El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

AGENDA
REGULAR MEETING OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, February 13, 2019 – 5:30pm
El Camino Hospital | Conference Rooms A&B, F&G (ground floor)
2500 Grant Road Mountain View, CA 94040

Jeffrey Davis, MD will be participating via teleconference from:
Diamante, Boulevard Diamante S/N, Lado Del Mar Colonia Los Cangr, Cabo San Lucas BCS, Mexico 23473

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**	John Zoglin, Board Vice Chair		**5:30 – 5:31pm**
2.	**POTENTIAL CONFLICT OF INTEREST DISCLOSURES**	John Zoglin, Board Vice Chair		**information 5:31 – 5:32**
3.	**FY19 PERIOD 6 FINANCIALS** ATTACHMENT 3	Iftikhar Hussain, CFO	*public comment*	**possible motion 5:32 – 5:42**
4.	**QUALITY COMMITTEE REPORT** ATTACHMENT 4	Peter C. Fung, MD, Quality Committee Member; Mark Adams, MD, CMO		**discussion 5:42 – 5:52**
5.	**WOMEN'S HOSPITAL PROJECT FUNDING** ATTACHMENT 5	Ken King, CASO	*public comment*	**possible motion 5:52 – 6:22**
6.	**CEO PERFORMANCE REVIEW PROCESS** ATTACHMENT 6	Bob Miller, Executive Compensation Committee Chair	*public comment*	**possible motion 6:22 – 6:37**
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	John Zoglin, Board Vice Chair		**information 6:37 – 6:40**
8.	**ADJOURN TO CLOSED SESSION**	John Zoglin, Board Vice Chair		**motion required 6:40 – 6:46**
9.	**POTENTIAL CONFLICT OF INTEREST DISCLOSURES**	John Zoglin, Board Vice Chair		**information 6:46 – 6:47**
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 (January 16, 2019) b. Minutes of the Closed Session of the Executive Compensation Committee Meeting (November 8, 2018) ***Information*** *Health & Safety Code Section 32106(b); Gov't Code Section 54957.6* for conference with labor	John Zoglin, Board Vice Chair		**motion required 6:47 – 6:49**

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
	negotiator Dan Woods*:* c. FY19 COO Individual Incentive Goals			
11.	*Health & 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, Enterprise Chief of Staff; Linda Teagle, MD, Los Gatos Chief of Staff		**motion required 6:49 – 6:59**
12.	*Gov't Code Section 54956.9(d)(2)* – conference with legal counsel – pending or threatened litigation: - Litigation Update	Mary Rotunno, General Counsel		**discussion 6:59 – 7:29**
13.	*Health and Safety Code Section 32106(b)* for a report and discussion involving health care facility trade secrets: - Update on Acquisition of New SVMD Clinics	Bruce Harrison, President, SVMD		**discussion 7:29 – 8:04**
14.	*Health and Safety Code Section 32106(b)* for a report and discussion involving health care facility trade secrets: - Q2 FY19 Strategic Plan Metrics Update	Dan Woods, CEO		**discussion 8:04 – 8:49**
15.	*Health and Safety Code Section 32106(b)* for a report and discussion involving health care facility trade secrets; *Gov't Code Section 54956.9(d)(2)* – conference with legal counsel – pending or threatened litigation; *Gov't Code Section 54957.6* for a conference with labor negotiator Dan Woods: - CEO Report on New Services and Programs, and Legal Matters	Dan Woods, CEO		**discussion 8:49 – 9:04**
16.	Report involving *Gov't Code Section 54957* for discussion and report on personnel performance matters – Senior Management: - Executive Session	John Zoglin, Board Vice Chair		**discussion 9:04 – 9:09**
17.	**ADJOURN TO OPEN SESSION**	John Zoglin, Board Vice Chair		**motion required 9:09 – 9:10**
18.	**RECONVENE OPEN SESSION/ REPORT OUT**	John Zoglin, Board Vice Chair		**9:10 – 9:11**
	To report any required disclosures regarding permissible actions taken during Closed Session.			
19.	**CONSENT CALENDAR ITEMS:** *Any Board Member or member of the public may remove an item for discussion before a motion is made.*	John Zoglin, Board Vice Chair	*public comment*	**motion required 9:11 – 9:13**
	Approval a. Minutes of the Open Session of the Hospital Board Meeting (January 16, 2019) b. *Resolution 2019-02:* Approving Amendment to Pathways Home Health and Hospice Bylaws ***Reviewed and Recommended for Approval by the Executive Compensation Committee*** c. Revised Executive Compensation Philosophy d. Minutes of the Open Session of the			

	AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
	Executive Compensation Committee Meeting (November 8, 2018) ***Reviewed and Recommended for Approval by the Finance Committee*** e. SVMD Clinic Site Tenant Improvements f. FY19 Period 5 Financials g. Interventional Equipment Replacement h. Imaging Equipment Replacement ***Reviewed and Recommended for Approval by the Medical Executive Committee*** i. Medical Staff Report ***Information*** j. Finance Committee Approvals Report k. Report on Major Capital Projects in Process			
20.	**RESOLUTION 2019-03: Approving Acquisition and Establishment of Five Multi-Specialty SVMD Clinics**	Bruce Harrison, President, SVMD	*public comment*	**possible motion 9:13 – 9:28**
21.	**CEO REPORT** **ATTACHMENT 21**	Dan Woods, CEO		**information 9:28 – 9:31**
22.	**BOARD COMMENTS**	John Zoglin, Board Vice Chair		**information 9:31 – 9:34**
23.	**ADJOURNMENT**	John Zoglin, Board Vice Chair	*public comment*	**motion required 9:34 – 9:35pm**

Upcoming Meetings: March 13, 2019 | April 10, 2019 | May 8, 2019 | June 12, 2019 || **Retreat**: February 27, 2019 || **Board & Committee Education**: April 24, 2019

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations
Fiscal Year 2019 – Period 6

7/1/2018 to 12/31/2018

El Camino Hospital Board of Directors

Iftikhar Hussain, CFO

January 16, 2019

Financial Overview

Volume:

- YTD adjusted discharges are favorable to budget 0.9% (217 adjusted discharges) driven by favorable outpatient volume. YTD IP volume remain below budget by 3.0% (297 cases) and below prior year by 5.2% (536 cases) due to lower MCH (deliveries) related to general decline in birth rates and General Medicine related to decline in flu.
- OP cases YTD favorable to budget (306 cases or 0.4%) and below prior year by 0.4% (320 cases). For December, ED Visits are below budget by 6% due to lower level of flu activity than prior year. YTD favorability is driven by Oncology, HVI, Rehab and Imaging activity.

Financial Performance:

- Operating income is favorable to budget by 19.7% ($9.6M) YTD and 24.0% ($18.3M) below prior year.
- Net Patient Revenue is favorable to budget by 2.0% ($8.6M) YTD and above prior year by 1.0% ($6.0M) driven primarily from OP volumes.
- YTD Operating Expense is favorable to budget 0.9% ($3.5M). YTD Salaries & Wages are favorable to budget by 0.7% ($1.6M). YTD Non Labor expenses are also favorable to budget by 1.2% ($1.9M).

Payor Mix:

- YTD, Medicare and Commercial Payor mix is slightly unfavorable to budget, within 1%

Cost:

- Prod FTEs were favorable to target for December by 4.1% and 1.7% YTD.

Balance Sheet – cash position remains strong and revenue cycle operation consistently ahead of targets and benchmarks

Dashboard - ECH combined as of December 31, 2018

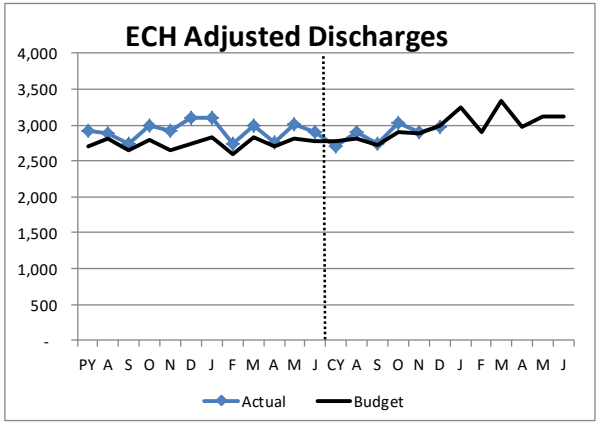
	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Volume								
Licenced Beds	443	443	443	-	443	443	443	-
ADC	257	242	253	(10)	241	230	237	(7)
Utilization MV	70%	67%	69%	-2%	66%	63%	65%	-2%
Utilization LG	33%	30%	32%	-3%	29%	28%	28%	0%
Utilization Combined	58%	55%	57%	-2%	55%	52%	53%	-2%
Adjusted Discharges	3,164	3,033	3,048	(15)	17,929	17,664	17,447	217
Total Discharges (Excl NNB)	1,822	1,721	1,769	(48)	10,242	9,687	10,005	(318)
Inpatient Cases								
MS Discharges	1,283	1,204	1,247	(43)	7,105	6,713	6,969	(256)
Deliveries	398	377	385	(8)	2,370	2,180	2,298	(118)
BHS	98	102	93	9	550	547	520	28
Rehab	43	38	44	(6)	217	247	218	29
Outpatient Cases	12,676	12,341	12,625	(284)	74,430	74,126	73,805	321
ED	4,506	4,163	4,438	(275)	24,183	23,503	23,788	(285)
Procedural Cases								
OP Surg	421	442	418	24	2,382	2,506	2,382	124
Endo	229	227	231	(4)	1,218	1,294	1,225	69
Interventional	153	152	157	(5)	1,014	1,103	1,069	34
All Other	7,367	7,357	7,381	(24)	45,633	45,720	45,341	379
Financial Perf.								
Net Patient Revenues	73,810	77,023	75,586	1,437	445,886	451,907	443,213	8,694
Total Operating Revenue	75,792	79,104	78,468	635	461,692	466,493	460,390	6,103
Operating Expenses	66,333	67,682	70,488	(2,806)	385,046	408,163	411,666	(3,503)
Operating Income $	9,459	11,421	7,980	3,441	76,646	58,330	48,724	9,606
Operating Margin	12.5%	14.4%	10.2%	4.3%	16.6%	12.5%	10.6%	1.9%
EBITDA $	14,133	15,787	12,759	3,028	103,478	86,081	77,254	8,827
EBITDA %	18.6%	20.0%	16.3%	3.7%	22.4%	18.5%	16.8%	1.7%
Payor Mix								
Medicare	46.2%	46.4%	46.5%	-0.1%	46.1%	46.8%	46.5%	0.4%
Medi-Cal	6.6%	8.3%	7.9%	0.4%	7.7%	8.1%	7.8%	0.3%
Commercial IP	24.6%	21.5%	22.7%	-1.2%	23.0%	21.4%	22.7%	-1.2%
Commercial OP	21.6%	21.4%	20.3%	1.1%	20.8%	21.3%	20.4%	0.9%
Total Commercial	46.2%	42.9%	43.0%	-0.1%	43.8%	42.7%	43.1%	-0.3%
Other	1.0%	2.4%	2.6%	-0.2%	2.4%	2.4%	2.7%	-0.3%
Cost								
Total FTE	2,595.0	2,695.9	2,713.4	(17)	2,569.2	2,629.5	2,644.9	(15)
Productive Hrs/APD	28.2	30.4	31.1	(1)	30.1	30.9	32.0	(1)
Balance Sheet								
Net Days in AR	50.7	46.9	48.0	(1)	50.7	46.9	48.0	(1.1)
Days Cash	505	491	449	42	505	491	449	42
Affiliates - Net Income ($000s)								
Hosp	7,461	(9,325)	8,437	(17,761)	107,688	20,315	51,462	(31,148)
Concern	83	351	98	253	1,028	1,265	475	790
ECSC	(1)	(4)	0	(4)	(19)	(29)	0	(29)
Foundation	373	(887)	109	(996)	1,589	(122)	863	(985)
SVMD	(99)	653	7	646	466	1,348	(242)	1,590

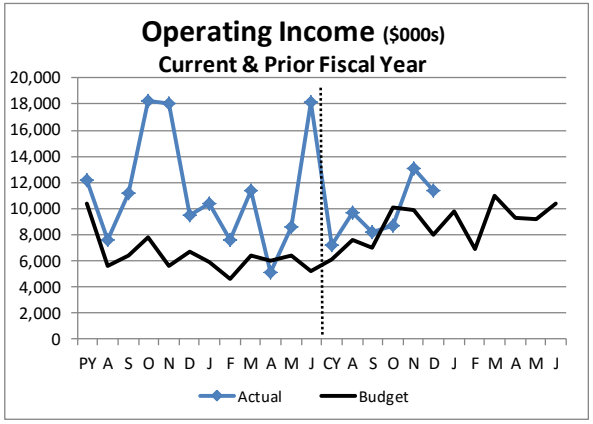
El Camino Hospital ($000s)

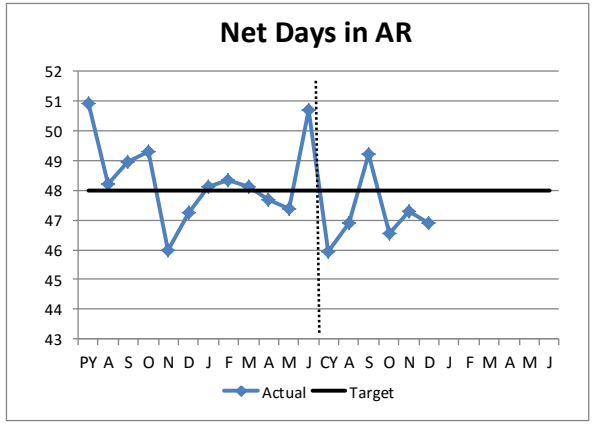
Period ending 12/31/2018

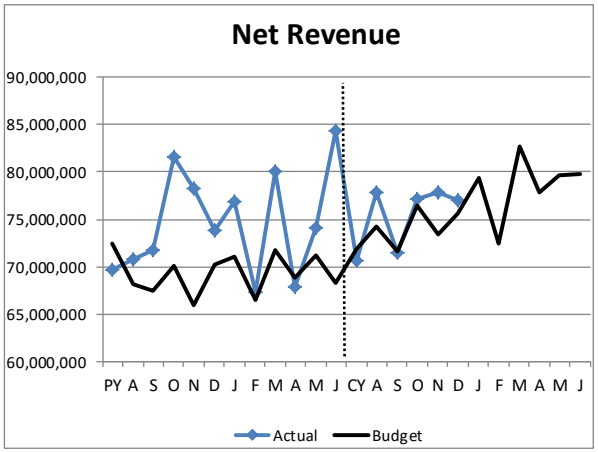
Period 6 FY 2018	Period 6 FY 2019	Period 6 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
279,885	285,155	295,163	(10,009)	(3.4%)	**Gross Revenue**	1,650,774	1,704,075	1,714,854	(10,779)	(0.6%)
(206,075)	(208,132)	(219,578)	11,445	5.2%	**Deductions**	(1,204,889)	(1,252,168)	(1,271,641)	19,473	1.5%
73,810	**77,023**	**75,586**	**1,437**	**1.9%**	**Net Patient Revenue**	**445,886**	**451,907**	**443,213**	**8,694**	**2.0%**
1,982	2,081	2,883	(802)	(27.8%)	**Other Operating Revenue**	15,806	14,586	17,176	(2,590)	(15.1%)
75,792	**79,104**	**78,468**	**635**	**0.8%**	**Total Operating Revenue**	**461,692**	**466,493**	**460,390**	**6,103**	**1.3%**
					OPERATING EXPENSE					
39,831	42,829	43,232	403	0.9%	**Salaries & Wages**	233,964	247,041	248,669	1,628	0.7%
11,550	10,120	11,331	1,210	10.7%	**Supplies**	61,330	65,211	66,588	1,377	2.1%
7,553	8,077	8,813	735	8.3%	**Fees & Purchased Services**	48,835	53,621	53,092	(529)	(1.0%)
2,726	2,289	2,334	45	1.9%	**Other Operating Expense**	14,085	14,538	14,786	249	1.7%
456	100	323	223	68.9%	**Interest**	2,606	2,228	1,940	(288)	(14.8%)
4,218	4,266	4,456	190	4.3%	**Depreciation**	24,227	25,522	26,589	1,067	4.0%
66,333	**67,682**	**70,488**	**2,806**	**4.0%**	**Total Operating Expense**	**385,046**	**408,163**	**411,666**	**3,503**	**0.9%**
9,459	**11,421**	**7,980**	**3,441**	**43.1%**	**Net Operating Income/(Loss)**	**76,646**	**58,330**	**48,724**	**9,606**	**19.7%**
(1,998)	(20,746)	456	(21,202)	(4645.3%)	**Non Operating Income**	31,042	(38,016)	2,739	(40,754)	(1488.2%)
7,461	**(9,325)**	**8,437**	**(17,761)**	**(210.5%)**	**Net Income(Loss)**	**107,688**	**20,315**	**51,462**	**(31,148)**	**(60.5%)**
18.6%	20.0%	16.3%	3.7%		**EBITDA**	22.4%	18.5%	16.8%	1.7%	
12.5%	14.4%	10.2%	4.3%		**Operating Margin**	16.6%	12.5%	10.6%	1.9%	
9.8%	-11.8%	10.8%	(22.5%)		**Net Margin**	23.3%	4.4%	11.2%	(6.8%)	

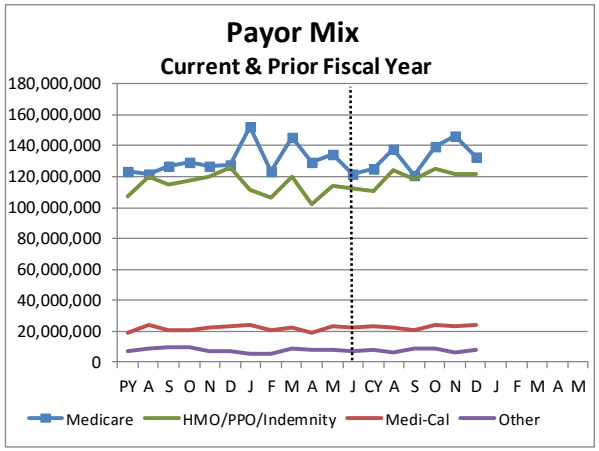
Monthly Financial Trends

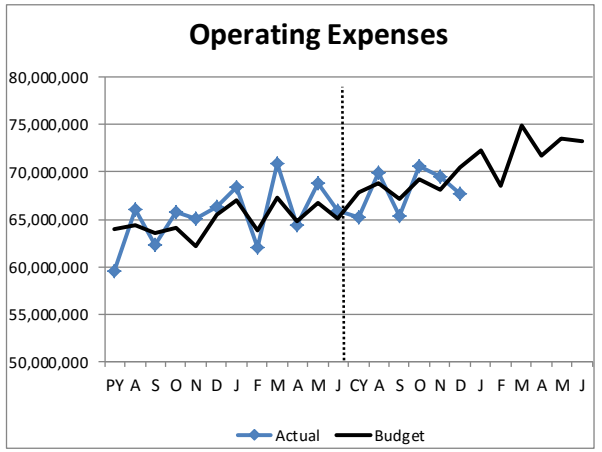












Updated Quarterly
Last update 09/30/18

El Camino Hospital Investment Committee Scorecard

September 30, 2018

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY19 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		3Q 2018		Fiscal Year-to-date		5y 11m Since Inception (annualized)			2018
Surplus cash balance*		$994.7	--	--	--	--	--	$886.6	--
Surplus cash return		2.3%	2.0%	2.3%	2.0%	5.8%	5.5%	3.2%	5.3%
Cash balance plan balance (millions)		$274.7	--	--	--	--	--	$276.9	--
Cash balance plan return		2.8%	2.5%	2.8%	2.5%	8.3%	7.4%	6.0%	5.7%
403(b) plan balance (millions)		$481.7	--	--	--	--	--	--	--
Risk vs. Return		3-year				5y 11m Since Inception (annualized)			2018
Surplus cash Sharpe ratio		1.59	1.52	--	--	1.34	1.27	--	0.43
Net of fee return		7.5%	7.1%	--	--	5.8%	5.5%	--	5.3%
Standard deviation		4.1%	4.0%	--	--	4.0%	4.0%	--	6.7%
Cash balance Sharpe ratio		1.64	1.55	--	--	1.45	1.34	--	0.40
Net of fee return		9.4%	8.5%	--	--	8.3%	7.4%	--	5.7%
Standard deviation		5.1%	4.8%	--	--	5.3%	5.1%	--	8.1%
Asset Allocation		3Q 2018							
Surplus cash absolute variances to target		6.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		6.2%	< 10%	--	--	--	--	--	--
Manager Compliance		3Q 2018							
Surplus cash manager flags		20	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		23	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~$160 mm), District assets (~$31 mm), and balance sheet cash not in investable portfolio (~$94 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.

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Balance Sheet (in thousands)

ASSETS

		December 31, 2018	Audited June 30, 2018
	CURRENT ASSETS		
	Cash	120,014	118,992
	Short Term Investments	141,540	150,664
	Patient Accounts Receivable, net	118,342	124,427
	Other Accounts and Notes Receivable	2,555	3,402
	Intercompany Receivables	2,284	2,090
(1)	Inventories and Prepaids	78,462	75,594
	Total Current Assets	**463,198**	**475,171**
	BOARD DESIGNATED ASSETS		
	Plant & Equipment Fund	158,460	153,784
(2)	Women's Hospital Expansion	15,472	9,298
(3)	Operational Reserve Fund	139,057	127,908
	Community Benefit Fund	18,732	18,675
	Workers Compensation Reserve Fund	21,232	20,263
	Postretirement Health/Life Reserve Fund	29,512	29,212
	PTO Liability Fund	23,877	24,532
	Malpractice Reserve Fund	1,831	1,831
	Catastrophic Reserves Fund	17,258	18,322
	Total Board Designated Assets	**425,431**	**403,826**
(4)	**FUNDS HELD BY TRUSTEE**	**128,230**	**197,620**
	LONG TERM INVESTMENTS	**334,002**	**345,684**
	INVESTMENTS IN AFFILIATES	**33,147**	**32,412**
	PROPERTY AND EQUIPMENT		
	Fixed Assets at Cost	1,284,344	1,261,854
	Less: Accumulated Depreciation	(598,914)	(577,959)
	Construction in Progress	308,401	220,991
	Property, Plant & Equipment - Net	**993,831**	**904,886**
	DEFERRED OUTFLOWS	20,877	21,177
	RESTRICTED ASSETS - CASH	0	0
	TOTAL ASSETS	**2,398,716**	**2,380,776**

LIABILITIES AND FUND BALANCE

		December 31, 2018	Audited June 30, 2018
	CURRENT LIABILITIES		
(5)	Accounts Payable	40,028	49,925
(6)	Salaries and Related Liabilities	30,715	26,727
	Accrued PTO	23,877	24,532
	Worker's Comp Reserve	2,300	2,300
	Third Party Settlements	10,580	10,068
	Intercompany Payables	165	125
	Malpractice Reserves	1,831	1,831
	Bonds Payable - Current	3,850	3,850
(7)	Bond Interest Payable	11,117	12,975
	Other Liabilities	8,031	8,909
	Total Current Liabilities	**132,494**	**141,242**
	LONG TERM LIABILITIES		
	Post Retirement Benefits	29,512	29,212
	Worker's Comp Reserve	18,932	17,963
	Other L/T Obligation (Asbestos)	3,917	3,859
	Other L/T Liabilities (IT/Medl Leases)	-	-
	Bond Payable	518,076	517,781
	Total Long Term Liabilities	**570,437**	**568,815**
	DEFERRED REVENUE-UNRESTRICTED	663	528
	DEFERRED INFLOW OF RESOURCES	22,835	22,835
	FUND BALANCE/CAPITAL ACCOUNTS		
	Unrestricted	1,246,855	1,243,529
	Board Designated	425,431	403,825
	Restricted	0	0
(8)	**Total Fund Bal & Capital Accts**	**1,672,286**	**1,647,355**
	TOTAL LIABILITIES AND FUND BALANCE	**2,398,716**	**2,380,776**

December 2018 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

(1) The increase is due to annual insurance premiums for D&O, Property and Auto that are paid in July and amortized throughout the fiscal year. Also a quarterly pension funding was paid.

(2) The increase is due to the District making a transfer from its Capital Appropriation Fund in support of the upcoming renovation to the Women's Hospital.

(3) The increase is due to annual resetting of the 60 day Operational Reserve based on the new FY2019 budget that has started.

(4) Decrease is due to draws from the 2015A/2017 Bond Project funds for the on-going IMOB and BHS construction.

(5) Decrease is due to the yearend accruals that were paid out in July and August.

(6) Decrease is due a lesser number of days of payroll expenses and payroll taxes for October opposed to a full 14 day pay period that was needed for June 30.

(7) Semi-annual bond payments of interest and principal were made on the 2015A and 2017 Bonds in August.

(8) Increase in total Fund Balance is driven by y-t-d net income and that Capital Appropriate Fund transfer by District, discussed in item #2 above.

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)

- **Workers Compensation Reserve Fund** – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000's by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.
- **Postretirement Health/Life Reserve Fund –** following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000's by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital's postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date. At the end of fiscal year 2018, GASB #75 was implemented that now represents the full actuarially determined liability.
- **PTO (Paid Time Off) Liability Fund –** originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.
- **Malpractice Reserve Fund –** originally established in 1989 by the then District's Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than $50,000. Above $50,000 our policy with the BETA Healthcare Group kicks in to a $30 million limit per claim/$40 million in the aggregate.
- **Catastrophic Loss Fund –** was established in 1999 by the Hospital Board to be a "self-insurance" reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring $5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled $6.8 million that did mostly cover all the necessary repairs.

APPENDIX

El Camino Hospital – Mountain View ($000s)

Period ending 12/31/2018

Period 6 FY 2018	Period 6 FY 2019	Period 6 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
226,462	231,745	240,649	(8,905)	(3.7%)	**Gross Revenue**	1,347,954	1,398,938	1,406,914	(7,976)	(0.6%)
(167,977)	(169,502)	(179,463)	9,961	5.6%	**Deductions**	(982,352)	(1,026,802)	(1,045,433)	18,631	1.8%
58,485	**62,243**	**61,187**	**1,056**	**1.7%**	**Net Patient Revenue**	**365,602**	**372,136**	**361,481**	**10,654**	**2.9%**
1,777	1,802	2,600	(798)	(30.7%)	**Other Operating Revenue**	14,790	12,908	15,744	(2,836)	(18.0%)
60,262	**64,045**	**63,786**	**259**	**0.4%**	**Total Operating Revenue**	**380,392**	**385,044**	**377,225**	**7,818**	**2.1%**
					OPERATING EXPENSE					
33,124	35,496	35,949	453	1.3%	**Salaries & Wages**	194,662	205,687	208,540	2,853	1.4%
9,253	8,105	9,268	1,163	12.5%	**Supplies**	49,424	52,868	54,377	1,509	2.8%
6,214	6,727	7,404	677	9.1%	**Fees & Purchased Services**	40,969	45,196	45,035	(161)	(0.4%)
1,206	787	817	30	3.7%	**Other Operating Expense**	4,448	5,124	5,476	353	6.4%
456	100	323	223	68.9%	**Interest**	2,606	2,228	1,940	(288)	(14.8%)
3,524	3,503	3,698	196	5.3%	**Depreciation**	20,893	21,034	22,140	1,105	5.0%
53,778	**54,717**	**57,458**	**2,742**	**4.8%**	**Total Operating Expense**	**313,001**	**332,137**	**337,508**	**5,371**	**1.6%**
6,484	**9,328**	**6,328**	**3,000**	**47.4%**	**Net Operating Income/(Loss)**	**67,392**	**52,907**	**39,718**	**13,189**	**33.2%**
(1,998)	(20,746)	456	(21,202)	(4645.3%)	**Non Operating Income**	31,087	(38,016)	2,739	(40,754)	(1488.2%)
4,486	**(11,418)**	**6,784**	**(18,202)**	**(268.3%)**	**Net Income(Loss)**	**98,478**	**14,891**	**42,456**	**(27,565)**	**(64.9%)**
17.4%	20.2%	16.2%	4.0%		**EBITDA**	23.9%	19.8%	16.9%	2.9%	
10.8%	14.6%	9.9%	4.6%		**Operating Margin**	17.7%	13.7%	10.5%	3.2%	
7.4%	-17.8%	10.6%	(28.5%)		**Net Margin**	25.9%	3.9%	11.3%	(7.4%)	

El Camino Hospital – Los Gatos($000s)

Period ending 12/31/2018

Period 6 FY 2018	Period 6 FY 2019	Period 6 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
53,424	53,410	54,514	(1,104)	(2.0%)	**Gross Revenue**	302,820	305,137	307,940	(2,803)	(0.9%)
(38,099)	(38,630)	(40,115)	1,485	3.7%	**Deductions**	(222,536)	(225,366)	(226,208)	842	0.4%
15,325	**14,780**	**14,399**	**381**	**2.6%**	**Net Patient Revenue**	**80,284**	**79,771**	**81,732**	**(1,961)**	**(2.4%)**
205	279	283	(4)	(1.4%)	**Other Operating Revenue**	1,016	1,678	1,432	246	17.1%
15,530	**15,059**	**14,682**	**377**	**2.6%**	**Total Operating Revenue**	**81,299**	**81,449**	**83,164**	**(1,715)**	**(2.1%)**
					OPERATING EXPENSE					
6,707	7,334	7,284	(50)	(0.7%)	**Salaries & Wages**	39,302	41,354	40,129	(1,225)	(3.1%)
2,297	2,016	2,063	47	2.3%	**Supplies**	11,906	12,343	12,212	(132)	(1.1%)
1,338	1,351	1,409	58	4.1%	**Fees & Purchased Services**	7,866	8,425	8,057	(369)	(4.6%)
1,519	1,503	1,517	15	1.0%	**Other Operating Expense**	9,637	9,414	9,310	(104)	(1.1%)
0	0	0	0	0.0%	**Interest**	0	0	0	0	0.0%
694	763	757	(6)	(0.8%)	**Depreciation**	3,334	4,488	4,450	(38)	(0.9%)
12,555	**12,966**	**13,030**	**64**	**0.5%**	**Total Operating Expense**	**72,045**	**76,026**	**74,158**	**(1,868)**	**(2.5%)**
2,975	**2,093**	**1,652**	**441**	**26.7%**	**Net Operating Income/(Loss)**	**9,254**	**5,424**	**9,006**	**(3,583)**	**(39.8%)**
0	0	0	0	0.0%	**Non Operating Income**	(45)	0	0	0	0.0%
2,975	**2,093**	**1,652**	**441**	**26.7%**	**Net Income(Loss)**	**9,210**	**5,424**	**9,006**	**(3,583)**	**(39.8%)**
23.6%	19.0%	16.4%	2.6%		**EBITDA**	15.5%	12.2%	16.2%	(4.0%)	
19.2%	13.9%	11.3%	2.6%		**Operating Margin**	11.4%	6.7%	10.8%	(4.2%)	
19.2%	13.9%	11.3%	2.6%		**Net Margin**	11.3%	6.7%	10.8%	(4.2%)	

Expense variances - YTD

- Salary variance due to increased ED coverage determined after 6/2018 incident and in combination with decreased ED volumes. Lower volumes in Mother/Baby also contributing to salary variances.
- Supply variance mostly due to minor equipment purchases for LG Observation unit. Will be reversed and capitalized in P7.
- High purchased services due to higher rehab volume (paid per case) and TJC preparation
- Other expense variance due to timing difference that will normalize through the year.

Non Operating Items and Net Income by Affiliate

$ in thousands

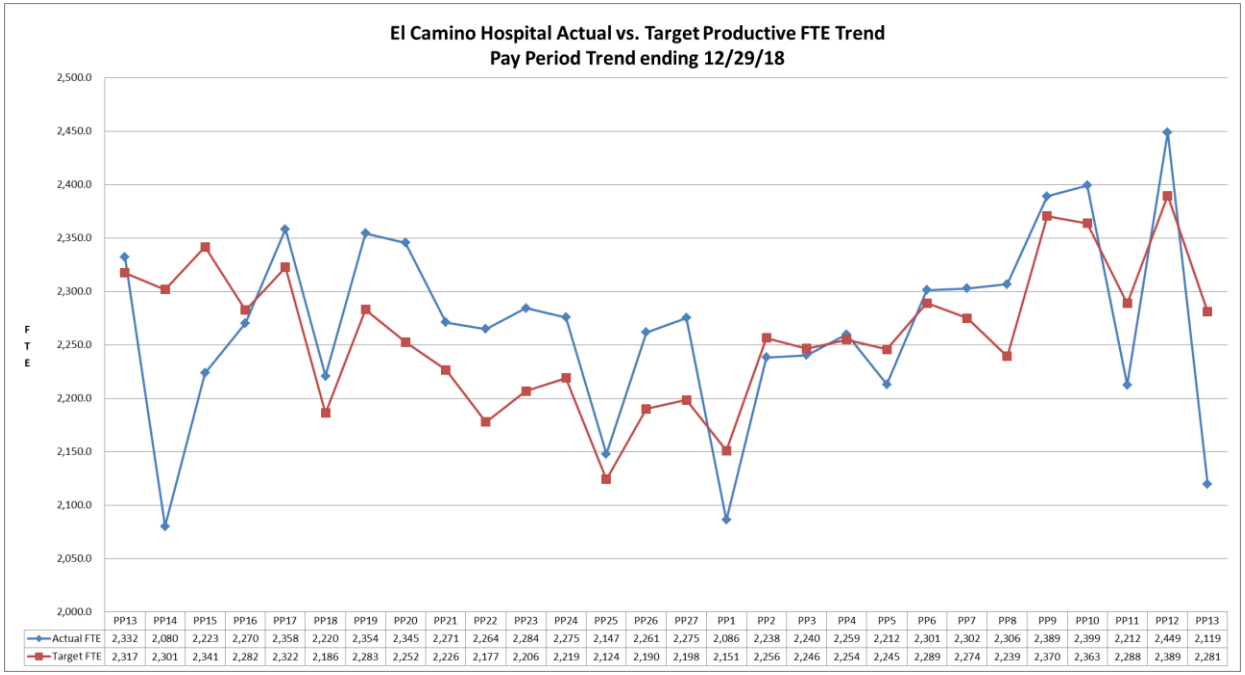
	Period 6 - Month			Period 6 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	9,328	6,328	3,000	52,907	39,718	13,189
Los Gatos	2,093	1,652	441	5,424	9,006	(3,583)
Sub Total - El Camino Hospital, excl. Afflilates	**11,421**	**7,980**	**3,441**	**58,330**	**48,724**	**9,606**
Operating Margin %	**14.4%**	**10.2%**		**12.5%**	**10.6%**	
El Camino Hospital Non Operating Income						
Investments[2]	(18,731)	2,478	(21,209)	(28,558)	14,866	(43,425)
Swap Adjustments	(848)	(100)	(748)	(617)	(600)	(17)
Community Benefit	(13)	(300)	287	(2,544)	(1,800)	(744)
Pathways	111	0	111	(1,091)	0	(1,091)
Satellite Dialysis	128	(25)	153	332	(150)	482
Community Connect	0	(53)	53	0	(318)	318
SVMD Funding[1]	(1,156)	(1,219)	63	(4,012)	(7,314)	3,302
Other	(356)	(324)	(32)	(1,645)	(1,945)	300
Sub Total - Non Operating Income	**(20,746)**	**456**	**(21,202)**	**(38,016)**	**2,739**	**(40,754)**
El Camino Hospital Net Income (Loss)	**(9,325)**	**8,437**	**(17,761)**	**20,315**	**51,462**	**(31,148)**
ECH Net Margin %	**-11.8%**	**10.8%**		**4.4%**	**11.2%**	
Concern	351	98	253	1,265	475	790
ECSC	(4)	0	(4)	(29)	0	(29)
Foundation	(887)	109	(996)	(122)	863	(985)
Silicon Valley Medical Development	653	7	646	1,348	(242)	1,590
Net Income Hospital Affiliates	**113**	**214**	**(100)**	**2,463**	**1,096**	**1,367**
Total Net Income Hospital & Affiliates	**(9,211)**	**8,650**	**(17,862)**	**22,777**	**52,558**	**(29,781)**

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

[2]Equity markets experienced a massive selloff during October, and volatility is continuing

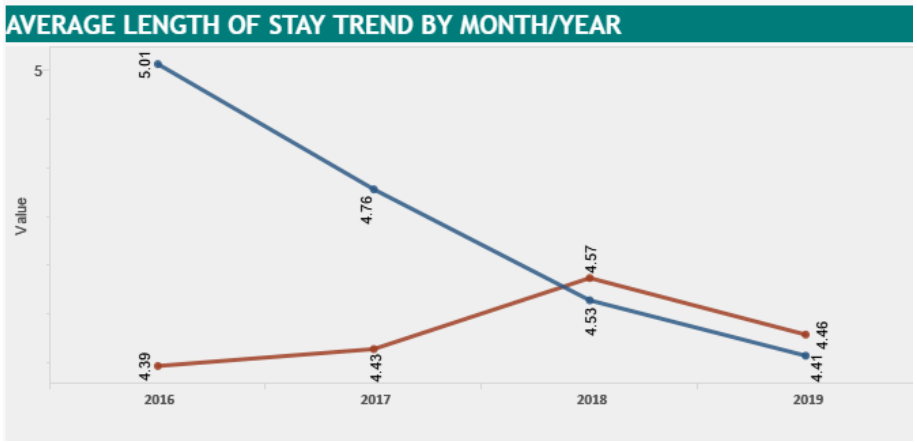
Productivity and Medicare Length of Stay

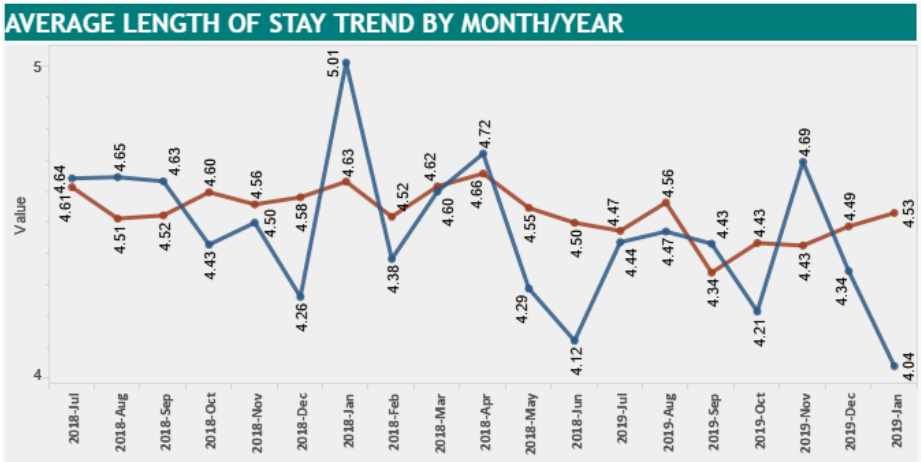
At or below FTE target for the first six pay periods of the year. Uptick end of Sept due to mandatory training for all employees. YTD we are on budget (adjusted for volume)



	PP13	PP14	PP15	PP16	PP17	PP18	PP19	PP20	PP21	PP22	PP23	PP24	PP25	PP26	PP27	PP1	PP2	PP3	PP4	PP5	PP6	PP7	PP8	PP9	PP10	PP11	PP12	PP13
Actual FTE	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	2,259	2,212	2,301	2,302	2,306	2,389	2,399	2,212	2,449	2,119
Target FTE	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	2,151	2,256	2,246	2,254	2,245	2,289	2,274	2,239	2,370	2,363	2,288	2,389	2,281

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





El Camino Hospital Volume Annual Trends

VOLUME BY SERVICE LINE

PROCEDURAL? (All) | FACILITY (All) | LEVEL OF DETAIL Service Line

		ANNUAL TREND						FY19 Bud vs FY18		6 MONTH					(Multiple values) YEAR				
		2014	2015	2016	2017	2018	2019(b)	Cases	Percent	PY	CY	Bud	Bud Var	PY Var	PY	CY	Bud	Bud Var	PY Var
IP	Behavioral Health	1,012	1,052	928	924	1,098	1,062	-36	-3.2%	101	105	95	10	4	560	575	528	47	15
	General Medicine &..	4,165	4,592	4,459	4,961	5,286	5,325	39	0.7%	482	426	455	-29	-56	2,583	2,351	2,419	-68	-232
	General Surgery	1,243	1,150	1,311	1,318	1,305	1,344	39	3.0%	106	118	109	9	12	642	703	665	38	61
	GYN	390	313	293	270	243	255	12	4.9%	25	22	21	1	-3	128	112	113	-1	-16
	Heart and Vascular	1,859	1,998	2,001	2,203	2,372	2,445	73	3.1%	206	201	198	3	-5	1,161	1,081	1,125	-44	-80
	MCH	6,695	6,371	5,953	5,822	5,719	5,764	45	0.8%	501	472	485	-13	-29	2,959	2,738	2,863	-125	-221
	Neurosciences	667	672	677	688	870	907	37	4.3%	83	105	82	23	22	438	434	480	-46	-4
	Oncology	606	564	652	594	633	726	93	14.7%	65	57	65	-8	-8	335	348	340	8	13
	Orthopedics	1,695	1,773	1,746	1,690	1,705	1,819	114	6.7%	159	135	160	-25	-24	888	834	913	-79	-54
	Rehab Services	547	555	500	461	441	436	-5	-1.1%	43	38	44	-6	-5	217	247	218	29	30
	Spine Surgery	377	429	417	474	375	465	90	24.0%	34	24	35	-11	-10	220	156	230	-74	-64
	Urology	172	169	234	257	254	274	20	7.9%	20	22	20	2	2	121	137	121	16	16
	Total	19,428	19,638	19,171	19,662	20,301	20,823	522	2.6%	1,825	1,725	1,771	-46	-100	10,252	9,716	10,013	-297	-536
OP	Behavioral Health	911	886	2,394	3,260	3,151	3,417	266	8.4%	236	216	224	-8	-20	1,627	1,372	1,558	-186	-255
	Dialysis	1,060	154	6			0					0					0		
	Emergency	46,005	49,077	48,587	48,625	49,418	49,122	-296	-0.6%	4,506	4,159	4,438	-279	-347	24,183	23,499	23,788	-289	-684
	General Medicine &..	6,633	6,634	7,196	7,129	7,300	7,457	157	2.2%	621	657	599	58	36	3,655	3,904	3,630	274	249
	General Surgery	1,840	1,854	1,799	1,836	2,004	2,068	64	3.2%	178	159	196	-37	-19	973	990	991	-1	17
	GYN	1,221	1,308	1,018	1,080	1,097	1,171	74	6.7%	101	144	93	51	43	577	717	559	158	140
	Heart and Vascular	2,575	2,719	3,796	4,361	4,363	4,410	47	1.1%	338	339	336	3	1	2,112	2,298	2,164	134	186
	Imaging Services	19,549	20,077	17,808	17,249	18,504	18,744	240	1.3%	1,566	1,598	1,540	58	32	9,332	9,744	9,154	590	412
	Laboratory Services	30,595	29,710	29,004	29,153	28,570	29,071	501	1.8%	2,343	2,127	2,349	-222	-216	14,379	13,760	14,334	-574	-619
	MCH	5,038	4,830	5,092	5,577	5,644	5,928	284	5.0%	444	467	446	21	23	2,845	2,727	2,827	-100	-118
	Neurosciences	110	61	127	125	115	155	40	34.8%	15	8	16	-8	-7	67	38	83	-45	-29
	Oncology	4,002	4,174	14,329	18,541	19,278	22,037	2,759	14.3%	1,593	1,669	1,621	48	76	9,636	9,966	9,886	80	330
	Orthopedics	866	776	584	615	642	714	72	11.2%	51	57	58	-1	6	309	341	355	-14	32
	Outpatient Clinics	1,817	1,706	1,681	1,288	1,884	1,517	-367	-19.5%	107	129	112	17	22	1,087	873	759	115	-214
	Rehab Services	1,732	1,747	3,953	4,518	4,926	4,900	-26	-0.5%	384	406	382	24	22	2,407	2,617	2,393	224	210
	Sleep Center	160	223	498	368	211	300	89	42.2%	15	15	29	-14	0	78	118	150	-32	40
	Spine Surgery	325	401	309	324	310	326	16	5.2%	33	27	32	-5	-6	168	150	165	-15	-18
	Urology	1,758	1,773	1,740	1,898	2,052	2,058	6	0.3%	145	151	151	0	6	995	996	1,010	-14	1
	Total	126,197	128,110	139,921	145,947	149,469	153,395	3,926	2.6%	12,676	12,328	12,625	-297	-348	74,430	74,110	73,804	306	-320

Medicare data excludes Medicare HMOs

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	$9,721	$8,186	$8,662	$13,116	$11,421	$0	$0	$0	$0	$0	$0
Run-rate	$7,079	$9,605	$5,068	$8,578	$10,296	$7,413	$0	$0	$0	$0	$0	$0
Budget	$6,068	$7,634	$7,032	$10,074	$9,935	$7,980	$9,771	$6,951	$10,964	$9,308	$9,195	$10,426

FY 2019 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV>							
Revenue Adjustments	J	A	S	O	N	D	YTD
Mcare Settlmt/Appeal/Tent Settlmt/PIP	141	112	92	76	137	443	1,000
IGT Supplemental	-	-	-	-	2,672	-	2,672
AB 915	-	-	2,875	-	-	-	2,875
RAC Release	-	-	161	-	-	(305)	(144)
Credit Balance Quarterly Review	-	-	(19)	-	-	3,858	3,839
Various Adjustments under $250k	4	5	(13)	8	11	12	27
Total	**145**	**116**	**3,118**	**84**	**2,820**	**4,313**	**10,291**

Capital Spend Trend & FY 19 Budget

Capital Spending (in 000's)	Actual FY2016	Actual FY2017	Actual FY2018	Projected FY2019	Budget 2019
EPIC	20,798	2,755	1,114	-	-
IT Hardware / Software Equipment**	6,483	2,659	1,108	19,732	19,732
Medical / Non Medical Equipment*	17,133	9,556	15,780	11,206	11,206
Non CIP Land, Land I , BLDG, Additions	4,189	-	2,070	-	-
Facilities	48,137	82,953	137,364	205,451	279,450
GRAND TOTAL	96,740	97,923	157,435	236,389	310,388
*Includes 2 robot purchases in FY2017					
**Includes ERP Implementation					

Facilities

- Projected facilities spend is lower than forecast in the budget primarily due to timing of project activity.
  - $27M for iMOB
  - $6M Patient Family Residence
  - $5M Women's Hospital Expansion
  - $3M Behavioral Health Hospital replacement

El Camino Hospital

Capital Spending (in millions)

Category		Detail	Approved	Total Estimated Cost of Project	Total Authorized Active	Spent from Inception	FY19 Budget	FY 19Proj Spend	Variance Projected vs Budget*	FY 19 YTD Spent
IT Hardware, Software, Equipment & Imaging					19.7	2.5	19.7	19.7	0.0	2.5
Medical & Non Medical Equipment FY 18					5.6	9.4	0.0	0.0	0.0	3.3
Medical & Non Medical Equipment FY 19					11.2	3.3	11.2	11.2	0.0	3.3
Facility Projects										
	1245	Behavioral Health Bldg	FY16	96.1	96.1	59.7	45.0	41.7	-3.3	13.7
	1413	North Drive Parking Expansion	FY15	24.5	24.5	24.3	0.0	0.7	0.7	0.0
	1414	Integrated MOB	FY15	302.1	302.1	183.7	150.0	123.3	-26.7	63.3
	1422	CUP Upgrade	FY16	9.0	9.0	7.9	0.8	1.4	0.6	0.3
	1430	Women's Hospital Expansion	FY16	135.0	135.0	5.0	10.0	4.8	-5.2	1.8
		Demo Old Main & Related Site Work		30.0	30.0	0.0	2.0	0.6	-1.4	0.0
	1502	Cabling & Wireless Upgrades	FY16	0.0	0.0	2.8	0.0	0.0	0.0	0.0
	1525	New Main Lab Upgrades		3.1	3.1	2.6	0.3	0.0	-0.3	0.4
	1515	ED Remodel Triage/Psych Observation	FY16	5.0	5.0	0.0	4.6	0.3	-4.3	0.0
	1503	Willow Pavilion Tomosynthesis	FY16	1.0	0.0	0.4	1.0	0.0	-1.0	0.0
	1602	JW House (Patient Family Residence)		6.5	6.5	0.3	6.0	0.1	-5.9	0.0
		Site Signage and Other Improvements		1.3	0.0	0.0	1.0	0.3	-0.7	0.0
		Nurse Call System Upgrades		2.4	0.0	0.0	2.4	0.2	-2.2	0.0
	1707	Imaging Equipment Replacement (5 or 6 rooms)		20.7	0.3	0.0	6.0	6.0	0.0	0.0
	1708	IR/ Cath Lab Equipment Replacement		19.4	19.4	0.0	5.0	1.0	-4.0	0.6
		Flooring Replacement		1.6	1.6	0.0	1.5	0.4	-1.1	0.0
	1219	LG Spine OR	FY13	0.0	0.0	4.0	0.0	0.0	0.0	0.2
	1313	LG Rehab HVAC System & Structural	FY16	0.0	0.0	4.1	0.0	0.0	0.0	0.0
	1248	LG Imaging Phase II (CT & Gen Rad)	FY16	9.0	9.0	9.0	0.0	0.0	0.0	0.1
	1307	LG Upgrades	FY13	19.3	19.3	18.7	0.8	0.0	-0.8	0.9
	1507	LG IR Upgrades		1.3	0.0	0.0	1.3	1.3	0.1	0.0
	1603	LG MOB Improvements (17)		5.0	5.0	5.0	0.5	0.0	-0.5	0.0
	1711	Emergency Sanitary & Water Storage		1.5	1.5	0.2	1.3	1.5	0.3	0.0
		LG Modular MRI & Awning		3.9	3.9	0.1	3.5	0.6	-2.9	0.1
		LG Nurse Call System Upgrade		0.8	0.0	0.0	0.5	0.4	-0.1	0.0
		LG Observation Unit (Conversion of ICU 2)		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1712	LG Cancer Center		5.0	5.0	0.3	4.8	3.7	-1.1	0.1
		Workstation Inventory Replacement		2.0	2.0	0.0	0.0	0.0	0.0	0.0
		Primary Care Clinic Development (2 @ $3 Million Ea		6.0	6.0	0.0	5.0	4.0	-1.0	0.0
		Other Strategic Capital FY-19		5.0	5.0	0.0	15.0	9.0	-6.0	0.0
		Willow SC Upgrades (35,000 @ $50)		1.8	1.8	0.0	1.8	0.0	-1.8	0.0
		New 28k MOB (Courthouse Prop)		22.4	22.4	0.0	1.2	0.2	-1.0	0.0
		80 Great Oaks Upgrades		4.5	4.5	0.0	0.0	0.0	0.0	0.0
		Primary Care Clinic (TI's Only) FY 17 (828 Wincheste		3.6	3.6	0.0	0.3	0.0	-0.3	0.0
		All Other Projects		7.2	6.6	70.3	7.8	3.9	-3.9	0.8
				755.9	728.4	398.2	279.5	205.5	-74.0	82.4
GRAND TOTAL					**759.3**	**413.4**	**310.4**	**236.4**	**-74.0**	**91.5**

El Camino Hospital Capital Spending (in thousands) FY 2014 – FY 2018

Category	2014	2015	2016	2017	2018
EPIC	**6,838**	**29,849**	**20,798**	**2,755**	**1,114**
IT Hardware/Software Equipment	**2,788**	**4,660**	**6,483**	**2,659**	**1,108**
Medical/Non Medical Equipment	**12,891**	**13,340**	**17,133**	**9,556**	**15,780**
Non CIP Land, Land I, BLDG, Additions	**22,292**	**-**	**4,189**	**-**	**2,070**
Facilities Projects CIP					
Mountain View Campus Master Plan Projects					
1245 - Behavioral Health Bldg Replace	1,257	3,775	1,389	10,323	28,676
1413 - North Drive Parking Structure Exp	-	167	1,266	18,120	4,670
1414 - Integrated MOB	-	2,009	8,875	32,805	75,319
1422 - CUP Upgrade	-	-	896	1,245	5,428
Sub-Total Mountain View Campus Master Plan	**1,257**	**5,950**	**12,426**	**62,493**	**114,093**
Mountain View Capital Projects					
9900 - Unassigned Costs	470	3,717	-	-	-
0906 - Slot Build-Out	1,576	15,101	1,251	294	-
1109 - New Main Upgrades	393	2	-	-	-
1111 - Mom/Baby Overflow	29	-	-	-	-
1204 - Elevator Upgrades	30	-	-	-	-
0800 - Womens L&D Expansion	1,531	269	-	-	-
1225 - Rehab BLDG Roofing	241	4	-	-	-
1227 - New Main eICU	21	-	-	-	-
1230 - Fog Shop	80	-	-	-	-
1315 - 205 So. Drive TI's	500	2	-	-	-
0908 - NPCR3 Seismic Upgrds	1,224	1,328	240	342	961
1125 - Will Pav Fire Sprinkler	39	-	-	-	-
1216 - New Main Process Imp Office	1	16	-	-	-
1217 - MV Campus MEP Upgrades FY13	181	274	28	-	-
1224 - Rehab Bldg HVAC Upgrades	202	81	14	6	-
1301 - Desktop Virtual	13	-	-	-	-
1304 - Rehab Wander Mgmt	87	-	-	-	-
1310 - Melchor Cancer Center Expansion	44	13	-	-	-
1318 - Women's Hospital TI	48	48	29	2	-
1327 - Rehab Building Upgrades	-	15	20	-	22
1320 - 2500 Hosp Dr Roofing	75	81	-	-	-
1340 - New Main ED Exam Room TVs	8	193	-	-	-
1341 - New Main Admin	32	103	-	-	-
1344 - New Main AV Upgrd	243	-	-	-	-
1400 - Oak Pav Cancer Center	-	5,208	666	52	156
1403 - Hosp Drive BLDG 11 TI's	86	103	-	-	-
1404 - Park Pav HVAC	64	7	-	-	-
1405 - 1 - South Accessibility Upgrades	-	-	168	95	-
1408 - New Main Accessibility Upgrades	-	7	46	501	12

Category	2014	2015	2016	2017	2018
Facilities Projects CIP cont.					
1415 - Signage & Wayfinding	-	-	106	58	136
1416 - MV Campus Digital Directories	-	-	34	23	95
1423 - MV MOB TI Allowance	-	-	588	369	-
1425 - IMOB Preparation Project - Old Main	-	-	711	1,860	215
1429 - 2500 Hospital Dr Bldg 8 TI	-	101	-	-	-
1430 - Women's Hospital Expansion	-	-	-	464	2,763
1432 - 205 South Dr BHS TI	-	8	15	-	52
1501 - Women's Hospital NPC Comp	-	4	-	223	320
1502 - Cabling & Wireless Upgrades	-	-	1,261	367	984
1503 - Willow Pavillion Tomosynthesis	-	-	53	257	31
1504 - Equipment Support Infrastructure	-	61	311	-	60
1523 - Melchor Pavillion Suite 309 TI	-	-	10	59	392
1525 - New Main Lab Upgrades	-	-	-	464	1,739
1526 - CONCERN TI	-	-	37	99	10
Sub-Total Mountain View Projects	**7,219**	**26,744**	**5,588**	**5,535**	**7,948**
Los Gatos Capital Projects					
0904 - LG Facilities Upgrade	-	-	-	-	-
0907 - LG Imaging Masterplan	774	1,402	17	-	-
1210 - Los Gatos VOIP	89	-	-	-	-
1116 - LG Ortho Pavillion	24	21	-	-	-
1124 - LG Rehab BLDG	458	-	-	-	-
1307 - LG Upgrades	2,979	3,282	3,511	3,081	4,551
1308 - LG Infrastructure	114	-	-	-	-
1313 - LG Rehab HVAC System/Structural	-	-	1,597	1,904	550
1219 - LG Spine OR	214	323	633	2,163	447
1221 - LG Kitchen Refrig	85	-	-	-	-
1248 - LG - CT Upgrades	26	345	197	6,669	1,673
1249 - LG Mobile Imaging	146	-	-	-	-
1328 - LG Ortho Canopy FY14	255	209	-	-	-
1345 - LG Lab HVAC	112	-	-	-	-
1346 - LG OR 5, 6, and 7 Lights Replace	-	285	53	22	127
1347 - LG Central Sterile Upgrades	-	181	43	66	-
1421 - LG MOB Improvements	-	198	65	303	356
1508 - LG NICU 4 Bed Expansion	-	-	-	207	-
1600 - 825 Pollard - Aspire Phase II	-	-	-	80	10
1603 - LG MOB Improvements	-	-	-	285	4,593
Sub-Total Los Gatos Projects	**5,276**	**6,246**	**6,116**	**14,780**	**12,306**
1550 - Land Acquisition	-	-	24,007	-	-
1701 - 828 S Winchester Clinic TI	-	-	-	145	3,018
Sub-Total Other Strategic Projects	**-**	**-**	**24,007**	**145**	**3,018**
Subtotal Facilities Projects CIP	**13,753**	**38,940**	**48,137**	**82,953**	**137,364**
Grand Total	**58,561**	**86,789**	**96,740**	**97,923**	**157,435**

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To:	El Camino Hospital Board of Directors
From:	Peter C, Fung, MD, Quality Committee Member Mark Adams, MD, CMO
Date:	February 4, 2019
Subject:	Quality, Patient Care and Patient Experience Committee Report

Purpose:

To inform the Board of the work of the Quality Committee

Summary:

The Committee last met on February 4, 2019 and meets again on March 4, 2019. The FY19 Quality Dashboard was reviewed. For mortality, the FYTD index is 0.90 with a target of 0.95. We have seen an increase in sepsis mortality primarily attributed to an increase in terminally ill patients who presented with sepsis but opted for comfort care. There was one Central Line Associated Bloodstream Infection recorded in December that was most likely a contaminant from the blood culture but must be counted nonetheless. There was one new C. Diff infection in December and zero Catheter Associated Urinary Tract Infections. The Quality and Patient Experience Organizational Goals Dashboard is attached.

Cheryl Reinking, CNO, presented a review of the work being done by the ED satisfaction improvement team. A combination of interventions including care team coaching, enhanced service items such as food and entertainment options, and post-discharge follow up calls have been deployed. ED satisfaction metrics show a significant positive rebound in FY19 Q2 compared to Q1.

Mark Adams, CMO, presented information regarding physician burnout which has become a national crisis. Burnout is a psychological syndrome with three dimensions: emotional exhaustion, feelings of cynicism and detachment, and a sense of ineffectiveness and lack of accomplishment. Physician suicide rate is now double the general population in the U.S. Physician burnout is directly correlated with an increased risk of patient safety, poor quality of care, and reduced patient satisfaction. Women physicians are affected more often than men but both are increasing rapidly. The biggest contributor is "too many bureaucratic tasks" cited by 60% of physicians. Strategies to address physician burnout include enhanced resilience by improving work-life balance and providing peer support and mitigating the contributing factors by enhancing workflow, improved leadership, and more opportunities for engagement in decisions.

Dr. Adams presented a brief summary of the recent Joint Commission findings. The relatively new "Safer Matrix" was explained. There were only four moderate category deficiencies which have all been quickly corrected.

El Camino has earned a 4-Star rating from CMS in the most recent iteration. Some committee members asked whether we are considering marketing this result.

List of Attachments:

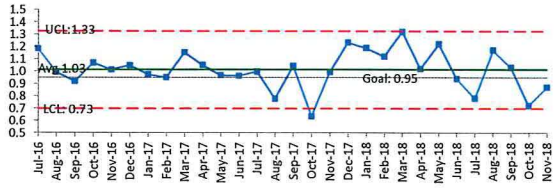
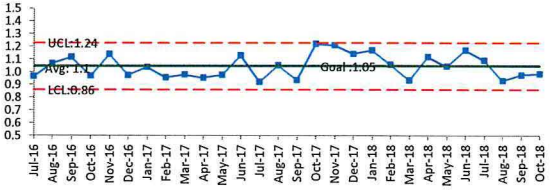
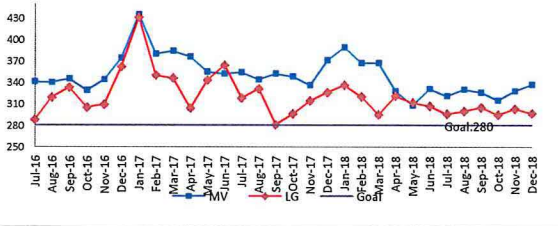
1. Quality and Experience Organizational Goals Dashboard.

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

FY19 Organizational Goal Update

December 2018 (Unless otherwise specified)

Month to Board Quality Committee: February, 2019

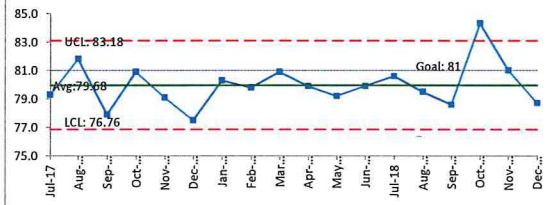
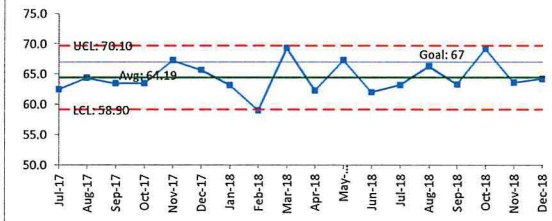
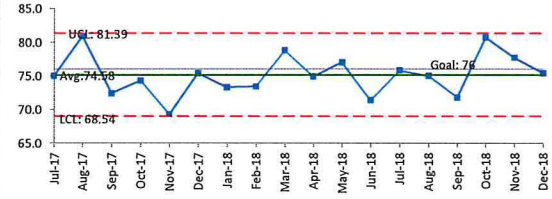
		FY19 Performance		Baseline FY18 Actual	FY19 Target	Trend	Comments
Quality		Month	FYTD				
1	* Organizational Goal **Mortality Index** ***Observed/Expected*** ***Premier Standard Risk Calculation Mode*** *Date Period: November 2018*	0.87 (1.61%/1.85%)	0.90 (1.29%/1.43%)	1.05	0.95		Since March 2018, the Mortality Index has continued a downward trend. This index does move up with the Sepsis mortality rate, which increased in November. Improved physician documentation with CDI assistance continues to improve the Expected mortality rate - at 1.85% this month.
2	*Organizational Goal **Readmission Index (All Patient, All Cause Readmit)** ***Observed/Expected*** ***Premier Standard Risk Calculation Mode*** *Index month: October 2018*	0.98 (6.72%/6.83%)	1.00 (6.89%/6.87%)	1.08	1.05		The improvements made since July by the 5 teams focused on Readmissions are affecting the Readmission Index. Zero readmissions for the COPD population in October also contribute.
3	* Organizational Goal **Patient Throughput-Median minutes from ED Door to Patient Admitted** *(excludes Behavioral Health Inpatients)* *Date Period: December 2018*	MV: 337 mins LG: 297 mins	MV: 325 mins LG: 299 mins	MV: 350 mins; LG: 314 mins	280 mins		In MV: ongoing focus on order to floor time, and pilot nurse handoff has spread to all units. Adjustments made to Nursing Complex meetings each shift to support focus on the movement of patients and planning ahead. Meeting with providers to discuss options for improving time between ED consult for admission and admit orders. In LG, Pilot of ED nurses transporting pts to units and working with admitting providers to use bridge orders, though bridging orders have been refused by some physicians.

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

FY19 Organizational Goal Update

December 2018 (Unless otherwise specified)

Month to Board Quality Committee: February, 2019

	Service	FY19 Performance Month	FY19 Performance FYTD	HCAHPS Baseline Q4 2017-Q3 2018	FY19 Target	Trend	Comments
4	* Organizational Goal **HCAHPS Nursing Communication Domain** Top Box Rating of Always *Date Period: December 2018*	78.7 (212/270)	80.5 (1262/1568)	80.0	81.0		The Nursing Comunications Team is using Care Team Coaching appointment/reminder cards • Working on Enhanced Interactions/ Purposeful rounding • Created standard display of data on VIS boards
5	* Organizational Goal **HCAHPS Responsiveness of Staff Domain** Top Box Rating of Always *Date Period: December 2018*	64.2 (163/254)	65.1 (967/1486)	65.1	67.0		The Responsiveness Team is: • Working with Admin Support (AS) staff to identify best practices with call lights • Standardizing Call Light Response and Escalation Structure
6	* Organizational Goal **HCAHPS Cleanliness of Hospital Environment Question** Top Box Rating of Always *Date Period: December 2018*	75.4 (202/268)	76.1 (1184/1555)	74.5	76.0		The Cleanliness Team is: • Working with Facilities on room and bathroom clutter strategies • EVS staff scripting, business cards and badge buddies • Monthly "Most Improved Unit- Taking Pride in Your Environment" Award started

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Ken King, CASO
Jim Griffith, COO
Date: January 31, 2019
Subject: Women's Hospital Expansion Project – Funding Request

Recommendation(s):

To approve the Women's Hospital Expansion Project Plan as revised, and increase the project funding by $10 million for a total authorized amount of $16 million.

Summary:

1. Situation: The 25 year old Women's Hospital building as it is currently configured no longer meets the community standard for maternal and child health services. The configuration does provide enough private rooms for moms and babies, but it lacks capacity for anti-partum, labor and delivery and NICU beds. The Board authorized the development of this project in 2014 as an element of the Campus Development Plan. We began the programming and design process in the fall of 2016.

The feasibility cost estimate for this project was $91.5 million. In early 2018, we received a design development construction cost estimate that far exceeded the initial estimates. The higher cost was not deemed reasonable by the Executive Leadership Team. Additionally, the projected four year schedule and operational impact of the construction phasing created an unacceptable level of risk.

Over the past several months, we have worked to reaffirm the need for the reconfiguration and additional space and we have revised the final outcome of the project plan. The result of this work is a revised unit configuration that we are now recommending in order to achieve the goals of providing expansion space for Labor & Delivery (L&D), 100% private rooms for Moms and Babies and additional beds for Anti-Partum and Neonatal Intensive Care Unit (NICU). The estimated project cost of the revised plan is $111 million with a three year overall construction timeline with significantly less disruption to operations when compared to the Original Plan.

Unit Configuration			
	Existing	**Original Plan**	**Revised Plan**
1st Fl North	Mother Baby	NICU	Mother Baby
1st Fl South	L&D, NICU	L&D, Anti-Partum	L&D, Anti-Partum
2nd Fl	Medical Offices	Mother Baby	NICU
3rd Fl	Medical Offices	Mother Baby	Mother Baby

The revised plan changes the unit configuration and reduces the amount of major reconstruction required; it eliminates the need for the temporary relocation of L&D and NICU that the original

plan required and it reduces the overall duration of construction. Most importantly, it dramatically reduces the risks to patient care during construction. This plan also reduces the number of NICU beds from the planned 31 to 24.

2. Authority: Policy requires that expenditures exceeding $1 million require the Boards approval.

3. Background: The expansion of the Women's Hospital was identified in the approved Facilities Master Plan in 2008. Following the acquisition of the Los Gatos campus in 2009, the Women's Hospital Expansion project was put on hold.

The Mountain View Campus Development Plan, approved October 2014, was partially driven by the need to expand space for the Women's Hospital. The following steps have been taken since the initiation of the project:

A. June 2016 – Board Authorized $1 million to develop the programming and feasibility to expand the Women's Hospital

B. April 2017 – Board approved additional $5 million to continue the development through the Design Development phase.

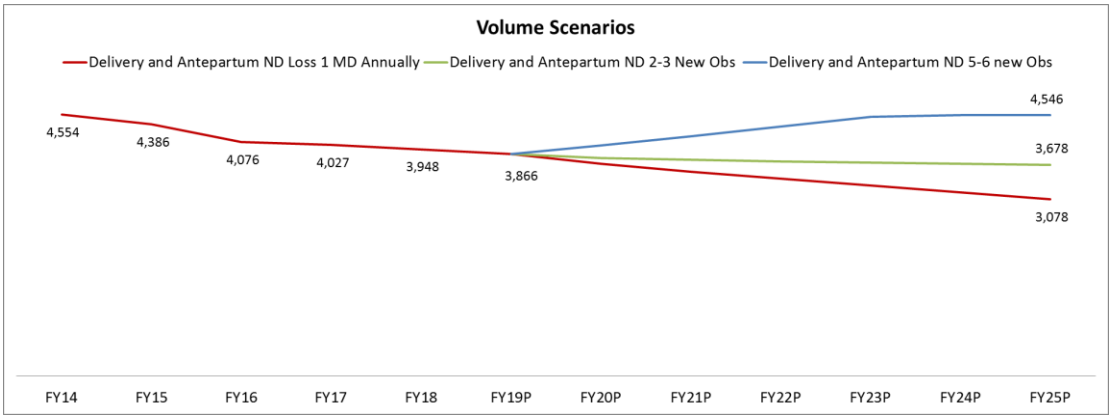
C. January 2018 – Design Development Construction Cost Estimate caused us to re-evaluate the why, how and how much should be invested for this expansion.

D. November 2018 – Revised project plan with updated cost estimate of $111 million presented for approval. **CURRENT FUNDING REQUEST - $10 million.**

4. Assessment: The key drivers for this project continue to be the fact that without expanding the amount of space for the Women's Hospital services, we cannot guarantee private post-partum rooms for moms and babies. We currently have 10 licensed medical/surgical beds in the New Main Hospital converted into an 8 bed mother/baby post-partum unit, so that we can more often ensure a private room environment. Our total private room capacity (community standard) is 36 post-partum beds in the Women's Hospital and 8 in the Main Hospital. Renovation will add 8 beds moving the total to 52 postpartum rooms in the Women's Hospital and 6 labor-delivery-post-partum rooms. NICU capacity will expand from 20 to 24. This will free the space in the main hospital to allow growth in other service lines and improve patient flow through addition of 6 anti-partum rooms and 8 OB-ED beds.

To realize the full benefit of the facility investment, we will continue improvements to personalization and "choices" focused on improving the overall patient and family experience. Additionally, we expect to recruit 3-5 new obstetricians to replace retiring physicians in the independent physician community to maintain and increase volume.

The table below shows the added patient volume (blue line versus green line) allowed in the renovated building in comparison to the current un-renovated building. The red line shows current market projection with the expected loss of 1 community MD a year. The building renovations will make recruitment use of ECH more attractive to new obstetricians – and the additional beds plus workflow improvements will allow additional volume to offset the total cost of renovation.



The Maternal Child Inpatient Service line accounted for over $42M of Contribution Margin in FY18 and over $43M in FY17. For the past 5 years, MCH (non-NICU) volumes have been decreasing and average of over 3% per year and NICU volumes have been decreasing by over 6% per year. This is driven by both lower birth rates and loss of independent OB providers. We anticipate continued volume loss of 2%-3% per year through 2025. Investment in the Women's Hospital provides us with an opportunity to both improve the patient/family experience and to engage additional providers to drive an increase in MCH volumes.

Post-renovation and with the addition of providers, we are forecasting a 3% increase in MCH volumes resulting in an increase in Contribution Margin of $7M-$8M per year. From FY22 - FY25, incremental Contribution Margin will be $32M. Based on future projections, the breakeven period would be in 21 years.

5. Other Reviews: In addition to the Finance Committee review on January 30, 2019, this recommendation has been reviewed by the clinical leadership, the Women's Hospital Steering Committee, and the Executive Team with full support of the recommendation.

6. Outcomes: Once approval to proceed with the plan is obtained, the next step is to complete the construction documents and submit the plans to OSHPD for plan review and permitting. The target date for obtaining a building permit is February 2020, which would allow for construction to begin in March 2020.

The construction schedule consists of three major phases over a three year timeline**,** with a final completion date of December 2022.

Suggested Board Discussion Questions:

1. What is the financial impact of this investment?
2. What is the implication if we do not proceed with this investment?

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Bob Miller, Chair, Executive Compensation Committee
Date: February 13, 2019
Subject: FY19 CEO Evaluation Process

Recommendation(s):

1) To approve the attached CEO assessment tool for the Hospital Board (with or without changes).
2) To recommend that the District Board approve the attached CEO assessment tool for the District Board (with or without changes).

Summary:

1. Situation: The Hospital and Board Chairs requested new tool(s) to assess the CEO's performance including question(s) about the CEO's responsibilities to the Healthcare District.

2. Authority: The Hospital Board Chair is responsible for evaluating the CEO's job performance. The District Board Chair is responsible for evaluating the CEO's job performance for district responsibilities.

3. Background: The executive compensation consultant and Chief Human Resources Officer (CHRO) partnered in developing a new tool/process. The CHRO gathered input from CEO, Board and Committee members, and gathered best practice information from CEO professional organizations and the American Hospital Association (AHA). Revisions have been made to more effectively and efficiently serve the intended purpose.

4. Assessment: The Executive Committee reviewed the draft and recommends that the Board approve the assessment tool.

5. Other Reviews: Mercer (executive comp consultant) and CEO

6. Outcomes: The primary objective of the assessment is to assess performance and to guide development of the CEO and, to provide a focused feedback channel between the Board and CEO about organization and individual performance and development. The performance assessment results may inform salary increase decisions and/or the discretionary component of the bonus, but it does not directly impact those outcomes. The Hospital and District Boards will approve their respective assessment tools.

List of Attachments:

1. Draft CEO Assessment
2. CEO Evaluation Timeline

Suggested Board Discussion Questions:

1. Does the Board support the recommendation with or without modification?

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

CHIEF EXECUTIVE OFFICER
PERFORMANCE ASSESSMENT PROCESS

The Chair of the El Camino Hospital Board of Directors is responsible for leading the assessment of the Chief Executive Officer's (CEO) performance.

This assessment is a tool for the Hospital Chair to gather information from the Board of Directors regarding the CEO's performance. A summary of the results will be shared with the Board. The summary will also be shared with the CEO during the annual performance review meeting the Hospital Chair.

In addition, the tool is used to gather information from the District Board Members as the District Chair is responsible for leading the performance assessment of the CEO on District accountabilities. District Directors will assess the CEO on specific District accountabilities at the same time they complete their Hospital CEO assessment. A summary will be shared with the District Board.

The summary will also be shared with the CEO during the annual performance review meeting with the District and Hospital Chairs. The CEO will also complete a self-assessment based on the same criteria.

Instructions: Please use the following rating scale in assessing the CEO's performance over the past 12 months. The bulleted items listed under each section of the assessment tool are examples of how the CEO demonstrates the stated accountability and is not intended to be an all-inclusive list. **Provide *one rating* for each section below;** written comments are encouraged**.** . In the event that you rate the CEO's performance at level 2 or below, please provide specific suggestions for performance improvement.

Rating Scale	
Exceeds Expectations: The CEO's personal attributes and leadership qualities extend *above and beyond* these attributes as a part of his or her leadership.	5
Meets All Expectations: The CEO's personal attributes and leadership qualities in this area are *always* exhibited as a part of his or her leadership. The CEO's performance in this area *meets all of my expectations.*	4
Meets Most Expectations: The CEO often practices the personal attributes and leadership qualities in this area as a part of his or her leadership, but not always. The CEO's performance in this area generally meets my expectations.	3
Meets Some Expectations: The CEO inconsistently practices the personal attributes and leadership qualities in this area as a part of his or her leadership. The CEO's performance in this area only meets some of my expectations.	2
Does Not Meet Expectations: The CEO rarely or never practices these personal attributes and leadership qualities as a part of his or her leadership. The CEO does not perform well in this area.	1
Not Applicable: Not applicable or has not been observed.	N/A

Board Relations
Examples: • *Informs the Board on timely and important developments/issues* • *Ensures a positive working relationship with the Board founded on transparency and collaboration* • *Ensures continuous education for the Board on issues/topics important to ensure effective, evidence-based governing leadership*
Board Director Rating: ___ **Comments:**

Strategic Development
Examples: • *Collaborates with the Board to set the strategic direction for the organization* • *Develops, communicates and leads the implementation of the strategic plan in a manner consistent with the organization's mission, vision and values* • *Engages internal and external stakeholders to develop strategies and plans to move the organization in the desired direction* • *Considers evolving internal and external trends and factors, and adjusts plans as necessary*
Board Director Rating: ___ **Comments:**

Executive Team Relations and Development
Examples: • *Recruits and develops a cohesive leadership team to implement organizational goals and strategies* • *Holds leaders accountable for achieving performance goals* • *Maintains an open, honest, trusting and collaborative relationship with senior leaders* • *Develops future leaders within the organization*
Board Director Rating: ___ **Comments:**

Quality and Patient Safety
Examples: • *Ensures that quality and patient safety is a top priority at every level in the organization* • *Establishes and nurtures a culture build on quality, service, and continuous improvement* • *Advances the organization's culture to ensure the patient experience is exemplary in every aspect of care* • *Uses quality outcomes and data to drive actionable decision-making*
Board Director Rating: ___ **Comments:**

Financial Leadership
Examples: • *Financial results in the past year met or exceeded financial goals for the organization's growth* • *Sets the time for financial discipline and the importance of financial balance to achieve the mission and vision* • *Ensures adequate internal systems are in place to protect the organization's financial health* • *Continuously explores opportunities to strengthen the organization's financial position and organizational growth and development*
Board Director Rating: ___ **Comments:**

Risk and Change Management
Examples: • *Encourages self and others to challenge the status quo; takes calculated risks* • *Leads the organization to be agile and adaptable* • *Assumes responsibility for adverse outcomes* • *Thinks innovatively; seeks and values the opinions of others*
Board Director Rating: ___ **Comments:**

Leadership and Culture
Examples: • *Provides focused and effective leadership that ensures commitment to the organization's mission and vision* • *Encourages all to improve productivity, quality and patient satisfaction* • *Inspires a high performing culture with commitment on continuous improvement* • *Combines strong ethical judgment with technical and management skills*
Board Director Rating: ___ **Comments:**

Medical Staff Relations
Examples: • *Develops and maintains effective relationships with physicians* • *Involves the medical staff in efforts related to quality improvement, patient safely and patient satisfaction*
Board Director Rating: ___ **Comments:**

Community Health and Partnerships
Examples: • *Seeks partnerships that help achieve the Hospital's mission and vision and improve community health* • *Ensures services and programs are made available to address community health improvement challenges and needs*
Board Director Rating: ___ **Comments:**

In reviewing your ratings and comments above, what is the one thing you'd like to see the CEO focus on during the next 12 months?

El Camino Healthcare District Board Assessment of the CEO

(To be completed by District Board Directors only)

District Board Accountabilities

District Board Accountabilities
Examples: • *Administers District resources and services approved by the District* • *Represents the District in the community* • *Communicates effectively and timely with the District Board*
Board Director Rating: ___ **Comments:**

In reviewing your ratings and comments above, what is the one thing you'd like to see the CEO focus on during the next 12 months?

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Timeline for CEO Performance Assessment

February 13, 2019

Timeline

Month	Action	Person(s)
February	**Approves Hospital assessment tool**	**Hospital Board**
March	Approves District assessment tool	District Board
April	Launches CEO Self-Assessment tool	Executive Comp Consultant
April	Launches Hospital and District Board CEO Assessment tool	Executive Comp Consultant
May	Completes Self-Assessment and list of achievements	CEO
May	**Completes Hospital Assessment**	**Hospital Board**
May	Completes Hospital and District Assessment	District Board
June	Summarizes results and meets with Hospital and Board Chairs	Executive Comp Consultant
June	**Listens to Board feedback**	**Hospital Board Chair**
June	Listens to Board feedback	District Board Chair
July	Meet with CEO and complete performance reviews	Hospital and District Chairs
August	**Reports to Board on the performance review meeting with CEO**	**Hospital Board Chair**
August	**Approves CEO's FY 20 base salary**	**Hospital Board**

Minutes of the Open Session of the
El Camino Hospital Board of Directors
Wednesday, January 16, 2019
2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)

Board Members Present	Board Members Absent	Members Excused
Lanhee Chen, Chair	**Julie Kliger**	None
Jeffrey Davis, MD	**Julia E. Miller,** Secretary/Treasurer	
Peter C. Fung, MD		
Gary Kalbach		
Bob Rebitzer (via teleconference)		
George O. Ting, MD		
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 5:34pm by Vice Chair Zoglin. A verbal roll call was taken. Director Davis joined the meeting at 5:39pm during Agenda Item 3: Board Recognition. Director Rebitzer participated via teleconference and joined the meeting at 5:43pm during Agenda Item 4: FY19 Period 4 Financials. Chair Chen joined the meeting during the closed session. Directors Kliger and Miller were absent. All other Board members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Vice Chair Zoglin asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. BOARD RECOGNITION	Cheryl Reinking, RN, CNO, recognized the ECH NICU team, volunteers, and staff for providing compassionate, personalized care to one very special baby and the group's dedication to helping a baby grow and thrive. **Motion:** To approve *Resolution 2019-01*. **Movant:** Kalbach **Second:** Fung **Ayes:** Davis, Fung, Kalbach, Rebitzer, Ting, Zoglin **Noes:** None **Abstentions:** None **Absent:** Chen, Miller, Kliger **Recused:** None Director Fung commended all of those involved for their work.	***Resolution 2019-01 approved***
4. FY19 PERIOD 4 FINANCIALS	Iftikhar Hussain, CFO, reviewed ECH's financial performance in FY19 Period 4 as further detailed in the packet, highlighting: - Volume (inpatient and outpatient) and financial performance are favorable to budget; payor mix is close to budget - Revenue cycle operations are running very well - There is more volatility in the market. He noted that ECH's investment strategy is long-term. In response to Director Fung's questions, Mr. Hussain described IT maintenance fees and billing timing. Director Zoglin noted that FY19 Period 5 Financials were included in the packet for the Board's information and will be reviewed by the Finance Committee at its next meeting. He noted that there may be opportunity to	***FY19 Period 4 Financials approved***

	review the timing of financial reporting to the Board. **Motion:** To approve the FY19 Period 4 Financials. **Movant:** Fung **Second:** Kalbach **Ayes:** Davis, Fung, Kalbach, Rebitzer, Ting, Zoglin **Noes:** None **Abstentions:** None **Absent:** Chen, Miller, Kliger **Recused:** None	
5. QUALITY COMMITTEE REPORT	Mark Adams, MD, CMO, reported that the Committee discussed: - The cadence of Quality Dashboard reporting. He reported that the Committee has decided to display the data quarterly as well as on a rolling 12 month basis. - PSI-90 (patient safety index), which includes a composite of patient safety and adverse events. Dr. Adams explained that the measures are weighted, reported to CMS and The Joint Commission, and have some overlap with hospital acquired infections that are tracked on the quality dashboard. Dr. Adams noted that ECH's score of 0.71 is better than average, but higher than the top decile score of 0.57. - The Culture of Safety surveys of employees and physicians (which had a more limited response rate) Director Davis and Dr. Adams further described the Committee's discussion surrounding the display and frequency of dashboard reporting. In response Dr. Fung's question, Ms. Reinking reported that HCAHPS scores are trending upward quarter over quarter. Director Rebitzer commended the Committee for moving toward quarterly reporting; he also commented that as ECH grows its services offered, he is looking forward to see how outpatient and ambulatory metrics can be incorporated into the organization's tracking and evaluation of quality.	
6. PUBLIC COMMUNICATION	None.	
7. ADJOURN TO CLOSED SESSION	**Motion:** To adjourn to closed session at 6:17pm pursuant to *Gov't Code Section 54957.2* for approval of the Minutes of the Closed Session of the Hospital Board Meeting (December 5, 2018); pursuant to *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; pursuant to *Health and Safety Code Section 32106(b)* for a report and discussion involving health care facility trade secrets: Surgery Center Transaction; pursuant to *Health and Safety Code Section 32106(b)* for a report and discussion involving health care facility trade secrets: SVMD Acquisition Update; pursuant to *Health and Safety Code Section 32106(b)* for a report and discussion involving health care facility trade secrets and *Gov't Code Section 54956.9(d)(2)* – conference with legal counsel – pending or threatened litigation: CEO Report on New Services and Program and Legal Matters; and pursuant to *Gov't Code Section 54957* for discussion and report on personnel performance matters – Senior Management: Executive Session. **Movant:** Kalbach **Second:** Ting **Ayes:** Davis, Fung, Kalbach, Rebitzer, Ting, Zoglin	***Adjourned to closed session at 6:17pm***

DRAFT

	Noes: None **Abstentions:** None **Absent:** Chen, Miller, Kliger **Recused:** None	
8. AGENDA ITEM 16: RECONVENE OPEN SESSION/ REPORT OUT	Open session was reconvened at 8:37pm by Chair Chen. Agenda items 8-15 were addressed in closed session. During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (December 5, 2018) and the Medical Staff Report, including the credentials and privileges report, by a unanimous vote in favor of all members present (Directors Chen, Davis, Fung, Kalbach, Rebitzer (via teleconference), Ting, and Zoglin). Directors Kliger and Miller were absent.	
9. AGENDA ITEM 17: CONSENT CALENDAR	Chair Chen asked if any member of the Board or the public wished to remove an item from the consent calendar. Chair Chen removed item 17b for discussion. **Motion:** To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (December 5, 2018); Los Gatos Cancer Center Funding; Revised Signature Authority Policy; Revised Corporate Compliance: Physician Financial Arrangements Policy; Revised Finance Committee Charter; Revised Board of Director Approval of Hospital Policies; Medical Staff Report; and for information: FY19 Period 5 Financials; Report on Major Capital Projects in Progress. **Movant:** Kalbach **Second:** Zoglin **Ayes:** Chen, Davis, Fung, Kalbach, Rebitzer, Ting, Zoglin **Noes:** None **Abstentions:** None **Absent:** Miller, Kliger **Recused:** None **Agenda Item 17b: Proposed Revised FY19 Committee Assignments** Chair Chen recommended that Director Ting be appointed to the Quality, Patient Care, and Patient Experience Committee and the Investment Committee. **Motion:** To approve the Proposed Revised FY19 Committee Assignments, as amended to include Director Ting's assignments as noted above. **Movant:** Kalbach **Second:** Fung **Ayes:** Chen, Davis, Fung, Kalbach, Rebitzer, Ting, Zoglin **Noes:** None **Abstentions:** None **Absent:** Miller, Kliger **Recused:** None	***Consent calendar approved***
10. AGENDA ITEM 18: SURGERY CENTER TRANSACTION	Iftikhar Hussain, CFO, provided an overview of the El Camino Ambulatory Surgery Center (ECASC), currently operating as a joint venture with an outside management company and physician partners, and the proposed transaction for the Hospital to purchase the remaining interests of ECASC and make it part of the Hospital license. **Motion:** To approve the purchase of the remaining interest in El Camino Ambulatory Surgery Center not to exceed $3 million and $6.2 million in capital improvements to bring the facility to California Office of Statewide	***Surgery Center Transaction approved***

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	Health Planning and Development (OSHPD) hospital standards. **Movant:** Kalbach **Second:** Fung **Ayes:** Chen, Davis, Fung, Kalbach, Rebitzer, Ting, Zoglin **Noes:** None **Abstentions:** None **Absent:** Miller, Kliger **Recused:** None	
11. AGENDA ITEM 19: LEADERSHIP UPDATE	Dan Woods, CEO, highlighted the success of The Joint Commission's recent survey, investment in a new robot for orthopedic surgery, project planning for the new ERP system, implementation of MyChart Bedside, the online Community Benefit annual report, and STOP-D programming through the South Asian Heart Center (SAHC). He also acknowledged the Foundation's recent fundraising efforts and Auxiliary's contribution of over 5,000 volunteer hours in December 2018.	
12. AGENDA ITEM 20: BOARD COMMENTS	None.	
13. AGENDA ITEM 21: ADJOURNMENT	**Motion**: To adjourn at 8:46pm. **Movant:** Fung **Second:** Kalbach **Ayes:** Chen, Davis, Fung, Kalbach, Rebitzer, Ting, Zoglin **Noes:** None **Abstentions:** None **Absent:** Miller, Kliger **Recused:** None	***Meeting adjourned at 8:46pm***

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

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EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Mark Schieble, Legal Counsel to Pathways Home Health and Hospice
Date: February 13, 2019
Subject: *Resolution 2019-02*: Approving Amendment to Pathways Home Health and Hospice Bylaws to Admit Substitute Class B Member

Recommendation:

To approve of *Resolution 2019-02*: Approving Amendment to Pathways Home Health and Hospice Bylaws.

Summary:

1. Situation: Currently, El Camino Hospital is the Class A member of Pathways Home Health and Hospice ("Pathways") and Dignity Health, dba Sequoia Hospital, is the "Class B" member of Pathways. In connection with the affiliation of Dignity Health with Catholic Health Initiatives and related reorganization, ownership of Sequoia Hospital is being transferred from Dignity Health to a new corporation called Dignity Community Care ("Dignity Care"), and Dignity Health has requested that Dignity Care be substituted for Dignity Health as the Class B member of Pathways, so that Sequoia Hospital personnel will continue to exercise the Pathways Class B membership rights. Changing the membership as requested requires an amendment of the Pathways bylaws. The requested bylaw amendment is attached as Exhibit A to the form of proposed resolution approving the bylaw amendment, attached as Attachment 1.

2. Authority: Amendment of the Pathways bylaws must be approved by the El Camino Hospital board as the Class A member, as well as by the Class B member and the Pathways board of directors.

3. Background: The Pathways board of directors and Dignity Health have both approved the proposed amendment, subject to approval by the El Camino Hospital board.

4. Assessment: Approving the requested amendment will effectively maintain the *status quo*. Historically, Sequoia Hospital personnel have exercised the Pathways Class B membership rights. Amending the Pathways bylaws as requested will permit Sequoia Hospital personnel to continue to exercise the Pathways Class B membership rights. No adverse consequences to the requested action have been identified.

5. Other Reviews: As noted, Dignity Health and the Pathways board of directors have approved the requested bylaw amendment.

6. Outcomes: Continued exercise of the Pathways Class B member rights by Sequoia Hospital personnel, consistent with historical practice.

List of Attachments:

1. Proposed resolution approving the requested bylaws amendment with proposed bylaw amendment attached as Exhibit A thereto.

RESOLUTION 2019-02

APPROVING AMENDEMENT TO PATHWAYS HOME HEALTH AND HOSPICE BYLAWS

THE BOARD OF DIRECTORS OF EL CAMINO HOSPITAL

WHEREAS, this Corporation, El Camino Hospital, is the "Class A" member of Pathways Home Health and Hospice, a California nonprofit public benefit corporation ("Pathways"), and Dignity Health, a California nonprofit public benefit corporation ("Dignity Health") dba Sequoia Hospital ("Dignity"), is the "Class B" member;

WHEREAS, Dignity Health has entered into a Ministry Alignment Agreement with Catholic Health Initiatives, a Colorado nonprofit corporation ("CHI"), dated December 6, 2017, pursuant to which the parties have agreed to affiliate and combine their existing and future hospital, medical, health care and other activities, operations and initiatives into a single Catholic health system;

WHEREAS, as part of the affiliation with CHI, Dignity Health has elected to transfer certain of its non-Catholic operations and operating entities to Dignity Community Care ("Dignity Care") which is a separate corporate entity that will function as part of the overall combined system, but which will be a secular entity and which will not be Catholic-sponsored or subject to the Ethical and Religious Directives of the United States Conference of Catholic Bishops ("USCCB"), as in effect from time to time and/or any other rules promulgated by the USCCB or the Catholic Church regarding the delivery of health care services;

WHEREAS, consistent with the alignment of certain non-Catholic facilities in Dignity Care, Dignity Health has requested that the Class B membership interest in Pathways now held by Dignity Health be transferred to Dignity Care;

WHEREAS, such transfer may be effected by an amendment of the Pathways bylaws that designates Dignity Care as the new Class B member, coupled with Dignity Health's simultaneous resignation as the Class B member of Pathways;

WHEREAS, this Board does not object to the proposed transfer and wishes to accommodate the affiliation and reorganization of the Class B member as aforesaid;

NOW, THEREFORE, be it Resolved:

1. That: (i) Dignity Health's resignation as the Class B member; (ii) the simultaneous issuance of the Class B membership to Dignity Care; and (iii) the amendment of the Pathways' bylaws as reflected on Exhibit A hereto are each approved in all respects;

2. That the appropriate officers of this Corporation be, and they hereby are, authorized, empowered and directed to do all things, including the execution and delivery of

such certificates, instruments and other documents in the name and for the benefit of this Corporation, that they or any of them determine to be necessary or appropriate to carry out and give effect to the foregoing resolutions; and

3. That all prior actions taken by the officers of this Corporation in connection with the foregoing matters are hereby ratified, confirmed and approved.

*** * * * * * * * * * ***

The undersigned, being the duly appointed and acting Secretary of El Camino Hospital, a California nonprofit public benefit corporation, hereby certifies that the foregoing resolutions were duly adopted by the Board of Directors of that corporation and that the same have not been modified, rescinded or withdrawn and remain in full force and effect as of the date hereof.

DATED: February 13, 2019

_____

Julia E. Miller, Secretary

Exhibit A

Amendment to Bylaws

Article III, Section 3.01 of the Fifth Amended and Restated Bylaws of Pathways Home Health and Hospice is entirely amended and restated to read as follows:

3.01 Membership Classification. The Corporation shall have two classes of membership: Class A and Class B. Class A shall consist of El Camino Hospital, a California nonprofit public benefit corporation. Class B shall consist of Dignity Community Care, a Colorado nonprofit corporation. (The members of Class A and Class B are hereinafter collectively referred to as the "Members.")

Except as expressly amended hereby, the Fifth Amended and Restated Bylaws of Pathways Home Health and Hospice remain in full force and effect.

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Bob Miller, Chair, Executive Compensation Committee
Date: February 13, 2019
Subject: Executive Compensation Philosophy

Recommendation(s):

The Executive Compensation Committee recommends that the Board make the following changes to the Executive Compensation Philosophy:

1) To restate participants by job titles for positions approved by the Hospital Board of Directors for inclusion in the executive compensation and benefit plans.
2) To update the participant list to include Mark Adams, MD, CMO, and Jim Griffith, COO, as current incumbents.

Summary:

1. Situation: The participant list is not current. Every time there is a staff change, the policy needs to be updated. Current participants include the CEO, executives reporting directly to him, and the following executives listed by title and who they report to today.

Job Title	Reports to
Chief Admin Svcs Officer	Chief Operating Officer
Chief Nursing Officer	Chief Operating Officer
VP Payor Relations	Chief Financial Officer

2. Authority: The Committee has the authority to recommend changes to the policy for Board approval.

3. Background: The initial executive compensation policy was designed to include the CEO and those executives reporting to him. Certain positions were grandfathered into the policy by the Board in December 2010 when they no longer reported to the CEO. As the organization has grown, a Chief Operating Officer position was added six years ago.

4. Assessment: N/A

5. Other Reviews: N/A

6. Outcomes: An updated participant list reflecting the current incumbents. There are no changes to the policy statement.

List of Attachments:

1. Executive Compensation Philosophy (redline)

Suggested Board Discussion Questions: None, this is a consent item.

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

EL CAMINO HOSPITAL
BOARD OF DIRECTORS POLICIES AND PROCEDURES
PROPOSED CHANGES TO ATTACHMENT A

03.01 EXECUTIVE COMPENSATION PHILOSOPHY

A. Coverage:

The Chief Executive Officer ("CEO") of El Camino Hospital ("the Hospital") and those executives reporting directly to the CEO and approved participants. Participation in the plan is subject to approval by the Hospital Board of Directors (see Attachment A).

B. Reviewed/Revised:

New: 2/08, 6/09, 12/08/10; 8/10/11, 2/13/13, 6/11/14, 10/12/16, 1/10/18, 2/14/18

C. Policy Summary:

The compensation philosophy is the official statement of El Camino Hospital's Board of Directors regarding the guiding principles and objectives upon which executive compensation decisions are based, and the general parameters and components for accomplishing these objectives.

The executive compensation program encompasses both cash compensation (salary, incentive pay, and other cash compensation) and non-cash compensation (employer provided benefit plans and perquisites) which in whole, represent total compensation. The program is governed by the Board of Directors and the Executive Compensation Committee which advises the Board to meet all applicable legal and regulatory requirements as it related to executive compensation and their effectiveness in attracting, retaining, and motivating executives.

The target competitive positioning for executive remuneration is:

- Base Salary – Executive base salaries are targeted on average at the 50th percentile of market data
- Total Cash Compensation - Base Salary plus actual performance incentive payouts targeted on average at the 50th percentile and up to the 75th percentile of market data, dependent upon individual and organizational performance
- Total Remuneration - Total Cash plus the value of benefits targeted on average between the 50th and 75th percentile of market data, dependent upon individual and organizational performance

D. Executive Compensation Philosophy:

The philosophy describes the guiding principles and objectives of the executive compensation program. Executive compensation decisions will be made using the following guiding principles and objectives:

1. Support the Hospital's ability to attract, retain, and motivate a highly-talented executive team with the ability and dedication to manage the Hospital accordingly.

2. Support the Hospital's mission and vision and achievement of strategic goals.

3. Encompass a total compensation perspective in developing and administering cash compensation and benefit programs.

4. Considers the Hospital's financial performance and ability to pay which shall be balanced with the Hospital's ability to attract, retain and motivate executives.

5. Govern the executive compensation programs to comply with state and federal laws.

E. Components:

The three key components of the executive compensation program are base salary, performance incentive compensation, and benefits.

1. Base Salary. Each executive position will be assigned a salary range that is competitive with comparable hospitals and accounts for the higher cost of labor in Silicon Valley.

2. Performance Incentive Compensation. Each executive will be eligible for a goal-based performance incentive compensation program. An executive's performance incentive payout will be based on their performance against pre-defined organizational and individual goals and objectives aligned with the Hospital's mission, vision, and strategic goals.

3. Executive Benefits and Perquisites. The Hospital may provide executives with supplemental benefits as described in the executive benefits policy. It is the Hospital's practice to minimize the use of perquisites in total executive compensation.

F. Roles and Responsibilities:

The Executive Compensation Committee shall recommend and maintain written policies and procedures regarding the administration of each component. The Hospital Board of Directors will approve all policy changes.

G. Definitions

Comparable Hospital – To measure the competitiveness of the executive compensation program, the Hospital will use, in general, compensation information from tax-exempt independent hospitals from across the United States comparable in size and complexity to the Hospital. The hospitals will be comparable in size and complexity based upon net operating revenues.

Competitive Position – A determination of where the Hospital places executive salaries, incentives, and benefits relative to comparable hospitals nationally. El Camino Hospital's competitive position for base salaries is the market median plus a geographic differential for the Silicon Valley area.

Geographic Differential – Recognizes the significantly higher cost-of-labor in Silicon Valley. The Committee will periodically analyze data to ensure the geographic differential is appropriate and accurately projecting the El Camino Hospital median.

El Camino Hospital Median – Reflects the median base pay of the comparable hospitals plus the geographic differential for a particular position. The Hospital increases the data by 25% to calculate the El Camino Hospital median.

Other Cash Compensation – Other cash compensation excludes base salary and incentive pay but includes a hiring and retention bonuses, and relocation reimbursement.

Salary Range - A range established as 20% below to 20% above the salary range midpoint, resulting in a maximum amount that is 150% of the minimum amount.

Salary Range Midpoint - The midpoint of the salary range for each executive position will be set at the El Camino Hospital Median.

Total Cash Compensation – includes base salary plus annual incentive compensation (and other cash) paid to an executive.

Total Compensation – Total cash compensation plus the cost of employee and executive benefit programs.

ATTACHMENT A:
APPROVED PARTICIPANTS IN EXECUTIVE COMPENSATION PROGRAM
Effective ~~2/14/18~~ 2/13/2019 (if Board approves)

~~Cecile Currier, Vice President Corporate and Community Health*~~
~~Cheryl Reinking, Chief Nursing Officer~~
~~Daniel Woods, President and CEO~~
~~William Faber, MD, Chief Medical Officer~~
~~Deborah Muro, Chief Information Officer~~
~~Bruce Harrison, President SVMD~~
~~Iftikhar Hussain, Chief Financial Officer~~
~~Joan Kezic, Vice President Payor Relations*~~
~~Joanne Barnard, President, El Camino Hospital Foundation~~
~~Kathryn Fisk, Chief Human Resources Officer~~
~~Kenneth King, Chief Administrative Services Officer~~
~~Mary Rotunno, General Counsel~~
~~Open, Chief Operations Officer~~
~~Open, Chief Strategy Officer~~

Job Title	Name
Chief Admin Svcs Officer	Kenneth K. King
Chief Executive Officer	Daniel J. Woods
Chief Financial Officer	Iftikhar Hussain
Chief Human Resources Officer	Kathryn M. Fisk
Chief Information Officer	Deborah A. Muro
Chief Medical Officer	Mark C. Adams, MD
Chief Nursing Officer	Cheryl L. Reinking
Chief Operating Officer	James D. Griffith
Chief Strategy Officer	Vacant
General Counsel	Mary Lynn Rotunno
President Foundation	Joanne Royer Barnard
President, Silicon Valley Medical Development	Bruce A. Harrison
VP Corp & Comm Hlth Svcs	Cecile S. Currier *
VP Payor Relations	Joan M. Kezic*

*These executives are considered grandfathered participants and shall continue to be eligible for the Executive Compensation Program as long as the individual remains in an executive position with El Camino Hospital.

Note: Executives hired on an interim basis are not eligible for the Executive Compensation and Benefits Program.

Minutes of the Open Session of the
Executive Compensation Committee
Thursday, November 8, 2018
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Room A (administration)

Members Present	Members Absent
Teri Eyre	**None**
Neysa Fligor	
Jaison Layney	
Julie Kliger	
Bob Miller, Chair	
Pat Wadors	
John Zoglin	

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the "Committee") was called to order at 4:00pm by Chair Bob Miller. A silent roll call was taken. Mr. Zoglin arrived at 4:01pm during Agenda Item 5: Report on Board Actions. All other Committee members were present at roll call.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Miller asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	Chair Miller asked if any member of the Committee 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 Executive Compensation Committee Meeting (September 20, 2018). **Movant:** Layney **Second:** Wadors **Ayes:** Eyre, Fligor, Kliger, Layney, Miller, Wadors **Noes:** None **Abstentions:** None **Absent:** Zoglin **Recused:** None	***Consent calendar approved***
5. REPORT ON BOARD ACTIONS	Chair Miller referred to the recent Board approvals as further detailed in the packet.	
6. LETTERS OF REASONABLENESS	Lisa Stella from Mercer provided an overview of the process for Letters of Reasonableness. She noted that Mercer's findings indicate that the total compensation and total remuneration for both the covered executives and the CEO are reasonable and aligned with ECH's philosophy. The Committee and staff discussed the executives who have been grandfathered into the executive incentive plan and the inclusion of each of them as a "disqualified person." Ms. Stella and Mr. Pollack described 1) varying definitions for "disqualified person," including an individual who has substantial influence over business affairs and/or a reporting relationship to the CEO; and 2) the IRS requirement to document an individual's compensation for five years after they have been in the role of a disqualified person.	***Letters of Reasonableness recommended***

	The Committee requested that staff review the grandfathered individuals with outside counsel to evaluate whether or not to remove those individuals from Letters of Reasonableness going forward. Chair Miller requested that detailed appendices be removed from the versions of the letters that go to the Board for approval, as the data included in the letter itself is sufficient. In response to Mr. Zoglin's question, Ms. Stella described the separate survey used to assess benefits and the utilization of non-profit data. The Committee requested that Mercer continue to use separate assessments for the disqualified persons and the CEO, but to prepare a combined report going forward. **Motion:** To recommend that the Letters be forwarded to outside counsel to prepare a Letter of Rebuttable Presumption for presentation to the Board. **Movant:** Zoglin **Second:** Wadors **Ayes:** Eyre, Fligor, Kliger, Layney, Miller, Wadors, Zoglin **Noes:** None **Abstentions:** None **Absent:** None **Recused:** None	
7. EXECUTIVE COMPENSATION CONSULTANT DASHBOARD	Ms. Stella explained that the proposed dashboard included a sampling of categories, which can be tailored to meet the objectives and priorities of the Committee. The Committee discussed two different uses of the tool 1) a general, annual evaluation (deep dive into the state of the relationship between the Committee and the consultant) and 2) a quick, post-meeting discussion (immediate feedback, quarterly true-up). The Committee, Ms. Stella, and staff noted that real time feedback would be very helpful for setting clear expectations and common understanding. The Committee requested that an annual review as well as a focused discussion at the end of each meeting be included on the pacing plan. The Committee requested the following revisions to the dashboard: - Add a separate category for "quality of deliverables" - Call out "anticipates and meets deadlines" in the project management category - Capture "simplifying and calling out salient points/key takeaways" in communication The Committee requested that Mercer provide a revised dashboard for the Committee's review at its January 2019 meeting.	***Annual consultant review to be paced*** ***Revised dashboard to be reviewed at the Committee's January meeting***
8. ASSESS EFFECTIVENESS OF DELEGATION OF AUTHORITY	Chair Miller outlined the areas of authority that have been delegated to the Committee and asked for feedback on how it is working so far. Ms. Fligor commented that it is too early to assess effectiveness and next year will provide more information. The Board members on the Committee noted that it would be worth revisiting this topic again later (after another round of ECC approvals, on-boarding new Board members, and the approval of delegated authority to other Committees). The community members on the Committee noted that the work of the Committee does not change with delegated authority.	

	Chair Miller commented that he has noticed more streamlined processes at the Board level and strengthened communication between the Board and the Committee. Mr. Zoglin commented that a Board should not "rubber stamp" 100% of Committee recommendations.	
9. PROPOSED FY19 CEO EVALUATION PROCESS	Bruce Barge from Mercer reviewed the methodology and approach for an interim process in FY18: surveys completed by the Hospital and District Board members, a narrative CEO self-assessment, and ECH financial/operational results. The Committee discussed the District evaluation of the CEO, including the following suggestions: - Delete references to District Committees as the District does not currently have any. - Distinctly separate each attribute being surveyed (*i.e.*, establishing a culture, leading a leadership team, etc.). - Include unique elements that are not already covered by the Hospital questionnaire. - Align questions with the criteria in District Board Bylaws for evaluating the CEO, but adjust verbiage as appropriate to conform to best practice. The Committee also discussed the inclusion of the CFO evaluation in the CEO evaluation, and whether the Board or CEO or both should participate in the evaluation and delivery of feedback. Ms. Stella noted that traditionally CFOs report to the CEO, but she will solicit information regarding practices in the industry. The Committee noted that this is an opportunity to clear up the confusion. The Committee commented that the District Board Bylaws may need to be updated to clarify the role of the CEO as "liaison officer between the District Board and its Committees." The Committee requested changing the Likert scale to use "standards" (more defined performance-based level) rather than "expectations." The Committee requested that Mercer work with Ms. Fisk and Ms. Murphy to rework the criteria specific to the District Board and bring back revisions for the Committee's review at its January meeting. Mr. Barge outlined the CEO evaluation timeline. Ms. Wadors suggested that the quarterly feedback between the Hospital Board Chair and the CEO be documented. The Committee also suggested 1) to include the District Board Chair during mid-year and year-end check ins with the CEO and Hospital Board Chair and 2) to move the survey for the Board as close as possible to the end of each fiscal year. Ms. Fligor left the meeting at 5:24pm. Mr. Barge explained that a 90 degree survey of direct reports should be used for developmental purposes, which aligns with best practice. Ms. Eyre noted that the CEO direct report responses to the employee engagement surveys can be utilized for this purpose. In response to Ms. Eyre's question, Chair Miller commented that the Hospital should survey physicians to review the organizational relationship between ECH and the medical staff, but that survey should not be used in the CEO's performance evaluation.	

10. ADJOURN TO CLOSED SESSION	**Motion:** To adjourn to closed session at 5:29pm. **Movant:** Wadors **Second:** Layney **Ayes:** Eyre, Kliger, Layney, Miller, Wadors, Zoglin **Noes:** None **Abstentions:** None **Absent:** Fligor **Recused:** None	***Adjourned to closed session at 5:29pm***
11. AGENDA ITEM 15: RECONVENE OPEN SESSION/ REPORT OUT	Open session was reconvened at 6:02pm. Agenda items 11-15 were addressed in closed session. During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting (September 20, 2018) by a unanimous vote in favor of all members present (Eyre, Layney, Kliger, Miller, Wadors, Zoglin). Ms. Fligor was absent.	
12. AGENDA ITEM 16: FY19 PACING PLAN	The pacing plan requests for the January meeting included: 1) CEO performance evaluation process and 2) revised consultant dashboard. The Committee discussed availability for the March meeting. Ms. Stella left the meeting and Mr. Pollack discontinued participation in the meeting.	
13. AGENDA ITEM 17: CLOSING COMMENTS	The Committee reviewed the effectiveness of the materials for the meeting and expressed concerns and dissatisfaction with the materials and presentation for the CEO performance evaluation item. The Committee and staff discussed the recent Board and Committee Educational session, highlighting appreciation for the roundtable discussions and strategic overview.	
14. AGENDA ITEM 18: ADJOURNMENT	**Motion**: To adjourn at 6:16pm. **Movant:** Zoglin **Second:** Layney **Ayes:** Eyre, Kliger, Layney, Miller, Wadors, Zoglin **Noes:** None **Abstentions:** None **Absent:** Fligor **Recused:** None	***Meeting adjourned at 6:16pm***

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and the Board of Directors of El Camino Hospital.

_____ _____

Bob Miller
Chair, Executive Compensation Committee

Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Sarah Rosenberg, Contracts & Board Services Coordinator

DRAFT

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Ken King, CASO
Date: February 13, 2019
Subject: SVMD Clinic @ N. 1st Street - Tenant Improvements Funding

Recommendation:

To approve the funding for the tenant improvements to build out, fit up, and equip a new SVMD Clinic @ N. 1st Street, at a cost not to exceed $8 million.

Summary:

1. Situation: The Board of Directors has endorsed targeting the eastern market along the 237 corridor for expansion of El Camino Health Primary Care, Specialty Care, Obstetrics/Gynecology, radiology, and lab drawing services.

In November 2018 the Board of Directors authorized management to negotiate a lease for 14,300 square feet of space in the "@ First Shopping Center" located at 4130 North First Street, near Hwy-237 in San Jose and build out an SVMD Clinic Site. A lease has been successfully negotiated and we have begun the planning and design. This budgeted funding request is to provide the complete build out of existing shelled space, fit up, and equipment for a fully functional clinical care environment.

The cost of the project breaks down as follows:

Construction -	$4,060,000 ($4,700,000 less TI Allowance of $640,000)
Soft Cost -	$ 810,000
FF&E -	$2,750,000
Contingency -	$ 380,000
Total	**$8,000,000**

2. Authority: Policy requires that expenditures exceeding $1 million require the Board's approval.

3. Background: The Eastern Market along the 237 corridor was targeted for expansion to include primary care, urgent care, obstetrics/gynecology, radiology, and lab. Several locations in this market were evaluated and a preferred site has been identified. This project was identified in the FY19 strategic initiatives and will provide for the growth of El Camino Health services.

4. Assessment: This retail location creates a highly visible multi-specialty care location will serve as an entry point for El Camino Health to invest in new models of consumer-driven care and outpatient women's services.

5. Other Reviews: The Finance Committee reviewed this recommendation at their meeting on January 30, 2019.

6. Outcomes: The following target timeline for completing the improvements and fit up is as follows:

1.	Funding Approval –	02/13/19
2.	Construction Plans & Specs Complete –	03/15/19
3.	Over the Counter Plan Review & Permit by –	03/31/19
4.	Construction (20 weeks) completed by –	07/20/19
5.	Fit Up of FF&E by –	08/15/19
6.	Staff Training & Activation completed by –	08/30/19
7.	Operations begin –	09/02/19

List of Attachments: None.

Suggested Board Discussion Questions: None.

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Summary of Financial Operations
Fiscal Year 2019 – Period 5

7/1/2018 to 11/30/2018

El Camino Hospital Board of Directors

Iftikhar Hussain, CFO

January 16, 2019

Financial Overview

Volume:
- YTD adjusted discharges are favorable to budget (165 cases or 1.2% favorable) driven by high outpatient volume. YTD IP volume remained below budget by 3.0% (251 cases) and below prior year by 5.2% (436 cases) due to lower flu cases (gen med) and MCH.
- OP cases YTD favorable to budget (613 cases or 1.0%) and prior year by 0.1% (39 cases). YTD favorability continue to be driven by HVI, Surgeries, Rehab and Imaging activity.

Financial Performance:
- Operating income is favorable to budget by 15.1% ($6.2M) YTD and 30.2% ($20.3M) below prior year.
- Net Patient Revenue is favorable to budget by 2.0% ($7.3M) YTD and above prior year by 0.8% ($2.8M) driven primarily from OP volumes.
- YTD Operating Expense is slightly favorable to budget 0.2% ($700k). YTD Salaries & Wages YTD continues to stay positive due to flexing of labor reduction to volumes in prior months and vacancies in support areas. YTD, non labor expenses are unfavorable to budget by 0.39% (528K).

Payor Mix:
- Small decline in commercial mix due to lower MCH volume

Cost:
- Prod FTEs were favorable to target for November by 0.6% and on target YTD.

Balance Sheet:
- Net days in AR was 47.3 which was .7 days favorable to budget.

Dashboard - ECH combined as of November 30, 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	246	240	246	(6)	238	228	234	(6)
Utilization MV	67%	66%	67%	-1%	66%	63%	65%	-2%
Utilization LG	31%	29%	32%	-3%	29%	28%	28%	0%
Utilization Combined	56%	54%	56%	-1%	54%	51%	53%	-1%
Total Discharges (Excl NNB)	1,725	1,641	1,687	(46)	8,420	7,966	8,236	(270)
Financial Perf.								
Total Operating Revenue	83,180	82,576	78,104	4,473	385,900	387,389	381,921	5,468
Operating Income $	18,081	13,116	9,935	3,181	67,187	46,909	40,744	6,166
Operating Margin	21.7%	15.9%	12.7%	3.2%	17.4%	12.1%	10.7%	1.4%
EBITDA %	27.4%	21.6%	18.9%	2.7%	23.2%	18.1%	16.9%	1.3%
Payor Mix								
Medicare	46.3%	49.3%	46.3%	3.0%	46.1%	46.9%	46.4%	0.5%
Medi-Cal	7.8%	7.9%	7.8%	0.1%	8.0%	8.0%	7.8%	0.2%
Total Commercial	43.4%	41.3%	43.3%	-2.1%	43.3%	42.7%	43.1%	-0.4%
Other	2.5%	1.6%	2.6%	-1.0%	2.6%	2.4%	2.7%	-0.3%
Cost								
Total FTE	2,566.2	2,672.1	2,672.9	(1)	2,564.0	2,616.0	2,631.1	(15)
Productive Hrs/APD	29.8	30.5	31.0	(1)	30.5	31.0	32.2	(1)
Balance Sheet								
Net Days in AR	50.7	47.3	48.0	(1)	50.7	47.3	48.0	(0.7)
Days Cash	505	494	449	45	505	494	449	45
Affiliates - Net Income ($000s)								
Hosp	27,017	13,785	10,392	3,394	100,227	29,639	43,026	(13,386)
Concern	43	41	97	(56)	945	913	377	537
ECSC	(2)	(11)	0	(11)	(18)	(25)	0	(25)
Foundation	493	660	172	487	1,216	765	754	11
SVMD	389	(656)	2	(658)	564	696	(248)	944

Budget Variances

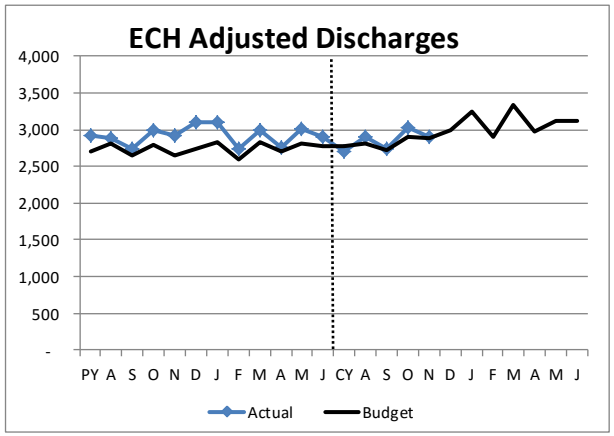
(in thousands; $000s)	Net Op Income	% Net Revenue
Budgeted Hospital Operations FY2019	**40,744**	**10.7%**
Net Revenue - YTD IP days are behind budget by 2.5%. Both deliveries and IP surgeries are down over 5%. OP is up by 6.4% making total positive. OP surgeries up by 3.5%, Rehab up 8%, Psych 5%	5,468	1.4%
Labor and Benefit Expense Change - Flexing staff and vacancies in support departments. Offset with consulting services.	1,225	0.3%
Professional Fees & Purchased Services - JACHO readiness and consulting (in place of FTE) are the biggest drivers	(1,265)	-0.3%
Supplies - Medical and Non Medical Supplies are over budget, but savings in Drugs offset the variance	167	0.0%
Other Expenses	204	0.1%
Depreciation & Interest	366	0.1%
Actual Hospital Operations FY2019	**46,909**	**12.1%**

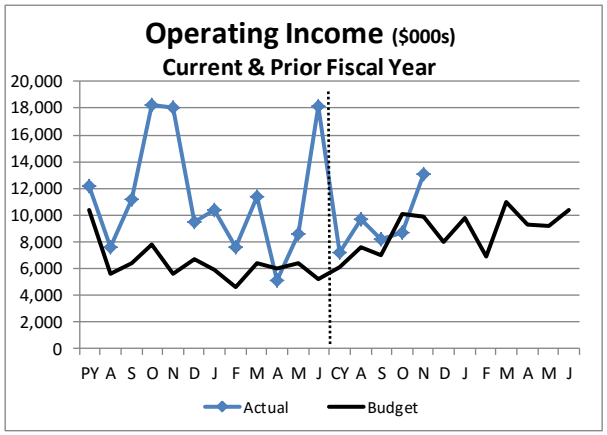
El Camino Hospital ($000s)

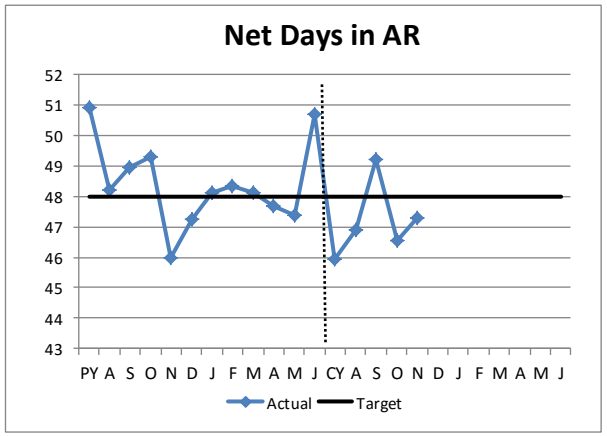
Period ending 11/30/2018

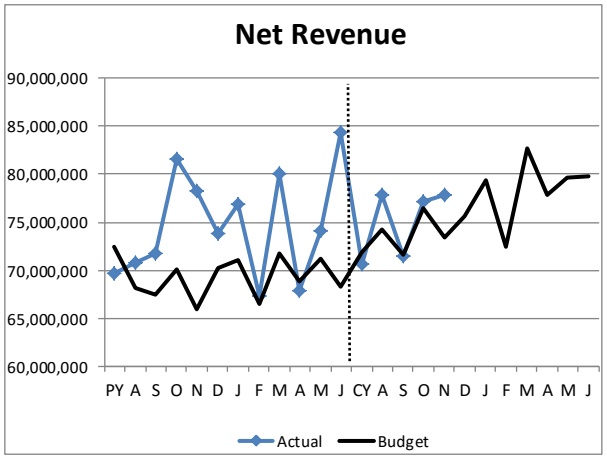
Period 5 FY 2018	Period 5 FY 2019	Period 5 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
278,325	297,755	286,592	11,163	3.9%	**Gross Revenue**	1,370,889	1,418,920	1,419,691	(770)	(0.1%)
(199,994)	(219,929)	(213,232)	(6,696)	(3.1%)	**Deductions**	(998,813)	(1,044,036)	(1,052,064)	8,027	0.8%
78,331	**77,826**	**73,360**	**4,467**	**6.1%**	**Net Patient Revenue**	**372,076**	**374,884**	**367,627**	**7,257**	**2.0%**
4,849	4,750	4,744	6	0.1%	**Other Operating Revenue**	13,824	12,505	14,294	(1,788)	(12.5%)
83,180	**82,576**	**78,104**	**4,473**	**5.7%**	**Total Operating Revenue**	**385,900**	**387,389**	**381,921**	**5,468**	**1.4%**
					OPERATING EXPENSE					
38,238	41,275	40,755	(521)	(1.3%)	**Salaries & Wages**	194,133	204,212	205,437	1,225	0.6%
10,453	11,361	11,366	5	0.0%	**Supplies**	49,780	55,091	55,258	167	0.3%
9,147	9,592	8,664	(928)	(10.7%)	**Fees & Purchased Services**	41,282	45,544	44,280	(1,265)	(2.9%)
2,519	2,537	2,558	21	0.8%	**Other Operating Expense**	11,359	12,249	12,453	204	1.6%
647	438	323	(115)	(35.5%)	**Interest**	2,150	2,128	1,617	(511)	(31.6%)
4,095	4,257	4,502	245	5.4%	**Depreciation**	20,009	21,257	22,134	877	4.0%
65,099	**69,460**	**68,168**	**(1,292)**	**(1.9%)**	**Total Operating Expense**	**318,713**	**340,480**	**341,177**	**697**	**0.2%**
18,081	**13,116**	**9,935**	**3,181**	**32.0%**	**Net Operating Income/(Loss)**	**67,187**	**46,909**	**40,744**	**6,166**	**15.1%**
8,936	669	456	213	46.7%	**Non Operating Income**	33,041	(17,270)	2,282	(19,552)	(856.8%)
27,017	**13,785**	**10,392**	**3,394**	**32.7%**	**Net Income(Loss)**	**100,227**	**29,639**	**43,026**	**(13,386)**	**(31.1%)**
27.4%	21.6%	18.9%	2.7%		**EBITDA**	23.2%	18.1%	16.9%	1.3%	
21.7%	15.9%	12.7%	3.2%		**Operating Margin**	17.4%	12.1%	10.7%	1.4%	
32.5%	16.7%	13.3%	3.4%		**Net Margin**	26.0%	7.7%	11.3%	(3.6%)	

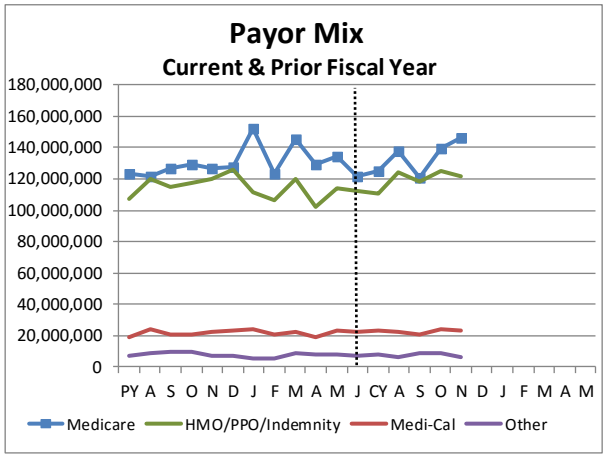
Monthly Financial Trends

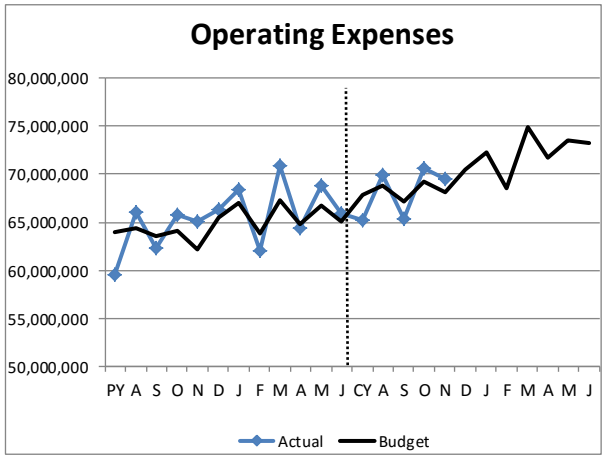












Updated Quarterly
Last update 09/30/18

El Camino Hospital Investment Committee Scorecard

September 30, 2018

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY19 Year-end Budget	Expectation Per Asset Allocation
Investment Performance		3Q 2018		Fiscal Year-to-date		5y 11m Since Inception (annualized)			2018
Surplus cash balance*		$994.7	--	--	--	--	--	$886.6	--
Surplus cash return		2.3%	2.0%	2.3%	2.0%	5.8%	5.5%	3.2%	5.3%
Cash balance plan balance (millions)		$274.7	--	--	--	--	--	$276.9	--
Cash balance plan return		2.8%	2.5%	2.8%	2.5%	8.3%	7.4%	6.0%	5.7%
403(b) plan balance (millions)		$481.7	--	--	--	--	--	--	--
Risk vs. Return		3-year				5y 11m Since Inception (annualized)			2018
Surplus cash Sharpe ratio		1.59	1.52	--	--	1.34	1.27	--	0.43
Net of fee return		7.5%	7.1%	--	--	5.8%	5.5%	--	5.3%
Standard deviation		4.1%	4.0%	--	--	4.0%	4.0%	--	6.7%
Cash balance Sharpe ratio		1.64	1.55	--	--	1.45	1.34	--	0.40
Net of fee return		9.4%	8.5%	--	--	8.3%	7.4%	--	5.7%
Standard deviation		5.1%	4.8%	--	--	5.3%	5.1%	--	8.1%
Asset Allocation		3Q 2018							
Surplus cash absolute variances to target		6.2%	< 10%	--	--	--	--	--	--
Cash balance absolute variances to target		6.2%	< 10%	--	--	--	--	--	--
Manager Compliance		3Q 2018							
Surplus cash manager flags		20	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		23	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~$160 mm), District assets (~$31 mm), and balance sheet cash not in investable portfolio (~$94 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.

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Balance Sheet (in thousands)

ASSETS

		November 30, 2018	Audited June 30, 2018
	CURRENT ASSETS		
	Cash	110,546	118,992
	Short Term Investments	156,079	150,664
	Patient Accounts Receivable, net	117,721	124,427
	Other Accounts and Notes Receivable	5,645	3,402
	Intercompany Receivables	2,616	2,090
(1)	Inventories and Prepaids	79,490	75,594
	Total Current Assets	**472,097**	**475,171**
	BOARD DESIGNATED ASSETS		
	Plant & Equipment Fund	157,995	153,784
(2)	Women's Hospital Expansion	13,967	9,298
(3)	Operational Reserve Fund	139,057	127,908
	Community Benefit Fund	18,251	18,675
	Workers Compensation Reserve Fund	21,140	20,263
	Postretirement Health/Life Reserve Fund	29,462	29,212
	PTO Liability Fund	24,751	24,532
	Malpractice Reserve Fund	1,831	1,831
	Catastrophic Reserves Fund	19,254	18,322
	Total Board Designated Assets	**425,709**	**403,826**
(4)	**FUNDS HELD BY TRUSTEE**	**135,991**	**197,620**
	LONG TERM INVESTMENTS	**337,873**	**345,684**
	INVESTMENTS IN AFFILIATES	**32,571**	**32,412**
	PROPERTY AND EQUIPMENT		
	Fixed Assets at Cost	1,271,394	1,261,854
	Less: Accumulated Depreciation	(598,867)	(577,959)
	Construction in Progress	296,430	220,991
	Property, Plant & Equipment - Net	**968,957**	**904,886**
	DEFERRED OUTFLOWS	20,927	21,177
	RESTRICTED ASSETS - CASH	0	0
	TOTAL ASSETS	**2,394,124**	**2,380,776**

LIABILITIES AND FUND BALANCE

		November 30, 2018	Audited June 30, 2018
	CURRENT LIABILITIES		
(5)	Accounts Payable	34,486	49,925
(6)	Salaries and Related Liabilities	24,461	26,727
	Accrued PTO	24,751	24,532
	Worker's Comp Reserve	2,300	2,300
	Third Party Settlements	10,240	10,068
	Intercompany Payables	616	125
	Malpractice Reserves	1,831	1,831
	Bonds Payable - Current	3,850	3,850
(7)	Bond Interest Payable	9,692	12,975
	Other Liabilities	9,822	8,909
	Total Current Liabilities	**122,048**	**141,242**
	LONG TERM LIABILITIES		
	Post Retirement Benefits	29,462	29,212
	Worker's Comp Reserve	18,840	17,963
	Other L/T Obligation (Asbestos)	3,907	3,859
	Other L/T Liabilities (IT/Medl Leases)	-	-
	Bond Payable	517,274	517,781
	Total Long Term Liabilities	**569,484**	**568,815**
	DEFERRED REVENUE-UNRESTRICTED	629	528
	DEFERRED INFLOW OF RESOURCES	22,835	22,835
	FUND BALANCE/CAPITAL ACCOUNTS		
	Unrestricted	1,253,419	1,243,529
	Board Designated	425,709	403,825
	Restricted	0	0
(8)	**Total Fund Bal & Capital Accts**	**1,679,128**	**1,647,355**
	TOTAL LIABILITIES AND FUND BALANCE	**2,394,124**	**2,380,776**

November 2018 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

(1) The increase is due to annual insurance premiums for D&O, Property and Auto that are paid in July and amortized throughout the fiscal year. Also a quarterly pension funding was paid.

(2) The increase is due to the District making a transfer from its Capital Appropriation Fund in support of the upcoming renovation to the Women's Hospital.

(3) The increase is due to annual resetting of the 60 day Operational Reserve based on the new FY2019 budget that has started.

(4) Decrease is due to draws from the 2015A/2017 Bond Project funds for the on-going IMOB and BHS construction.

(5) Decrease is due to the yearend accruals that were paid out in July and August.

(6) Decrease is due a lesser number of days of payroll expenses and payroll taxes for October opposed to a full 14 day pay period that was needed for June 30.

(7) Semi-annual bond payments of interest and principal were made on the 2015A and 2017 Bonds in August.

(8) Increase in total Fund Balance is driven by y-t-d net income and that Capital Appropriate Fund transfer by District, discussed in item #2 above.

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)

- **Workers Compensation Reserve Fund** – as the Hospital is self-insured for its workers compensation program (since 1978) this fund was originally formed in early 2000's by management to reserve cash equal to the yearly actuarially determined Workers Compensation amount. The thought being if the business was to terminate for some reason this is the amount in cash that would be needed to pay out claims over the next few years.
- **Postretirement Health/Life Reserve Fund –** following the same formula as the Workers Compensation Reserve Fund this fund was formed in the early 2000's by management to reserve cash equal to the yearly actuarially determined amount to fund the Hospital's postretirement health and life insurance program. Note this program was frozen in 1995 for all new hires after that date. At the end of fiscal year 2018, GASB #75 was implemented that now represents the full actuarially determined liability.
- **PTO (Paid Time Off) Liability Fund –** originally formed in 1993 as the new 501(c)(3) Hospital began operations, management thought as a business requirement of this vested benefit program that monies should be set aside to extinguish this employee liability should such a circumstance arise. This balance is equal to the PTO Liability on the Balance Sheet.
- **Malpractice Reserve Fund –** originally established in 1989 by the then District's Finance Committee and continued by the Hospital. The amount is actuarially determined each year as part of the annual audit to fund potential claims less than $50,000. Above $50,000 our policy with the BETA Healthcare Group kicks in to a $30 million limit per claim/$40 million in the aggregate.
- **Catastrophic Loss Fund –** was established in 1999 by the Hospital Board to be a "self-insurance" reserve fund for potential non-major earthquake repairs. Initially funded by the District transferring $5 million and has been added to by the last major payment from FEMA for the damage caused the Hospital by the October 1989 earthquake. It is to be noted that it took 10 years to receive final settlement from FEMA grants that totaled $6.8 million that did mostly cover all the necessary repairs.

APPENDIX

El Camino Hospital – Mountain View ($000s)

Period ending 11/30/2018

Period 5 FY 2018	Period 5 FY 2019	Period 5 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
225,175	245,512	233,633	11,879	5.1%	**Gross Revenue**	1,121,492	1,167,193	1,166,265	928	0.1%
(160,793)	(181,191)	(174,238)	(6,953)	(4.0%)	**Deductions**	(814,375)	(857,300)	(865,970)	8,670	1.0%
64,382	**64,321**	**59,395**	**4,926**	**8.3%**	**Net Patient Revenue**	**307,117**	**309,893**	**300,295**	**9,598**	**3.2%**
4,681	4,460	4,506	(46)	(1.0%)	**Other Operating Revenue**	13,013	11,106	13,144	(2,038)	(15.5%)
69,063	**68,781**	**63,901**	**4,880**	**7.6%**	**Total Operating Revenue**	**320,130**	**320,999**	**313,439**	**7,560**	**2.4%**
					OPERATING EXPENSE					
31,787	34,528	34,053	(475)	(1.4%)	**Salaries & Wages**	161,538	170,191	172,591	2,400	1.4%
8,357	9,392	9,286	(107)	(1.1%)	**Supplies**	40,171	44,763	45,109	346	0.8%
7,667	8,068	7,248	(820)	(11.3%)	**Fees & Purchased Services**	34,754	38,469	37,632	(838)	(2.2%)
534	1,095	973	(122)	(12.6%)	**Other Operating Expense**	3,241	4,337	4,659	322	6.9%
647	438	323	(115)	(35.5%)	**Interest**	2,150	2,128	1,617	(511)	(31.6%)
3,516	3,508	3,742	234	6.3%	**Depreciation**	17,369	17,532	18,441	910	4.9%
52,509	**57,030**	**55,625**	**(1,404)**	**(2.5%)**	**Total Operating Expense**	**259,222**	**277,420**	**280,049**	**2,629**	**0.9%**
16,554	**11,752**	**8,276**	**3,476**	**42.0%**	**Net Operating Income/(Loss)**	**60,908**	**43,579**	**33,390**	**10,189**	**30.5%**
8,936	669	456	213	46.7%	**Non Operating Income**	33,085	(17,270)	2,282	(19,552)	(856.8%)
25,489	**12,421**	**8,732**	**3,689**	**42.2%**	**Net Income(Loss)**	**93,993**	**26,309**	**35,672**	**(9,363)**	**(26.2%)**
30.0%	22.8%	19.3%	3.5%		EBITDA	25.1%	19.7%	17.1%	2.6%	
24.0%	17.1%	13.0%	4.1%		Operating Margin	19.0%	13.6%	10.7%	2.9%	
36.9%	18.1%	13.7%	4.4%		Net Margin	29.4%	8.2%	11.4%	(3.2%)	

El Camino Hospital – Los Gatos($000s)

Period ending 11/30/2018

Period 5 FY 2018	Period 5 FY 2019	Period 5 Budget 2019	Variance Fav (Unfav)	Var%	$000s	YTD FY 2018	YTD FY 2019	YTD Budget 2019	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
53,150	52,243	52,959	(716)	(1.4%)	**Gross Revenue**	249,397	251,728	253,426	(1,699)	(0.7%)
(39,201)	(38,738)	(38,995)	257	0.7%	**Deductions**	(184,438)	(186,736)	(186,094)	(643)	(0.3%)
13,949	**13,505**	**13,965**	**(459)**	**(3.3%)**	**Net Patient Revenue**	**64,959**	**64,991**	**67,332**	**(2,341)**	**(3.5%)**
169	290	238	52	21.8%	**Other Operating Revenue**	811	1,399	1,149	250	21.7%
14,117	**13,795**	**14,202**	**(407)**	**(2.9%)**	**Total Operating Revenue**	**65,770**	**66,390**	**68,482**	**(2,092)**	**(3.1%)**
					OPERATING EXPENSE					
6,451	6,747	6,701	(46)	(0.7%)	**Salaries & Wages**	32,595	34,021	32,846	(1,175)	(3.6%)
2,095	1,968	2,080	112	5.4%	**Supplies**	9,609	10,328	10,149	(179)	(1.8%)
1,480	1,524	1,416	(107)	(7.6%)	**Fees & Purchased Services**	6,528	7,075	6,648	(427)	(6.4%)
1,985	1,442	1,585	143	9.0%	**Other Operating Expense**	8,118	7,912	7,793	(119)	(1.5%)
0	0	0	0	0.0%	**Interest**	0	0	0	0	0.0%
579	749	760	11	1.4%	**Depreciation**	2,640	3,725	3,692	(32)	(0.9%)
12,590	**12,430**	**12,543**	**112**	**0.9%**	**Total Operating Expense**	**59,490**	**63,060**	**61,128**	**(1,932)**	**(3.2%)**
1,527	**1,364**	**1,660**	**(295)**	**(17.8%)**	**Net Operating Income/(Loss)**	**6,279**	**3,330**	**7,354**	**(4,024)**	**(54.7%)**
0	0	0	0	0.0%	**Non Operating Income**	(45)	0	0	0	0.0%
1,527	**1,364**	**1,660**	**(295)**	**(17.8%)**	**Net Income(Loss)**	**6,235**	**3,330**	**7,354**	**(4,024)**	**(54.7%)**
14.9%	15.3%	17.0%	(1.7%)		**EBITDA**	13.6%	10.6%	16.1%	(5.5%)	
10.8%	9.9%	11.7%	(1.8%)		**Operating Margin**	9.5%	5.0%	10.7%	(5.7%)	
10.8%	9.9%	11.7%	(1.8%)		**Net Margin**	9.5%	5.0%	10.7%	(5.7%)	

Non Operating Items and Net Income by Affiliate

$ in thousands

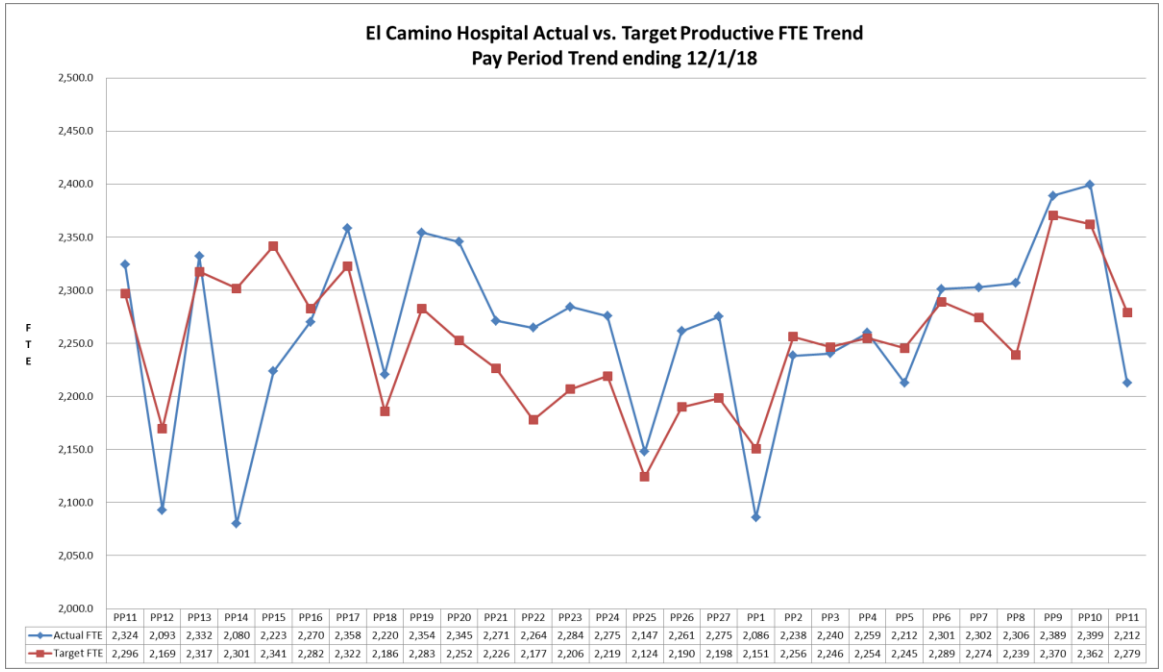
	Period 5 - Month			Period 5 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Income (Loss) from Operations						
Mountain View	11,752	8,276	3,476	43,579	33,390	10,189
Los Gatos	1,364	1,660	(295)	3,330	7,354	(4,024)
Sub Total - El Camino Hospital, excl. Afflilates	**13,116**	**9,935**	**3,181**	**46,909**	**40,744**	**6,166**
Operating Margin %	**15.9%**	**12.7%**		**12.1%**	**10.7%**	
El Camino Hospital Non Operating Income						
Investments[2]	2,738	2,478	260	(9,827)	12,389	(22,216)
Swap Adjustments	(446)	(100)	(346)	231	(500)	731
Community Benefit	42	(300)	342	(2,531)	(1,500)	(1,031)
Pathways	(1,109)	0	(1,109)	(1,203)	0	(1,203)
Satellite Dialysis	18	(25)	43	204	(125)	329
Community Connect	0	(53)	53	0	(265)	265
SVMD Funding[1]	(511)	(1,219)	708	(2,856)	(6,095)	3,239
Other	(61)	(324)	263	(1,288)	(1,621)	333
Sub Total - Non Operating Income	**669**	**456**	**213**	**(17,270)**	**2,282**	**(19,552)**
El Camino Hospital Net Income (Loss)	**13,785**	**10,392**	**3,394**	**29,639**	**43,026**	**(13,386)**
ECH Net Margin %	**16.7%**	**13.3%**		**7.7%**	**11.3%**	
Concern	41	97	(56)	913	377	537
ECSC	(11)	0	(11)	(25)	0	(25)
Foundation	660	172	487	765	754	11
Silicon Valley Medical Development	(656)	2	(658)	696	(248)	944
Net Income Hospital Affiliates	**33**	**271**	**(239)**	**2,349**	**882**	**1,467**
Total Net Income Hospital & Affiliates	**13,818**	**10,663**	**3,155**	**31,989**	**43,908**	**(11,919)**

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

[2]Equity markets experienced a massive selloff during October, a small portion of which has been recouped so far in November

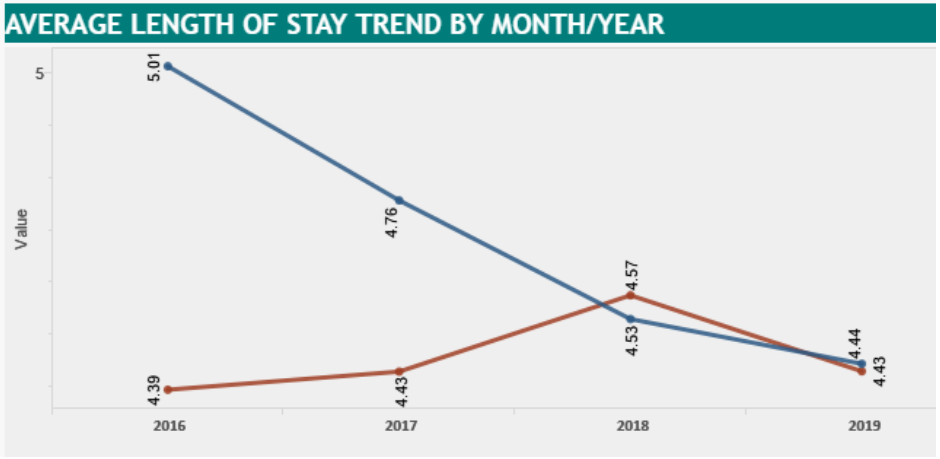
Productivity and Medicare Length of Stay

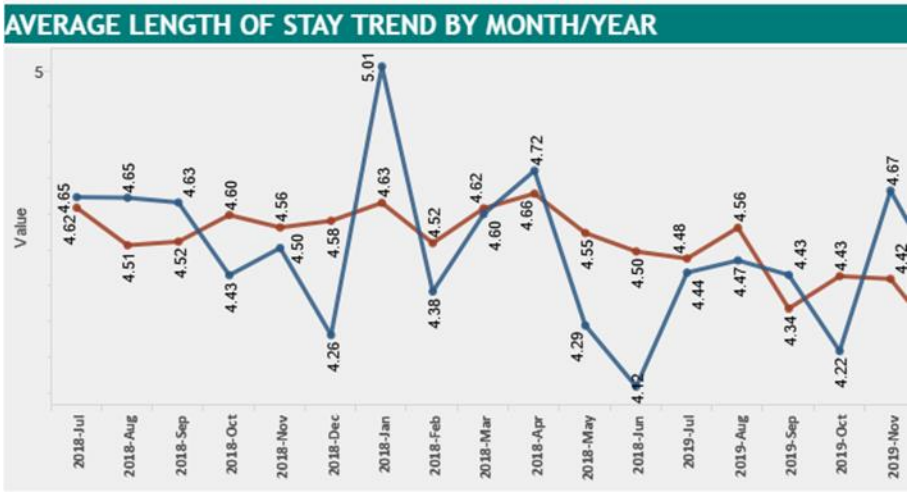
At or below FTE target for the first six pay periods of the year. Uptick end of Sept due to mandatory training for all employees. YTD we are on budget (adjusted for volume)



	PP11	PP12	PP13	PP14	PP15	PP16	PP17	PP18	PP19	PP20	PP21	PP22	PP23	PP24	PP25	PP26	PP27	PP1	PP2	PP3	PP4	PP5	PP6	PP7	PP8	PP9	PP10	PP11
Actual FTE	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	2,259	2,212	2,301	2,302	2,306	2,389	2,399	2,212
Target FTE	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	2,151	2,256	2,246	2,254	2,245	2,289	2,274	2,239	2,370	2,362	2,279

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





El Camino Hospital Volume Annual Trends

		ANNUAL TREND						FY19 Bud vs FY18		S	MONTH				(Multiple values)	YEAR				
		2014	2015	2016	2017	2018	2019(b)	Cases	Percent	PY	CY	Bud	Bud Var	PY Var	PY	CY	Bud	Bud Var	PY Var
IP	Behavioral Health	1,012	1,052	928	924	1,098	1,062	-36	-3.2%	101	92	95	-3	-9	459	470	433	37	11
	General Medicine & ..	4,165	4,592	4,459	4,961	5,286	5,325	39	0.7%	433	403	406	-3	-30	2,101	1,925	1,964	-39	-176
	General Surgery	1,243	1,150	1,311	1,318	1,305	1,344	39	3.0%	108	113	112	1	5	536	585	555	30	49
	GYN	390	313	293	270	243	255	12	4.9%	15	18	12	6	3	103	90	91	-1	-13
	Heart and Vascular	1,859	1,998	2,001	2,203	2,372	2,445	73	3.1%	188	197	182	15	9	955	880	927	-47	-75
	MCH	6,695	6,371	5,953	5,822	5,719	5,764	45	0.8%	500	458	484	-26	-42	2,458	2,266	2,378	-112	-192
	Neurosciences	667	672	677	688	870	907	37	4.3%	61	65	66	-1	4	355	329	398	-69	-26
	Oncology	606	564	652	594	633	726	93	14.7%	58	52	60	-8	-6	270	291	274	17	21
	Orthopedics	1,695	1,773	1,746	1,690	1,705	1,819	114	6.7%	164	141	171	-30	-23	729	699	752	-53	-30
	Rehab Services	547	555	500	461	441	436	-5	-1.1%	46	47	46	1	1	174	209	174	35	35
	Spine Surgery	377	429	417	474	375	465	90	24.0%	38	28	40	-12	-10	186	132	195	-63	-54
	Urology	172	169	234	257	254	274	20	7.9%	15	30	15	15	15	101	115	101	14	14
	Total	19,428	19,638	19,171	19,662	20,301	20,823	522	2.6%	1,727	1,644	1,689	-45	-83	8,427	7,991	8,242	-251	-436
OP	Behavioral Health	911	886	2,395	3,262	3,152	3,417	265	8.4%	260	259	245	14	-1	1,391	1,156	1,335	-179	-235
	Dialysis	1,060	154	7			0					0					0		
	Emergency	46,005	49,077	48,576	48,615	49,417	49,122	-295	-0.6%	3,752	3,756	3,687	69	4	19,677	19,339	19,349	-10	-338
	General Medicine & ..	6,633	6,634	7,198	7,083	7,295	7,457	162	2.2%	579	657	544	113	78	3,027	3,249	3,031	218	222
	General Surgery	1,840	1,854	1,798	1,843	2,006	2,068	62	3.1%	165	170	165	5	5	796	831	794	37	35
	GYN	1,221	1,308	1,018	1,080	1,097	1,171	74	6.7%	115	131	112	19	16	476	574	466	108	98
	Heart and Vascular	2,575	2,719	3,811	4,371	4,366	4,410	44	1.0%	361	402	369	33	41	1,776	1,959	1,827	132	183
	Imaging Services	19,549	20,077	17,801	17,244	18,508	18,744	236	1.3%	1,570	1,655	1,552	103	85	7,767	8,147	7,613	534	380
	Laboratory Services	30,595	29,710	29,028	29,137	28,562	29,071	509	1.8%	2,363	2,283	2,364	-81	-80	12,034	11,636	11,985	-349	-398
	MCH	5,038	4,830	5,092	5,582	5,645	5,928	283	5.0%	461	448	462	-14	-13	2,401	2,261	2,381	-120	-140
	Neurosciences	110	61	127	125	114	155	41	36.0%	8	8	14	-6	0	52	30	67	-37	-22
	Oncology	4,002	4,174	14,306	18,578	19,275	22,037	2,762	14.3%	1,655	1,813	1,701	112	158	8,045	8,293	8,265	28	248
	Orthopedics	866	776	584	616	642	714	72	11.2%	49	50	56	-6	1	258	284	297	-13	26
	Outpatient Clinics	1,817	1,706	1,681	1,304	1,890	1,517	-373	-19.7%	178	154	141	13	-24	983	744	646	98	-239
	Rehab Services	1,732	1,747	3,951	4,518	4,928	4,900	-28	-0.6%	383	432	382	50	49	2,023	2,211	2,011	200	188
	Sleep Center	160	223	499	368	211	300	89	42.2%	13	26	25	1	13	63	103	121	-18	40
	Spine Surgery	325	401	309	324	310	326	16	5.2%	25	23	24	-1	-2	135	123	133	-10	-12
	Urology	1,758	1,773	1,740	1,898	2,052	2,058	6	0.3%	188	177	190	-13	-11	850	845	859	-14	-5
	Total	126,197	128,110	139,921	145,948	149,470	153,395	3,925	2.6%	12,125	12,444	12,033	412	319	61,754	61,785	61,180	605	31

Capital Spend Trend & FY 19 Budget

Capital Spending (in 000's)	Actual FY2016	Actual FY2017	Actual FY2018	Budget 2019
EPIC	20,798	2,755	1,114	-
IT Hardware / Software Equipment	6,483	2,659	1,108	19,732
Medical / Non Medical Equipment*	17,133	9,556	15,780	11,206
Non CIP Land, Land I , BLDG, Additions	4,189	-	2,070	-
Facilities	48,137	82,953	137,364	279,450
GRAND TOTAL	96,740	97,923	157,435	310,388
*Includes 2 robot purchases in FY2017				

El Camino Hospital Capital Spending (in thousands) FY 2014 – FY 2018

Category	2014	2015	2016	2017	2018
EPIC	**6,838**	**29,849**	**20,798**	**2,755**	**1,114**
IT Hardware/Software Equipment	**2,788**	**4,660**	**6,483**	**2,659**	**1,108**
Medical/Non Medical Equipment	**12,891**	**13,340**	**17,133**	**9,556**	**15,780**
Non CIP Land, Land I, BLDG, Additions	**22,292**	**-**	**4,189**	**-**	**2,070**
Facilities Projects CIP					
Mountain View Campus Master Plan Projects					
1245 - Behavioral Health Bldg Replace	1,257	3,775	1,389	10,323	28,676
1413 - North Drive Parking Structure Exp	-	167	1,266	18,120	4,670
1414 - Integrated MOB	-	2,009	8,875	32,805	75,319
1422 - CUP Upgrade	-	-	896	1,245	5,428
Sub-Total Mountain View Campus Master Plan	**1,257**	**5,950**	**12,426**	**62,493**	**114,093**
Mountain View Capital Projects					
9900 - Unassigned Costs	470	3,717	-	-	-
0906 - Slot Build-Out	1,576	15,101	1,251	294	-
1109 - New Main Upgrades	393	2	-	-	-
1111 - Mom/Baby Overflow	29	-	-	-	-
1204 - Elevator Upgrades	30	-	-	-	-
0800 - Womens L&D Expansion	1,531	269	-	-	-
1225 - Rehab BLDG Roofing	241	4	-	-	-
1227 - New Main eICU	21	-	-	-	-
1230 - Fog Shop	80	-	-	-	-
1315 - 205 So. Drive TI's	500	2	-	-	-
0908 - NPCR3 Seismic Upgrds	1,224	1,328	240	342	961
1125 - Will Pav Fire Sprinkler	39	-	-	-	-
1216 - New Main Process Imp Office	1	16	-	-	-
1217 - MV Campus MEP Upgrades FY13	181	274	28	-	-
1224 - Rehab Bldg HVAC Upgrades	202	81	14	6	-
1301 - Desktop Virtual	13	-	-	-	-
1304 - Rehab Wander Mgmt	87	-	-	-	-
1310 - Melchor Cancer Center Expansion	44	13	-	-	-
1318 - Women's Hospital TI	48	48	29	2	-
1327 - Rehab Building Upgrades	-	15	20	-	22
1320 - 2500 Hosp Dr Roofing	75	81	-	-	-
1340 - New Main ED Exam Room TVs	8	193	-	-	-
1341 - New Main Admin	32	103	-	-	-
1344 - New Main AV Upgrd	243	-	-	-	-
1400 - Oak Pav Cancer Center	-	5,208	666	52	156
1403 - Hosp Drive BLDG 11 TI's	86	103	-	-	-
1404 - Park Pav HVAC	64	7	-	-	-
1405 - 1 - South Accessibility Upgrades	-	-	168	95	-
1408 - New Main Accessibility Upgrades	-	7	46	501	12

Category	2014	2015	2016	2017	2018
Facilities Projects CIP cont.					
1415 - Signage & Wayfinding	-	-	106	58	136
1416 - MV Campus Digital Directories	-	-	34	23	95
1423 - MV MOB TI Allowance	-	-	588	369	-
1425 - IMOB Preparation Project - Old Main	-	-	711	1,860	215
1429 - 2500 Hospital Dr Bldg 8 TI	-	101	-	-	-
1430 - Women's Hospital Expansion	-	-	-	464	2,763
1432 - 205 South Dr BHS TI	-	8	15	-	52
1501 - Women's Hospital NPC Comp	-	4	-	223	320
1502 - Cabling & Wireless Upgrades	-	-	1,261	367	984
1503 - Willow Pavillion Tomosynthesis	-	-	53	257	31
1504 - Equipment Support Infrastructure	-	61	311	-	60
1523 - Melchor Pavillion Suite 309 TI	-	-	10	59	392
1525 - New Main Lab Upgrades	-	-	-	464	1,739
1526 - CONCERN TI	-	-	37	99	10
Sub-Total Mountain View Projects	**7,219**	**26,744**	**5,588**	**5,535**	**7,948**
Los Gatos Capital Projects					
0904 - LG Facilities Upgrade	-	-	-	-	-
0907 - LG Imaging Masterplan	774	1,402	17	-	-
1210 - Los Gatos VOIP	89	-	-	-	-
1116 - LG Ortho Pavillion	24	21	-	-	-
1124 - LG Rehab BLDG	458	-	-	-	-
1307 - LG Upgrades	2,979	3,282	3,511	3,081	4,551
1308 - LG Infrastructure	114	-	-	-	-
1313 - LG Rehab HVAC System/Structural	-	-	1,597	1,904	550
1219 - LG Spine OR	214	323	633	2,163	447
1221 - LG Kitchen Refrig	85	-	-	-	-
1248 - LG - CT Upgrades	26	345	197	6,669	1,673
1249 - LG Mobile Imaging	146	-	-	-	-
1328 - LG Ortho Canopy FY14	255	209	-	-	-
1345 - LG Lab HVAC	112	-	-	-	-
1346 - LG OR 5, 6, and 7 Lights Replace	-	285	53	22	127
1347 - LG Central Sterile Upgrades	-	181	43	66	-
1421 - LG MOB Improvements	-	198	65	303	356
1508 - LG NICU 4 Bed Expansion	-	-	-	207	-
1600 - 825 Pollard - Aspire Phase II	-	-	-	80	10
1603 - LG MOB Improvements	-	-	-	285	4,593
Sub-Total Los Gatos Projects	**5,276**	**6,246**	**6,116**	**14,780**	**12,306**
1550 - Land Acquisition	-	-	24,007	-	-
1701 - 828 S Winchester Clinic TI	-	-	-	145	3,018
Sub-Total Other Strategic Projects	**-**	**-**	**24,007**	**145**	**3,018**
Subtotal Facilities Projects CIP	**13,753**	**38,940**	**48,137**	**82,953**	**137,364**
Grand Total	**58,561**	**86,789**	**96,740**	**97,923**	**157,435**

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Ken King, CASO
Jim Griffith, COO
Date: February 13, 2019
Subject: Interventional Equipment Replacement – Funding Request

Recommendation:

To approve the purchase of replacement interventional equipment along with project development and planning for installation and for one new additional room a cost not to exceed $13 million.

Summary:

1. Situation: The El Camino Hospital provides the type of care you would expect to find at a university medical center. We have six different specialties sharing in the use of the five existing Interventional Labs and collaborating in advanced minimally invasive treatments and diagnostics. The Interventional Services department generated over $157 million in gross revenue in FY18 and supports diagnostics and treatment for a wide range of patients including those from our heart and vascular service line.

The existing Siemens equipment was purchased between 2008 and 2009. The equipment is now at the end of its useful life and needs to be replaced. Service calls and downtime has have disrupted operations, resulting in performance below budget for FY19

We have experienced substantial growth in recent years with a strengthening referral network. Our preference in the community is based upon providing comprehensive advanced diagnostic and treatment modalities with outstanding outcomes delivered in a community hospital setting.

The new Interventional imaging equipment will be upgraded to the latest technology and it will support the increasing numbers and types of procedures our heart and vascular and our stroke programs specialize in (*i.e.*, valve replacements, aortic aneurysm repairs, coronary artery repair, peripheral vascular repair, and therapies for stroke repair and prevention). Our expectation is that the equipment upgrades and buildout of the 6th Lab will enable us to meet our FY22 growth target of approximately 300 additional HVI diagnostic and interventional cases.

The new equipment will also have improved dose-reducing strategies that include more sensitive image receptors, better image reconstruction techniques, dose alerts and post-processing software. The dangers of excessive radiation exposure are well documented and all of these strategies will reduce the length of time fluoroscopy is used during the case.

The current projected cost breaks down as follows:

Room 1 – Interventional Imaging Equipment	$ 1,600,000
Room 2 – Interventional Imaging Equipment	$ 1,400,000
Room 3 – Interventional Imaging Equipment	$ 2,000,000
Room 4 – Interventional Imaging Equipment	$ 1,750,000
Room 5 – Interventional Imaging Equipment	$ 2,400,000
Room 6 – Interventional Imaging Equipment	$ 1,900,000

Monitors & Monitor Stands 5 of 6 Rooms (*Completed*)	$ 950,000
Total Estimated Equipment Costs (*Tax Included*)	$12,000,000
Initial Development Costs (Design, permits, pre-construction)	$ 1,000,000
Current Funding Request	**$13,000,000**
Anticipated Future Funding Request	$ 7,400,000
Total Estimated Project Cost	$20,400,000

2. Authority: Policy requires that expenditures exceeding $1 million require the Board's approval.

3. Background: This request is the first of two requests. Approval of this request will allow us to place purchase orders for equipment that requires the manufacturers' participation in the development of detailed plans and specifications that must receive OSHPD review and approval. Once OSHPD review is substantially complete and construction sequence and costs are known, the final request for funding will be presented. Note that the typical payment terms for the equipment are 0% down, 20% upon delivery, and the final 80% upon service start up.

This entire project is included in the FY19 Capital Facilities Project Budget at an estimated cost of $20.7 million.

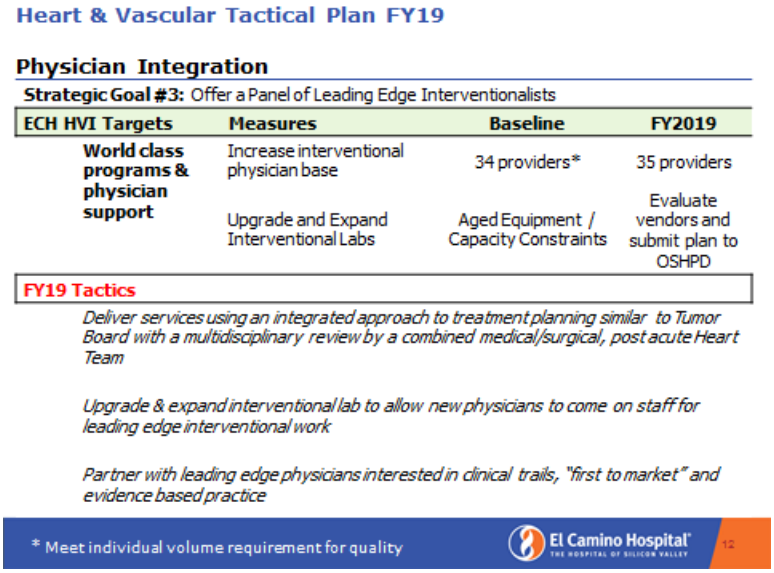
The development of this project will run parallel to the 1st Floor Imaging Equipment Replacement Project, but will be planned, scheduled and permitted as a separate project that is limited to the 2nd Floor sterile environment.

4. Assessment: The replacement and enhancement of the Interventional equipment is critical to the support of all the Service Line initiatives and the timely diagnosis and treatment of patients, as well as to upgrade to the newest technology and reduce radiation exposure.

In FY18, the Mountain View Interventional service line has a net margin of $23 million. Replacement of the interventional equipment along with the addition of a new room is necessary to maintain and grow our interventional business. With total project costs of $20.4M, the projected payback is 1 year.

See below additional information that supports this request:

This investment aligns with the HVI market differentiation strategy and is one if its key initiatives as presented in the finance committee report in November.



Heart & Vascular Tactical Plan FY19

Physician Integration

Strategic Goal #3: Offer a Panel of Leading Edge Interventionalists

ECH HVI Targets	Measures	Baseline	FY2019
World class programs & physician support	Increase interventional physician base	34 providers*	35 providers
	Upgrade and Expand Interventional Labs	Aged Equipment / Capacity Constraints	Evaluate vendors and submit plan to OSHPD

FY19 Tactics

Deliver services using an integrated approach to treatment planning similar to Tumor Board with a multidisciplinary review by a combined medical/surgical, post acute Heart Team

Upgrade & expand interventional lab to allow new physicians to come on staff for leading edge interventional work

Partner with leading edge physicians interested in clinical trails, "first to market" and evidence based practice

* Meet individual volume requirement for quality

El Camino Hospital THE HOSPITAL OF SILICON VALLEY

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The addition of 300 interventional cases is expected to yield $7 million a year in net revenue resulting in approximately $4 million a year in additional contribution to fixed expense. This is in addition to the current profitability of the service. Overall net income from HVI is expected to grow from $17 million annually (FY18) to over $20 million annually with growth from new capacity.

Consumer Alignment – In addition to the expanded types of procedures the newer equipment will reduce the amount of radiation that a patient receives. By reducing radiation dose and improving patient safety we are meeting the consumers' expectations for safer diagnostics.

Physician Integration – Cardiologists, Neurologists, Interventional Radiologists and EP physicians and other physicians rely upon accurate images for diagnosis and treatment. High quality interventional imaging equipment is a foundational element for hospitals and physicians.

5. Other Reviews: In addition to the review by the Finance Committee on January 30, 2019, we have engaged the services of an Interventional Imaging Equipment planner who is a subject matter expert on the latest imaging technologies and services. The planner has reviewed our equipment, operations and volumes and supports the recommendation.

Interventional Cardiology, Electrophysiology, Interventional Radiology, Neuro Interventional Radiology, Vascular Interventional, and Anesthesia- HVI Senior Director, Director Neuroscience Institute, Director Interventional Services, Imaging Services Director, and an Interventional Lab Technician have been actively involved in vetting the equipment needs and the three potential vendors. They have made site visits to Miami Heart in Florida, UCSF Hybrid OR and Cath Lab, and Stanford Cath Lab.

The Interventional Services Project Leadership Committee- COO, CAO, CNO, CIO, HVI Senior Director, Neuroscience Institute Director, Director Interventional Services, Imaging Services Director, Clinical Engineering, IT, Facilities Development has met for several months to develop and prepare for this request.

6. Outcomes: The following target timeline for completing the improvements and fit up is as follows:

1.	Funding Approval	02/13/19
2.	Finalize Equipment Selection and Negotiation by	03/15/19
3.	Purchase Orders Place by	03/30/19
4.	Construction Plans & Specs Complete by	09/30/19
5.	Final Project Budget Approval by	04/15/20
6.	OSHPD Review and Approval by	05/30/20
7.	Start of Construction & Installation (1 of 6) by	06/15/20
8.	Completion of Final Room (6 of 6) by	06/30/22

List of Attachments: None.

Suggested Board Discussion Questions: None.

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Ken King, CASO
Jim Griffith, COO
Date: February 13, 2019
Subject: Imaging Equipment Replacement – Funding Request

Recommendation:

To approve the purchase of replacement imaging equipment along with project development and planning for installation and for two new additional rooms a cost not to exceed $16.9 million.

Summary:

1. Situation: Diagnostic imaging plays a vital role in patient healthcare. It aids in disease prevention, early detection, diagnosis, and treatment. It has become essential for virtually all major medical conditions and diseases. ECH needs to replace end of life equipment (greater than 10 years old) and add capacity to accommodate the projected 19% growth in Imaging Services over the next 10 years.

In 2008-2009, ECH purchased the then-leading edge technologies which included: PET CT, NM SPECT CT, 2 MRI units, 2 CT (including a Dual Source Cardiac) along with Radiology and Fluoroscopy rooms. This equipment is now at the end of its useful life and needs to be replaced. In addition, we have opportunity to improve workflow and decrease patient wait-times through the addition of a third CT scanner and an additional Interventional Radiology procedure room on the first floor. Current utilization of CT is nearly over-capacity, and with very modest growth estimates we will go well into overutilization causing delays in patient care and potential increased length of stays. Our Interventional Radiology program is growing - partially through use of rooms in the radiology department but also through use of rooms in the interventional labs on the second floor. The interventional labs are also capacity constrained. The addition of a dedicated Interventional Radiology procedure room on the first floor will allow growth in this program, and relieve over-crowding in the second floor interventional labs.

The equipment targeted for purchase will continue ECH's tradition of moving to "Low-Dose" technologies. The dangers of excessive radiation exposure are well documented. In fact, CT, Fluoroscopy, and PET scans, which amount to only 25% of annual imaging procedures, make up 90% of medically-related radiation exposure. Equipment vendors have developed dose-reducing strategies that include more sensitive image receptors, better image reconstruction techniques, dose alerts and post-processing software. The El Camino Imaging Department has been noted in the community as dose reducing leader and look forward to providing even greater reduction of harmful radiant patient exposure with the latest technologies available. In addition to reducing radiation in all modalities, we expect to reduce CT dose by 65% with new Cardiac CT dual source equipment.

The current projected cost breaks down as follows:

CT Scanner # 1	$ 925,000
CT Scanner # 2	$ 2,965,000
CT Scanner # 3 (New Room)	$ 1,765,000

MRI 1.5 T	$ 2,035,000
MRI 3.0 T (Upgrade)	$ 1,345,000
Nuclear Med PET CT	$ 2,526,000
Nuclear Med SPECT # 1	$ 710,000
Nuclear Med SPECT # 2	$ 310,000
Fluoroscopy # 1	$ 640,000
Fluoroscopy # 2	$ 649,000
General X-Ray # 1	$ 370,000
General X-Ray # 2 (Emergency Department)	$ 315,000
Interventional Radiology (New Room)	$ 1,345,000
Total Estimated Equipment Costs (Tax Included)	$15,900,000
Initial Development Costs (Design, permits, pre-construction)	$ 1,000,000
Current Funding Request	**$16,900,000**
Anticipated Future Funding Request (Construction & Installation)	$ 6,400,000
Total Estimated Project Cost	$23,300,000

2. Authority: Policy requires that expenditures exceeding $1 million require the Board's approval.

3. Background: This request is the first of two requests. Approval of this request will allow us to place purchase orders for equipment that requires the manufacturers' participation in the development of detailed plans and specifications that must receive OSHPD review and approval. Once OSHPD review is substantially complete and construction sequence and costs are known, the final request for funding will be presented. Note that the typical payment terms for the equipment are 0% down, 20% upon delivery and the final 80% upon service start up.

This entire project is included in the FY-19 Capital Facilities Project Budget at an estimated cost of $19.4 million.

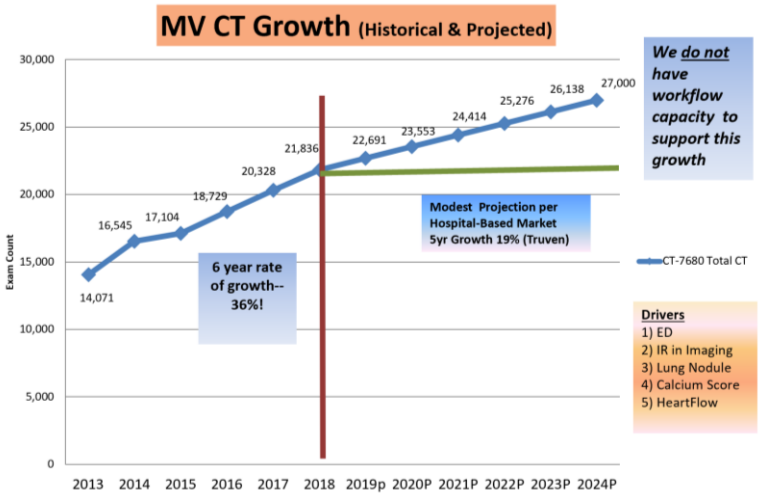
The development of this project will run parallel to the 2nd Floor Interventional Equipment Replacement Project, but will be planned, scheduled and permitted as a separate project that is limited to the 1st Floor environment.

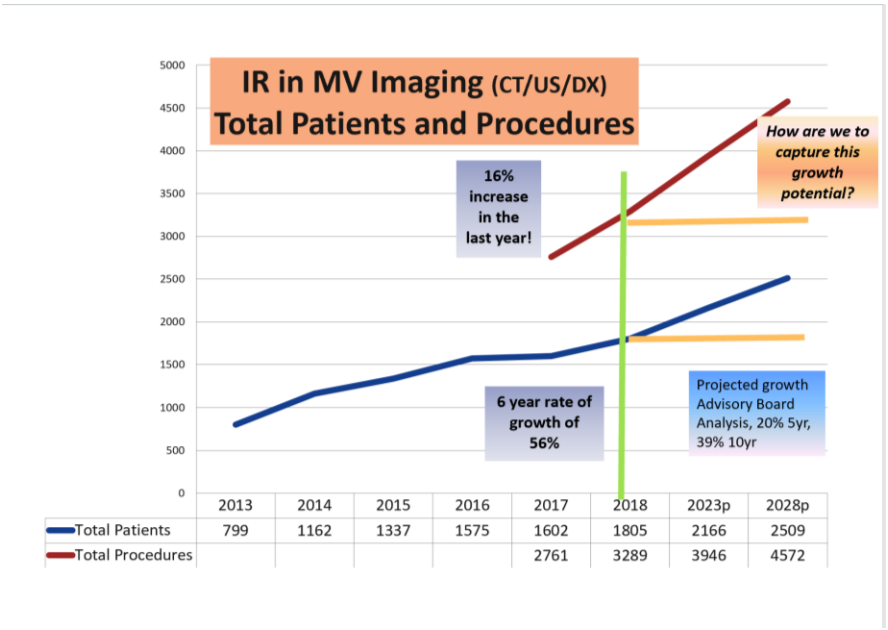
4. Assessment: The primary driver for this investment is the replacement of aging equipment that was fully depreciated within the first seven years of use. The manufacturer and the industry standards are to replace imaging equipment approximately every ten years.

The total request is for $23.3M for replacement of existing equipment that is beyond the industry and manufacturer's standard for equipment replacement. The contribution margin of the Mountain View outpatient imaging service line is $12.2 million. The estimated payback would occur in Year 2.

The following demonstrates how this investment is supported by the organizations Strategic Framework:

High Performing Organization – Service Lines continue to implement their strategic plans for growth in patient volume and these patients requiring diagnosis and treatment that occurs in the Imaging Services Department. The projected growth in CT & Interventional Radiology procedures is indicated in the following graphs:





Consumer Alignment – Newer equipment will reduce the amount of radiation that a patient receives. By reducing radiation dose and improving patient safety we are meeting the consumers' expectations for safer diagnostics.

Physician Integration – Radiologists and other physicians rely upon accurate images for diagnosis and treatment. High quality imaging equipment is a foundational element for hospitals and physicians.

5. Other Reviews: In addition to the Finance Committee review on January 30, 2019, we have engaged the services of an Imaging Equipment planner who is a subject matter expert on the latest imaging technologies and services. The planner has reviewed our equipment, operations and volumes and supports the recommendation. Additional reviews will be conducted during the

development of the equipment selection and installation plan. The Radiologists, the Department Leadership, and the Executive Leadership support this request.

6. Outcomes: The following target timeline for completing the improvements and fit up is as follows:

1.	Funding Approval	02/13/19
2.	Finalize Equipment Selection and Negotiation by	04/15/19
3.	Purchase Orders Place by	04/30/19
4.	Construction Plans & Specs Complete by	12/30/19
5.	Final Project Budget Approval by	06/15/20
6.	OSHPD Review and Approval by	07/30/20
7.	Start of Construction & Installation (1 of 13) by	09/01/20
8.	Completion of Final Room (13 of 13) by	12/30/22

List of Attachments: None.

Suggested Board Discussion Questions: None.

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Imtiaz Qureshi, MD, Enterprise Chief of Staff
Linda Teagle, MD Chief of Staff Los Gatos
Date: February 13, 2019
Subject: Medical Staff Report – Open Session

Recommendation:

To approve the Medical Staff Report, including Policies and Scopes of Service identified in the attached list.

Summary:

1. Situation: The Medical Executive Committee met January 24, 2019.

2. Background: We received the following informational reports:

A. Leadership Council (LC) – The Leadership Council discussed the importance of having a Physician Health and Wellbeing Committee (PHWBC). The Medical Staff Bylaws include the scope of work a PHWBC; however, the committee has not been active. The LC has set a goal to get the committee revitalized and operational over the next few months.

B. Medical Staff Quality Council – The Medical Staff Quality Council reviewed the current quality improvement structures/functions and overlap of their role with the Hospital Quality Improvement Committee. The two committees are working on a strategic plan to clearly delineate their roles and reduce duplication of reporting and tasks or consider consolidation of the two.

C. CEO Report – The CEO informed the committee of the favorable outcomes of the recent Triennial Joint Commission Survey. He also reported that the NICU nurses were recently the focus of a NBC news report for providing skin to skin contact in a premature infant care case. Additionally, the plans have been confirmed for the establishment of a general inpatient hospice at ECH. Details on the required elements, bed assignment and collaboration with Pathways for home care transition were provided.

D. CMO Report – The FY19 Quality Dashboard performance update through November was presented. Information on the ED Throughput Taskforce activities was given.

E. CNO Report –The CNO provided an update in data outcomes in falls related to the implementation of centralized monitoring and utilization of visual monitoring for patients identified as high risk for falls. Falls decreased from 1.7 to 0.6 since the October implementation.

F. Medical Staff Committee Infrastructure – The Credentials Committee will kick off with its first meeting for orientation on January 29, 2019.

3. Other Review**:** The MEC approved the Policies and Scopes of Service identified in the attached file.

The manager of the Clinical Documentation Improvement Program explained the purpose of the work of CDI team and the importance of physician queries. The requirements and criteria for queries are set by AHIMA, AMA and CMS and the impact on overall documentation of patient's condition and care were discussed. Overall, the CDI program aids in prevention of fraud, overbilling and under billing.

List of Attachments:

1. Spreadsheet showing approved Policy and Scopes of Service

Suggested Board Discussion Questions: None. This is a consent item.

SUMMARY OF POLICIES/PROTOCOLS FOR REVIEW AND APPROVAL - Board

		13-Feb-19	
NEW DOCUMENTS			
Fire Prevention Management Plan	Safety & Security	Plan	
Scope of Service - Stroke Program	Stroke Program	Scope	
DOCUMENTS WITH MAJOR REVISIONS			
Document Name	**Department**	**Type of Document**	**Summary of Policy Changes**
Scope of Service-Supply Chain	Supply Chain	Scope	Changed department name in Title from Materials Management, added definitions
SCOPE OF SERVICE Perioperative Services – MOUNTAIN VIEW (Pre-op/Short Stay, Post Anesthesia Care Unit, Endoscopy Center, Operating Room)	Periop	Scope	New format, removal of Interventional services in document, updated wording, lots of reformatting though information remained the same, changes for consistency in wording, removal of all scheduling rules for the operating room – now in separate document.
DOCUMENTS WITH MINOR REVISIONS			
Document Name	**Department**	**Type of Document**	**Summary of Policy Changes**
EOC-Central Safety Committee Charter	Safety & Security	Policy	Added name of current Hospital Safety Officer (Ken King) and Central Safety Committee Chair (Matt Scannell). Updated name from Security Management Work Group to Workplace Violence Prevention Committee.
Scope of Service Emergency Department (ED)	Emergency Department	Scope	Combined to make Enterprise

DOCUMENTS WITH NO REVISIONS			
Document Name	**Department**	**Type of Document**	
Scope of Service – Accounting Services	Accounting/Finance	Scope	
Pharmacy: Scope of Service	Pharmacy	Scope	
Scope of Service OB Emergency Department (ED)	MCH	Scope	

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

Scope of Services
Stroke Program

Types and Ages of Patients Served

The Stroke Program at El Camino Hospital provides comprehensive services to adults with neurovascular diseases. Services focus on rapid recognition of acute stroke, effective care coordination, early and optimal treatment during acute phase, and referral for post stroke rehabilitation.

Assessment Methods

Patients are assessed using specific evidence based tools and algorithms. These assessments are conducted by multiple professionals including ED physicians, neurologists, neuro-interventionists, neurosurgeons, intensivists, hospitalists, advanced nurse practitioners, registered nurses, pharmacists, care coordinators, social workers, nutritionists, rehabilitation team and other healthcare professionals, as appropriate and according to the scope and dictates of their professional practice.

Scope and Complexity of Services Offered

Stroke Program provides services to all levels of stroke patients including complex stroke patients. Complex stroke patients are defined as all stroke patients that require care in the Critical Care unit, including, but not exclusive of patients with:

- Subarachnoid Hemorrhage
- Thrombectomy
- AVM
- Intracerebral Hemorrhage
- Large volume ischemic stroke
- Ischemic stroke treated with tPA

24/7 imaging services include, but not limited to:

- CT
- CTA
- CTP
- MRI
- MRA
- EEG
- X-ray

Treatment provided, but not limited to:

- Medical management
- Thrombolytic Therapy
- Thrombectomy
- Hemicraniectomy

- Conventional cerebral angiogram with/without intervention
- Aneurysm coiling
- Aneurysm clipping
- Intracranial hematoma evacuation
- ICP management and monitoring
- External Ventricular Drain management

Current processes to ensure quality of services provided:

- Develop and revise policies, procedures, and protocols related to clinical practice
- Implement performance improvement methodology on a continuous basis
- Coordinate with Santa Clara County Emergency Medical Services (EMS) to promote communication and quality continuum of care
- Promote high quality and safe patient care through educational events:
    - Weekly stroke education rounds by Stroke Program Medical Director in CCU, PCU, and 3C Telemetry/ Stroke Unit
    - Stroke/Neurointerventional Services Case Review meetings
    - Quarterly Interdisciplinary Stroke Education offerings
    - Annual sponsorship of regional stroke conferences
    - Regularly scheduled additional stroke education for Stroke Resource RNs
    - Emergency Neurological Life Support (ENLS) education offerings for ED physicians, CCU physicians, ED RNs, CCU RNs, RRT RNs
    - Unit specific education for all RNs who take care of stroke patients
    - General hospital staff education
    - Certified Nurse Assistants (CNA) education
    - Public and community education
    - Continually incorporate the most recent evidence-based clinical practice guidelines to guide clinical practice
    - Utilize registry data, core measures, quality measures, and outcomes metrics to identify performance improvement initiatives
    - Respond to stroke quality related incidents via root cause analysis and/or clinical case reviews, investigate and/or report potential patient safety and quality issues for review
    - Work with care coordinators and acute rehabilitation team to facilitate post stroke recovery

Appropriateness, Necessity and Timeliness of Services

Understanding that stroke is an emergency and treatments and outcomes are based on responding as quickly as possible is at the heart of all care provided. The American Heart/Stroke Association provides clinical practice guidelines that are followed, in conjunction with El Camino Hospital's stroke specific policies, procedures and protocols. Each patient is assessed to ensure individualized care is appropriate, necessary, and timely. This theme is carried out in specific processes that eliminate ineffective time and allow for the fastest possible care.

Staffing/Staff Mix

The ECH Stroke Program core team members include: Stroke Program Coordinator, Advanced Nurse Practitioner, and Medical Director. The program is overseen by the program medical director, quality director, and service line director.

Other clinical and support staff providing services to patients in this area may include, but are not limited to:

- Data Abstractor
- Imaging
- Laboratory
- Pharmacy
- Rehabilitation
- Care Coordination
- Ultrasound
- EEG
- Clinical Effectiveness and Quality
- Palliative Care
- Chaplain
- Medical Staff Office
- Marketing
- Information Systems and Information Technology
- Purchasing and Finance
- Health Information Management Systems

Requirements for direct care staff

- All staff must complete hospital and department specific orientation.
- All staff who care for stroke patients will have annual stroke related education
- Safety/Emergency policies and procedures are reviewed by all staff
- All clinical staff will be licensed or certified according to El Camino Hospital Policies and Procedures

Level of Service Provided

The stroke program provides services under hospital and departmental policy and procedure guidelines.

Standards of Practice

Where applicable, the Stroke Program is governed by state and federal regulations, including the State Department of Health Services, Department of Health and Human Services, the Office of Inspector General, the Office of Civil Rights, and The Joint Commission on Accreditation of Healthcare Organizations requirements.

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Enterprise Stroke Committee:	10/2018
ePolicy Committee:	12/2018
Medical Executive Committee:	
Board of Directors:	
Historical Approvals:	

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

TITLE:	FY-19 Fire Prevention Management Plan
CATEGORY:	Safety – Environment of Care
LAST APPROVAL:	05/2018

TYPE:	☐ Policy	☐ Protocol	☐ Scope of Service/ADT		
	☐ Procedure	☑ Plan	☐ Standardized Process/Procedure		
OFFICE OF ORIGIN:	Safety and Security Services				
ORIGINAL DATE:	02/2018				
Revision Date:	12/2018				

I. COVERAGE:

This Fire Prevention Management Plan applies to hospital functions at all hospital-operated facilities including the Mountain View and Los Gatos campuses and outpatient clinics.

II. PROGRAM OBJECTIVES AND SCOPE:

El Camino Hospital is committed to providing a safe, accessible, effective and efficient Environment of Care consistent with its mission, services and applicable governmental mandate. This includes the provision of environment of care that protects patients, employees, visitors and property from fire and smoke. The intent of this plan is to describe a comprehensive, facility-wide management system, the objectives of which are to:

1. Anticipate, identify, assess and adequately control risks to human health, safety and the care environment relative to fire prevention and life safety;
2. Ensure processes, operations, work practices and behaviors remain conducive to continued fire prevention, safety, and conform to applicable standard and governmental mandate (i.e. Fire prevention Code 101, Title 8, Title 19, various fire codes);
3. Provide education and training that fosters an acceptable level of continuous readiness and emergency preparedness through safety training and fire drills;
4. Maintain the structural and systemic features of fire protection with a level of integrity and functionality that is adequate and compliant; and
5. Implement interim life safety activities to protect occupants during periods when a building does not meet the applicable provision of the life safety code.

A. Goals:

Based on areas of improvement noted in the FY 2018 Annual Evaluation, the performance improvement indicators for FY-2019 will be:

- Staff knowledge of horizontal and vertical evacuation (defend in place strategy move to next smoke compartment).
- Staff can locate the nearest location of extinguishers and fire alarm pull stations and can articulate how to use them.
- Staff knowledge of the acronym RACE for responding to a fire situation

- Staff knowledge of the acronym PASS for using a fire extinguisher

B. Objectives:

Specific objectives of the FY-19 Fire Prevention Management Plan include the following:

- Complete certification of fire doors in Hospital and associated outpatient clinics as applicable
- Educate all Engineering staff on new fire protection systems such as fire pump, sprinklers and alarm systems in the new IMOB and BHS buildings.
- Identified supervisory staff will attend NFPA code classes to further their knowledge and applications of fire safety codes.
- Develop an internal auditing process to ensure contract fire system companies are meeting all of their contractual obligations.
- Increase oversight an improve mechanisms for the monitoring of above ceiling work that includes contractors, project management and facilities.

III. REFERENCES:

1. Joint Commission Accreditation Manual for Hospitals, Environment of Care Standards, EC .02.03.01, .02.03.03, .02.03.05, Code of Federal Regulations, Title 29, Sections 1910.101-106, 155;
2. California Code of Regulations, Title 8, Sections 3203, 3220, 3219, 3221, 6151, 6184;
3. Title 19, Chapters 1 and 5;
4. California Code of Regulations, Title 22, Sections 70741, 70743, 70745;
5. NFPA 101 (Fire prevention Code), Chapters 5, 6, 7 and 13;
6. NFPA 13, 72, 96.

IV. AUTHORITY

In accordance with its bylaws and administrative protocols, the El Camino Hospital Leadership Team has given authority to the Safety and Facility Directors and Chief Engineer to ensure this plan is formulated, appropriately set forth and implemented. Program implementation and day-to-day operational management has been delegated to the Chief Engineer.

The authority and responsibility for fire prevention response education has been delegated to the Facility and Safety Directors/Officer & the Chief of Engineering under the supervision of the Chief Administrative Officer (CAO).

V. PROGRAM ORGANIZATION AND RESPONSIBILITIES

A. Leadership Team

The El Camino Hospital Leadership Team (i.e. the organization's governing body) provides the program vision, leadership, support and appropriate resources through the development, communication and institutionalizing of business fundamentals relative to environmental health and safety.

B. Facilities Engineering Department

The El Camino Mountain View and Los Gatos Engineering Department, in partnership with the Facility and Safety/Security Director, is responsible for the overall management of the fire prevention management program. This includes:

1. Coordinating the initial assessment of risks (including assistance with construction/remodel project risk assessments);
2. Program design and developing the facility's written plan;
3. Monitoring ceiling and wall penetrations for fire prevention;
4. Identifying training needs;
5. Tracking/interpretation of relevant fire codes; and
6. Technical consultation; assistance with implementation; initial response investigation and reporting of emergency events; and evaluation of program efficacy and improvement.

C. Environmental, Health & Safety Manager, Clinical Laboratory, Chief Engineer

The EH&S Manager works together with the Laboratory Departments and Chief Engineer to assess life safety issues and fire hazards within the Pathology and Clinical Laboratories, and ensure that these hazards are addressed through appropriate procedures, processes, and systems.

D. Central Safety Committee

The Central Safety Committee (CSC) ensures the fire prevention management program remains in alignment with the core values and goals of the organization by providing direction, determining priority and assessing the need for change. The CSC also ensures coordination, communication and appropriate integration of performance improvement, strategic planning and injury prevention activities, including those of existing committees, sub-committees and organizational units and establishes and /or approves infrastructures to support Performance Improvement techniques.

The Central Safety Committee meets regularly and as part of the standing agenda, receives and reviews reports and summaries of action taken relative to Fire Prevention Management on a quarterly basis. Agenda items include:

- Issues requiring action, recommendations or approval;
- Issues requiring monitoring/periodic or ongoing review; and
- Needs that are multi-disciplinary in nature.

E. Department Managers/Directors

Department Managers are responsible for the development and management of department-specific fire prevention programs that include:

- Procedures for fire prevention, where applicable;
- Basic fire response plan; equipment and procedures for the movement of patients to areas of refuge;
- Evacuation procedures;
- Fire safety training for employees; and
- Emergency/incident reporting and investigating procedures.
- Engineering to provide consultative services to dept. managers around fire safety.

F. Employees

Employees (including contract employees) are responsible to participate in required fire prevention training and fire drills, and must demonstrate core competencies in the subject matter. Employees must ensure their behaviors, work practices and operations are fire safe, responsible and in alignment with the facility and departmental procedures (including the no smoking policy), applicable training, and provisions of this plan.

VI. RISK ASSESSMENT

Risks associated with fire are typically identified and assess through facility-wide processes described within this plan, such as:

1. Routine Hazard Surveillance (daily rounding)
2. The examination of the building's fire protection features and assessment of LSC compliance, conducted as part of the completion of the ***Statement of Conditions (SOC).***
3. A ***Building Inspection/Maintenance Program*** to identify and resolve operational/non-structural LSC deficiencies;
4. Comprehensive project evaluations and site assessments to determine the need for ***Interim Life Safety Measures***;
5. ***Safety Tends Spreadsheet*** – Central Safety Committee review of pertinent data/information; incident reports; evaluations, and risk analysis.

The risk profile with respect to fire and life safety includes, but is not limited to: risk of fires; explosions; exposure to smoke and toxic combustion by-products; life safety system failure; risk of harm to patients, staff, and visitors; legal exposures.

Key factors driving the level of relative risk are likelihood of an unwanted event coupled with the magnitude of the consequences. These factors are typically affected by the existence and management of ignition sources (such as smoking and heat producing elements), volume and type of ignitable substances, combustible fuel load, high risk activities, integrity and efficacy of fire prevention systems.

In light of this, high risk areas where additional resources and attention are directed, as appropriate, include the clinical laboratory/pathology, oxygen enriched environments (such as the O.R.), Facility Services, storage areas, construction projects (ILSM), corridors and stairwells, and waste storage.

These resources include:

- The application and maintenance of effective fire prevention features and systems (compartments, automatic suppression, early warning, portable extinguishers, etc.),
- The development and implementation of comprehensive fire prevention procedures
- Interim Life Safety Measures (ILSM) where identified deficiencies and construction compromise fire prevention systems, and
- Effective response procedures, the efficacy and appropriateness of which are evaluated through Fire Drills.

VII. PROGRAM IMPLEMENTATION

The text that follows highlights the fire prevention management plan implementation processes:

A. ***Assessment of the building's structural and mechanical features of fire protection*** **-** The life safety features of the building are periodically evaluated in an effort to assess and ensure compliance with the applicable NFPA 101 (LSC) standards and to preserve their integrity and effectiveness. To this end, processes of inspections, testing, maintenance, interim measures, and repairs are coordinated through the Facility Services Department (and construction services, as appropriate), in concert with the Safety/Security department. Life Safety Code deficiencies and areas of non-compliance are identified and documented through the on-going ***Statement of Conditions (SOC)*** process. This evaluation process gives rise to a single source document that adequately reflects the overall condition of the building and systems, as it relates to the Life Safety Code. Any LSC deficiencies are immediately corrected.

1. In addition to the SOC assessment and correction processes, this facility has established and implemented a ***Building Maintenance Program (BMP)*** to identify and resolve the more ongoing, mechanical and operational deficiencies (e.g. door latches, exit lights, penetrations, corridors, etc.), in lieu of creating PFIs for their resolutions.

2. A comprehensive Life Safety Code ***Building Inspection Program*** is the primary component of the BMP. Most of this program element is incorporated into and conducted through the Hazard Surveillance and Facilities Services Rounds. The Hazard Surveillance and engineering inspection protocols (Instruction Sets) address required elements set forth in the Joint Commission standards.

3. The frequency of the Life Safety Code Building Inspections will coincide with the established Hazard Surveillance Rounds and engineering rounds schedule. However, Plant Engineering is responsible for conducting additional inspections if it is so indicated through direct observation of deficiencies, additional projects involving remodeling, structural changes,

electrical work or activities that are likely to change or compromise the condition of the life safety features.

4. The Engineering Department is responsible for periodic inspections of the integrity of the fire and smoke stop partitions, including follow up inspections once a construction project is completed.

5. The table below describes the common types of LSC deficiencies to be addressed through the BMP, and the responsible functions:

LSC Compliance Item	Responsible Function(s)
Rated Doors, including stairwell and occupancy separation doors have: a. Functioning positively latching assemblies b. Properly functioning self-closing devices c. Gaps of less than an 1/8" between double leaf doors d. Less than ¾" undercuts *e. (LSC 5-2.1.5.4, 13-3.2.1)*	Engineering to assess, repair and maintain
Rated Barriers (smoke and fire): *a.* Have properly functioning self-closing or automatic closing devices *(LSC 5-2.6; 5-2.1.5.3)* b. Are maintained to preclude the transmission of smoke/fire (e.g. penetrations sealed with approved rated materials) *(LSC 6/3.6.1)*. c. Corridor wall penetrations are properly sealed with materials capable of maintaining intended resistance (*LSC 6-3.6.1)*	Engineering to assess and make repairs.
Means of Egress lighting properly functioning *(LSC 5-8.1).*	• Engineering • Safety • Security • Hazard Surveillance team
Exit signs and Directional signs clearly show emergency exit routes (*LSC 5-10.1.2)*	• Engineering • Safety • Security • Hazard Surveillance team
The following Grease Producing Devices are properly maintained: a. Exhaust hoods b. Duct systems c. Grease removal devices *d. (LSC 7-2.3; NFPA 96)*	• Hazard Surveillance • Safety • Engineering • Nutritional Services

B. ***Testing of the life safety systems,*** as well as annual preventive maintenance of all components and initiating devices are conducted by internal engineering personnel on a pre-determined,

cyclical schedule that ensures optimal coverage with minimal disruption of care and business activities. (Resources may be supplemented by personnel from a licensed contract firm).

1. Maintenance and testing requirements include:
    a. Inspection and testing of all Initiating Devices at prescribed intervals (including smoke detectors, flow and tamper switches, duct detectors and manual pull stations) and supervisory devices.
    b. Five year hydrostatic testing of standpipes
    c. Annual testing of audible alarms, strobes, PA systems, etc.
    d. Visual inspections of fire department connections
    e. Weekly fire pump testing under no flow conditions
    f. Annual fire pump testing under flow conditions
    g. Operation of smoke and fire dampers (every 6 years)
    h. Annual testing of roll down doors
    i. Maintenance of any cooking facility exhaust hood systems (to include filter changes, hood cleaning and degreasing, and duct maintenance). **(*.02.03.05)***
    j. Inspection of water based fire suppression systems; including pumps, drains and connection are coordinated through Engineering.
2. Engineering coordinates the testing of other automatic fire suppression systems (such as kitchen hood system, pre-action, Halon, etc.), through a licensed contractor.
3. Included in the foregoing inspection, testing and maintenance processes are detection and early warning devices that, upon actuation, triggers systems designed to slow the movement of fire and the transmission of smoke such as designated fans, in-duct dampers, and self-closing rated doors. Engineering will ensure that the functionality of the dampers themselves are tested and verified every six years.
4. Fire alarms are monitored externally by a compliant proprietary supervising station (per NFPA 72, 4-4.2.1). Upon activation, the signal enunciates locally and is immediately transmitted to the monitoring agency that notifies the fire department having jurisdiction. This system is periodically tested as part of the fire drill processes.
5. The Security Department is responsible for inspecting portable fire extinguishers monthly and coordinating annual servicing.

C. ***Fire Drills*** - In an effort to enhance training and reinforce fire readiness, the Security Department, in concert with engineering, will ensure fire drills are scheduled and conducted at the frequency of one drill per shift per quarter. Each drill will be observed and critiqued to help determine the overall level of emergency preparedness, discern areas requiring improvement,

and assess the effectiveness of the fire prevention training efforts. Additional fire drills are coordinated as necessary for compliance with Interim Life Safety Measures (ILSM).

In lieu of observing all areas during a drill, a sample of areas will be selected, including the point of alarm/drill origin, an adjacent area, a smoke compartment above and/or below (as applicable) the point of origin. Part of the fire drill process includes an on-the-spot educational component to compliment life safety and fire prevention training efforts. Fire Drill scenarios are designed to simulate fires and ensuing emergency events and to evaluate staff knowledge of the following:

- Use and functioning of fire alarm systems (e.g. manual pull stations)
- Transmission of alarms
- Smoke and fire containment
- Transfer to areas of refuge (horizontal and vertical evacuation)
- Extinguishment
- Specific fire response duties
- Preparing for building evacuation

All personnel are trained in the facility fire response plan and the effectiveness of such training is evaluated as part of the Fire Prevention Program performance measure ***(EC .02.03.03)***

D. ***Interim Life Safety Measures*** **-** Where conditions during construction/remodel projects and or identified life safety code deficiencies impair any existing life safety system, appropriate interim systems are implemented in lieu of the impaired system in an effort to compensate for the temporary loss and ensure continued integrity of the program. The Safety and Facility Director will work in partnership with the Construction Project Manager, Chief Engineer and the local fire authority having jurisdiction, as indicated. They will ensure that, prior to the start of any project, risks are adequately assessed, and the appropriate interim measures are selected and implemented, as the level of risk decrees.

If a life safety system is to remain impaired, or if the Chief Engineer feels that the impaired Life safety System is vitally critical, then the Chief Engineer (designee) will instruct the Security department or Construction Services to institute a fire watch and will ensure the local Fire Authority is notified and institute ILSM per code requirements.

E. ***Education and Training*** **-** All employees attend General Hospital Orientation (GHO) at the time of hire, where general information and education regarding the basic fire response plan, fire prevention, the smoking policy, and life safety features of the building are provided. Licensed Independent Practitioners (LIP) receive training at the time of credentialing and with each renewal.. Additionally, subsequent training and practical application are provided during fire drills. Department managers will also ensure that subsequent training is given that is specific to departmental procedures, processes, behaviors and precautions, to include:

1. Specific roles and responsibilities at the fire or alarm's point of origin, including:

- Relocation of those close to the source or otherwise in immediate danger;
- Activate emergency notification procedures, including alarm systems and phone numbers;
- Confinement of the fire, including closing doors and compartments, management of flammables and oxidizers;
- Proper use of extinguishing equipment.
- Location and proper use of equipment for evacuating patients to areas of refuge, points of assembly, etc.;

2. Specific roles and responsibilities if a fire alarm actuates and the employee and/or LIP is away from the point of origin, i.e. respond if appropriate, stand by and await further instructions, prepare to close doors and relocate occupants.

3. Other relevant aspects of life safety, fire prevention, as well as any substantive changes, adjustments and improvements of the subject matter, based upon:

   - Assessment of educational needs, coordinated through the department manager;
   - Organizational experiences and learning's;
   - Results of risks assessments, hazard surveillance, inspections, etc.;
   - Central Safety Committee recommendations;
   - EH&S Manager, Facility Director or the Safety/Security Director's input.

VIII. PROGRAM PERFORMANCE

The standards and indicators by which performance relative to this plan will be measured are developed based upon organizational experiences, discerned risks, inspection results, observed work practices, and Integrated Safety Committee recommendations. They include:

A. Intent/Requirement:

Staff knowledge, skill and competency necessary for their role(s) in the event of a fire or fire alarm. As part of the facility's ongoing efforts to improve staff knowledge, the average percentage of correct responses to subject questions will be tracked.

B. Performance Standard:

Acceptable Staff performance with respect to the facility's fire prevention program requires that employees understand their roles and responsibilities relative to the use of fire prevention systems, emergency notification, relocation of occupants, etc.

Based on opportunities for improvement identified in FY-18 annual EOC evaluation the FY-19 Performance Improvement Indicators are as follows:

EOC Area	Indicator	Responsible Dept./Function	Target
Fire Prevention	Staff knowledge of the acronym RACE for responding to a fire situation	Engineering, Security and Department Managers	>90%
Fire Prevention	Staff knowledge of the acronym PASS for using a fire extinguisher	Engineering, Security and Department Managers	> 90%
Fire Prevention	Staff can locate the nearest location of extinguishers and fire alarm pull stations and can articulate how to use them	Engineering, Security and Department Managers	> 90%
Fire Prevention	Staff knowledge of horizontal and vertical evacuation (defend in place strategy move to next smoke compartment).	Engineering, Security and Department Managers	> 90%

C. Process and Frequency of Measurement:

Progress for this project will be reported out quarterly at the Central Safety Committee. Data will be collected during hazard surveillance rounds and fire drills.

IX. PROGRAM EFFECTIVENESS

The effectiveness of the fire prevention program, including the appropriateness of the program design, training, equipment and behaviors will be monitored and assessed on an ongoing basis through the Central Safety Committee. Relevant documents, reports, as well as concurrent and retrospective statistical data will be tracked through the facility's Safety Trends spreadsheet. The Central Safety Committee will receive periodic fire prevention reports and make recommendations as indicated. Reports include:

- Significant, relevant information gleaned from fire drill reports
- The results of inspections by regulatory agencies
- Reports of actual emergencies
- Interim Fire Prevention Measures that may affect building occupants
- Reports of fire prevention code deficiencies that may require additional time and/or resources to correct.

X. ANNUAL PROGRAM EVALUATION

On an annual basis, the fire prevention management program is evaluated relative to its ***objectives, scope, effectiveness and performance.*** The continued appropriateness and relevance of program Objectives are assessed, as well as whether or not these objectives were met.

The Scope is evaluated relative to its continuing to comprise meaningful aspects, relevant equipment, technology and systems, items that add value and elements conducive to continuous regulatory compliance.

The year is reviewed retrospectively to determine the extent to which the program was Effective in meeting the needs of the customer, the patients and the organization, within the parameters of the given Scope and Objectives. This analysis includes initiatives, accomplishments, problem solving, examples and other evidence of effectiveness.

The Performance dimensions are reviewed to evaluate expectations of performance attainment, measurement techniques, process stability and improvement efforts and outcomes, secondary to performance monitoring results.

Results of this evaluation process will form the basis for performance improvement standards, strategic goal setting, planning, and verifying the continued applicability of program objectives.

XI. APPROVAL:

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Fire Prevention Management Work Group	12/2018
Central Safety Committee:	12/2018
ePolicy Committee:	1/2019
Quality Committee	
Board of Directors:	
Historical Approvals:	*05/2018*

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

SCOPE OF SERVICE
~~**Materiel Management Department**~~ **Supply Chain**

Types and Ages of Clients Served

~~The Materiel Management Department~~ The Supply Chain Department provides services to clinical, nursing, ancillary and support departments. In addition, some services are provided to outside entities~~, including the El Camino Surgery Center.~~

Scope and Complexity of Services Offered

~~The Materiel Management Department provides services as follows:~~

~~Central Service: Distribution: supports sterile supply distribution to nursing departments through a cost- effective combination of exchange, replenishment and case cart systems.~~
~~Processing: cleans, disinfects, wraps and sterilizes reusable items for nursing and ancillary departments.~~

~~General Stores: Maintains an economic level of warehoused supplies, and distributes supplies to all hospital departments.~~

~~Receiving: Processes receipt of all materiel received by the hospital.~~

~~Purchasing: Through cost effective use of a combination of the hospital's designated GPO contracts, local contracts and other affiliation contracts, acquires supplies, equipment and services for all hospital departments.~~

- **Contracting:** Implementation and oversight of vendor and supply contracts, manage effective contracting workflow for the organization and ensuring continuous improvement of the process for contract requests, drafting, approvals, execution and maintenance.

- **Distribution:** Provides supplies and materials to all clinical and ancillary departments. Maintains supply inventories in all assigned par location, Central, and Pyxis areas.

- **General Stores**: Maintains an economic level of warehoused supplies and distributes supplies to all hospital departments.

- **Group Purchasing Organization (GPO):** A group purchasing organization is an entity that helps healthcare providers-such as hospitals to realize savings and efficiencies by aggregating purchasing volume and using that leverage to negotiate discounts with manufacturers, distributors and other vendors.

- **Receiving:** Ensures proper receipt and shipment of all supplies and equipment.

- **Purchasing:** Procures and controls purchase of the services, equipment & supplies. Ensures all goods, supplies, and inventory needed for the organization to operate are purchased in a timely and cost effective manner.

- **Supply Chain:** Management of the flow of goods and services from point of origin to point of consumption.

- **Value Analysis:** A systematic and critical assessment by an organization of every feature of aproduct to ensure that its cost is no greater than is necessary to carry out its functions.

Staffing/Skill Mix

~~Services are provided by:~~
- ~~Materiel Management Director~~
- ~~Supervisor of Central Processing~~
- ~~Distribution and Receiving Supervisor~~
- ~~Materiel Handlers I & II~~
- ~~Sr. Buyers, Buyers & Purchasing Assistant~~
- ~~Central Service Technicians I & II~~

~~Through use of a combination of per diem, part time and full time positions, staffing can be adjusted according to workload requirements.~~

- Buyer & Sr. Buyer
- Inventory Control Coordinator
- Material Handlers I & II
- Sr. Contract Administrator
- Supply Chain Director
- Supply Chain Manager
- Supply Chain Supervisor
- Supply Chain Technician 1, 2, 3
- Value Analysis Coordinator

Level of Service Provided:

The ~~Materiel Management~~ Supply Chain Department provides services under hospital policy and procedure guidelines.

Standards of Practice:

The ~~Materiel Management~~ Supply Chain Department is governed by local, state and federal regulations, and the Department of Health Services and Joint Commission requirements.

I. APPROVAL:

~~Approved: 11/2015~~

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
ePolicy Committee:	1/2019
Medical Executive Committee:	
Board of Directors:	
Historical Approvals:	11/2015

SCOPE OF SERVICE
Perioperative Services – MOUNTAIN VIEW
(Pre-op/Short Stay, Post Anesthesia Care Unit, Endoscopy Center, Operating Room ~~& Interventional Services~~)

SCOPE

The Perio~~o~~perative Service Line includes the Pre-op/Short Stay Unit, Operating Room (OR), Post Anesthesia Care Unit (PACU), and ~~the~~ Endoscopy Unit~~Center~~ (ENDO). ~~& Interventional Services.~~ The outpatient invasive-procedure admit area is located on the Short Stay Unit~~-~~). Admissions for endoscopy will be done in the Endoscopy Department.

All outpatient ~~-~~procedure patients are admitted to the Pre-op/~~on the~~ Short Stay Unit Monday through Friday. ~~.~~ ~~-~~All surgical patients 13 years and older are admitted on the Short Stay Unit. Pediatric patients 12 and under are admitted on the Pediatric Unit. ~~-~~The Short Stay Unit functions as a PAP (Pre-Admission Program), ~~-~~Pre-Operative Holding Area, Admission Unit, as well as a post~~-~~operative same day surgery/procedure area.

~~It is important to note that the Short Stay Unit is licensed as an outpatient unit.~~

A Nursing Director is responsible for services provided in the Perioperative departments~~service line~~ and reports to the Chief Nursing Officer (CNO). There are Clinical Nurse Managers who are ~~OR Manager is~~ responsible for day-to-day coordination of services in each of the Perioperative departments. ~~the OR. The PACU/ENDO Manager is responsible for day-to-day coordination of services in these units. The Short Stay Clinical Manager oversees the short stay unit. This individual is responsible for the day-to-day coordination of services.~~ Each manager contributes to the success of their department by budget control~~,~~ and providing staffing to accommodate a fluctuating patient population. The Clinical Nurse Managers report to the Perioperative Service~~s~~ Director.

PERIOPERATIVE SERVICES

OBJECTIVES:

- Deliver safe, effective and appropriate care.
- Facilitate collaboration between all health care providers to assure that the community health care needs are met.
- Provide services in an efficient and timely manner.
- Continuously seek ways to improve patient outcomes, improve service, and reduce cost
- Maintain a work environment that is safe and supportive.

GOALS:

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- Promote retention and recruitment practices to maintain a high level of proficiency in Perioperative staff
- Utilize Operating Room Committee to increase collaboration and discuss operational and budgetary issues in the OR.

- Work collaboratively with the Anesthesia Department to facilitate the OR schedule and accommodate urgent cases added to the schedule.
- Increase utilization of Perioperative Services by promoting opportunities for new business growth and efficient use of areas.
- Provide ongoing educational opportunities for staff growth.

Responsibilities of On-Call Staff Members:

- On-Call is a requirement for Perioperative staff.
- Staff members on-call for emergencies are responsible for maintaining a communication method (home phone, cell phone, beeper) with the Hospital.
- Staff is responsible for planning travel to assure that traffic, which could not be anticipated, does not delay response time.
- Staff members must be able to arrive at the Hospital within 30 minutes from notification by phone or beeper.
- Endoscopy staff must be able to arrive at the Hospital within 30 minutes from notifications by phone or beeper.

~~**SCOPE OF SERVICE**~~
~~**Short Stay Unit – Mountain View**~~

PRE-OP/SHORT STAY UNIT

SCOPE

The Pre-op/Short Stay Unit admits patients who are having procedures. They may be outpatients, AM admits, and in-house patients. The Pre-op/Short Stay Unit is located on the 2nd floor of the New Main Hospital. The Pre-op/Short Stay Unit conducts pre-admission and admission services, post-op care for short stay procedures and surgery including discharge. ~~as well as short stay procedure/post operative services:~~

- **Pre-Admission Program** – Patients scheduled for surgery are invited to attend the pre-admission program which facilitates early assessment, admission health testing, patient/family teaching, as well as financial counseling. This assessment may be performed by telephone or in person.

- **Admission** – Patients to be admitted on the day of surgery/invasive procedure are admitted through the Pre-Op/Short Stay Unit.

- **In Patients** – The Pre-op/Short Stay unit admits patients who are currently in house as a pre-procedural holding area.

- **Post Operative Procedure** – patients on the day of the surgery/invasive procedure are returned to the Short Stay Unit to complete their recovery and be discharged to home.

STAFFING ~~PLAN~~

The Pre-Op/Short Stay Unit utilizes RNs to provide direct patient care with the assistance of clinical support personnel (CNAs), and Administrative Support

RNs are assigned to patient care. Administrative and clinical support provides assistance for activities in the unit.

Patient population is a function of projected surgical, Interventional Services, ECT's, Cardioversions, outpatient transfusions and radiology invasive procedures. .

Normal business hours are:
Monday-Friday – 0500 to 2130
The Pre-Op/Short Stay Unit is closed weekends and holidays.

~~**Staffing** – Consists of RNs, CNAs, and Administrative Support. Normal business hours are:~~

~~M-Th – 0530 hours to 1930 hours~~
~~Friday – 0530 hours to 1830 hours.~~

Requirements for Staff –
All staff must complete orientation as specified in the Department Specific Orientation Manual, as well as assigned HealthSstream Learning Center modules.
Minimum requirements for RNs are: BCLS, ACLS, APEX Innovations, AccuCheck~~,~~, ~~Correct Site Verification self-study (S-S) module, Surgical Consent S-S module,~~ and age-specific competency.
HealthStream Modules: Universal Protocol Correct Site Verifications, Surgical Consent.
Minimum requirements for unlicensed clinical support staff are: BCLS, and age-specific competency.

~~**SCOPE OF SERVICE**~~
~~**Post Anesthesia Care Unit (PACU) – Mountain View**~~

POST ANESTHESIA CARE UNIT

SCOPE

The Post Anesthesia Care ~~Unit provides~~Unit provides Stage I recovery care of the post procedural patient. ~~intensive observation and care to patients following an operative or non-invasive procedure,~~ They also provide nursing care for patients receiving electroconvulsive therapy, Transesophageal Echocardiography, Cardioversion and ~~or~~ pain control procedures for which an anesthetic agent or sedative has been administered. It consists of eighteen beds and is located on the 2nd floor in the new Main Hospital. ~~adjacent to the Operating Room.~~

STAFFING ~~PLAN~~

PACU utilizes ACLS and PALS certified RNs to provide direct patient care with the assistance of clinical support personnel. ~~Clinical support personnel provide direct patient care under the supervision of the RN and provide patient transportation.~~ A ratio of RN to Patient~~/PT~~ is progressive, beginning at 1:1 until airway patency is stable, and then maintained at 1:2 until the patient is transferred out of the PACU.
Each nurse provides care to any patients requiring post anesthesia recovery and is responsible for assigned patients from admission to PACU through discharge from PACU.
The~~A~~ charge nurse makes daily assignments and is not assigned specific beds but acts as a float nurse to assist with admisssions, discharges, transports and break relief. When the charge nurse leaves the unit, another RN is assigned to direct patient flow.
Clinical support staff transports patients, cleans and stocks supplies, assists nursing personnel with lifting and turning or patients, and some clinical tasks.
The RN's do not float to other units in the Hospital.
Students serve as observers in PACU and any care given in the department is provided only under the direct supervision of a staff nurse.
~~is assigned daily to make assignments and direct patient care.~~

Normal business hours are:

~~**Staffing:** Consists of RNs and CNAs.~~
~~Normal business hours are:~~
M-F – 0700 hours to 2330 hours, O~~o~~n call only 2230~~2300~~ hours to 0700 hours.
Saturday – 0830~~900~~ hours to 1703~~0~~ hours, O~~o~~n call only 0630~~700~~ hours to 0830~~900~~ hours and 1630~~730~~ hours to 0700 hours.
Sunday and Holiday – O~~o~~n call 0630~~700~~ hours to ~~Monday~~ 0700 hours (24.5 hours).

Requirements for Staff:

All staff must complete orientation as specified in the Department Specific Orientation Manual, as well as assigned HealthSstream Learning Center modules.

Minimum requirements for RN staff are: ACLS, PALS, previous experience in PACU or Critical Care Unit, AccuCheck, and age-specific competency.
~~Malignant Hyperthermia S-S module, Correct Site Verification S-S module, Surgical Consent S-S module, and age-specific competency.~~
~~Minimum requirements for CNA staff are: BCLS and age-specific competency.~~

~~**SCOPE OF SERVICE**~~
~~**Endoscopy Center – Mountain View**~~

ENDOSCOPY UNIT

SCOPE

The Endoscopy Unit ~~Center~~ (ENDO) performs upper and lower gastrointestinal and interventional procedures, manometries, ~~ERCP,~~ thoracoscopy with support from OR personnel, bronchoscopy and interventional bronchoscopy ~~, and Transesophageal~~procedures, Transesophageal echocardiograms, and other procedures for which the proceduralist is privileged ~~-~~for adult patients.

STAFFING ~~PLAN~~

The Endoscopy Unit staffing consists of RNs, endoscopy technicians (ET), and a Business Rep III. ~~The center staffing consists of RNs, endoscopy technicians (ET), business rep, and unit support personnel.~~ There is one RN and one ET assigned to assist with each procedure~~case~~, except when acuity requires, 2 RNs may be assigned. ~~and one tech are assigned to Interventional procedures..~~ Bronchoscopies are assigned an RN and a respiratory therapist, and TEE's are assigned an RN and a radiology technologist. Patient status and physician request may increase the number of personnel required during a procedure.
An Endo RN/critical care RN/Flex RN or ~~n~~ A~~a~~nesthesiologist ~~-~~assists with transportation of monitored ~~accompanies a~~ CCU patients to ENDO. ~~and remains with the patient during the procedure.~~
A charge nurse makes assignments with adjustments made throughout the day based on a patient need.
Patients may receive local, moderate sedation or general anesthesia.
If the patient is to receive moderate sedation without the presence of an anesthesiologist, an additional ACLS certified RN is assigned to monitor the patient and administer moderate sedation. The monitoring RN will be assigned to exclusively monitor the patient during the procedure.
Cases may be performed in CCU, the Operating Room or the Emergency Department based on patient need. ~~is responsible for makinig daily assignments.~~
Patients having a procedure will be recovered in the main PACU or recovery area in the Endosocpy unit.

~~**Staffing:** Consists of RNs, Endoscopy Technicians, Unit Support, and Business Rep.~~

Normal business hours are:

M-F – 0~~7~~600 hours to 2000~~1600~~ hours
Saturday – 0700-1530 hours
All other hours are covered by Endoscopy staff O~~o~~n ~~-~~call
Hospital Supervisor will call on call staff for Endoscopy only

SCHEDULING

Endoscopy cases are scheduled Monday through Saturday.
Endoscopy Units schedules on a first request basis, following the established block schedule times for the Endoscopy Unit.
Procedures are scheduled by the Endoscopy business rep or RN staff until 1600 hours, then by the Nursing Supervisor
When the Endoscopy schedule does not accommodate an emergency procedure, the physician has the option of pre-empting another procedure. The physician is responsible for notifying the physician he is bumping. If the procedure occurs outside scheduled hours, the on call system will be activated.

Requirements for Staff:

All staff must complete orientation as specified in the Department Specific Orientation Manual, as well ~~as~~ as assigned ~~Healthstream~~HealthStream Learning Center modules.
Minimum requirements for RNs are: ACLS, AccuCheck, and age specific competencies.~~, Moderate Sedation S-S module, Surgical Consent S-S module, Correct Site Verification S-S module, and competence in managing all procedures performed in ENDO.~~
Minimum requirements for ETs are: ~~CNA,~~BCLS, and age specific competency.
~~Minimum requirements for US are: BCLS, competency in care and handling of endoscopic equipment.~~

~~**SCOPE OF SERVICE**~~
~~Operating Room – Mountain View~~

OPERATING ROOM

SCOPE

THE Operating room is located on the second floor of the new main Hospital. The Operating Room (OR) consists of 10 suites~~,~~. There is a center core for sterile supplies~~instrument and supplies storage.~~, instruments, an Anesthesia/Medication Room and multiple equipment storage rooms. There is a clean and a dirty elevator for transportation of case carts, linen and garbage. These elevators only service the Operating Room of the 2nd floor, Central Sterile Processing and Decontamination areas on the ground floor of the New Main Hospital.

Elective surgery is scheduled Monday through Friday from 0730 hours to 2315 hours, according to a block scheduling system. After hour emergencies are covered by on call teams.

The OR provides twenty-four hour nursing care to the patients requiring surgical intervention. The surgical patient is admitted to the hospital either as an outpatient, same day surgery (AM admit) as an inpatient, or from the Emergency Department.

Services are provided by the RN, ORT, ORA and Business office personnel, all with appropriate training. The department uses Title 22, *AORN Guidelines for Perioperative Practice*, and The Joint commission as guidelines for practice.

Staffing levels are based on patient acuity, staff skill level, staff training needs, equipment, OR protocols and infection control requirements.

The RN performs circulating duties.
The RN or ORT performs scrub duties.
RN assessments and nursing diagnoses are the basis for care planning for the surgical patient in the OR.
Students are observers only in the Operating room and do not provide direct patient care.

Performance Improvement and SCIP measures are used to measure quality and patient outcomes.

Specialty Services provided but not limited to:

- CardioThoracic
- General
- GYN
- Head & Neck
- Neurosurgery
- Orthopedics

Plastic Reconstruction
Podiatry
Robotics
Urology
Vascular
~~Common procedures include:~~
~~Laparoscopic Cholecystectomy~~
~~Colon Resection~~
~~Lumbar Laminectomy~~
~~Hysterectomy~~
~~Total Hip and Knee Joint Replacement~~
~~Coronary Artery Bypass Graft~~
~~Radical Prostatectomy~~
~~Laparoscopy Assisted Procedures, e.g.: LAVH, Bowel Resection~~
~~Laparoscopic Gastric Roux-en-Y Bypass and Banding~~
~~Laparoscopic and open General, Thoracic and GYN Oncology procedures~~

STAFFING ~~PLAN~~

The department staffing consists of RNs, Oo~~o~~perating R~~r~~oom T~~t~~echnicians (ORT's)~~/scrub technicians (STs)~~, ~~team support personnel (TS),~~Operating Room Assistants (ORA's)~~OR Assistants ORA~~ , and business office clerical personnel. There are staff nurses who have responsibility for being a resource to the staff regarding particular surgical specialties. ~~Two~~ F~~f~~loat RNs are assigned to coordinate instruments, ~~and~~ supplies and break reliefs for the suites. ~~An RN, ST or a business office clerical person may be~~ Staff are assigned to the OR front desk to coordinate the daily schedule and facilitate activities in the department, under the direction of the OR Manager. When available, an RN is assigned to the turn-over position and coordinates and assists in getting following cases started.

Staffing in the OR is based on the minimum number of staff required to manage the projected schedule of surgeries. The staffing pattern describes the usual number and skill mix required each day. It is based on projected caseload, patient acuity, and the block allocations. It is adjusted when blocks change, a permanent change in case load occurs, as staff training needs are identified, when patient acuity changes or protocols dictate.

Every case is assigned two OR staff persons.
An RN is always assigned to circulate.
Either an RN or an ORT~~ST~~ may be assigned to scrub.

Staffing is supplemented on weekends, holidays and evening shift with the on call teams. Nurses and technicians are scheduled for call only after demonstrating competency in the types of cases usually performed on an urgent basis. One team, either on duty or on call, must be open heart trained. Additional staff may be called to work to provide special skills or additional staff at the discretion of the charge nurse.

If the patient is to receive moderate sedation without the presence of an anesthesiologist, an additional ACLS certified RN is assigned to monitor the patient and administer moderate sedation. The monitoring RN will be assigned to exclusively monitor the patient during the procedure.

If ~~a the~~ laser is to be used during a surgical procedures,~~used,~~ a person trained in the use of the laser is designated a "laser operator".~~laser-trained RN or ST is assigned to the case.~~ If the stealth system is used, a stealth-trained RN or ORT~~ST~~ is assigned to the case. If the RN circulating is stealth-trained, no additional staff is assigned.

RN's, ORT's, ORA's and Environmental Services~~US~~ personnel assist with room turnover, supply and equipment management, cleaning, transporting patients, and anesthesia cleanup and setup.
~~Staffing in the OR is based on the minimum number of staff required to manage the projected schedule of surgeries.~~
Adjustments to core staffing are made the previous day for the planned case schedule. Adjustments are made during the day as changes to the schedule arise and for the evening shift. The OR Manager or their designee makes the adjustments.

Excused time off is granted or assigned when staffing exceeds the need. This is done according to department guidelines, contractual language and is classified as "HC".

The OR Manager or designee makes patient care assignments each afternoon for the following day. The OR Manager or charge nurse makes the evening and weekend assignments at the beginning of the shift.

Registry and traveler staff are used to supplement staffing when necessary.

Shift report is at 0652 hours for the day shift and 1452 hours for the evening. This is to allow a seven minute window to change in or out or scrub attire at the beginning and end of shift.

There are resource nurses for each specialty available within the staffing matrix to support training and learning needs of the staff.

No charge nurse is assigned when the OR is covered by on call staff only.

Weekend/Holiday charge nurses have completed all competencies and the charge nurse orientation.

The Nursing Supervisor for the Hospital is available as a resource for both charge nurses and nurses on call.

One ORA is assigned to every 2-4 rooms and supports the activities of the OR staff and anesthesiologists.

Staffing: Consists of RNs, ST, US, ORA's, and Business Office personnel.
Normal business hours:

Sunday - Saturday – 0645 hours to 2315 hours.
Sunday through Thursday 2245-0715 the OR is staffed by an ORT with an RN On-call
General Call Team: Monday through Friday 1430-0700, Saturday, Sunday and Holidays 24 hours.
Cardiac Call Team: Monday through Friday, 1430-0700, -Saturday, Sunday and Holidays 24 hours.
on call only 2300 hours to 0700 hours.

Requirements for Staff:

All staff must complete orientation as specified in the Department Specific Orientation Manual, as well as assigned HealthSstream Learning Center modules.
Minimum requirements for RNs are: ACLS, BCLS and , age specific competencies. , Malignant Hypertension S-S module, Moderate Sedation S-S module, Correct Site Verification S-S module, Surgical Consent S-S module.
Minimum requirements for ORTSTs are: Successful completion of ORTST training program, BCLS and , age specific competencies.
Minimum requirements for ORA's and US are: BCLS, successful completion of the anesthesia assistant training and ORA Aseptic Technique and Sterile IV System Setup program.
A percentage of RNs are ACLS and CNOR certified.

SURGICAL SERVICES

OBJECTIVES:

- Deliver safe, effective and appropriate care.
- Facilitate collaboration between all health care providers to assure that the community health care needs are met.
- Provide services in an efficient and timely manner.
- Continuously seek ways to improve patient outcomes, improve service, and reduce cost
- Maintain a work environment that is safe and supportive.

GOALS:

- ~~Promote retention and recruitment practices to maintain a high level of proficiency in Surgical Services staff.~~
- ~~Utilize Operating Room Committee to increase collaboration and discuss operational and budgetary issues in the OR.~~
- ~~Work collaboratively with the Anesthesia Department to facilitate the OR schedule and accommodate urgent cases added to the schedule.~~
- ~~Increase utilization of Surgical Services by promoting opportunities for new business growth and efficient use of areas.~~
- ~~Provide ongoing educational opportunities for staff growth.~~

Description of the Operating Room

The Operating Room suite is located on the second floor of the main building of the Hospital. The suite consists of ten operating rooms with support areas for instruments and equipment.
Services using the Operating Room are Cardiac, ENT, Plastic, Podiatry, Orthopedics, Urology, Ophthalmology, GYN, General, Neurosurgery, Vascular, Thoracic and Oral/Dentistry. Approximately eighty percent (80%) of the surgeries are scheduled. Elective surgery is scheduled Monday through Friday from 0730 hours to 1530 hours, according to a block scheduling system. Surgery volume is a mix of both In and Out Patient populations.

The Operating Room provides twenty-four hours nursing care to the patients requiring surgical intervention. The surgical patient is admitted to the Hospital either as an outpatient, the same day of surgery (AM admit) as an inpatient, or from the Emergency Department.

The Operating room consists of approximately 45 employees of which 60% are Registered Nurses. The other 40% are technical and support employees. Activities are performed by the RN, ORT, ORA, and office personnel, all with appropriate training. The unit uses AORN Recommended Standards of Practice and Standards of Care established by the OR and approved by the Hospital administration, Chief of Surgery, and the Hospital Board of Directors. The department uses Title 22 and AORN standards as guidelines for staffing. Staffing levels are based on an acuity system which takes into account patient acuity, staff skill level, staffing training needs, equipment, OR protocols, infection control and patient safety requirements. The RN performs circulating duties. The RN or ORT performs scrub duties. RN assessments and nursing diagnoses are the basis for care planning for the surgical patient in the OR. Performance Improvement programs track data associated with SCIP measures, National Patient Safety Goals and Intradepartmental initiatives for improved patient care outcomes.

I. **Scheduling:**

II.

a.

One g**Elective Surgery and Procedures:**

ORs are scheduled by "Block" designation. Block holders are expected to maintain 70% utilization. Blocks have varying release times depending on the nature of the block assignment. Changes in clock allocations are made by the Operating Room Committee based on results of utilization and requests for time.

Elective surgeries are scheduled through the OR schedulers Monday through Friday between 0830 hours and 1730 hours.

ECT is scheduled through the OR schedulers. Time is available Monday through Friday.

Special procedures are scheduled according to physician and staff availability i.e., ECT, Pain control and Cardioversions.

Endoscopy cases are scheduled Monday through Friday. OR schedules Endoscopy procedures on a first request basis. Add on procedures for the current day are scheduled through the Endoscopy Unit..

1. Urgent Surgery and Procedures:

Definition of "Urgent" is: Case must be scheduled within 12-24 hours. Urgent cases are given the first available time slot. The surgeon notifies the OR schedulers or charge nurse when an urgent case arises.

2. Emergency Surgery and Procedures:

OR Definition:

Case must begin within 1-2 hours. When the surgery schedule does not accommodate an emergency case, the surgeon has the option of pre-empting other cases. The surgeon will accomplish this by communicating with the anesthesiologist and surgeon who will be bumped.

Staff called in for emergencies will be ready to start case preparation within 30 minutes of notification.

Physicians notify the OR charge nurse or the Hospital shift supervisor for emergency cases after hours.

Endoscopy Center Definition:

Procedure must begin within 1-2 hours. When the Endoscopy schedule does not accommodate an emergency procedure, the physician has the option of pre-empting another procedure. The physician is responsible for notifying the physician he is bumping. If the procedure occurs outside scheduled hours, the call system will be activated.

Emergency Endoscopy cases are also performed in the Critical Care Unit, the Operating Room and the Emergency Department. The Endoscopy staff is available 24 hours a day for emergencies.

3. Pre-Admission Program:

The patient scheduled at least 72 hours before scheduled surgery is invited via phone call to attend the Pre-Admission Program. Those who decline will receive preoperative instructions and preoperative data collection over the phone.

STAFFING PATTERNS

Operating Room:

The staffing pattern describes core staffing. Adjustments to core staffing are made the previous day for the planned case schedule. Adjustments are made during the ~~day-as~~day as needed.~~changes to the schedule arise and for the evening shift. The OR Director,and OR Manager or their designee makes adjustments.~~

~~When immediate increase in staffing is required, staff assigned to rest/meal breaks may be assigned to a case/patient care. At change of shift, staff may be assigned overtime to complete a case in progress.~~

~~Excused time off is granted or assigned when staffing exceeds the need. This is done according to department guidelines and is classified as "HC" or "DC" time off.~~

~~The O.R. Manager or designee makes patient care assignments each afternoon for the following day. The OR Manager or charge nurse makes the evening and weekend assignments at the beginning of the shift.~~

~~Registry and traveler staff is used to supplement staffing when necessary.~~

~~Shift report is at 0653 hours for the day shift and 1453 hours for the evening shift.~~

~~There are resource nurses for each specialty available within the staffing matrix to support training and learning needs of the staff.~~

~~Staffing is supplemented on weekends, holidays and sometimes on evening shift with the on-call and/or case rate on-call staff. Nurses and technicians are scheduled for call only after demonstrating competency in the types of cases usually performed on an urgent or emergent basis. One team, either on duty or on-call, must be open heart trained. Additional staff may be called to work to provide special skills or additional staff at the discretion of the charge nurse.~~

~~The staffing pattern describes the usual number and skill mix required each day. It is based on projected caseload, patient acuity, and the block allocations. It is adjusted when blocks change, a permanent change in case load occurs, as staff training needs are identified, when patient acuity changes or O.R. protocols dictate.~~
~~When staff members are scheduled, supervision is assigned to the OR Manager or charge nurse on the day shift and a charge nurse on the evening shift, weekends and holidays. No charge nurse is assigned when the O.R. is covered by call staff only. Weekend/holiday charge nurses have completed all competencies, have at least one year experience at El Camino Hospital in the O.R. and have completed the charge nurse orientation. The~~

Nursing Supervisor for the Hospital is available as a resource for both charge nurses and nurses on call. The charge nurse may be the circulating nurse. The variable is the level of activity in the department and the complexity of the case(s) and availability of other personnel.

A registered nurse is always assigned as circulating nurse. For most cases, two staff members are assigned with an RN to circulate and an ORT to scrub. If a local case will involve moderate sedation and an anesthesiologist will not be present, a third RN will be assigned to exclusively monitor the patient during the procedure. The monitoring RN must be ACLS certified. The third RN may be an RN from the O.R., PACU, or Critical Care Unit. When laser is used, a laser nurse is assigned. The laser nurse will be a second non-scrubbed person.

An OR computer system (Surgical Informations System) is utilized to schedule procedures and collect data for Perioperative Services.. .

One team support person is assigned to every 2-4 rooms and supports the activities of the O.R. staff and anesthesiologists.

Post Anesthesia Care Unit (PACU):

The staff of PACU consists of RNs for direct patient care and one CNA who supports the nursing staff activities and transports patients. The RNs do not float to other units in the Hospital.

The RNs are responsible for the care of all patients in PACU. RNs are assigned two beds per shift and the charge nurse assigns patients to the beds based on patient needs and nurse availability. Each nurse is trained to provide care to any patients requiring post anesthesia recovery and is responsible for assigned patients from admission to PACU through discharge from PACU. The charge nurse is not assigned specific beds but acts as a float nurse to assist with admissions, discharges, transports and break relief. When the charge nurse leaves the unit, another RN is assigned to direct patient flow. Clinical support staff transports patients, cleans and stocks supplies, assists nursing personnel with lifting and turning of patients, and with some clinical tasks.

Students serve as observers in PACU and any care given in the department is provided only under the direct supervision of a staff nurse.

Endoscopy Center:

The Endoscopy Center staffing consists of RNs, endoscopy technicians (ET), one unit support and a secretary. Each endoscopy RN and ET is able to assist with all procedures performed in the unit.

A charge nurse makes assignments with adjustments made throughout the day based on patient need. One RN and one ET (or RN) are assigned to all cases with the

exception of Interventional procedures, which require two RNs and one tech.. Patients receive moderate sedation and the RN is assigned to exclusively monitor the patient. Patient status and physician request for additional assistance may require increased staffing per case. Patients receiving a general anesthetic will be recovered in the PACU.

Cases will be performed in the Endoscopy Department. Critical care procedures will be performed in the Critical Care Unit. If those those patients must go to the Endoscopy Unit, they will be accompanied by an anesthesiologist. Emergency room patients will have their procedures done in the Emergency room..

Admission Unit:

RNs are assigned to patient care. An administrative support and CNA supports the activities in the unit.

Patient population is a function of projected surgical, cath lab and radiology invasive procedures.

Responsibilities of On-Call Staff Members:

Staff members on-call for emergencies is responsible for maintaining communication with the Hospital. Beepers are provided and staff members are expected to test pagers to assure they are working. The department or Nursing supervisor is to be notified each time a change in the communication link is made from pager to phone.

Staff is responsible for planning travel to assure that traffic, which could not be anticipated, does not delay emergency response time. Staff members must be able to arrive at the Hospital within 30 minutes from notification by phone or beeper. The Endoscopy staff must arrive at the hospital within 60 minutes from notification by phone or beeper.

OPERATING ROOM
STANDARDS OF CARE

Nursing Process:

The nursing process is applied to the care of patients in the O.R. The circulating RN is responsible to ensure the process is used as the basis for each patient's care.

- **Assessment**

  Assessment begins in the Short Stay Unit for Out patients or AM admits, and in the nursing unit from which a surgery patient will come. An RN receives the patient and begins the assessment including the verification process to ensure the correct patient with complete and correct identification has informed consent for the anticipated procedure. Data collected by the admitting RNs and physician, test results and other information are reviewed to identify extraordinary needs. The circulating RN reviews the preoperative assessment and verifies the patient's name, birthdate, medical record number, history and physical, consent, patient's anticipated procedure and boarding pass are consistent. Care is then transferred to the O.R. RN.

- **Nursing Diagnosis**

  Patients coming to the O.R. have these nursing diagnoses:

  1. Potential for anxiety due to:
     a. Loss of personal control
     b. Knowledge deficit
     c. Unfamiliar setting
  2. Potential for injury due to:
     a. Loss of protective reflexes
     b. Loss of sensation
     c. Immobility
     d. Contact with high energy equipment
  3. Potential for infection due to endogenous and exogenous sources.
  4. Potential for hypothermia due to evaporation, conduction or radiation.
  5. Potential for alteration in comfort due to surgical intervention.

- **Planning**

  The RN from the Short Stay Unit or nursing floor reviews the medical record and assesses the patient to determine the degree of the patient's risk related to the nursing diagnoses and whether additional diagnoses apply.

Specific areas of assessment are mental/emotional status, limitations to communication, limitations to mobility, hypothermia risk, nutritional status, and pain and skin condition.

Additional data used in care planning include age, medications, allergies, type of surgery, anticipated length of surgery, co-morbidities, laboratory and test results, completion of medical orders and preoperative instructions.

The medical plan of care is integrated in several ways. The surgeon will include special requests at the time the procedure is scheduled or contact the O.R. charge nurse before the case to communicate needs. The medical record and preference card are used to integrate the plan of care.

The goals for perioperative nursing care include but are not limited to:

1. Maintain autonomy
2. Free of nosocomial infection
3. Maintain skin integrity
4. Free of injury
5. Maintain temperature
6. Experience minimal discomfort
7. Maintain adequate coping mechanisms
8. Experience a caring and supportive environment
9. Maintain patient's rights.

The initial care plan is either written on the Perioperative Nursing Record or communicated to the O.R. team.

- **Intervention**

Independent nursing actions may include:

1. Adherence to Universal Protocol and Correct Site Verification & -Marking
~~1.~~2. Monitoring, proper positioning and security
~~2.~~3. Skin preparation
~~3.~~4. Maintaining aseptic field
~~4.~~5. Safety procedures
~~5.~~6. Providing information and emotion support
~~6.~~7. Facilitating communication
~~7.~~8. Accommodating physical limitations
~~8.~~9. Pain management
~~9.~~10. Selection of grounding sites for electrical devices
~~10.~~11. Performing surgical counts – sponges, needles and instruments
~~11.~~12. Handling of specimens

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- **Evaluation**

  The circulating RN evaluates patient care at the conclusion of each case. The extent of the evaluation depends on the level of consciousness of the patient.

  The skin is assessed for signs of injury. The patient's temperature is recorded in PACU. Adverse patient responses are reported either verbally or through the Quality Review Report.

Documentation

All documentation of perioperative care is done in the EHR~~on the Perioperative Nursing Record~~. Moderate sedation care is documented in the EHR or on~~on~~ the Moderate Sedation Record when an anesthesiologist is not present during the case.

GOVERNING RULES FOR THE OPERATING ROOM

The operating rooms are scheduled by "block designation." There are thirty-two (32) 8-hour increments of time that are assigned to either a service, a group of physicians or to individual surgeons. The blocks are assigned in 4-hour or 8-hour increments. Blocks are assigned based on utilization needs, program requirements and requests from physicians. Demonstrated high utilization over time allows for allocation of additional block time. Conversely, under utilization over time will result in relinquishing of block time. The Operating Room Committee is the governing body that will make the decisions regarding allocation of time in the operating room.

Block Schedule:

The operating rooms are scheduled according to "Block Scheduling" designation.
Blocks are either 4-hour or 8-hour time increments.
Surgical cases may be scheduled as time in the block permits.
Blocks release at varying times based on the service need and agreed-upon release time by the O.R. Committee.
Blocks are suspended during holiday weeks. Open booking on a first-come basis occurs.
Surgeries added on to the schedule the same day of surgery are "on-call cases" and are done as O.R. rooms and resources are available. The surgeon is responsible for communicating start time limitations and urgency of the procedure or patient's condition (e.g.: within 2 hours, next available room, etc.)
When a physician must bump another physician on the schedule, it is the surgeon's responsibility to communicate with the other physician and state rationale for the disruption of the schedule.
The O.R. Committee based on results of utilization and requests for block time will make changes in block allocations on a quarterly basis.
Any issues regarding scheduling times must be discussed with O.R. management personnel, who will help facilitate scheduling options. Administration will not facilitate or make decisions that will impact the O.R. schedule.

Utilization:

Block holders are expected to maintain 70% utilization.
Utilization is monitored on a monthly basis and reported at the O.R. Committee.
If utilization falls below 70%, the chair of the O.R. Committee will contact the physician or group to notify them of their utilization results for that month.
If utilization continues below 70% for three months, block time will be adjusted or relinquished and the time will be reassigned.
When block time is released prior to the designated release time, unused time is not counted against utilization (e.g.: vacations). This provides the O.R. the ability to open up this time for scheduling well in advance of the normal release time.
When block time is released for three consecutive months, the allocated block will be canceled.

Start Times:

Surgery "start time" is defined as **"patient in-room time."**
For surgeries starting at 7:30am, the anesthesiologist, surgeon and nursing personnel must arrive at a time that allows for all required procedures, processes and documentation to be completed in order for transport of the patients into the operating rooms to begin at 7:15am. The patient should be in the O.R. suites no later than 7:30am. All lab work, H&P and preoperative requirements must be ordered and completed to avoid delays in patient preparation.
Physicians are expected to arrive in the O.R. at their scheduled start time unless otherwise notified by the O.R. that their scheduled start time has changed. Surgeons should arrive at the time needed in order for patient preparation to be complete for transport to begin on time.
When a physician is consistently late for his/her scheduled surgery, the Chair of the O.R. Committee will contact the surgeon to discuss the expectations regarding start times and the implications of continued late arrival. After three warnings, the surgeon will no longer be allowed to schedule in the AM time slots. The surgeon will lose block time privileges and/or 7:30am start time privileges for three months. **Late arrival is defined as 10 minutes.**
The O.R. will postpone a surgery if the physician is more than 30 minutes late.

Schedule Delays:

If a scheduled surgery is taking longer than originally scheduled and will be impacting the start time of the following physician, anesthesiologists and O.R. personnel will collaborate to find another room that can accommodate an earlier start time for the delayed surgeon.
The O.R. will make every attempt to notify a physician at least 30 minutes in advance if a delay in his/her starts time is anticipated.

Urgent/Emergent Add-On Cases:

In order to expedite the add-on surgery schedule and based on surgeon, room and equipment/instrumentation availability, add-on cases will be scheduled into any of the staffed rooms during the day and evening shift.
The "Anesthesia Scheduler" will help expedite the flow of add-on cases as necessary. A collaborative effort will be made to accommodate the requested start time for these ad-on cases.
Any identified issues with start times will be discussed at the O.R. Committee.

~~**Approval/Reviewed/Revised:** O.R. Committee: 11/06~~

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
MV Perioperative UPC~~Originating Committee or UPC Committee~~	10/2018
~~(name of) Medical Committee (if applicable):~~OR Committee	11/2018
ePolicy Committee:	11/2018
Medical Executive Committee:	
Board of Directors:	
Historical Approvals:	11/06, 5/09

Finance Committee Approvals Report to the Board – February 13, 2019

In accordance with the Corporate Compliance: Physician Financial Arrangements Policy, the following agreements were approved by the Finance Committee at its January 28, 2019 meeting.

Clinical Area	Campus	Agreement Type	Hourly or Per Diem Rate	Hours/Month	Not-to-Exceed	FMV Assessment	Statement of Need
PAMF Hospitalist Coverage for Unassigned Patients	LG	On-Call Panel	$1,700 Per Diem	N/A	$620,500 annually	Between the 25th and 50th percentiles	Provides coverage for patients at the Los Gatos who are not assigned to their own physician
Unassigned Newborn Panel	MV	On-Call Panel	$175 Per Diem	N/A	$63,875 annually	Below the 25th percentile	Provides coverage for required pre-discharge newborn exams for babies born at ECH with no insurance, with Medi-Cal, or whose pediatrician does not have Medical Staff privileges at ECH.

In accordance with the Signature Authority Policy, the following capital expenditures were approved by the Finance Committee at its January 28, 2019 meeting:

Project	Campus	Not to Exceed Amount	Description of Project and Statement of Need
Waste Water Storage Project	MV	$3.9 million	Installation of three onsite water and waste water holding tanks for sewage and liquid waste. The project plan calls for the tanks to be placed under the parking lot on Grant Road, just prior to the connection with the City of Mountain View System. California seismic law requires hospitals to have adequate storage for up to 72 hours (by 2030) and CMS guidelines require hospitals to be capable of safe operations following a disaster for up to 96 hours.
Purchase of Da Vinci Robot Xi Model	MV	$1,550,000 (net after trade-in)	Replacement of generation Si Model with newer Xi Model. The older generation Si model is not utilized and all but one of our three current Xi models is fully utilized. Robotics cases increased by 177 in FY17 and additional 88 in FY18. Purchase of an additional Xi will allow us to accommodate unmet demand for additional robotics cases.

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

To: El Camino Hospital Board of Directors
From: Ken King, CASO
Jim Griffith, COO
Date: February 13, 2019
Subject: Report on Major Capital Projects in Process

Purpose:

To keep the Board of Directors informed on the progress of major capital projects in process.

Summary:

1. Situation: The construction of the Mental Health and Addiction Services (aka BHS) building is progressing well and is 77% complete and projected to be within budget. The construction completion date is projected to be six to eight weeks beyond the original target date of late March due to multiple factors including weather, timeliness of OSHPD reviews and manpower shortages in various trades. The target schedule for completing construction, furniture and equipment installation, activation planning and training along with the required licensing inspection is in the process of being refined to reflect expected timelines for all activities.

The construction of the IMOB is also progressing well and is 67% complete projected to be within budget. Final tenant improvement plans for the leased areas are in process and the offsite improvements are underway. The target schedule for all elements of this project is also being refined and will be updated to include the staged completion of Tenant spaces and final approvals from the City of Mountain View.

The recommended plan and additional funding request for the Women's Hospital Expansion Project was reviewed by the Finance Committee on January 30th and is also included on the Board of Directors Agenda for February 13, 2019.

The initial funding request for the Demolition of Old Main Hospital project will be initiated under the CEO's authority so that the project scoping and approach can be developed. In addition to the demolition of the old main hospital, the major elements of this project include maintaining or reconstructing the "Lab/Laundry Building Addition", constructing a connecting corridor from the main hospital to the new Mental Health and Addiction Services Building, installation of emergency water storage tanks, installation of on-site energy cells and all associated site work for the new service yard and landscaping.

2. Authority: This memo is to keep the Board informed of the progress toward completion of the major development projects within the Mountain View Campus Development Plan.

3. Background: The Board of Directors approved the Mountain View Campus Development Projects which consist of the following:

Step I:	Status
North Parking Garage Expansion -	Complete
Behavioral Health Services Building -	Construction
Integrated Medical Office Building -	Construction

Central Plant Upgrades -	Complete
Step II:	
Women's Hospital Expansion -	Design
Demolition of Old Main Hospital -	Programming

4. Assessment: In addition to the construction activities all impacted departments are working on the activation, training, move planning and budgeting for the future state of operations.

5. Other Reviews: The Finance Committee reviewed this project update on January 30, 2019.

6. Outcomes: As stated in the status update, the target dates for completing construction, furniture and equipment installation, activation planning and training along with the required licensing inspection is in the process of being refined. The primary objective is to complete the projects within the approved budgets and to safely transition into the new building environments.

List of Attachments: None.

Suggested Board Discussion Questions: None.

El Camino Hospital
THE HOSPITAL OF SILICON VALLEY

OPEN SESSION CEO Report
February 13, 2019
Dan Woods, CEO

Quality and Safety

We recently ordered a new advanced orthopedic surgical table (base) that, when paired with the Spinal Surgery Top, provides exceptional C-arm and O-arm imaging (x-ray) access during the spine surgery procedure. The table also provides a 360-degree choice of patient rotation that allows the spine surgeon to create the optimal position, tension, and angle when accessing the patient's surgical site for more complex procedures. We have also procured a new head control accessory that helps control the patient's head position, which will enable safer and more accessible anesthesia delivery. We expect to have it operationalized in by mid-February.

Patient Experience

The hospital executed a Homeless Discharge Protocol which addresses all the requirements mandated by the new California state law that went into effect on January 1, 2019. The requirements include providing medical screening exams, referral to appropriate post-acute community service agencies, referrals for follow up medical care, transportation from the hospital, medication prescriptions, a meal before discharge, weather appropriate clothing, and assistance with applying for health care insurance. The Care Coordination Department took the lead working with many other departments across the organization to put the protocol in place.

Workforce

To create a succession pipeline for our future workforce needs and to encourage and support the career and professional development of our ECH employees, a Career Development Fair was held on January 29th with 15 colleges/universities and clinical/technical schools in attendance. Over 250 employees participated in this event.

Twenty department leaders began working with a Press Ganey coach to develop goals and strategies to improve employee engagement in their departments. Additionally, the coach met with employee focus groups to gain additional insight about the department's engagement survey results and inform the specific action plans. We are also set to launch a new mentoring program for nursing staff first, then a second phase will open the program to all employees.

Corporate and Community Health

Community Benefit staff received 103 Midterm Reports from our grant partners that include program narratives, metric performance to target and YTD line item budgets. We released the FY20 Community Benefit grant applications along with a grant guidebook on both the ECH and ECHD websites. Broad notifications to the community accompanied the release. Grant applications and supporting materials are due on February 26th.

One hundred plus community members attended the Mandarin Speaker Bureau workshop "Lung Cancer in Women and Non-Smokers -Misconception, New Diagnostic and Treatment" Attendees learned about the latest research on lung cancer among non-smokers, how new technology can make new diagnostic and treatment for lung cancer possible, and a low dosage CT scan self-pay program which provides an affordable alternative for lung cancer screening when

nonsmokers are not qualified for insurance coverage. The workshop was held in collaboration with the Chinese Health Initiative, Cancer Center and New Hope Chinese Cancer Care Foundation.

Government and Community Relations

The CEO and several members of the Executive team met with the Chiefs of Police of Mountain View, Los Altos and Los Gatos to discuss topics of mutual concern including community emergency response resources and preparation, and hospital campus security. On January 18th, ECH sponsored and staff and board members attended the Silicon Valley Council of Nonprofit's Health & Housing Summit. Board members and staff attended the Los Altos Chamber of Commerce Annual Awards dinner, where outgoing Chamber Board President Cindy Murphy (ECH's Director of Governance Services) was honored for her leadership of the organization in 2018.

Marketing and Communications

After a year in the making, El Camino Hospital was able to share the story of Baby Skai, garnering a 4-minute segment on NBC Bay Area. To date, the story views total about 1.14 million and it has 19,500 social shares and over 156 pieces of coverage.

Philanthropy

As of December 31, 2018, El Camino Hospital Foundation has a secured $7,915,502, 128% of its $6,175,000 FY19 fundraising goal.

Auxiliary

Our dedicated Auxiliary contributed 6,199 volunteer hours in January 2019.

El Camino Hospital Auxiliary

Membership Report to the Hospital Board
Meeting of February 13, 2018

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

Membership Data:

Senior Members

Active Members	325	+2 Net change compared to previous month
Dues Paid Inactive	71	(Includes Associates & Patrons)
Leave of Absence	13	
Subtotal	**409**	

Resigned in Month	2
Deceased in Month	0

Junior Members

Active Members	237	-7 Net Change compared to previous month
Dues Paid Inactive	0	
Leave of Absence	2	
Subtotal	**239**	

Total Active Members	**562**
Total Membership	**648**

Combined Auxiliary Hours from Inception (to January 31, 2019): 5,953,862

Combined Auxiliary Hours for FY2018 (to January 31, 2019): 46,195

Combined Auxiliary Hours for January 31, 2019: 6,199

H & N Hours for December, MV Estimated

EL CAMINO HOSPITAL
BOARD MEETING COVER MEMO

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
Date:	February 13, 2019
Subject:	Report on El Camino Hospital Foundation Activities FY19 Period 6

Purpose:

For information.

Summary:

1. Situation: As of December 31, 2018, El Camino Hospital Foundation has a secured $7,915,502, 128% of the $6,175,000 FY19 fundraising goal.

2. Authority: N/A

3. Background:

Major Gifts & Planned Gifts

In December, the Foundation received more than $5M in major and planned gifts. Thanks to Julia Miller for cultivating and opening the door to John Sobrato, the new Integrated Medical Office Building will now be named the Sobrato Pavilion. In addition, the Foundation also received a $100,000 charitable gift annuity. The Foundation currently has additional major and planned gift proposals in the pipeline supporting capital and programmatic priorities, scheduled to close by the end of the fiscal year.

Registration is also now open for the annual Allied Professional Seminar and sponsorships and registration for that event are reflected under Planned Giving. This year's seminar will be held on Tuesday, February 12, 2019 at the Palo Alto Hills Golf & Country Club. The featured speaker will be Samuel A. Donaldson, Professor of Law at Georgia State University College of Law.

Special Events

Golf

The 23rd annual El Camino Heritage Golf Tournament was held on Monday, October 29, 2018 at Sharon Heights Golf & Country Club. The 2018 tournament benefited the Norma Melchor Heart & Vascular Institute. In December, the Foundation received an additional $20,226 in support of the event. More than $20,000 in other commitments from the tournament is still expected to be received and staff is following up with donors and sponsors. The cost of fundraising for the event was well below the industry standard for events at just 39% of the gross revenue. The net proceeds that will be transferred to the Norma Melchor Heart & Vascular Institute exceed $200,000.

South Asian Heart Center Event

A Night on the Scarlet Express, the annual gala benefiting the South Asian Heart Center, will be held on March 23, 2019 at the Computer History Museum. In December, the Foundation received $15,061 in support of the event. The total reflected to-date for this event is $29,061 and also includes donations and sponsorship payments received this fiscal year that fulfilled commitments made for the 2018 event.

Norma's Literary Luncheon

The annual tribute to Norma Melchor will be held on February 7, 2019 at Sharon Heights Golf & Country Club. This year's luncheon features Marta McDowell, writer, gardener, and teacher of landscape history and horticulture. The funds raised from the event will benefit Breast Health Services at El Camino Hospital. Registration is open and in December the Foundation received $30,850 in sponsorships and ticket sales, bringing the amount raised for the event as of December 31st to $43,850.

Annual Giving

In December, the Foundation raised an additional $176,953 in annual gifts from direct mail, H2H membership renewals and event registrations, Circle of Caring, Healthy Giving Newsletter, memorials, and online donations. One-time employee giving donations are also included in the December totals, but the projected donations from on-going recurring donations through payroll will be calculated and included in the report beginning in the January Fundraising Report. The annual Employee Giving Campaign did particularly well this year, raising more than $171,000 – the largest amount raised in the history of the campaign.

The amount raised so far through Annual Giving is slightly higher than last fiscal year, despite the close of the Path of Hope campaign. In the fall, additional annual giving outreach strategies were implemented in support of Chinese Health Initiative and South Asian Heart Center. Annual Giving has reached 55% of its goal and is on track for meeting its goal of $600,000.

4. Assessment: N/A

5. Other Reviews: El Camino Hospital Foundation Board Finance Committee (11/15/2018)
El Camino Hospital Foundation Board Executive Committee (11/15/2018)
El Camino Hospital Foundation Board of Directors (11/29/2018)

6. Outcomes: During the month of December, the Foundation secured $5,551,559. By end of period 6, the Foundation has exceeded its FY19 fundraising goal of $6,175,000. The Foundation currently has additional major and planned gift proposals in the pipeline supporting capital and programmatic priorities, scheduled to close by the end of the fiscal year.

List of Attachments:

1. El Camino Hospital Foundation FY19 Period 6 Fundraising Report

Suggested Board Discussion Questions: None.

El Camino Hospital® Foundation
THE HOSPITAL OF SILICON VALLEY

FOUNDATION PERFORMANCE

FY19 Fundraising Report through 12/31/18

ACTIVITY		FY19 YTD (7/1/18 - 12/31/18)	FY19 Goals	FY19 % of Goal	Difference Period 5 & 6	FY18 YTD (7/1/17 - 12/31/17)
Major & Planned Gift		$6,353,978	$3,750,000	169%	$5,123,062	$2,858,008
Special Events	Spring Event	$500	$450,000	0%	$0	$1,000
	Golf	$318,081	$350,000	91%	$20,226	$331,150
	South Asian Heart Center	$29,061	$325,000	9%	$15,061	$103,871
	Norma's Literary Luncheon	$43,850	$200,000	22%	$30,850	$102,255
Annual Gifts		$329,813	$600,000	55%	$176,953	$308,744
Investment Income		$840,220	$500,000	168%	$185,408	$324,697
TOTALS		***$7,915,502***	***$6,175,000***	***128%***	***$5,551,559***	***$4,029,725***

Highlighted Assets through 12/31/18

Board Designated Allocations	$705,782
Donor Endowments	$3,370,314
Operational Endowments	$14,483,852
Pledge Receivables	$4,538,765
Restricted Donations	$12,228,427
Unrestricted Donations	$771,929