828	1,379	1,402
Hospice census	386	333	262

HOME HEALTH QUALITY

PATHWAYS

Home Health Quality Report ★★★★	Pathways Jul '17 – Jun '18	Benchmark (State) Current
Process Measures		
1. Timely Start of Care	94	91
2. Drug Education on all Medications Provided to Patient/Caregiver	100	99
3. Flu Vaccine Received for Current Flu Season	87	87
4. Improvement in Ambulation	70	73
Outcome Measures		
5. Improvement in Bed Transferring	69	73
6. Improvement in Bathing	78	76
7. Improvement in Pain Interfering With Activity	88	77
8. Improvement in Shortness of Breath	81	79
9. Acute Care Hospitalization 60 days	15	13

HOSPICE QUALITY

Hospice Quality Report – Hospice Item Set (HIS) Measures	Pathways FY18 Reporting Period: Jul '17 – Jun '18	Benchmark (State) Current
1. Treatment Preferences	97	99
2. Beliefs/Values Addressed	98	98
3. Pain Screening	97	99
4. Pain Assessment	96	95
5. Dyspnea Screening	98	99
6. Dyspnea Treatment	99	98
7. Treated with an Opioid who are Given a Bowel Regimen	99	98
8. Hospice Visits when Death is Imminent: (At Least 1 Visit in Last 3 Days of Life)	91	79
9. Hospice Visits when Death is Imminent: (At Least 2 Visits in Last 7 Days of Life)	86	79
10. Comprehensive Assessment at Admission	94	93

CHALLENGES TO NON-PROFITS

To Maintain a Non Profit Post Acute System in Silicon Valley

- Pathways is the sole non-profit community based home health agency in Silicon Valley
- CMS goal is to reduce the number of home health and hospice agencies significantly in half
- For profit home health and hospice corporations are highly motivated to capture the entire Silicon Valley market as illustrated by Humana investing in Kindred Home Health/Hospice
- Non profit home health and hospice care for the most vulnerable populations
- Non profit home health patients often require more care, have complex medical and social needs and have limited or no payor sources
- Non profit home health and hospice do provide non-reimbursed community services

PATHWAYS' CURRENT CHALLENGES

Declining Revenues Due To:

- Shrinking census
- Competition primarily from national for profit corporations
- Reductions in reimbursement (government/managed care)
- Increasing cost of new regulations

Hiring Challenges in the Silicon Valley Area Due To:

- Cost of living
- Inability to maintain competitive salary and benefits
- Shrinking labor pool
- Lack of career ladder and professional development

RESOURCE REQUIREMENTS FOR THE FUTURE

PATHWAYS

Financial resources needed to develop needed clinical programs to serve the community

- Start-up costs
- Non-reimbursed community services (ex, transitions, community education, advance care planning, advanced Illness management)

Financial Resources Needed to Adopt New Technology

- Tele-health to support patient care
- Virtual reality to reduce anxiety and pain
- Electronic connectivity with providers to support patient care

Q & A

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

Board Members Present	Board Members Absent	Members Excused
Lanhee Chen, Chair	None	None
Jeffrey Davis, MD		
Neysa Fligor		
Peter C. Fung, MD		
Gary Kalbach		
Julie Kliger		
Julia E. Miller, Secretary/Treasurer		
Bob Rebitzer		
David Reeder		
John Zoglin, Vice Chair		

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:30pm by Chair Chen. A silent roll call was taken. Director Davis joined the meeting at 5:35pm during Agenda Item 3: Board Recognition. Director Rebitzer joined the meeting at 5:39pm during Agenda Item 4: Finance Committee Report. All other Board members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Chen asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. BOARD RECOGNITION	**Motion:** To approve *Resolution 2018-08*. **Movant:** Fung **Second:** Kalbach **Ayes:** Chen, Fligor, Fung, Kalbach, Kliger, Miller, Reeder, Zoglin **Noes:** None **Abstentions:** None **Absent:** Davis, Rebitzer **Recused:** None Mark Adams, MD, Interim CMO, recognized the Sepsis Committee for its work and efforts on earning disease-specific certification from The Joint Commission.	***Resolution 2018-08 approved***
4. AGENDA ITEM 4: FINANCE COMMITTEE REPORT	Iftikhar Hussain, CFO, provided an overview of the FY18 Period 12 Financials, including that: - The growth in volume was due to the severe flu season and service line development efforts; - Net income was $194 million; - As capital projects on the Mountain View campus (BHS, Women's Hospital) wrap up, there will be depreciation and no more capitalized interest, which will affect ECH's operating margin. Mr. Hussain highlighted the importance of maintaining ECH's cost structure, noting that ECH has worked to have a smaller margin of loss by lowering length of stay and improving clinical documentation.	***FY18 Period 12 Financials approved***

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

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

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

	upcoming brand positioning work. **Ayes:** Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder **Noes:** Zoglin **Abstentions:** None **Absent:** None **Recused:** None	
14. AGENDA ITEM 25: LEADERSHIP UPDATE	Dan Woods, CEO, highlighted the formation of teams to focus on quality and safety, an upcoming transit pass subsidy program, and an employee's feature in the Silicon Valley Business Journal. He also acknowledged the recent generous donations to the Foundation and the Auxiliary's contribution of 7,059 volunteer hours in May and 6,522 hours in June.	
15. AGENDA ITEM 26: BOARD COMMENTS	Director Fligor thanked Mr. Woods for the work on the employee transit program.	
16. AGENDA ITEM 27: ADJOURNMENT	**Motion**: To adjourn at 9:30pm. **Movant:** Kalbach **Second:** Fung **Ayes:** Chen, Davis, Fligor, Fung, Kalbach, Kliger, Miller, Rebitzer, Reeder, Zoglin **Noes:** None **Abstentions:** None **Absent:** None **Recused:** None	***Meeting adjourned at 9:30pm***

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

_____ _____

Lanhee Chen
Chair, ECH Board of Directors

Julia E. Miller
Secretary, ECH Board of Directors

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

ECH BOARD MEETING AGENDA ITEM COVER SHEET

	Item:	Medical Staff Report – Open Session El Camino Hospital Board of Directors September 12, 2018
	Responsible party:	Imtiaz Qureshi, MD, Enterprise Chief of Staff Linda Teagle, MD, Chief of Staff Los Gatos
	Action requested:	Approval

Background:

The Medical Executive Committee met on August 23, 2018. We received the following reports:

1. Patient Care Policies – Approved
2. The Chief of Staff informed the MEC that Mark Adams, MD has been selected as the new CMO.
3. Background Checks – The Medical Staff Executive Committee approved the implementation of criminal background checks as part of the initial medical staff and allied health appointment process to mirror the HR process for employees.
4. The CMO reviewed the 2018 Year Accomplishments specifically related to the contributions made by the medical staff.
5. Influenza Vaccination Season – Influenza vaccination among medical staff practitioners was low last year compared to other local and state hospitals. The Medical Staff will take a very proactive approach to ensure medical staff members and allied health practitioners comply with the County and CDC requirements for this upcoming flu season.
6. Eprescribing of Narcotics – The Chief Medical Information Officer shared the progress being made with getting physicians to sign up for EPCS. Most pharmacies no longer accept paper prescriptions for narcotic orders.
7. OPPE Update – The next OPPE cycle data will be forwarded to practitioners and Department Chiefs next month. Chiefs are required to review outcomes and speak with practitioners who do not meet the metrics. OPPE is used in the decision for continuing, limiting or removal of clinical privileges.
8. Care for the Care Giver – The Director of Risk Management is seeking medical staff leadership collaboration to begin this initiative of providing support to clinicians after any event that could be emotionally and physically straining. The Physician Well-Being Committee will serve as the Medical Staff designees. The program encourages peer to peer support.
9. CNO Report – Cheryl Reinking reported that the TJC Joint Disease Specific Survey will occur next Monday and Tuesday. There have been six nurse residency programs with 60 participants and a new cohort is set to begin next month.
10. AMION electronic ER call schedule launched via The Toolbox. Medical Staff Services personnel to help support.

ECH BOARD MEETING AGENDA ITEM COVER SHEET

	Board Advisory Committee(s) that reviewed the issue and recommendation, if any: None
	Summary and session objectives: To obtain approval of the Medical Staff Report
	Proposed Board motion: To approve the Medical Staff Report
	LIST OF ATTACHMENTS: 1. Patient Care Policy Summary and Policies

SUMMARY OF DOCUMENTS FOR REVIEW AND APPROVAL - BOARD

12-Sep-18

New Documents			
Document Name	**Department**	**Type of Document**	**Summary of Policy Changes**
ECH Influenza: Seasonal Plan for Healthcare Worker Vaccination	Employee Health	Plan	
DOCUMENTS WITH MINOR REVISIONS			
Document Name	**Department**	**Type of Document**	**Summary of Policy Changes**
Scope of Service	Auxiliary	Scope	Minor updates - Policy Day
DOCUMENTS WITH NO REVISIONS			
Scope of Service - Lactation	MBU	Scope	
Respiratory Protection Plan	Respiratory Protection	Plan	
Health Library & Resource Center Scope of Service	Health Library	Scope	
Scope of Service Labor & Delivery	L & D	Scope	

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TITLE:	ECH Influenza: Seasonal Plan for Healthcare Worker Vaccination
CATEGORY:	Patient Care Services
LAST APPROVAL:	New

TYPE:	☐ Policy	☐ Protocol	☐ Scope of Service/ADT
	☐ Procedure	☐ Standardized Process/Procedure	☑ Guideline/Plan

SUB-CATEGORY:	Employee Wellness & Health Services
OFFICE OF ORIGIN:	Human Resources Department
ORIGINAL DATE:	

I. COVERAGE:

This plan applies to El Camino Hospital employees, physicians, contractors, volunteers, observers and allied health students. If there is a conflict between the Hospital plan and the applicable MOU, the applicable MOU will prevail.

II. PURPOSE:

El Camino Hospital has an obligation to provide a safe environment of care and is genuinely concerned about the safety of all employees, patients, visitors, volunteers, contractors and physicians. Influenza is a contagious respiratory illness caused by influenza viruses. It can cause mild to severe illness, and at times can lead to death. Annual influenza vaccination has been found to be both safe and effective in reducing the risk of influenza and health-care related transmission.

III. PROCEDURE:

A. Usual Flu Season: October through January is the typical immunization season for the flu. Flu activity usually occurs from the end of December through the beginning of April. This plan is intended to maximize vaccination against influenza among all ECH healthcare workers and to comply with the County of Santa Clara Public Health Department mandatory influenza vaccination or masking of healthcare workers mandate.

B. ECH may determine, in its sole discretion, to extend the flu season based on circumstances of any outbreak or virus incidence.

C. Staff Requirement: Influenza immunization annually is a condition of hire and retention for all employees. All employees must be vaccinated by the end of the vaccination campaign as defined and communicated by Employee Wellness & Health Services (EWHS). Declinations will be considered under the following circumstances:

1. The employee is able to produce documentation of receiving the flu vaccination elsewhere, including the date and type of vaccination received (received elsewhere).
2. Medical/religious contraindications to vaccination including:
    a. Persons with any previous allergic reaction to flu vaccine regardless of the component

b. Per CDC guidelines, egg allergy is no longer considered a contraindication to receive any licensed and recommended flu vaccine that is otherwise appropriate for the recipient's age and health status. Persons who report having had reactions other than hives may similarly receive any licensed and recommended flu vaccine that is otherwise appropriate for the recipient's age and health status. For this population, vaccine administration should be supervised by a health care provider who is able to recognize and manage severe allergic conditions (see Appendix A)
c. Persons with a history of Guillain-Barre Syndrome
d. Written documentation of other medical contraindication from a medical provider
e. Written documentation of a qualifying religious exception

3. Employees who do not wish to disclose the reason for declining (per above) are required to sign a Declination Form and check the appropriate box

☐ I do not wish to say why I decline

4. ECH management shall set the standard in the organization by not declining influenza vaccination unless declination is due to the reasons stated above
5. If vaccine shortages occur or if SCPH, CDPH, and/or the CDC recommendations are altered, all or part of this plan may be suspended or revoked

D. Annually, the organization will develop, implement, and evaluate a program to require annual influenza vaccination or declination to ECH staff. The exact timing of notification and vaccination will be based upon public health recommendations and the availability of vaccine from suppliers. The program will have the following features:
   1. Prior to the annual onset of flu season, and when additional vaccination recommendations are published by SCPH, El Camino Hospital will inform staff about the following:
      a. Requirement(s) for vaccination
      b. Dates when influenza vaccine(s) are available
      c. Vaccine(s) will be provided at no out of pocket expense to the employee
      d. Procedure for receiving the vaccination
      e. Procedure for submitting written documentation of vaccine obtained outside ECH, EWHS.
      f. Procedure for declining
      g. Consequences for non-compliance with this plan
   2. Staff will be educated on the following (this education may occur either at the time of the annual vaccination activity, or at the time of hire or as part of ongoing training and education, or any combination thereof):
      a. Benefits of influenza vaccine
      b. Potential health consequences of influenza illness for themselves and patients

c. Epidemiology and modes of transmission, diagnosis, and non-vaccine infection control strategies (such as the use of appropriate precautions & respiratory hygiene/cough etiquette).

3. Staff with approved declinations will be required to wear an appropriate mask (as determined by ECH Infection Prevention) at all times while inside the hospital facilities. The only exception to this requirement will be when staff is eating or what is considered public areas (please refer to current year's FAQs).
4. Visual cues for ID badges will be used to permit monitoring compliance with the above requirements.
5. All staff is expected to support compliance with this plan and hold other staff accountable for compliance. Staff supervisors and managers (as applicable to worker) are responsible for implementation of this requirement. Regardless of influenza vaccination status all healthcare workers in every healthcare setting shall adhere to standard precautions during the care of patients in order to prevent disease transmission.

III. PROCEDURES AND RESPONSIBILITIES

A. Hospital Healthcare Workers, which include employees, physicians, contractors, volunteers, observers and allied health students.

1. Annually by the end of the vaccination campaign (as defined and communicated by EWHS), must do one of the following:
   a. Receive the influenza vaccine(s) provided by ECH and coordinated by EWHS
   b. Provide current written proof of receipt of required influenza vaccine(s) if not given by EWHS or designee including the date and type of vaccination received
   c. Complete and submit declination form documentation to EWHS stating reason for declining per declination section above.
   d. Staff shall present to EWHS if experiencing any flu-like symptoms

B. Employee Wellness & Health Services (EWHS)

1. Coordinate influenza vaccination clinics at various locations and times
2. Provide influenza vaccine for staff
3. Review and approve documentation of acceptable medical contraindications (if requested)
4. Coordinate influenza vaccination distribution and tracking to departments for department based influenza vaccination of employees.
5. Maintain electronic records for staff that have received or declined influenza vaccination
6. Notify Managers and Supervisors regarding influenza vaccination status of employees in their respective departments
7. Report required influenza vaccination data annually to NHSN
8. Provide information to Human Resources regarding those employees who are not in

compliance with this policy

9. Annually review employee influenza vaccination rates
10. Develop and recommend strategies to enhance and improve influenza vaccination rates

C. Infection Prevention (IP)

1. Consult with EWHS to determine relevant dates of the influenza season each year. Generally, influenza season extends from November through March, but can be longer.
2. Consult and develop with EWHS a vaccine allocation and prioritization procedure for staff in the event of any disruption of influenza vaccine supply to ECH

D. Department Directors, Managers and Supervisors

1. Ensure that employees comply with this Plan
2. Monitor compliance of staff

E. Senior Management Team

1. Hold department leaders accountable for enforcing, the Influenza Seasonal Plan for Healthcare Personnel Vaccination
2. Ensure that the entire management team carries out supervisory activities to ensure that HCP are informed about the importance of following the Influenza Seasonal Plan for Healthcare Personnel Vaccination and that the persons they supervise are in full compliance with all aspects of the Influenza Seasonal Plan for Healthcare Personnel Vaccination.

F. Human Resources Business Partners (HRBPs)

1. Partner with department directors, managers, and supervisors to apply disciplinary process for those employees who are not in compliance with all components of this plan including non- vaccinated personnel to decrease the transmission of influenza (examples: not wearing a mask)

IV. REFERENCES:

- California Senate Bill (SB) 739 (Speier, Chapter 526, Statutes of 2006)
- Cal/OSHA Code of Regulations (CCR), Title 8, Section 5199, Subsection (h) (10)
- The Joint Commission: Standard IC.02.04.01
- **Center for Disease Control and Prevention, (2017, December 28).** Flu Vaccine and People with Egg Allergies. Retrieved from Flu Vaccine and People with Egg Allergies | Seasonal Influenza (Flu) | CDC

TITLE:	ECH Influenza: Seasonal Plan for Healthcare Worker Vaccination
CATEGORY:	Patient Care Services
LAST APPROVAL:	New

V. APPROVAL:

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
HR Leadership Committee:	7/2018
Infection Prevention Committee	7/2018
ePolicy Committee:	8/2018
Medical Executive Committee:	
Board of Directors:	
Historical Approvals:	

ECH BOARD MEETING AGENDA ITEM COVER SHEET

	Item:	Investment Committee Report El Camino Hospital Board of Directors September 12, 2018
	Responsible party:	Jeffrey Davis, MD, Investment Committee Chair Iftikhar Hussain, CFO
	Action requested:	For Information
	Background: The Investment Committee meets 4 times per year. The Committee last met on August 13, 2018 and meets next on November 12, 2018. We will also have a joint meeting with the Finance Committee in January 28, 2019 to discuss cash projections and funding needs for capital projects.	
	Board Advisory Committee(s) that reviewed the issue and recommendation, if any: None.	
	Summary and session objectives: To update the Board on the work of the Committee. 1. **Progress Against Goals:** The Committee is on track to complete its FY19 Goals. 2. **Key Accomplishments:** The Committee completed an education session on investing strategies in volatile markets. The conclusion was to maintain the current asset allocation, which is conservative compared to other healthcare organizations. 3. **FY18 Year-End Investment Report** The investment performance of both the surplus cash portfolio and the cash balance portfolio exceeded benchmarks. Surplus cash return was 6.9% vs. 5.8% benchmark and cash balance portfolio return was 8.9% vs. 7.1% benchmark. The returns since inception are also higher than benchmarks.	
	Suggested discussion questions: None. This is a consent item.	
	Proposed board motion, if any: None.	
	LIST OF ATTACHMENTS: 1. Investment Scorecard	

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
Investment Performance		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%	1.0%	8.9%	7.1%	8.1%	7.2%	6.0%	5.7%
403(b) plan balance (millions)		$464.6	--	--	--	--	--	--	--
Risk vs. Return		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%	5.1%	--	--	5.7%	5.4%	--	5.3%
Standard deviation		4.7%	4.6%	--	--	4.1%	4.0%	--	6.7%
Cash balance Sharpe ratio		1.02	0.97	--	--	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%
Asset Allocation		2Q 2018							
Surplus cash absolute variances to target		7.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		6.1%	< 10%	--	--	--	--	--	--
Manager Compliance		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 (~$28 mm) and Concern (~$13 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.

Glossary of Terms for Scorecard

Key Performance Indicator	Definition / Explanation
Investment Performance	
Surplus cash balance (millions) Surplus cash return	Investment performance for the Surplus Cash portfolio was 50 bps ahead of the benchmark for the quarter with a +1.3% return. The portfolio has outgained its benchmark by 30 bps per annum since inception (Nov. 1, 2012) with a return of +5.7% annualized. The assets within the Surplus Cash account excluding debt reserves, balance sheet cash and District assets, but including Foundation and Concern assets ended the quarter at $942.9 million, significantly higher than the beginning of the quarter due to solid investment performance and significant cash inflows from operations. The fiscal year 2018 plan projected balance at fiscal year end was $926.1 million.
Cash balance plan balance (millions) Cash balance plan return	The Cash Balance Plan's performance outgained its benchmark by 100 bps for the quarter with a return of +2.0% and has outperformed its benchmark since inception. The since inception annualized return stands at +8.1%, 90 basis points ahead of its benchmark per year. The assets within the Cash Balance Plan ended the quarter at $264.4 million. The expected amount for fiscal year 2018 is $257.1 million.
403(b) plan balance (millions)	The 403(b) balance has continued to rise and now stands at $464.6 million, an increase of $9.5 million or 2.0% over the March 31, 2018 value.
Risk vs. Return	
Surplus cash 3-year Sharpe ratio 3-year return 3-year standard deviation Cash balance 3-year Sharpe ratio 3-year return 3-year standard deviation	The Sharpe ratio is the excess return of an investment over the risk free rate (US Treasuries) generated per unit of risk (standard deviation) taken to obtain that return. The higher the value, the better the risk-adjusted return. It is important to view returns in this context because it takes into account the risk associated with a particular return rather than simply focusing on the absolute level of return. Sharpe ratio = (actual return - risk free rate) / standard deviation The Surplus Cash portfolio's 3-year Sharpe ratio was slightly above that of its benchmark, but more than double the expected Sharpe ratio modeled. This was more so due to very little volatility over the period with returns similar to what was modeled. The Cash Balance Plan's 3-year Sharpe ratio exceeded modeling expectations and was slightly above its benchmark. Both accounts have demonstrated strong risk-adjusted returns since inception.
Asset Allocation	
Surplus cash absolute variances to target	This represents the sum of the absolute differences between the portfolio's allocations to various asset classes and the target benchmark's allocations to those asset classes. The higher the number, the greater the portfolio's allocations deviate from the target benchmark's allocations, indicating a higher possibility for the portfolio's risk and return characteristics to differ from the Board's expectations.
Cash balance absolute variances to target	The threshold for an alert "yellow" status is set at 10% and the threshold for more severe "red" status is set at 20%. Both portfolios are below the 10% threshold as the private real estate managers are fully invested.
Manager Compliance	
Surplus cash manager flags	This section represents how individual investment managers have fared and draws attention to elevated concerns regarding performance and risk-adjusted performance all at the individual manager level. The number of flags are aggregated and a percentage of the total is used to highlight an alert "yellow" status (40% of the flags) and a more severe "red" status (50%). In total there are 60 potential flags for the Surplus Cash account and 68 for the Cash Balance Plan.
Cash balance plan manager flags	Currently, both accounts are compliant as active managers have performed well recently.

ECH BOARD MEETING AGENDA ITEM COVER SHEET

	Item:	Compliance and Audit Committee Report El Camino Hospital Board of Directors September 12, 2018
	Responsible party:	Sharon Anolik Shakked, Compliance and Audit Committee Chair
	Action requested:	For Information – **Open Session**
	Background: Date of last Committee Meeting: August 22, 2018 Date of next Committee Meeting: September 27, 2018 **1. Progress Against Goals:** The Committee completed its FY18 goals and is on track to complete the FY19 goals. **2. Other Key Accomplishments:** - The Committee reviewed its charter and proposed revisions including expanding the Committee's scope and updating the name of the committee. - Each meeting, the Committee reviews the key performance indicators and 24 month trends. It was recommended at the last meeting to consider developing an acceptable range of risks where KPIs trending outside of the range would require further notification or escalation. **3. Important Future Activities:** The committee will review an assessment of the Hospital's Compliance Program compared to the Department of Justice 2017 recommendations and provide recommendations to the Hospital for changes to the program if needed.	
	Board Advisory Committee(s) that reviewed the issue and recommendation, if any: None.	
	Summary and session objectives: To update the Board on the work of the Committee.	
	Suggested discussion questions: None.	
	Proposed board motion, if any: None.	
	LIST OF ATTACHMENTS: None.	

El Camino Hospital®
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Fiscal Year 2019 – Period 1

7/1/2018 to 7/31/2018

Financial Overview

Volume:

- For the first period of the year, IP volume (Acute Discharges) were below budget by 8.1% and below prior year by 10.2%. Deliveries were below budget by 12.8% and below prior year by 14.8%. The majority of the IP decline occurred in the MCH, HVI and General Medicine service lines respectively for both current and prior year.
- OP cases were favorable to budget by 2.1% and greater than prior year by 2.3%. Most notable increases in Imaging and Lab, however General Medicine as well as Oncology have decreased.

Financial Performance:

- Net Patient Revenue was unfavorable to budget by 1.7% and above prior year by 1.4%. Driven primarily by lower IP activity partially offset by the increase in OP cases.
- Operating Expense was favorable to budget by 3.8% and above prior year by 9.5%. Primarily due to flexing of labor in line with reduction in volumes and timing in hiring budgeted management positions.
- Operating income was $1.0M favorable to budget and $4.9M below prior year.
- Strong investments continue for July, investment earnings are $8.4 million ahead of target.

Payor Mix:

- Commercial was on budget. Medicare was slightly below budget by 1.2% while Medi-Cal was slightly above budget by 1.1%. Compared for prior year, Commercial has dropped 1.6% and Medi-Ca1 has increased 2.3%.

Cost:

- Prod Hrs/APD for July is favorable vs target by 3%.

Balance Sheet:

- Net days in AR is 45.9 which is 2.1 days better than budget.

Dashboard - ECH combined as of July 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	233	216	234	(19)	233	216	234	(19)
Utilization MV	64%	59%	66%	-7%	64%	59%	66%	-7%
Utilization LG	29%	27%	26%	1%	29%	27%	26%	1%
Utilization Combined	53%	49%	53%	-4%	53%	49%	53%	-4%
Financial Perf.								
Total Operating Revenue	71,684	72,437	73,937	(1,500)	71,684	72,437	73,937	(1,500)
Operating Income $	12,143	7,224	6,169	1,055	12,143	7,224	6,169	1,055
Operating Margin	16.9%	10.0%	8.3%	1.6%	16.9%	10.0%	8.3%	1.6%
EBITDA $	16,451	11,567	10,787	781	16,451	11,567	10,787	781
EBITDA %	22.9%	16.0%	14.6%	1.4%	22.9%	16.0%	14.6%	1.4%
Payor Mix								
Medicare	46.0%	45.5%	46.7%	-1.2%	46.0%	45.5%	46.7%	-1.2%
Medi-Cal	6.9%	9.2%	8.1%	1.1%	6.9%	9.2%	8.1%	1.1%
Total Commercial	44.2%	42.6%	42.6%	0.0%	44.2%	42.6%	42.6%	0.0%
Other	2.9%	2.8%	2.6%	0.1%	2.9%	2.8%	2.6%	0.1%
Cost								
Total FTE	2,569.5	2,564.8	2,611.8	(47)	2,569.5	2,564.8	2,611.8	(47)
Productive Hrs/APD	30.3	31.5	32.4	(1)	30.3	31.5	32.4	(1)
Balance Sheet								
Net Days in AR	47.7	45.9	48.0	(2)	47.7	45.9	48.0	(2.1)
Days Cash	505	529	266	263	505	529	266	263
Affiliates - Net Income ($000s)								
Hosp	17,341	14,975	6,625	8,350	17,341	14,975	6,625	8,350
Concern	336	557	37	519	336	557	37	519
ECSC	(2)	(1)	0	(1)	(2)	(1)	0	(1)
Foundation	202	507	151	356	202	507	151	356
SVMD	(82)	554	(88)	642	(82)	554	(88)	642

Budget Variances

Fiscal Year 2019 YTD (7/1/2018-07/31/2018) Waterfall

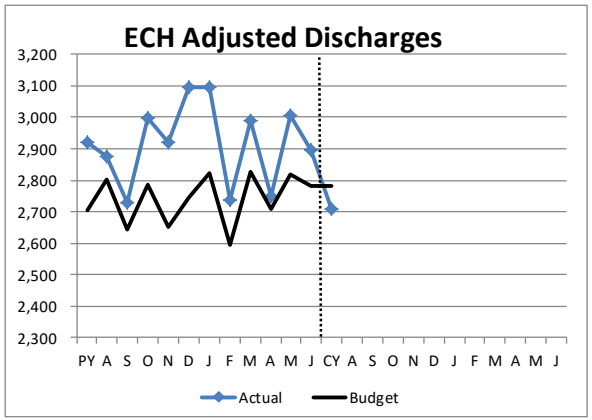
(in thousands; $000s)	Year to Date (YTD) Net Income	% Net Revenue
Budgeted Hospital Operations FY2019	**6,169**	**8.3%**
Net Revenue - Sharp decreases in IP volume	(1,500)	-2.1%
Labor and Benefit Expense Change - Flexing in staff and mgmt positions not yet filled.	1,459	2.0%
Professional Fees & Purchased Services - Consulting services not expensed.	482	0.7%
Supplies - Medical and Non Medical Supplies are over budget, but savings in Drugs offset the variance	225	0.3%
Other Expenses - planned services not yet expensed.	115	0.2%
Depreciation & Interest	275	0.4%
Actual Hospital Operations FY2019	**7,224**	**10.0%**

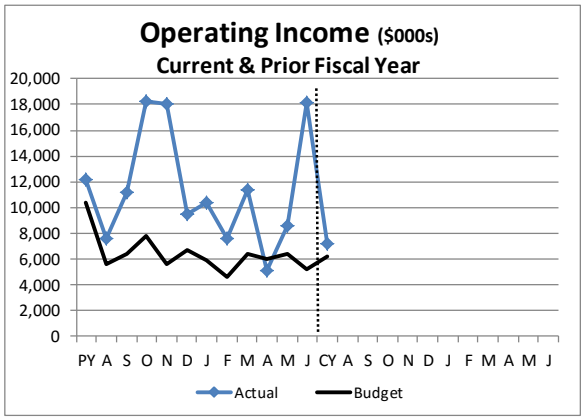
El Camino Hospital ($000s)

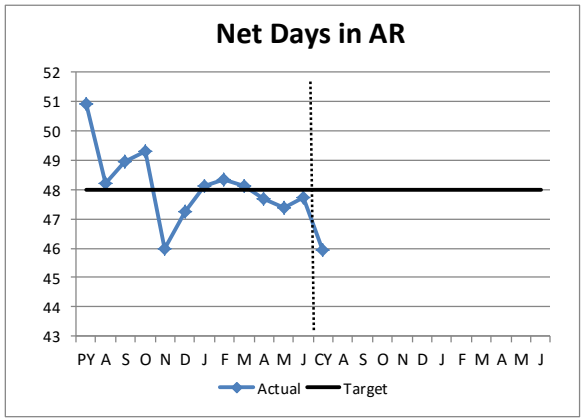
Period ending 07/31/2018

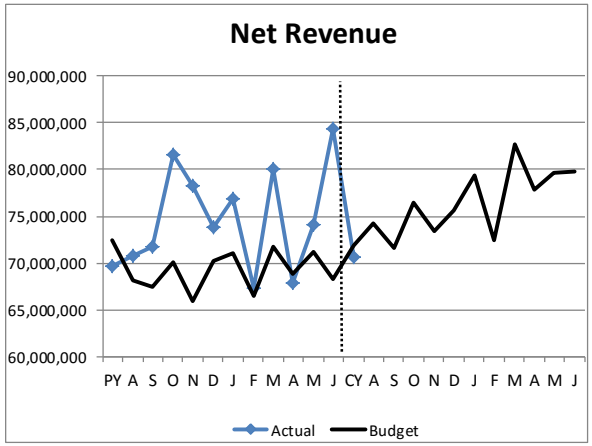
Period 1 FY 2018	Period 1 FY 2019	Period 1 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
250,848	265,640	275,902	(10,261)	-3.7%	**Gross Revenue**	250,848	265,640	275,902	(10,261)	-3.7%
(181,169)	(195,018)	(204,043)	9,025	1.0%	**Deductions**	(181,169)	(195,018)	(204,043)	9,025	-4.4%
69,679	**70,623**	**71,859**	**(1,236)**	**-1.7%**	**Net Patient Revenue**	**69,679**	**70,623**	**71,859**	**(1,236)**	**-1.7%**
2,005	1,814	2,078	(264)	-12.7%	**Other Operating Revenue**	2,005	1,814	2,078	(264)	-12.7%
71,684	**72,437**	**73,937**	**(1,500)**	**-2.0%**	**Total Operating Revenue**	**71,684**	**72,437**	**73,937**	**(1,500)**	**-2.0%**
					OPERATING EXPENSE					
38,215	40,062	41,521	1,459	3.5%	**Salaries & Wages**	38,215	40,062	41,521	1,459	3.5%
8,209	9,939	10,164	225	2.2%	**Supplies**	8,209	9,939	10,164	225	2.2%
7,035	8,435	8,917	482	5.4%	**Fees & Purchased Services**	7,035	8,435	8,917	482	5.4%
1,775	2,434	2,549	115	4.5%	**Other Operating Expense**	1,775	2,434	2,549	115	4.5%
418	121	323	202	62.6%	**Interest**	418	121	323	202	62.6%
3,890	4,222	4,295	72	1.7%	**Depreciation**	3,890	4,222	4,295	72	1.7%
59,541	**65,213**	**67,768**	**2,556**	**3.8%**	**Total Operating Expense**	**59,541**	**65,213**	**67,768**	**2,556**	**3.8%**
12,143	**7,224**	**6,169**	**1,055**	**17.1%**	**Net Operating Income/(Loss)**	**12,143**	**7,224**	**6,169**	**1,055**	**17.1%**
5,198	7,751	456	7,295	1598.3%	**Non Operating Income**	5,198	7,751	456	7,295	1598.3%
17,341	**14,975**	**6,625**	**8,350**	**126.0%**	**Net Income(Loss)**	**17,341**	**14,975**	**6,625**	**8,350**	**126.0%**
22.9%	16.0%	14.6%	1.4%		**EBITDA**	22.9%	16.0%	14.6%	1.4%	
16.9%	10.0%	8.3%	1.6%		**Operating Margin**	16.9%	10.0%	8.3%	1.6%	
24.2%	20.7%	9.0%	11.7%		**Net Margin**	24.2%	20.7%	9.0%	11.7%	

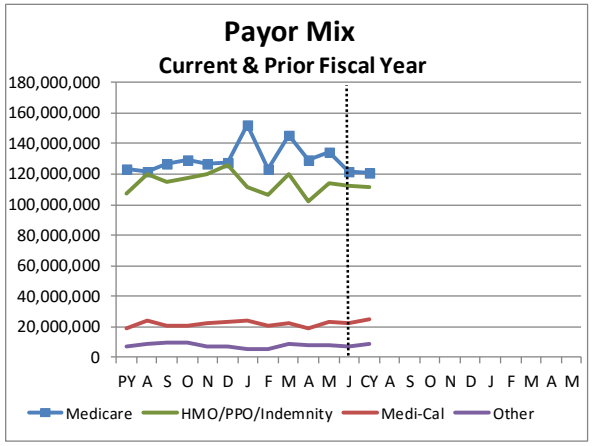
Monthly Financial Trends

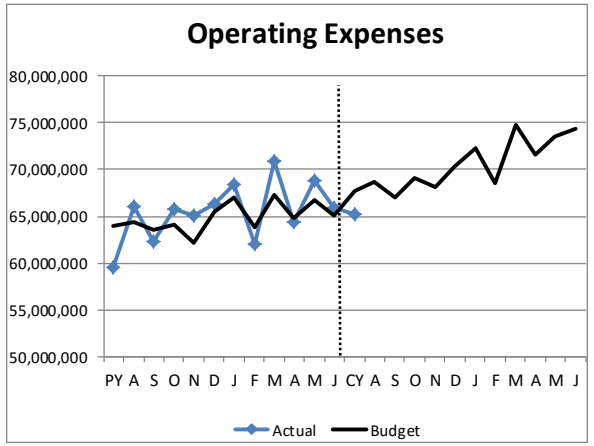












El Camino Hospital Investment Committee Scorecard

June 30, 2018

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY18 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		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	--	--	--	--	--	--	--
Risk vs. Return		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%
Asset Allocation		2Q 2018							
Surplus cash absolute variances to target		7.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		6.1%	< 10%	--	--	--	--	--	--
Manager Compliance		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.

PAVILION

1

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
CIP	EPIC Upgrade				1.9	1.1	1.9	1.9	0.0	1.1
IT Hardware, Software, Equipment & Imaging*					12.2	1.2	12.2	12.2	0.0	1.2
Medical & Non Medical Equipment FY 17**					14.0	13.0	8.6	0.0	8.6 [2]	7.6
Medical & Non Medical Equipment FY 18***					5.6	6.3	5.6	5.6	0.0	6.3
Facility Projects										
	1245	Behavioral Health Bldg	FY16	96.1	96.1	45.4	27.0	51.4	-24.4 [1]	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 [1]	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
				684.4	479.6	338.3	128.0	211.9	-83.9	131.2
GRAND TOTAL					**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

1 Variance due to delay in MV campus plan

2 Initial assumption was to spend all FY17 in FY17

Balance Sheet (in thousands)

ASSETS

		July 31, 2018	UnAudited June 30, 2017
	CURRENT ASSETS		
	Cash	123,936	118,992
	Short Term Investments	147,279	150,664
	Patient Accounts Receivable, net	112,893	117,157
	Other Accounts and Notes Receivable	2,753	3,402
	Intercompany Receivables	1,755	2,090
(1)	Inventories and Prepaids	79,809	75,594
	Total Current Assets	**468,425**	**467,901**
	BOARD DESIGNATED ASSETS		
	Plant & Equipment Fund	155,033	153,784
(2)	Women's Hospital Expansion	13,967	9,298
(3)	Operational Reserve Fund	139,057	127,908
(4)	Community Benefit Fund	16,111	18,675
	Workers Compensation Reserve Fund	20,377	20,263
	Postretirement Health/Life Reserve Fund	29,262	29,212
	PTO Liability Fund	24,199	24,532
	Malpractice Reserve Fund	1,831	1,831
	Catastrophic Reserves Fund	19,041	18,322
	Total Board Designated Assets	**418,877**	**403,826**
(5)	**FUNDS HELD BY TRUSTEE**	**181,201**	**197,620**
	LONG TERM INVESTMENTS	**349,723**	**345,684**
	INVESTMENTS IN AFFILIATES	**32,779**	**32,412**
	PROPERTY AND EQUIPMENT		
	Fixed Assets at Cost	1,264,618	1,261,854
	Less: Accumulated Depreciation	(582,181)	(577,959)
	Construction in Progress	222,034	220,991
	Property, Plant & Equipment - Net	**904,471**	**904,886**
	DEFERRED OUTFLOWS	21,127	21,177
	RESTRICTED ASSETS - CASH	0	0
	TOTAL ASSETS	**2,376,603**	**2,373,506**

LIABILITIES AND FUND BALANCE

		July 31, 2018	UnAudited June 30, 2017
	CURRENT LIABILITIES		
(6)	Accounts Payable	38,747	49,925
(7)	Salaries and Related Liabilities	31,310	26,727
	Accrued PTO	24,199	24,532
	Worker's Comp Reserve	2,300	2,300
	Third Party Settlements	10,032	10,068
	Intercompany Payables	49	125
	Malpractice Reserves	1,831	1,831
	Bonds Payable - Current	3,850	3,850
(8)	Bond Interest Payable	3,991	12,975
	Other Liabilities	8,938	8,909
	Total Current Liabilities	**125,247**	**141,242**
	LONG TERM LIABILITIES		
	Post Retirement Benefits	29,262	29,212
	Worker's Comp Reserve	18,077	17,963
	Other L/T Obligation (Asbestos)	3,868	3,859
	Other L/T Liabilities (IT/Medl Leases)	-	-
	Bond Payable	517,427	517,781
	Total Long Term Liabilities	**568,635**	**568,815**
	DEFERRED REVENUE-UNRESTRICTED	482	528
	DEFERRED INFLOW OF RESOURCES	22,835	22,835
	FUND BALANCE/CAPITAL ACCOUNTS		
	Unrestricted	1,240,527	1,236,259
	Board Designated	418,877	403,825
	Restricted	0	0
(9)	**Total Fund Bal & Capital Accts**	**1,659,404**	**1,640,085**
	TOTAL LIABILITIES AND FUND BALANCE	**2,376,603**	**2,373,506**

July 2018 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

(1) Increase is primarily due to a Cash Balance funding in July of $2,600,000.

(2) Increase of $4.7 million is a partial transfer of the District's June approval of $6.2 million to fund the Women's Hospital Expansion project. The remaining amount will occur in subsequent months.

(3) The increase here is to reset the Operational Reserve (to cover 60 days of operating expenses) for FY2019.

(4) The decrease is due to the first wave of Grants and Sponsorships paid to Community Benefit recipients in July.

(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) Decrease is due to significant yearend accruals that were paid out in July.

(7) Increase in due to an additional three (3) days of payroll accrual needed in the month of July.

(8) Decrease is due to semi-annual Revenue Bond payments for the 2015A and 2017 bond debt.

(9) The increase is due to a combination of July's net income and within the Board Designated Funds the increase in the Operational Reserve and the Women's Hospital Expansion.

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. At the end of fiscal year 2018 another #6.2 million was added to this fund.
- **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 the current 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 $500,000 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, in fiscal yar it generated over $1.1 million of investment income for the program.

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

APPENDIX

ECH Operating Margin

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

	CY	A	S	O	N	D	J	F	M	A	M	J
Reported	$7,224	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Run-rate (2)	$7,079	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Budget	$6,169	$7,735	$7,133	$10,175	$10,036	$8,081	$9,872	$7,052	$11,065	$9,409	$9,296	$9,315

FY 2019 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>		
Revenue Adjustments	J	YTD
Mcare Settlmt/Appeal/Tent Settlmt/PIP	141	141
Various Adjustments under $250k	4	4
Total	**145**	**145**

Inpatient Volume

Inpatient	Annual Trend							FY 19 Bud vs FY 18		Month				
ServLn	**2014**	**2015**	**2016**	**2017**	**2018**	**Bud 2018**	**Bud 2019**	**Cases**	**Percent**	**PY**	**CY**	**Bud**	**Bud Var**	**PY Var**
Behavioral Health	1,012	1,052	928	924	1,099	912	1,062	(37)	-3.3%	96	83	91	(8)	(13)
General Medicine	4,160	4,591	4,459	4,962	5,288	4,679	5,325	37	0.7%	449	402	418	(16)	(47)
General Surgery	1,243	1,150	1,311	1,317	1,304	1,306	1,344	40	3.1%	95	99	100	(1)	4
GYN	390	313	293	270	244	275	255	11	4.5%	17	11	15	(4)	(6)
Heart and Vascular	1,859	1,998	2,001	2,203	2,372	2,082	2,445	73	3.1%	199	157	191	(34)	(42)
MCH	6,695	6,371	5,951	5,819	5,713	6,206	5,764	51	0.9%	498	422	482	(60)	(76)
Neurosciences	667	672	677	688	871	697	907	36	4.1%	77	70	85	(15)	(7)
Oncology	606	564	652	594	633	572	726	93	14.7%	46	61	47	14	15
Orthopedics	1,695	1,773	1,746	1,690	1,707	1,762	1,819	112	6.6%	137	133	141	(8)	(4)
Other	5	1				-	-	-			14	-	14	14
Rehab Services	547	555	500	461	442	497	436	(6)	-1.4%	31	42	31	11	11
Spine Surgery	377	429	417	474	375	478	465	90	24.0%	29	20	30	(10)	(9)
Urology	172	169	234	257	254	240	274	20	7.9%	25	11	26	(15)	(14)
	19,428	19,638	19,169	19,659	20,302	19,705	20,823	521	2.6%	1,699	1,525	1,659	(134)	(174)
Change		*1.1%*	*-2.4%*	*2.6%*	*3.3%*	*0.2%*	*2.6%*						*-8.1%*	*-10.2%*

- Strong growth trend in of the last 2 years built into the FY19 budget
- July volume lower than PY and budget

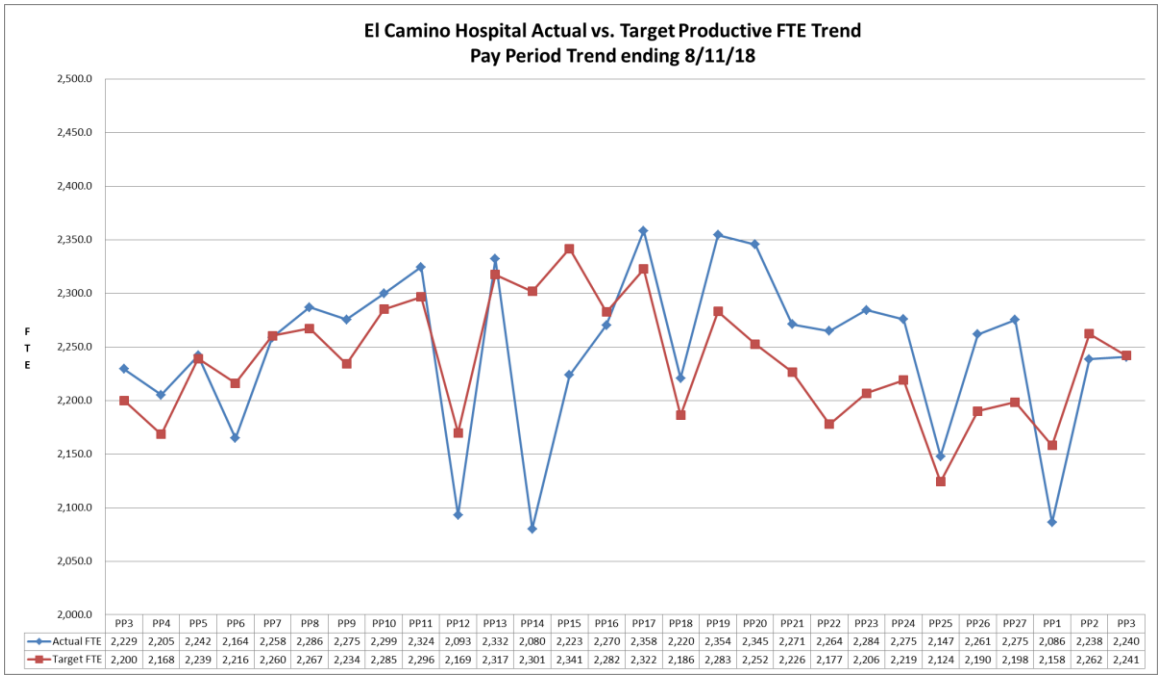
Outpatient Volume

Outpatient	2014	2015	2016	2017	2018	Bud 2018	Bud 2019		Cases	Percent		PY	CY	Bud	Bud Var	PY Var
Behavioral Health	911	886	2,395	3,262	3,152	3,282	3,417		265	8.4%		260	224	260	(36)	(36)
Dialysis	1,060	154	7						-						-	-
Emergency	46,005	49,077	48,576	48,615	49,428	48,975	49,122		(306)	-0.6%		4,032	4,035	3,964	71	3
General Medicine	5,969	5,999	6,569	6,540	7,046	6,504	6,850		(196)	-2.8%		544	619	559	60	75
General Surgery	1,840	1,854	1,798	1,843	2,007	2,049	2,068		61	3.0%		149	156	150	6	7
GYN	1,221	1,308	1,018	1,080	1,096	1,172	1,171		75	6.8%		81	108	79	29	27
Heart and Vascular	2,575	2,719	3,811	4,372	4,367	4,393	4,410		43	1.0%		353	366	365	1	13
Imaging Services	19,549	20,077	17,801	17,244	18,514	17,597	18,744		230	1.2%		1,446	1,582	1,413	169	136
Laboratory Services	30,595	29,710	29,028	29,137	28,576	28,741	29,071		495	1.7%		2,191	2,354	2,182	172	163
MCH	5,038	4,830	5,092	5,583	5,646	5,200	5,928		282	5.0%		466	449	458	(9)	(17)
Neurosciences	110	61	127	125	114	142	155		41	36.0%		11	5	13	(8)	(6)
Oncology	4,002	4,174	14,306	18,578	19,279	19,438	22,037		2,758	14.3%		1,545	1,482	1,588	(106)	(63)
Orthopedics	866	776	584	616	642	588	714		72	11.2%		46	43	53	(10)	(3)
Other	664	635	629	543	513	703	607		94	18.3%		40	50	37	13	10
Outpatient Clinics	1,817	1,706	1,681	1,304	1,890	1,450	1,517		(373)	-19.7%		172	138	93	45	(34)
Rehab Services	1,732	1,747	3,951	4,518	4,929	4,326	4,900		(29)	-0.6%		398	444	395	49	46
Sleep Center	160	223	499	368	211	720	300		89	42.2%		12	14	23	(9)	2
Spine Surgery	325	401	309	324	310	331	326		16	5.2%		21	15	21	(6)	(6)
Urology	1,758	1,773	1,740	1,898	1,785	1,875	2,058		273	15.3%		138	123	138	(15)	(15)
	126,197	128,110	139,921	145,950	149,505	147,485	153,395		3,890	2.6%		11,905	12,207	11,793	414	302
Change		*1.5%*	*9.2%*	*4.3%*	*2.4%*	*1.1%*	*2.6%*								*3.5%*	*2.5%*

- Growth primarily in imaging and lab
- Drop in oncology, urology

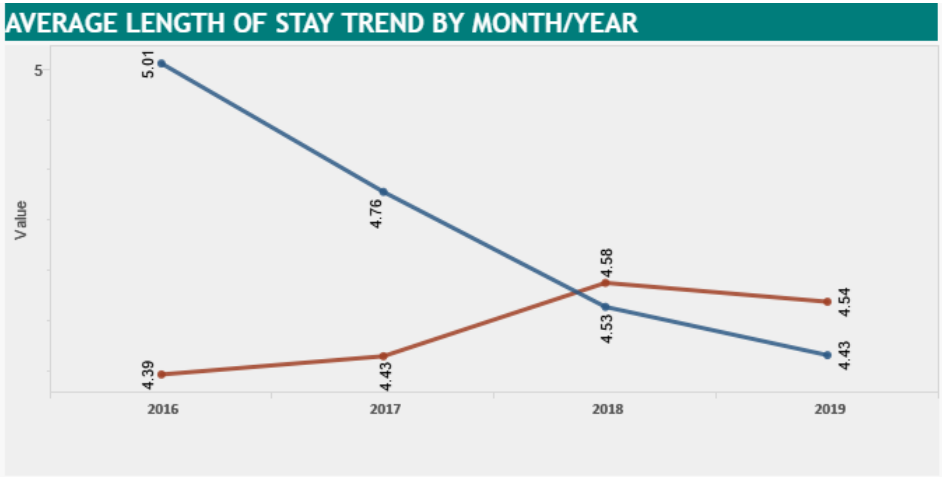
Productivity and Medicare Length of Stay

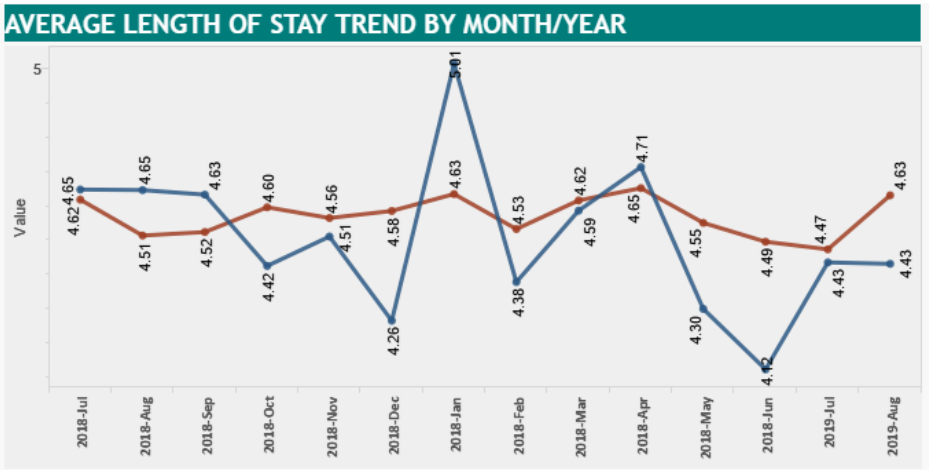
At or below FTE target for the first three pay periods of the year.



	PP3	PP4	PP5	PP6	PP7	PP8	PP9	PP10	PP11	PP12	PP13	PP14	PP15	PP16	PP17	PP18	PP19	PP20	PP21	PP22	PP23	PP24	PP25	PP26	PP27	PP1	PP2	PP3
Actual FTE	2,229	2,205	2,242	2,164	2,258	2,286	2,275	2,299	2,324	2,093	2,332	2,080	2,223	2,270	2,358	2,220	2,354	2,345	2,271	2,264	2,284	2,275	2,147	2,261	2,275	2,086	2,238	2,240
Target FTE	2,200	2,168	2,239	2,216	2,260	2,267	2,234	2,285	2,296	2,169	2,317	2,301	2,341	2,282	2,322	2,186	2,283	2,252	2,226	2,177	2,206	2,219	2,124	2,190	2,198	2,158	2,262	2,241

ALOS vs Milliman well-managed benchmark. Trend shows remarkable and steady improvement with FY 2019 below benchmark (blue). Increase in benchmark beginning in FY 2017 due to Clinical Documentation Improvement (CDI)





El Camino Hospital – Mountain View ($000s)

Period ending 07/31/2018

Period 1 FY 2018	Period 1 FY 2019	Period 1 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
207,481	218,059	228,863	(10,804)	-4.7%	**Gross Revenue**	207,481	218,059	228,863	(10,804)	-4.7%
(148,917)	(159,876)	(169,642)	9,767	-5.8%	**Deductions**	(148,917)	(159,876)	(169,642)	9,767	-5.8%
58,563	**58,184**	**59,220**	**(1,037)**	**-1.8%**	**Net Patient Revenue**	**58,563**	**58,184**	**59,220**	**(1,037)**	**-1.8%**
1,845	1,552	1,853	(300)	-16.2%	**Other Operating Revenue**	1,845	1,552	1,853	(300)	-16.2%
60,408	**59,736**	**61,073**	**(1,337)**	**-2.2%**	**Total Operating Revenue**	**60,408**	**59,736**	**61,073**	**(1,337)**	**-2.2%**
					OPERATING EXPENSE					
31,696	33,162	35,051	1,889	5.4%	**Salaries & Wages**	31,696	33,162	35,051	1,889	5.4%
6,828	7,967	8,356	389	4.7%	**Supplies**	6,828	7,967	8,356	389	4.7%
5,851	7,071	7,631	561	7.3%	**Fees & Purchased Services**	5,851	7,071	7,631	561	7.3%
271	886	1,032	145	14.1%	**Other Operating Expense**	271	886	1,032	145	14.1%
418	121	323	202	62.6%	**Interest**	418	121	323	202	62.6%
3,400	3,488	3,594	107	3.0%	**Depreciation**	3,400	3,488	3,594	107	3.0%
48,465	**52,695**	**55,987**	**3,293**	**5.9%**	**Total Operating Expense**	**48,465**	**52,695**	**55,987**	**3,293**	**5.9%**
11,943	**7,041**	**5,086**	**1,956**	**38.5%**	**Net Operating Income/(Loss)**	**11,943**	**7,041**	**5,086**	**1,956**	**38.5%**
5,198	7,751	456	7,295	1598.3%	**Non Operating Income**	5,198	7,751	456	7,295	1598.3%
17,142	**14,793**	**5,542**	**9,251**	**166.9%**	**Net Income(Loss)**	**17,142**	**14,793**	**5,542**	**9,251**	**166.9%**
26.1%	17.8%	14.7%	3.1%		**EBITDA**	26.1%	17.8%	14.7%	3.1%	
19.8%	11.8%	8.3%	3.5%		**Operating Margin**	19.8%	11.8%	8.3%	3.5%	
28.4%	24.8%	9.1%	15.7%		**Net Margin**	28.4%	24.8%	9.1%	15.7%	

El Camino Hospital – Los Gatos($000s)

Period ending 07/31/2018

Period 1 FY 2018	Period 1 FY 2019	Period 1 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
43,367	47,581	47,039	542	1.2%	**Gross Revenue**	43,367	47,581	47,039	542	1.2%
(32,252)	(35,142)	(34,400)	(741)	2.2%	**Deductions**	(32,252)	(35,142)	(34,400)	(741)	2.2%
11,116	**12,439**	**12,639**	**(199)**	**-1.6%**	**Net Patient Revenue**	**11,116**	**12,439**	**12,639**	**(199)**	**-1.6%**
160	262	226	36	15.9%	**Other Operating Revenue**	160	262	226	36	15.9%
11,276	**12,701**	**12,864**	**(163)**	**-1.3%**	**Total Operating Revenue**	**11,276**	**12,701**	**12,864**	**(163)**	**-1.3%**
					OPERATING EXPENSE					
6,518	6,900	6,470	(430)	-6.6%	**Salaries & Wages**	6,518	6,900	6,470	(430)	-6.6%
1,381	1,972	1,809	(164)	-9.0%	**Supplies**	1,381	1,972	1,809	(164)	-9.0%
1,184	1,364	1,285	(79)	-6.1%	**Fees & Purchased Services**	1,184	1,364	1,285	(79)	-6.1%
1,503	1,547	1,517	(30)	-2.0%	**Other Operating Expense**	1,503	1,547	1,517	(30)	-2.0%
0	0	0	0	0.0%	**Interest**	0	0	0	0	0.0%
489	735	700	(34)	-4.9%	**Depreciation**	489	735	700	(34)	-4.9%
11,076	**12,518**	**11,781**	**(737)**	**-6.3%**	**Total Operating Expense**	**11,076**	**12,518**	**11,781**	**(737)**	**-6.3%**
200	**182**	**1,083**	**(900)**	**-83.2%**	**Net Operating Income/(Loss)**	**200**	**182**	**1,083**	**(900)**	**-83.2%**
0	0	0	0	0.0%	**Non Operating Income**	0	0	0	0	0.0%
200	**182**	**1,083**	**(900)**	**-83.2%**	**Net Income(Loss)**	**200**	**182**	**1,083**	**(900)**	**-83.2%**
6.1%	7.2%	13.9%	-6.6%		**EBITDA**	6.1%	7.2%	13.9%	-6.6%	
1.8%	1.4%	8.4%	-7.0%		**Operating Margin**	1.8%	1.4%	8.4%	-7.0%	
1.8%	1.4%	8.4%	-7.0%		**Net Margin**	1.8%	1.4%	8.4%	-7.0%	

Non Operating Items and Net Income by Affiliate

$ in thousands

	Period 1 - Month			Period 1 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	7,041	5,086	1,956	7,041	5,086	1,956
Los Gatos	182	1,083	(900)	182	1,083	(900)
Sub Total - El Camino Hospital, excl. Afflilates	**7,224**	**6,169**	**1,055**	**7,224**	**6,169**	**1,055**
Operating Margin %	**10.0%**	**8.3%**		**10.0%**	**8.3%**	
El Camino Hospital Non Operating Income						
Investments	10,867	2,478	8,389	10,867	2,478	8,389
Swap Adjustments	298	(100)	398	298	(100)	398
Community Benefit	(2,581)	(300)	(2,281)	(2,581)	(300)	(2,281)
Pathways	(235)	0	(235)	(235)	0	(235)
Satellite Dialysis	0	(25)	25	0	(25)	25
Community Connect	0	(53)	53	0	(53)	53
SVMD Funding[1]	(398)	(1,219)	821	(398)	(1,219)	821
Other	(199)	(324)	125	(199)	(324)	125
Sub Total - Non Operating Income	**7,751**	**456**	**7,295**	**7,751**	**456**	**7,295**
El Camino Hospital Net Income (Loss)	**14,975**	**6,625**	**8,350**	**14,975**	**6,625**	**8,350**
ECH Net Margin %	**20.7%**	**9.0%**		**20.7%**	**9.0%**	
Concern	557	37	519	557	37	519
ECSC	(1)	0	(1)	(1)	0	(1)
Foundation	507	151	356	507	151	356
Silicon Valley Medical Development	554	(88)	642	554	(88)	642
Net Income Hospital Affiliates	**1,616**	**100**	**1,516**	**1,616**	**100**	**1,516**
Total Net Income Hospital & Affiliates	**16,592**	**6,725**	**9,866**	**16,592**	**6,725**	**9,866**

[1]Favorable variances for SVMD and Community Connect are due to delayed implementation

Capital Spend Trend & FY19 Budget

Capital Spending (in 000's)	Actual FY2016	Actual FY2017	Actual FY2018	Budget 2019
EPIC	20,798	2,755	1,922	-
IT Hardware / Software Equipment	6,483	2,659	12,238	19,732
Medical / Non Medical Equipment	17,133	9,556	14,275	11,206
Non CIP Land, Land I , BLDG, Additions	4,189	-	-	-
Facilities	48,137	82,953	128,030	279,450
GRAND TOTAL	96,740	97,923	156,465	310,388

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
Sub-Total Mountain View Campus Master Plan	**0**	**1,257**	**5,950**	**12,426**	**62,493**
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
Facilities Projects CIP cont.					
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
Sub-Total Mountain View Projects	**8,145**	**7,219**	**26,744**	**5,588**	**5,535**
Los Gatos Capital Projects					
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
Sub-Total Los Gatos Projects	**1,150**	**5,276**	**6,246**	**6,116**	**14,780**
Subtotal Facilities Projects CIP	**9,294**	**13,753**	**38,940**	**24,130**	**82,808**
Grand Total	**27,598**	**58,561**	**86,789**	**96,740**	**97,923**
Forecast at Beginning of year	70,503	70,037	101,607	114,025	212,000

El Camino Hospital®
THE HOSPITAL OF SILICON VALLEY

OPEN SESSION LEADERSHIP UPDATE
September 12, 2018
Dan Woods, CEO

Organizational Goal Update Through August 2018

Organizational Goals FY19	Benchmark	Baseline	Minimum	Target	Maximum	Weight	Performance Timeframe	FY19 through August
Organizational Goals								
Patient Throughput ED Door to Patient Floor - LG & MV	Internal Benchmark *Based on CMS Core Measure Data*	Minutes - 339	306	280	270	30%	Q4	330
HCAHPS Service Metric Nurse Communication 10% Responsiveness 10% Cleanliness 10%	External Benchmark *PG-HCAHPS Adjusted/Received*	Nurse Comm - 80 Responsiveness - 65.1 Cleanliness - 74.5	80.5 65.6 75	81 67 76	82 68.5 77	30%	Q4	79.5 66.3 75
Quality Metrics* Mortality Index - All Patients 10% Readmissions Index - All Patients 10%	External Benchmark *Premier Quality Advisor Top Quartile*	Mortality 1.02 Readmission 1.08	1.00 1.07	0.95 1.05	0.90 1.03	20%	FY	Mortality 1.02 Readmission 1.08
People *(Management Employees)*** Employee Engagement	External Benchmark *Press Ganey*	4.09	4.09	4.14	4.17	20%	FY	4.09
People *(Non-Management Employees)*** Participation in Employee Voice (Engagement) Survey	External Benchmark *Press Ganey*	79%	79%	80%	82%	20%	FY	79%
Threshold Goals								
Budgeted Operating Margin***	Internal *95% Threshold*	Achieved FY18 Budget	95% of Budgeted Operating Margin			Threshold	FY	Met

* Updated numbers for FY19 will be avaialble starting October 2018
** Updated Survey Data will not be available until mid-to-late November 2018
*** This metric is available through July 2018 only.

Quality and Safety

The first meeting of the newly constituted Chief Medical Officer Advisory Council (CMOAC) was held on August 22. The CMOAC is comprised of all of our compensated medical directors. This provides a forum to communicate directly with our medical directors to keep them updated on important organizational activities, seek input from them to contribute their expertise toward our clinical programs, enhance their leadership skills, and interact with each other to share learnings and experience. The first meeting was devoted to reviewing our FY19 organizational goals and how we can best align their work with these goals.

Patient Experience

The patient experience improvement work continues to move ahead with zeal. There are numerous stakeholder teams working on Nursing Communication, Responsiveness, and Cleanliness. In addition, there are separate teams addressing ED Patient Satisfaction. There is also a team creating a 3 year road map for the patient experience program at ECH which will be broader and inclusive of all areas of the organization.

Operations

As we reported in April, ECH is reinvigorating its LEAN journey with the objective of embedding Lean principles and processes throughout the entire enterprise. Since April we have made progress in the following areas:

- Designed and implemented Strategy Deployment Room (SDR) and process to monitor progress and escalate issues weekly.

- Rolled out a process whereby organizational and strategic goals have been deployed throughout the organization to front-line work groups.
- Prioritized a list of work to support value-added steps to improve patient flow.
- Management system deployed in the following areas:
    - LG ICU: Improved patient transfer time out of ICU
    - LG Acute Rehab: Improved discharge medication process
    - MV & LG EDs: Improving patient flow from "*Door to Floor*"
    - MV & LG – multiple nursing departments: Improving patient discharge by noon (note: rate improved by 42% in calendar year 2017)
    - MV CCU: CAUTI rate reduced by 66% during FY18 compared to FY17 (from 9 to 3 cases)
- Trained nine nursing unit coordinators on problem-solving, during which they applied the content to unit-specific issues to support improvement.

Workforce

The new Transit Subsidy Program will be announced in September and, the new East Bay Shuttle pilot will start transporting day shift employees from Fremont and Milpitas to ECH in late September/early October.

New Program

Implementation of the HeartFlow system, a product which provides non- invasive testing via imaging to determine if patient is a candidate for a Cardiac Catheterization, occurred on August 30th with scanning of the first HeartFlow patient by the Radiology Department. The project is sponsored by Dr. Fred St. Goar.

Financial Services

Our cash remains strong. Cash collected in July was $5 million over target of $70 million. Net days in AR remain below target YTD. We have implemented $549,938 in savings against our cost savings initiative of $2.2 Million for the year. To assist new ECMA and clinic providers we have started annual audits of 15 medical records per provider by a HIM professional coder/auditor, revised onboarding process that includes shadowing the providers for the first week, providing real-time onsite support with documentation and coding questions while working with the iCare team to support providers with any additional assistance as needed. We are very proud to have the story of our web based Price Estimator Tool appear in Hospital Access Management in August and Modern Healthcare in July, both national publications.

Marketing and Communications

Our upcoming community education activities include A Healthy Mind series with Fremont Unified High School District, The Women's Health Fair, The Maternal Mental Health Symposium, and Heart & Stroke Walk.

Corporate and Community Health

CONCERN delivered our technology roadmap and new services roadmap to large customers and prospects and identified key accounts to be early adopters for our new Digital Experience platform to pilot in October 2018.

The South Asian Heart Center partnered with the Naatak Group (30 attendees) and the Gujarati Association (50 attendees) to educate the community regarding our programs. We also participated at the Swades (Indian Independence Day) event in Milpitas where we completed 53 biometrics assessments.

The Chinese Health Initiative collaborated with three community service agencies that serve low-income families in Mountain View, Sunnyvale, and Cupertino. On August 22nd, 24th, and 30th, twenty of our CHI volunteers provided Mandarin interpretation for about 325 Chinese seniors who are enrolled in the Challenge Diabetes program and speak limited English.

Silicon Valley Medical Development, LLC

SVMD acquired Direct Urgent Care in Mountain View effective August 13, 2018. Direct Urgent Care, located at 1150 W. El Camino Real, is our second convenient urgent care site, with caring staff committed to getting people better, faster. The Mountain View location will operate under the name Direct Urgent Care, a Silicon Valley Medical Development Service. Our first Direct Urgent Care location opened in Cupertino in May 2018.

Philanthropy

In FY18 the Foundation secured $6,149,592 in gifts, meeting 100% of its fundraising goal. The 23rd annual El Camino Heritage Golf Tournament will take place on Monday October 29th.

Auxiliary

The Auxiliary contributed 6,676 volunteer hours in July 2018.

El Camino Hospital Auxiliary

Membership Report to the Hospital Board
Meeting of September 12, 2018

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

Membership Data:

Senior Members

Active Members	369	+1 Net change compared to previous month
Dues Paid Inactive	82	(Includes Associates & Patrons)
Leave of Absence	13	
Subtotal	**464**	

Resigned in Month	10
Deceased in Month	0

Junior Members

Active Members	243	-12 Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	13	
Subtotal	**256**	

Total Active Members	**612**
Total Membership	**720**

Combined Auxiliary Hours from Inception (to July 31, 2018): 5,914,343
Combined Auxiliary Hours for FY2018 (to July 31, 2018): 6,676
Combined Auxiliary Hours for July 31, 2018: 6,676

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

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

Memorandum

DATE: August 29, 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 2019 Period 1

ACTION: For Information

In fiscal year 2018, El Camino Hospital Foundation secured gifts totaling $6,149, 592,100% of the fundraising goal. That success was the result of the Foundation's best practices approach to building a culture of philanthropy, which includes tracking each step from cultivation through fundraising and stewardship in our donor database.

- We continue to focus on building our major gifts program. In FY18 there were 133 proposals, which resulted in donations totaling $3,232,425. 110 (83%) were accepted, 10 (7.5%) were declined, 9 (6.8%) are pending, and 4 (3%) resulted in no response.

- Annual giving in FY18 reached an all-time high, in large measure due to the Path of Hope, a one-time fundraising campaign for mental health and addiction services.

- Our overall cost of fundraising is at the 50th percentile, based on industry standards provided by The Advisory Board.

- Best practice industry standard for the cost of fundraising events is 50% of gross revenue. Three of the Foundation's four signature events cost significantly less (El Camino Heritage Golf Tournament: 38%; Scarlet Ball: 24%; Norma's Literary Luncheon: 0% - Melchor Family fully underwrites the event). Cost of fundraising for Spring Forward, which was new in FY18, was 56% but, unlike its predecessor, Sapphire Soirée, fully covered its costs.

- We are grateful to the members of the Foundation Board of Directors and Honorary Board members, who contributed over $1,000,000.

- We bid farewell to four longtime board members: Claudia Coleman, Gunilla Follett, David Reeder, and Wim Roelandts. We welcome Gary Kalbach as our new Hospital Board liaison.

July marks the start of the new fiscal year. This strategic work will continue over the next 11 months as we progress toward our new $6 million goal. At the same time, we are creating a fundraising strategy for the next four years to support the hospital's strategic priorities once they are defined. During period 1, the Foundation received $207,338 in major, planned and annual gifts, and for fundraising events.

FY 19 Period 1 Fundraising Performance

Major & Planned Gifts

In July, the Foundation received the latest quarterly distribution of $53 from the 2001 pooled income fund a grateful patient set up with one of our physicians as the recipient. The physicians redirects the distributions to El Camino Hospital Foundation. The majority of current fundraising activity is related to securing sponsorships for upcoming special events, but there are currently 26 major and planned gift proposals totaling an estimated $5,000,000 in the pipeline.

Special Events

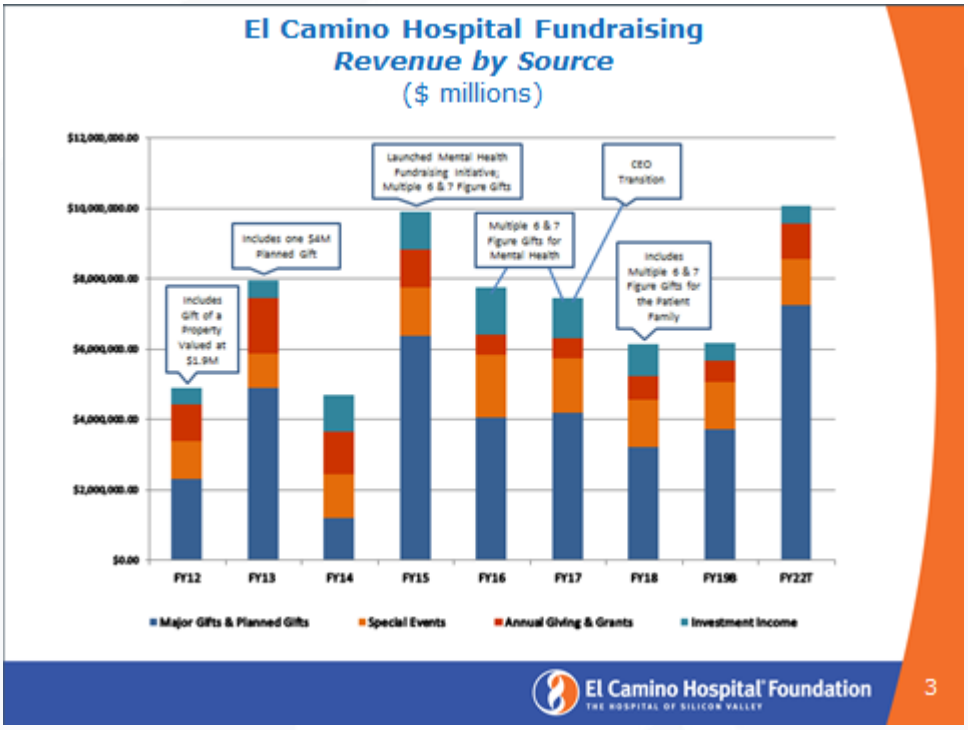
- **Golf Tournament** – The 23rd annual El Camino Heritage Golf Tournament will take place on Monday, October 29, 2018 at Sharon Heights Golf & Country Club. Proceeds will benefit the Norma Melchor Heart & Vascular Institute. Online tournament registration opened in July and by month end the Foundation had received $46,000 in sponsorships. Invitations will be mailed in early September.

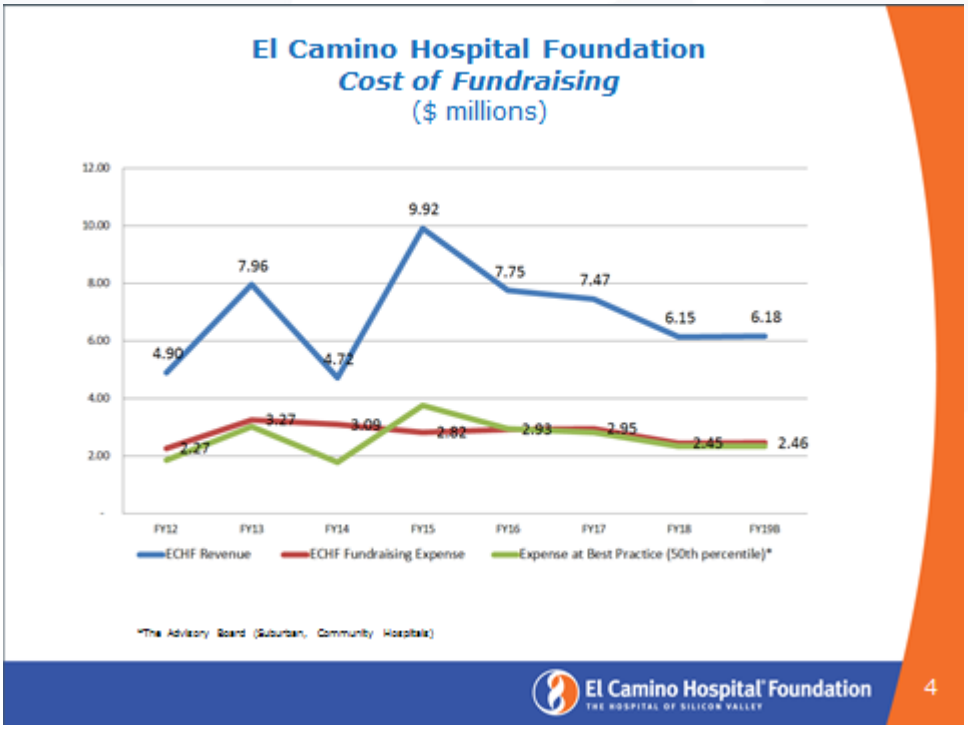
- **Norma's Literary Luncheon, the annual South Asian Heart Center gala, and Spring Forward** will all take place in the second half of the fiscal year. Preliminary planning is already underway. The donations in the July fundraising report are belated fulfillment of commitments from FY18 events.

Annual Giving

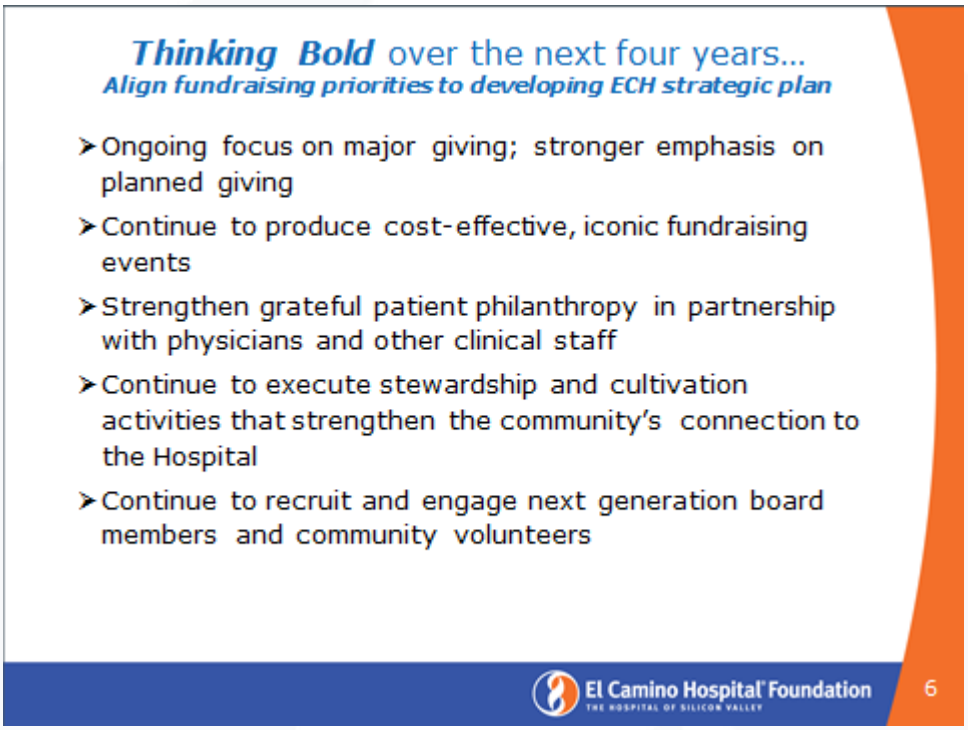
In July, the Foundation raised $7,212 in annual gifts from Hope to Health membership renewals, Circle of Caring, responses from the spring direct mail appeal, and online donations. During the same period last year, a significant portion of annual gifts were made to support the Path of Hope Campaign, a special, one-time fundraising effort. That campaign ended successfully in June 2018 with all 100 bricks sold.

Fundraising Trends





Foundation's Roadmap: Over the next four years…



El Camino Hospital® Foundation
THE HOSPITAL OF SILICON VALLEY

FOUNDATION PERFORMANCE

FY19 Fundraising Report through 7/31/18

ACTIVITY		FY19 YTD (7/1/18 -7/31/18)	FY19 Goals	FY19 % of Goal	FY18 YTD (7/1/17 - 7/31/17)	FY17 YTD (7/1/16 - 7/31/16)
Major & Planned Gifts		$53	$3,750,000	0%	$51,199	$3,291,994
Special Events	Spring Event	$500	$450,000	0%	$1,000	$6,500
	Golf	$46,000	$350,000	13%	$31,500	
	South Asian Heart Center	$2,000	$325,000	1%		$2,500
	Norma's Literary Luncheon	$2,500	$200,000	1%	$100	
Annual Gifts		$7,212	$600,000	1%	$47,847	$11,789
Investment Income		$149,073	$500,000	30%	$20,265	$83,655
TOTALS		***$207,338***	***$6,175,000***	3%	***$151,911***	***$3,396,438***

Highlighted Assets through 7/31/18

Board Designated Allocations	$740,355
Donor Endowments	$3,324,731
Operational Endowments	$15,673,497
Pledge Receivables	$4,584,184
Restricted Donations	$11,074,856
Unrestricted Donations	$414,177

4.9% Investment Return looking back over the last 12 months.