

**AGENDA**  
**EL CAMINO HOSPITAL BOARD**  
**REGULAR BOARD MEETING**

**Wednesday, September 10, 2014, 5:30 p.m.**

El Camino Hospital, Conference Rooms E, F & G (ground floor)

2500 Grant Road, Mountain View, California

and via teleconference:

Vivanta by Taj Hotel - Gomti Nagar

Vipin Khand, Gomti Nagar, Lucknow - 226 010 India

**MISSION:** To be an innovative, publicly accountable and locally controlled comprehensive healthcare organization which cares for the sick, relieves suffering, and provides quality, cost competitive services to improve the health and well-being of our community.

AGENDA ITEM	PRESENTED BY		
<b>1. CALL TO ORDER</b>	Patricia A. Einarson, MD Board Secretary		5:30 – 5:31 p.m.
<b>2. ROLL CALL</b>	Patricia A. Einarson, MD Board Secretary		5:31
<b>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Patricia A. Einarson, MD Board Secretary		5:31 – 5:32
<b>4. BOARD RECOGNITION</b> <i>Resolution 2014-08</i> The Board will recognize individual(s) who enhance the experience of the Hospital's patients and the community. <b>ATTACHMENT 4</b>	Jodi Barnard, President, El Camino Hospital Foundation	<i>public comment</i>	<b>motion required</b> 5:32 – 5:37
<b>5. CONSENT CALENDAR ITEMS:</b> Any Board Member or member of the public may remove an item for discussion before a motion is made.	Patricia A. Einarson, MD Board Secretary	<i>public comment</i>	<b>motion required</b> 5:37 – 5:42
<b><u>Approval:</u></b> a. <u>Minutes of the Regular Hospital Board Meeting (August 13, 2014)</u> b. <u>Minutes of the Joint Meeting of the Board and the Investment Committee (August 13, 2014)</u> c. <u>Appointment of Foundation Board Member - Michelle Kirsch</u> <i>Reviewed and Recommended for Approval by the Corporate Compliance Committee</i> d. <u>FY15-FY16 Internal Audit Work Plan</u> <i>Reviewed and Recommended for Approval by the Medical Staff</i> e. <u>Medical Staff Report</u> <b><u>Acceptance:</u></b> f. <u>Corporate Compliance Minutes - June 19, 2014</u> g. <u>Investment Committee Minutes</u>			

A copy of the agenda for the Regular 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		
<ul style="list-style-type: none"> <li>- <u>May 12, 2014</u></li> <li>h. <u>Quality Committee Minutes</u></li> <li>- <u>June 16, 2014</u></li> <li>i. <u>Foundation Report</u></li> <li>j. <u>Auxiliary Report</u></li> <li><b><u>Information:</u></b></li> <li>k. <u>July 2014 Financials</u></li> <li>l. <u>Brown Act Teleconference Requirements</u></li> </ul> <p><b>ATTACHMENT 5</b></p>			
<p><b>6. ORGANIZATIONAL PERFORMANCE: CORPORATE SCORECARD</b> <b>ATTACHMENT 6</b></p>	Mick Zdeblick, Chief Operating Officer		<b>discussion</b> 5:42 – 5:57
<p><b>7. CORPORATE COMPLIANCE COMMITTEE REPORT</b> <b>ATTACHMENT 7</b></p>	John Zoglin, Chair, Corporate Compliance Committee		<b>discussion</b> 5:57 – 6:02
<p><b>8. QUALITY COMMITTEE REPORT</b> <b>ATTACHMENT 8</b></p>	Dave Reeder, Chair, Quality Committee		<b>discussion</b> 6:02 – 6:07
<p><b>9. BOARD MEMBER COMMITTEE RESPONSIBILITIES</b> <b>ATTACHMENT 9</b></p>	John Zoglin, Board Member		<b>discussion</b> 6:07 – 6:22
<p><b>10. PROPOSAL TO ADD NAMES OF BOARD AND COMMITTEE MEMBERS TO AGENDAS WHEN PARTICIPATING BY TELECONFERENCE</b> <b>ATTACHMENT 10</b></p>	Mary Rotunno, Associate General Counsel	<i>public comment</i>	<b>possible motion</b> 6:22 – 6:32
<p><b>11. CEO REPORT</b> <b>ATTACHMENT 11</b></p>	Tomi Ryba, President and CEO		<b>information</b> 6:32 – 6:37
<p><b>12. PUBLIC COMMUNICATION</b> A. Oral Comments This opportunity is provided for persons in the audience to make a brief statement, not to exceed 3 minutes on issues or concerns not covered by the agenda. B. Written Correspondence</p>	Patricia A. Einarson, MD Board Secretary		<b>information</b> 6:37 – 6:42
<p><b>13. BOARD COMMENTS</b></p>	Patricia A. Einarson, MD Board Secretary		<b>information</b> 6:42 – 6:47
<p><b>14. ADJOURN TO CLOSED SESSION</b></p>	Patricia A. Einarson, MD Board Secretary		6:47 – 6:48
<p><b>15. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b></p>	Patricia A. Einarson, MD Board Secretary		6:48 – 6:49

AGENDA ITEM	PRESENTED BY		
<p><b>16. CONSENT CALENDAR</b>  Any Board Member may remove an item for discussion before a motion is made.</p> <p><b>Approval:</b>  - Minutes of the Closed Session of the Regular Meeting of the Board (August 13, 2014) <i>Gov't Code Section 54957.2</i>  - FY 2014 Annual Corporate Compliance Summary Report. Conference with legal counsel – pending or threatened litigation – <i>Gov't. Code Section 54956.9(d)(2).</i></p> <p><b>Acceptance:</b>  - Meeting Minutes of the Closed Session of the Corporate Compliance Committee (June 19, 2014)  - Meeting Minutes of the Closed Session of the Investment Committee (May 12, 2014)  - Meeting Minutes of the Closed Session of the Quality Committee (June 16 2014) <i>Gov't Code Section 54957.2</i></p>	<p>Patricia A. Einarson, MD  Board Secretary</p>		<p><b>motion required</b>  6:49 – 6:52</p>
<p><b>17.</b> Report of Medical Staff Quality Assurance Committee, <i>Health and Safety Code Section 32155.</i>  - Deliberations concerning reports on Medical Staff quality assurance matters  - Medical Staff Report</p>	<p>Ramtin Agah, MD, MV  Chief of Staff  Karen Pike, MD, LG Chief of Staff</p>		<p><b>motion required</b>  6:52 – 7:02</p>
<p><b>18.</b> Report related to medical staff quality assurance matters, <i>Health and Safety Code Section 32155.</i>  - Quality Report: Organizational Clinical Risks</p>	<p>Eric Pifer, MD  Chief Medical Officer  Pepe Greenlee, Interim Senior Director, Clinical Quality and Patient Safety, Clinical Effectiveness</p>		<p><b>discussion</b>  7:02 – 7:12</p>
<p><b>19.</b> <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret.  - FY 2014 Organization Goal Achievement</p>	<p>Mick Zdeblick, Chief Operating Officer</p>		<p><b>information</b>  7:12 – 7:22</p>
<p><b>20.</b> <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret.  - Strategy Ad Hoc Committee Report</p>	<p>Dennis Chiu, Board Member and Member, Strategy Ad Hoc Committee  Tomi Ryba, President and CEO  Rich Katzman, Chief Strategy Officer  Ken King, Chief Administrative Svcs. Officer  Brenda Taussig, Manager, Government Relations</p>		<p><b>discussion</b>  7:22 – 8:17</p>

AGENDA ITEM	PRESENTED BY		
<b>21.</b> <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret. - Pacing Plan	Patricia A. Einarson, MD Board Secretary		<b>discussion</b> 8:17 – 8:22
<b>22.</b> <i>Health and Safety Code Section 32106(b)</i> for a report involving health care facility trade secret; <i>Health and Safety Code Section 32155</i> for report of medical staff quality assurance committee; and <i>Gov't Code Section 54957</i> for report and discussion on personnel matters. - CEO Report	Tomi Ryba, President and CEO		<b>information</b> 8:22 – 8:27
<b>23.</b> Report involving <i>Govt. Code Section 54957</i> for discussion and report on personnel performance matters. - Executive Session	Patricia A. Einarson, MD Board Secretary		<b>discussion</b> 8:27 – 8:32
<b>24.</b> Adjourn to Open Session	Patricia A. Einarson, MD Board Secretary		8:32 – 8:33
<b>25. RECONVENE OPEN SESSION/REPORT OUT</b>	Patricia A. Einarson, MD Board Secretary		8:33 – 8:34
To report any required disclosures regarding permissible actions taken during Closed Session.			
<b>26. ADJOURNMENT</b>	Patricia A. Einarson, MD Board Secretary		8:34 – 8:35 p.m.

Upcoming FY 2015 Hospital Board Meetings:

- October 8, 2014
- November 12, 2014
- No meeting in December 2014
- January 14, 2015

## **Att 4 - Board Resolution - Sep 2014.pdf**

# EL CAMINO HOSPITAL BOARD

RESOLUTION 2014 - 8

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

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

**WHEREAS**, the Board wishes to honor and acknowledge the El Camino Hospital Foundation's Sapphire Soirée co-chairs Sandra and Doug Bergeron and Katie and Greg Morganroth, MD for their generosity, leadership, and vision.

The Bergerons and Morganroths co-chaired the Sapphire Soirée in 2012, 2013, and 2014. Under their leadership, the galas raised more money than ever before with a three-year total of \$1,980,500 to benefit the Cancer Center. The Soirée proceeds helped establish and support programs that include high-risk breast cancer outreach, skin cancer screenings, holistic healing services, and a cancer survivorship program.

Each program was established to enhance services and provide individualized care to patients battling cancer. Collectively, these programs have elevated the level of care provided by the Cancer Center and have contributed to the creation and recognition of El Camino Hospital's comprehensive cancer program. Without the extraordinary effort of the chairs and outstanding philanthropic support, these advancements would not have been possible.

Katie served on the inaugural Sapphire Soirée committee in 2011. A year later, she recruited Sandra to co-chair the gala. The Bergerons and Morganroths were committed to becoming actively involved in the Sapphire Soirée to ensure patients battling cancer receive support, assistance, and the highest quality medical care. During their three years as co-chairs, the Bergerons and Morganroths established the Sapphire Soirée as the Foundation's premier event and inspired others with their personal stories about how cancer has impacted their families.

**WHEREAS**, the Board would like to commend Sandra and Doug Bergeron and Katie and Greg Morganroth, MD for their dedication to El Camino Hospital's Cancer Center and improving the health of the community.

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

**Sandra and Doug Bergeron and Katie and Greg Morganroth, MD**

**FOR THEIR COMMITMENT AND DEDICATION TO ENHANCING PATIENT CARE AND QUALITY  
FOR THE PATIENTS WE SERVE.**

**IN WITNESS THEREOF**, I have here unto set my hand this **10TH DAY OF SEPTEMBER, 2014**.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS:**

Dennis Chiu, JD  
Neal Cohen, MD  
Patricia Einarson, MD

Jeffrey Davis, MD  
Julia Miller  
David Reeder

Nandini Tandon, PhD  
Tomi Ryba  
John Zoglin

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**PATRICIA A. EINARSON, MD**  
**SECRETARY/TREASURER,**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**



**Att 5a - ECH Board Open Hospital Minutes 8 13 14  
(4).docx**

**Minutes of the Regular Meeting  
Board of Directors  
of El Camino Hospital  
Wednesday, August 13, 2014  
El Camino Hospital, 2500 Grant Road, Mountain View, California  
Conference Rooms F and G  
and via teleconference:  
401 North Riverpoint Blvd., Spokane, WA 99202  
and  
Vipin Khand, Gomti Nagar, Lucknow, 226 010, Uttar Pradesh, India**

1. **Call to Order.** The Open Session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 6:06 p.m. by Chair Neal Cohen, MD.

2. **Roll Call.** Verbal roll call was taken.

**Board Members Present:** Dennis Chiu; Neal Cohen, MD; Patricia Einarson, MD; Julia Miller; David Reeder; Tomi Ryba and John Zoglin.

**Teleconference:** Jeffrey Davis, MD and Nandini Tandon participated via teleconference. Director Tandon's connection was lost several times throughout the meeting.

3. **Potential Conflict of Interest Disclosures.** Chair Cohen asked if any Board member or anyone in the audience believes that a Board member may have a conflict of interest on any of the items on the agenda. No conflict was reported.

4. **Board Recognition.**

**Motion:** To approve Resolution 2014-6.

**Movant:** Reeder

**Second:** Miller

**Ayes:** Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba, Tandon and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

**Did Not Vote:** None

Cheryl Reinking, RN, Chief Nursing Officer, presented the Resolution to members of Orthopedic Institute for their continued efforts to improve the care of orthopedic, joint, and spine patients, and its recent re-accreditation by The Joint Commission.

**Motion:** To approve Resolution 2014-7.

**Movant:** Reeder

**Second:** Miller

**Ayes:** Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba and Zoglin

**Noes:** None



**Abstentions:** None  
**Absent:** None  
**Recused:** None  
**Did Not Vote:** Tandon

Cheryl Reinking, RN, Chief Nursing Officer, presented the Resolution to members of El Camino Hospital Primary Stroke Committee for their continued efforts to improve the care of patients suffering a stroke and the Primary Stroke Program's recent re-accreditation by The Joint Commission. Dr. Peter Fung, the Medical Director of the Primary Stroke Program, outlined the vision for the Program and mentioned some of the honors the Program has received.

5. **Consent Calendar.** Chair Cohen asked if anyone wished to remove any items from the consent calendar. Director Miller requested that items "a", "d", "l", "m" and "s" be removed from the consent Calendar; Director Zoglin requested that item "e" be removed from the consent Calendar.

**Motion:** To approve the consent calendar: Minutes of the Joint Meeting of the Board and the Corporate Compliance Committee – June 11, 2014; Draft Revised Executive Benefit Plan; Cardio-Thoracic Surgery On-Call Agreement; Behavioral Health Associate Medical Director Agreements; RIS/PACS Upgrades; Team Health Medical Group Renewal; June 2014 Financials; TUG Robot Purchase; Medical Staff Report; and to accept the following items on the consent calendar: Governance Committee Minutes – June 3, 2014; Finance Committee Minutes – May 27, 2014; Corporate Compliance Committee Minutes – April 10, 2014; Quality Committee Minutes – May 19, 2014; and Auxiliary Report.

**Movant:** Chiu  
**Second:** Miller  
**Ayes:** Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba and Zoglin  
**Noes:** None  
**Abstentions:** None  
**Absent:** None  
**Recused:** None  
**Did Not Vote:** Tandon

Item a – Minutes of the Regular Hospital Board Meeting (June 11, 2014). Director Miller requested that Board Members' Conference Reports be dated the day they were submitted to the Board Liaison and not the date of the Board Meeting, so that it is clear whether they complied with the 30 day submission due date in the FY 2015 Board and Committee Education Policy (which was submitted for approval on the consent calendar at this meeting).

Director Miller also noted that on page 7 of the minutes, under item 12 – Governance Committee Report, Director Tandon should be listed as Vice Chair of the Committee rather than as a Member. In addition, Director Miller stated that the Governance Committee Report provided "all" of the accomplishments of the Governance Committee for FY 2014 rather than "some."

Item d – Physician Recruitment. Director Miller noted that the cover memo for this item lists Rich Katzman as Chief Security Officer, rather than his correct title of Chief Strategy Officer. Director Miller also asked Mr. Katzman to provide clarification on the five-year forgiveness program. Mr. Katzman explained that the loan program serves as a tool for assisting new physicians to open medical practices in the ECH service area, and that the loans vary from one to two years, and are forgiven if the physician stays on for three years for a one-year loan and five years for a two-year loan.

Item e – Infection Control Medical Director Agreement. Director Zoglin noted that the Board should review ECH's strategy for medical directors' compensation. He pointed out the discrepancy between ECH's goal of compensating employees at market median, while the majority of directorship compensation seems to exceed market median. Director Ryba noted that Diane Wigglesworth, the Corporate Compliance Officer, has produced a report that reviews all medical directorship compensation in relation to fair market value and will present it for review to the Corporate Compliance Committee at its upcoming meeting on August 21, 2014.

Chair Cohen commented that ECH should consider the appropriate comparator market for each medical directorship compensation agreement with respect to volume, complexity, expectation, metrics for evaluation, and difficulty in recruiting for each directorship position.

Item l – FY 2015 Governance Committee Goals. Director Miller questioned whether goal #4 should have also included potential Board vacancies as part of the overall succession planning process. Director Ryba clarified that the Governance Committee goal was related to the committees only. She confirmed that she has only identified a recruitment firm to fill vacancies on two committees, but has not reached out to a firm with respect to filling possible Board vacancies.

Item m – FY 2015 Board and Committee Education Policy. Director Miller questioned the need for a one-page form for conference reports from Board members since it could have the consequence of diluting the content in the reports. A discussion ensued about the form, including that it should be considered a tool for providing guidance in starting a report, but should in no way limit the report's content or length.

The Board members discussed what conferences committee members can be reimbursed for attending, and that it is ultimately up to the committee chair to make that decision. The Board members noted that while there is a preference for healthcare-related conferences, the committee chair can also approve attendance to a subject-specific conference as long as it is relevant to the committee member's service on the committee.

Item s – Foundation Report. Director Miller requested that any changes to the Fundraising report from prior reports be identified with an asterisk so that the Board can clearly see the difference in the totals.

**Motion:** To approve items "a", "d", "e", "l", "m" and "s" on the Consent Calendar.

**Movant:** Zoglin

**Second:** Chiu

**Ayes:** Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba, Tandon and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

**Did Not Vote:** None

6. **Quality Report: Corporate Scorecard.** Eric Pifer, MD, Chief Medical Officer, reviewed two clinical areas on the corporate scorecard which were performing more than 10% below the goal: 1) mortality from pneumonia and 2) morbidity following percutaneous cardiac procedure. He also reviewed the data on mislabeled specimens, which fell below the goal. He noted that ECH will be implementing a lattice barcoding system in nursing units in the current fiscal year which should eliminate the mislabeling problem. He offered to bring a preliminary plan and timeline for implementing the barcoding system to the next Board meeting.

Dr. Pifer reviewed the Medical Surgical Length of Stay which fell short of the goal by one half day. He noted that a possible reason for the underperformance was a problem with weekend and Monday coverage in the care coordination department in comparison to the rest of the week. He reported that he is in the process of working with the newly-hired Director of Care Coordination to smooth-out the scheduling issues to make sure that weekend and Monday coverage is adequately staffed.

Dr. Pifer noted that the Total Operating Expense Per CMI Adjusted Discharge continues to be above the benchmark and is possibly connected to the persistent issue of elevated length of stay. He reported that the Inpatient Operating Margin also fell below the goal and suggested that this metric will improve once the length of stay declines. He reported that the Investment Return metric was also below goal, but noted that it is important to look at this metric over a longer period of time and not be as concerned with short term fluctuations.

The Board discussed the pros and cons of removing the Inpatient Operating Margin measure from the scorecard. Director Zoglin questioned the removal of this measurement from the scorecard and whether the Board voted to remove it. In addition, the issue was never discussed at the Finance Committee meeting. Chair Cohen asked for this issue to be brought back to the Board for further discussion.

Dr. Pifer noted that the more serious workplace injuries have declined dramatically as a result of the ECH's ongoing educational efforts and workplace modifications.

7. **Los Gatos Imaging Equipment Replacement.** Ken King, the Chief Administrative Services Officer, reported that during the negotiations with Siemens to purchase RIS/PACs upgrades, Siemens offered a bundled discounted pricing for the imaging equipment replacement in Los Gatos. He clarified that this request is for \$1.75 million to acquire the equipment only. This request does not include the funding for facility modifications necessary to accommodate the replacement equipment (\$2.75 million).

**Motion:** To approve the purchase of the Los Gatos Imaging Equipment Replacement not to exceed \$1.75 million.

**Movant:** Chiu

**Second:** Miller

**Ayes:** Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba, and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

**Did Not Vote:** Tandon

8. **Investment Committee Report.** Director Zoglin, Chair of the Investment Committee, reported that the Investment Committee voted to recommend that the Board make no action to change ECH's investment allocations at this time. He laid out two alternative options, if the Board decided to take action. Alternative 1 would adopt a "growth" asset allocation moving 10% from bonds to stocks. Alternative 2 would adopt a "growth plus private equity" asset allocation moving 10% from bonds to stocks and moving 5% from hedge funds to private equity.

He informed the Board that the Investment and Finance Committees plan to conduct a joint meeting in December 2014 to discuss strategic projections and future capital spending in order to better assess ECH's risk tolerance. Based on this discussion, the Investment Committee plans to make a recommendation to the Board in January 2015 on possible changes to the current investment allocations.

No action taken.

9. **Finance Committee Report.** Director Chiu, Chair of the Finance Committee, reviewed key accomplishments of the Committee, including recommending approval of: 1) the FY 2015 goals and pacing plan, 2) RIS/PACS capital purchase, 3) medical director and hospitalist contract renewal and physician recruitment requests, and 4) TUG robot purchase. He also outlined some of the Committee's future activities including: 1) independent audit report, 2) long term financial plan, and 3) Mountain View campus master facility plan. Director Chiu also noted that the use permit for building the new hospital requires tear down of the old hospital. Therefore, in order to comply with the permit, it is critical to move forward with the master plan for building out the Mountain View campus.

10. **Governance Committee Report.** Director Reeder, Chair of the Governance Committee, reported that at its June 3, 2014 meeting, the Governance Committee considered a proposal to shift the annual Board and Committee Planning Process from a fiscal year to a calendar year. He noted that the Committee did not come to a consensus on the issue, but did vote to refer the issue to the Board for its August 2014 meeting without a recommendation. Director Reeder requested that the Board discuss the matter briefly during the meeting, and if the Board finds that the proposal has merit, to agendaize it for a full discussion at a later Board meeting.

Director Miller suggested that the Board defer discussion on this item to the September 2014 meeting. She noted that because the proposed process for this realignment was not included in the Chair's Governance Committee written report to the Board, the Board did not have enough information to adequately understand the proposed process. She requested that staff include for the September Board meeting the report that was prepared for the Governance Committee, which assessed the pros and cons of the proposed process. Chair Cohen agreed to defer it to the September 2014 agenda.

Director Reeder reported that the Governance Committee discussed possible areas to focus on in the coming fiscal year including: 1) whether the Board is spending enough time on issues of quality and strategy, 2) whether the Board should expand the responsibilities of the Committees, 3) whether the Committee should address the matter of governance versus management, 4) whether there should be time limits placed on Board member participation during discussions when meetings are running too long, and 5) whether the Board should examine the scope of the CEO's delegated authority. Director Reeder commented that the ultimate goal of these efforts is to examine whether the Board is spending its meeting time on issues relevant to hospital governance. He noted that in preparation for this effort, the Governance Committee members have agreed to observe a Board meeting, either in person or by watching a video of the meeting online.

Director Einarson asked the Governance Committee to review whether there was appropriate balance between informational and discussion items on the agenda. She also encouraged Governance Committee members to attend a Board meeting in person so as to not miss some of the nuances of a meeting.

11. **iCare Quarterly Board Report.** Mick Zdeblick, Chief Operating Officer and Greg Walton, Chief Information Officer, gave a quarterly update on the progress of the iCare Project. Mr. Zdeblick introduced Madeleine Fackler who has served as an advisor on the iCare Ad Hoc Committee. He noted that ECH is wrapping up phase one of the project and will begin validation sessions as part of phase two in late August 2014.

Mr. Zdeblick recapped the key accomplishments to date, including the following: 1) launched iCare, 2) finalized the governance structure, 3) developed a timeline, scope and budget, 4) staffed 100% of the positions, 5) completion of the first round of staff training, 6) over 30% of the iCare team has been certified, 7) project space has been built out and occupied, 8) developed an initial hardware activation plan, and 9) created the iCare dashboard as a tool for summarizing the overall project. A discussion ensued about incorporating the patients' perspective into the project implementation with respect to how patients interact with the provider when the new technology is being used.

Mr. Zdeblick reviewed the governance structure of the Project, outlining the alignment between the District and Hospital Boards as well as the role of the iCare Ad Hoc Committee in providing oversight. He reviewed next steps and deliverables for the next quarter including: 1) finalizing the project charter (scope, budget, and timeline), 2) developing key performance indicators and aligning them with ECH's major strategic intent, and 3) continuing validation

sessions and certification training and testing. Mr. Zdeblick noted that metrics will be developed to track the patient experience with iCare.

12. **CEO Report.** Director Ryba reported on growth in the patient-centered medical home and community clinic over the past four months. She noted that the results of the Employee Engagement Survey are expected shortly and will be overlaid with the Culture of Patient Safety Survey and Service scores when presented to the Board at its September 2014 meeting. She reported that ECH is launching a new program in plastic and reconstructive surgery that will offer a full range of procedures for breast reconstruction after mastectomy.

Director Ryba reported that ECH has been ranked as one of the best hospitals for 2014-2015 in the San Jose metropolitan area by *U.S. News & World Report*. Additionally, ECH was nationally ranked in Gynecology and recognized as a high performer in Geriatrics, Neurology and Neurosurgery. She noted that ECH is continuing to expand its partnership with the County of Santa Clara, the City of Mountain View, two school districts and Racing Hearts nonprofit organization to install over 40 AEDs in public buildings and schools in Mountain View and high priority and underserved areas. This will improve the response time to people experiencing heart-related events. She also thanked Director Zoglin and Chris Ernst, VP of Marketing and Corporate Communications, in developing metrics for measuring and tracking performance for digital media and marketing efforts.

She reported that the rate of patient falls has drastically declined and exceeded the maximum goal for that measure. In addition, the 30 day unplanned readmission rate of 8.71% has also exceeded the maximum goal of 10.3%. She noted that 51.9% of the employees participated in the biometrics screening. She commented on the challenge of improving the median minutes from ED arrival to admit to unit measure but noted the current effort underway to decrease that time.

13. **Public Communication.** Mr. Geoffrey Mangers spoke regarding his concerns as mentioned in his written communication to the Board and distributed a letter to the Board members. He noted that he is serving the Board with a 90 day notice of intent to sue the Board for a vote on his issue.

14. **Board Comments.** Director Miller asked the Board to consider adding the name of the Board member and their phone number on the agenda next to their address when they plan to participate via teleconference. She also asked Legal Counsel to research a possible mechanism for conducting roll call whereby a roll call statement is read at the beginning of the meeting only, rather than conducting roll call for every vote. She also suggested adding an asterisk to amended agendas to explain the reason for the amendment.

15. **Adjourn to Closed Session.**

**Motion:** To adjourn the Open Session to Closed Session at 7:40 p.m. pursuant to *Gov't Code Section 54957.2* for approval of Minutes of the Closed Session of the Regular Meeting of the Board (June 11, 2014); pursuant to *Gov't Code Section 54957* for report and discussion on personnel matters – FY 2015 Executive Incentive Goals CFO, CSO, CMO, COO, CASO, and

VP, Payer Relations; pursuant to *Gov't Code Section 54957.2* for acceptance of the Closed Session Minutes of the Governance Committee (June 3, 2014), Closed Session Minutes of the Corporate Compliance Committee (April 10, 2014), Closed Session Minutes of the Finance Committee (May 27, 2014), and Closed Session Minutes of the Quality Committee (May 19, 2014); pursuant to *Health and Safety Code Section 32155* for deliberations concerning reports on Medical Staff quality assurance matters, Medical Staff Report; pursuant to *Health and Safety Code Section 32106(b)* for a report involving health care facility trade secret: Annual Report on PAMF/ECH JOC Work; pursuant to *Health and Safety Code Section 32155* for report related to medical staff quality assurance matters: Quality Report: Organizational Clinical Risks; pursuant to *Health and Safety Code Section 32106(b)* for a report involving health care facility trade secret: Strategy Ad Hoc Committee Report; pursuant to *Health and Safety Code Section 32106(b)* for a report involving health care facility trade secret: iCare Ad Hoc Committee Report: Leadership Transition; pursuant to *Govt. Code Section 54957* for discussion and report on personnel performance matters: FY 2015 CEO Incentive Goals; pursuant to *Gov't. Code Section 54956.9(a)* for a conference with legal counsel – pending or threatened litigation: Dialysis Settlement; pursuant to *Health and Safety Code Section 32106(b)* for a report involving health care facility trade secret: Pacing Plan; pursuant to *Health and Safety Code Section 32106(b)*: CEO Report; and pursuant to *Govt. Code Section 54957* for discussion and report on personnel performance matters: Executive Session.

**Movant:** Chiu

**Second:** Ryba

**Ayes:** Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba, and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

**Did Not Vote:** Tandon

16. **Agenda Item 29 - Reconvene Open Session/Report Out.** Open Session was reconvened at 11:10 p.m. Director Davis and Director Tandon did not participate in the second open session.

The following actions were taken in closed session:

A. The consent calendar: Minutes of the Closed Session of the Regular Board Meeting (June 11, 2014); FY 2015 Executive Incentive Goals (CFO, CSO, CMO, COO, CASO, and VP, Payor Relations); and the Closed Session Minutes of the Quality Committee Meeting (May 19, 2014); the Closed Session Minutes of the Corporate Compliance Committee Meeting (April 10, 2014); the Closed Session Minutes of the Finance Committee Meeting (May 27, 2014); and the Closed Session Minutes of the Governance Committee Meeting (June 3, 2014) ) was approved by a vote of 8 Directors in favor (Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba, and Zoglin). Director Tandon did not vote.

B. The Minutes of the Medical Staff Executive Committee Meeting of May 22, 2014 and the Credentials and Privileges Report of June 26, 2014 were approved by a vote of 8 Directors in

favor (Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba, and Zoglin). Director Tandon did not vote.

C. FY 2015 CEO Incentive Goals were approved by a vote of 7 Directors in favor (Chiu, Cohen, Davis, Einarson, Miller, Reeder, and Zoglin). Director Tandon did not vote. Director Ryba recused herself from the vote.

17. **Agenda Item 30 – Board Member Representative to PAMF/ECH JOC**  
The Board deferred action on this item.
18. **Agenda Item 31 – iCare Ad Hoc Committee Report: Leadership Transition.**  
The Board deferred action on this item.
19. **Agenda Item 32 - Adjournment.**

**Motion:** To adjourn at 11:10 p.m.

**Movant:** Reeder

**Second:** Chiu

**Ayes:** Chiu, Cohen, Einarson, Miller, Reeder, Ryba, and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** Tandon and Davis

**Recused:** None

**Did Not Vote:** None

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

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Neal Cohen, MD  
Chair, ECH Board of Directors

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Patricia A. Einarson, MD  
ECH Board Secretary/Treasurer

Prepared by: Cindy Murphy, Board Liaison; and  
Marina Kipnis, Board Services Coordinator



**Att 5b - ECH Open Joint Investment Committee and  
Hospital Minutes 8 13 14.docx**

**Minutes of the Joint Meeting of the  
Board of Directors of El Camino Hospital and  
the Investment Committee  
Wednesday, August 13, 2014  
El Camino Hospital, 2500 Grant Road, Mountain View, California  
Conference Rooms F and G  
and via teleconference:  
401 North Riverpoint Blvd.  
Spokane, WA 99202  
and  
Vipin Khand, Gomti Nagar, Lucknow  
226 010, Uttar Pradesh, India  
and  
716 Cragmont Avenue  
Berkeley, CA 94708**

1. **Call to Order.** The Open Session of the Joint Meeting of the Board of Directors of El Camino Hospital (the “Board”) and the Investment Committee (“Committee”) was called to order at 5:31 p.m. by Chair Neal Cohen, MD.

2. **Roll Call.** Verbal roll call was taken.

**Board Members Present:** Dennis Chiu; Neal Cohen, MD; Patricia Einarson, MD; Julia Miller; David Reeder; Tomi Ryba and John Zoglin. Jeffrey Davis, MD and Nandini Tandon participated via teleconference.

**Investment Committee Members Present:** John Zoglin, Nicola Boone and Brooks Nelson. Committee members Jeffrey Davis, MD and Ethan Cohen-Cole participated via teleconference.

3. **Potential Conflict of Interest Disclosures.** Chair Cohen asked if any Board or Committee member or anyone in the audience believes that a Board or Committee member may have a conflict of interest on any of the items on the agenda. No conflict was reported.

4. **Public Communication.** There was no communication from the public.

5. **Investment Strategy.** Director Zoglin, the Chair of the Investment Committee, outlined the goals of this joint meeting. Lucas Mansberger, Pavilion Advisory Group, which serves as an investment advisor to ECH, reviewed the investment scorecard for the current portfolio. He explained that the scorecard is intended to capture the key performance indicators, evaluating the portfolio based on investment performance, risk versus return, asset allocation and manager compliance. He noted that both the surplus cash and cash balance plan return rates outperformed their benchmarks. He pointed out that one area of concern was the volatility of the cash balance plan over the last three years. However, he noted that since the inception of the portfolio, the relative risk of that portfolio has been much closer to the benchmark. He commented that the portfolio is in good shape and the managers continue to perform within expectations.

Investment Committee member Brooks Nelson introduced himself and described his background as an independent investment advisor working with individuals and endowments. He commented that in light of the anticipated capital expenditures planned in the future, the Investment Committee is not in favor of increasing the risk of the portfolio until the financing for the expenditures has been secured.

Investment Committee member Nicola Boone introduced herself and described her background in private banking and managing wealth for private individuals, endowments, and foundations. She reported that, in comparing ECH to its peer group of large healthcare institutions, it is evident that ECH's portfolio is much more conservative especially with respect to equity markets. This comparison showed that ECH's portfolio has approximately 10% less in equities and more in fixed income and cash than its peers. She commented that the Committee would like to see ECH's portfolio move closer to the peer group as a long-term investment strategy. However, with the uncertainty of financing, there might potentially be a greater need for drawdown from the portfolio to assist in financing upcoming capital expenditures. Therefore, she would not recommend increasing the risk of the portfolio until there is more certainty around the financing for upcoming capital projects.

Investment Committee member Ethan Cohen-Cole introduced himself and described his background in operating a financial consulting service firm that advises banking and financial institutions. He commented that the Committee is reticent about recommending that ECH take on additional risk for the portfolio at this stage. In order to protect the business objectives of ECH, the Committee needs more guidance from the Board and management on their expectations of future cash flow and possible stress scenarios impacting ECH.

Board member Jeffrey Davis, MD commented that the Committee wanted to ensure that funds are available over the next 10 years to assist with capital projects. He noted that ECH's asset allocation is not up to the benchmark of many other hospitals with respect to equity. The Investment Committee therefore wanted to present to the Board two alternative options: 1) enhancing the equity side by 10%, or 2) increasing equity by 10% plus switching over to private equity by 5%. He suggested that the Board consider choosing one of these options as a short-term strategy in order to take advantage of the positive financial climate.

Board and Committee members discussed a number of issues related to the risk tolerance of ECH. Committee member Nicola Boone asked the Board for more guidance on the needs of the ECH in order for the Committee to better assess how to proceed with the investment portfolio. Director Reeder suggested creating a timeline of all the foreseen capital needs coupled with the type of funding that is expected for each project. Board and Committee members were interested in learning more about how the new value-based purchasing model might affect the funding of various capital projects.

Minutes: Joint Meeting of the El Camino Hospital Board and  
the Investment Committee  
August 13, 2014  
Page 3

6. **Agenda Item 6 - Adjournment.**

**Motion:** To adjourn at 6:06 p.m.

**Movant:** Chiu

**Second:** Einarson

**Ayes:** Chiu, Cohen, Davis, Einarson, Miller, Reeder, Ryba, and Zoglin

**Noes:** None

**Abstentions:** None

**Absent:** None

**Recused:** None

**Did Not Vote:** Tandon

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

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Neal Cohen, MD  
Chair, ECH Board of Directors

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Patricia A. Einarson, MD  
ECH Board Secretary/Treasurer

Prepared by: Cindy Murphy, Board Liaison; and  
Marina Kipnis, Board Services Coordinator

## **Att 5c - Foundation board member.docx**

MEMORANDUM

TO: El Camino Hospital Board

FROM: Jodi Barnard, President, El Camino Hospital Foundation 

DATE: August 22, 2014

RE: Seeking approval of one Foundation Board nominee – MICHELE KIRSCH

During its August 21, 2014 meeting, the El Camino Hospital Foundation Board approved one nominee to join the Foundation Board. The candidate will fill an unfilled vacancy until January 2015 at which time a three-year term will begin.

The Foundation Board is seeking approval from the Hospital Board for Michele Kirsch. Below is a brief background for your consideration.

- Michele brings extensive board and community non-profit experience to the Art of Yoga Project, beginning with the formation of her family foundation in 1993. The Kirsch Foundation focuses its giving towards education, scientific research and to community organizations where the Kirsches hold a passion for change. Along with her husband Steven, they have received numerous national and local awards for their philanthropy work from being named one of Fortune Magazine's (cover story) top 100 generous couples (2002) to receiving the National Caring Award from President Clinton in 2003. Locally the Kirsches received the Outstanding Philanthropists in 1999 from NSFRE, awarded the Leadership in Action Award in 2002 by People Acting in Community for their Exemplary Leadership in Building Healthier and Safer Communities, by the Tech Museum of San Jose for their philanthropy.
- Michele was recognized as a Women Making a Mark by San Jose Magazine in 2004 and has held numerous trustee and leadership roles with The Children's Health Council, RAFT, The Tech Museum of San Jose, Stanford University's Cantor Art Museum, Family and Children Services, Castilleja School, Rebuilding Together and numerous community organizations. She is an advocate and social activist with the Feminist Majority Foundation, advisor to Girls Learning International and honorary advisor and steering committee member to Lucile Packard Children's Hospital and on the Fundraising Council of the Junior League of Palo Alto mid-Peninsula where she was also awarded the prestigious President's Cup in 2005. Michele holds degrees from Mills College where she earned her BA and also from Santa Clara University where she earned her JD in 2001. In 2006 she formed Painted Door, a real estate investment firm where she is the general partner.
- In her free time, she enjoys practicing yoga, playing golf, traveling and entertaining. Michele and Steve have three daughters and live in Los Altos Hills.

Please don't hesitate to contact me at [Jodi\\_barnard@elcaminohospital.org](mailto:Jodi_barnard@elcaminohospital.org) or 650-940-7159 with any questions. I look forward to receiving your approval that will then formalize Michele's appointment to the Foundation Board.

**Att 5d - El Camino Hospital 2015 IA Risk Assessment  
and Audit Wrok Plan.pptx**

*Powerful Insights.  
Proven Delivery.®*



## Fiscal Years 2015 and 2016 Internal Audit Work Plan

**protiviti**<sup>®</sup>  
Risk & Business Consulting.  
Internal Audit.

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# Executive Summary

One of the key foundational activities for an Internal Audit Department is to perform a risk assessment to form the basis for the annual audit plan. During the assessment, a number of factors are considered including the current business environment, risks common to the healthcare industry, and the feedback received from key members of El Camino Hospital (ECH) Management and the Board.

A full risk assessment, including surveys and interviews of key members of ECH Management and Board, was performed in May 2013 and resulted in an Internal Audit Plan for Fiscal Year 2014. For the Fiscal Year 2015 and 2016 Internal Audit Plans, the Director of Compliance/Privacy Officer, with assistance from Protiviti, performed a “refresh” of the previous year’s risk assessment that included consideration of major ECH initiatives, industry trends and current known concerns. Based on the results of the risk assessment “refresh”, proposed audits for consideration in the FY2015 and FY2016 audit plans are outlined in this report. The following procedures were completed in support of this review:

## 1 *Gather Information*

- Considered risk themes identified during interviews with various members of ECH Management and Healthcare Industry leaders
- Considered whether any key initiatives or changes to ECH’s strategic plan may impact the risk profile of the organization
- Reviewed the audit plans and priorities of other health systems to determine current areas of focus by others in the industry

## 2 *Analyze Information*

- Prioritized risks and areas of concern based on the importance to business performance, impact to the organization and the likelihood of control/process issues
- Considered the audit work completed in FY2013 & FY2014 and findings from previous audit results

## 3 *Update the Internal Audit Plan*

- Proposed a list of internal audit projects focused on the risks identified and areas of concern to be completed in FY2015 and FY2016.
  - *Note: Due to the time and resource constraints that will be placed on ECH Management in support of the planned November 2015 Epic implementation go-live, the proposed FY15 Internal Audit plan was reduced to six audits.*

## Executive Summary (continued)

In no particular order, the following key risk areas, themes and concerns were identified during our assessment:

1. The movement from the Allscripts clinical and McKesson business system to Epic
2. Corporate compliance measures in response to increased scrutiny on Federal reimbursement
3. Clinical documentation and coding in the ICD-10 environment
4. Increased competition in the marketplace for outpatient services
5. Brand reputation and market perception; keeping local patients from going elsewhere for services provided here
6. Effective revenue capture
7. Health Information Exchange - mobilization of healthcare information electronically across the organization, community and region
8. The impact the Health Insurance Exchange will have on ECH strategy and reimbursement
9. Privacy and security of Protected Health Information (PHI)
10. Continued compliance with Stark and Anti-kickback legislation
11. Effective vendor management to ensure compliance and cost monitoring
12. Continued Meaningful Use qualification for the hospital's electronic medical record
13. Provider-based billings
14. Data integrity/data governance
15. Medical and length of stay management
16. Human Resources functions and the and the importance of California Wage and Hour Law compliance

# Healthcare Industry Risk Themes

The table below depicts current business risks within the entire healthcare provider industry as reported by healthcare systems throughout the US including ECH peer organizations. These risk themes help establish a comparison of issues facing the entire healthcare provider industry against issues deemed most significant by ECH Management. The different business risk categories listed also demonstrate that addressing risk through an Internal Audit Department stretches beyond financial responsibility.

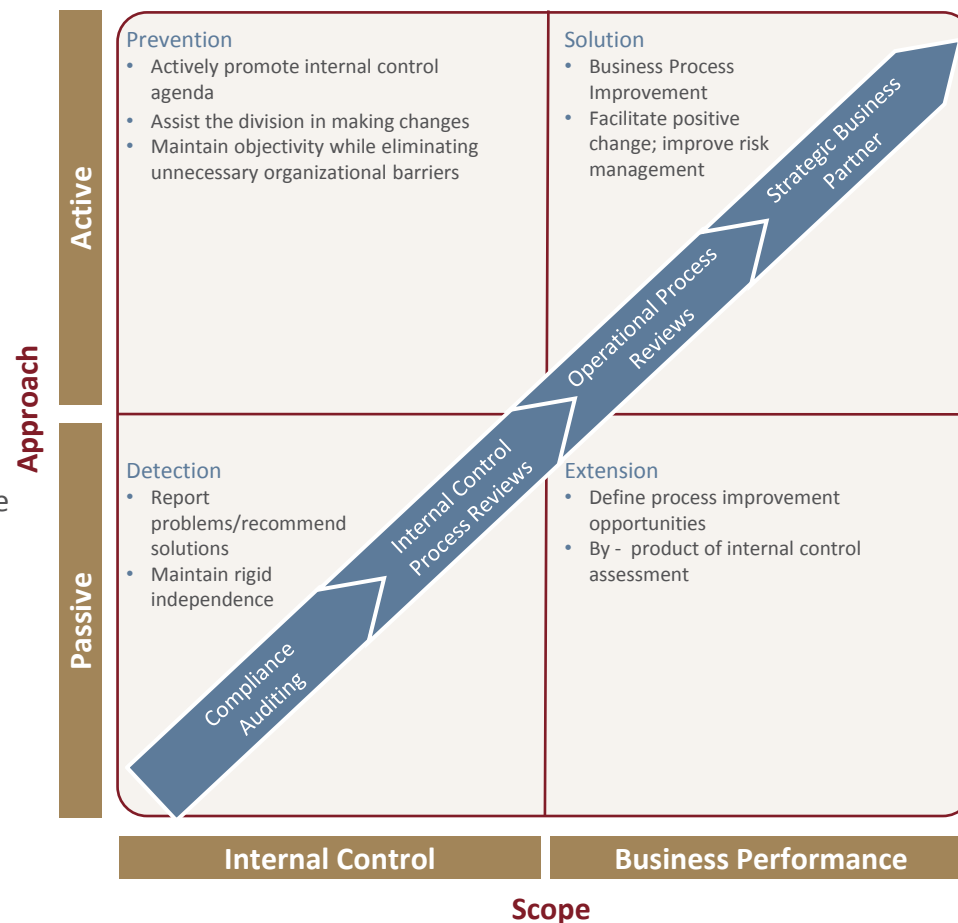
Business Risk	Industry Themes
Strategic Planning	<ul style="list-style-type: none"> <li>• Movement to Accountable Care Organizations (ACO)</li> <li>• Competition, consolidation, contraction and expansion</li> <li>• Consumer Expectations and the need for effective marketing – “Brand Protection”</li> <li>• Higher emphasis on delivering value and service</li> <li>• Physician integration</li> </ul>
Information Technology	<ul style="list-style-type: none"> <li>• “Bring your own device” and security of patient information</li> <li>• Meaningful use qualification</li> <li>• ICD-9 to ICD-10 Conversion (risk of reduced focus due to implementation date delay)</li> <li>• Mobile Health</li> </ul>
Financial Responsibility	<ul style="list-style-type: none"> <li>• Pressures for reduced pricing from payers</li> <li>• Reduced reimbursement (commercial and government payers) and increases in labor costs</li> <li>• Effects of Health Insurance Exchanges</li> <li>• Impact professional billing will have on Patient Financial Services workflow</li> </ul>
Regulatory	<ul style="list-style-type: none"> <li>• Impact of Office of Civil Rights (OCR) audits of Security and Privacy</li> <li>• Medical and length of stay management</li> <li>• Physician relationships and compensation models</li> <li>• Adequacy of clinical documentation to support levels of care</li> <li>• Pay for Performance</li> </ul>
Revenue Cycle	<ul style="list-style-type: none"> <li>• Rapidly changing payment environment</li> <li>• Building new non-conventional relationships with commercial payers</li> <li>• Provider-based clinics</li> <li>• Capitated Arrangements</li> </ul>

# The Role of Internal Audit

Leading audit practices not only focus on detection of business control breakdowns but also provide recommendations for business control improvement. Companies are turning to the Internal Audit function to help ensure that the overall control environment and the effective performance of business processes are consistent with management's expectations. Internal Audit functions help companies accomplish their business objectives and goals through the following:

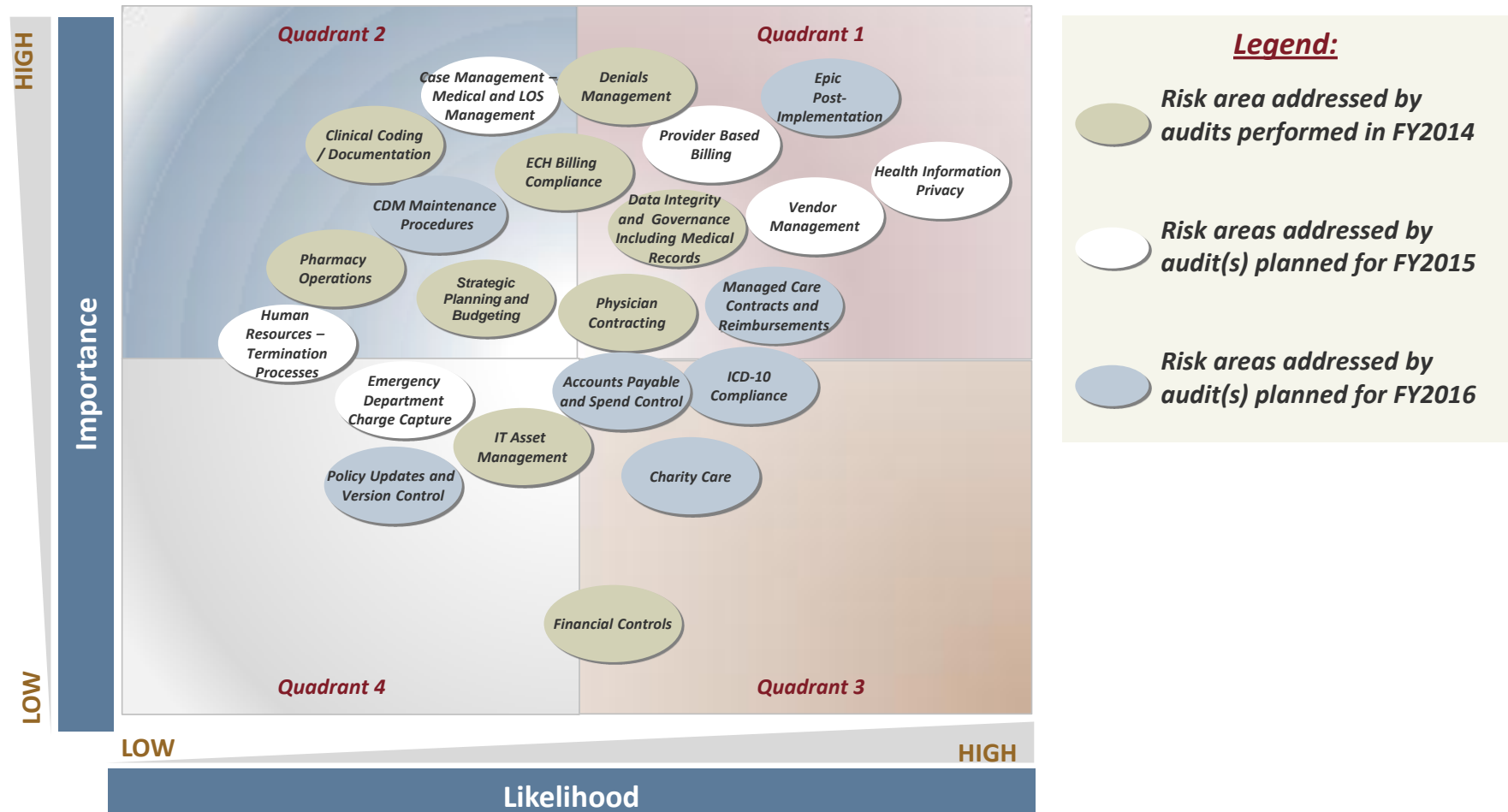
- Identifying risks, internal controls, and performance gaps throughout functional processes
- Being skilled at risks and controls, identifying needs, and recommending cost-effective solutions to more effectively manage risk
- Supporting Management and the Board by confirming that employees and activities comply with established policies and procedures along with contributing to the overall mission of the organization
- Being a steady source of creative ideas and productivity enhancements
- Identifying and sharing best business and control practices to help the organization be more competitive
- Making a difference in the success of the business
- Working with Compliance and other departments charged with risk management to perform reviews of Company initiatives that present risk to the organization

It is with the goals in mind of addressing risk and providing internal control /business performance improvement that the 2015 and 2016 Internal Audit Plan was developed.



# Risk Assessment Process – Prioritization Map

The map below depicts the highest rated risks based on industry themes and feedback from prior interviews and surveys. The risks are plotted based on their individual importance to the business along with the likelihood that issues and/or improvement opportunities currently exist. The highest risk areas are shown in Quadrant 1 and generally include those risks that are inherently high for the industry or are a known concern to ECH.



# Recommended Audits for FY15

## *Emergency Department Charge Capture*

The objective of the review is to analyze the current charge capture and coding processes for services performed in the Emergency Department, focusing on assessing the adequacy of key controls in place to validate charges are accurately captured based on the documentation in the medical record and billed for all services performed.

## *Health Information Privacy Review*

The objective of the Health Information Privacy Review is to assess ECH's effectiveness of controls around the Health Information Portability and Accountability Act (HIPAA) / Health Information Technology Economic and Clinical Health (HITECH) privacy regulations as defined by the U.S. Department of Health and Human Services (HHS) and enforced by the Office for Civil Rights (OCR). The review will determine if reasonable safeguards are in place to limit access and disclosure to the minimum necessary for staff and business associates and test user roles.

## *Vendor Management*

Inadequate or ineffective vendor management practices expose ECH to vendor outsourcing risks, such as system compromise, fraudulent abuse of data and, in some cases, regulatory exposures and fines, which could have significant impact on brand and reputation. The objective of the review is to analyze Vendor Management processes, include appropriate access to systems and physical locations and proper vendor set-up and signing of Business Associate Agreements (BAAs).



# Recommended Audits for FY15 (continued)

## *Human Resources – Termination Processes*

The objective of the review is to analyze termination processes performed by Human Resources. The focus of the review will be to assess compliance with the Resignation/Separation of Employment Policy. The review will include processes related to:

- Performing the Exit Benefit meeting and involving Compliance when appropriate
- Verifying that ECH assets are returned and access is removed timely for all terminated employees and contractors.

## *Provider Based Billings*

Provider-based status allows a subordinate facility, a clinic for example, to bill as part of the main provider. Provider-based status can result in additional Medicare payments for services furnished at provider-based facilities and may increase beneficiaries' coinsurance liabilities. The objective of the review is to validate key controls are in place to monitor and validate that provider based billings meet CMS criteria (42 CFR § 413.65(d)).

## *Case Management - LOS Management and Medical Necessity*

The scope of the review will include evaluating the process for understanding/documenting the expected patient length of stay, discharge planning, monitoring and managing patient length-of-stay criteria, as well as the processes for identifying and addressing inpatient and observation stay criteria.

Additionally, Internal Audit will:

- Evaluate the sufficiency of utilization review and medical necessity practices
- Determine whether payer authorizations are obtained for continued care and compliance with other insurance requirements is achieved.
- Evaluate the design effectiveness of internal controls for ensuring all necessary activities are performed for ensuring compliance with applicable standards.



# Recommended Audits for FY16

## *Managed Care Contracts and Reimbursements*

The objective of the review is to analyze the completeness and data integrity for processes to code/load contracts, calculate and reconcile reimbursements, and monitor variances to identify root causes.

## *ICD-10 Compliance*

The transition to ICD-10 is required for everyone covered by the Health Insurance Portability Accountability Act. As of April 1, 2014, Congress passed a bill which included a provision prohibiting HHS from implementing ICD-10 prior to October 1, 2015. Assuming no further delays in implementation, a review of ICD-10 compliance will be performed in FY16. The review will include:

- Ensuring ECH's information technology systems, interfaces, and reports are fully functional and operating as intended
- Evaluating productivity losses in various provider departments/ functions that may have occurred during go-live of ICD-10 implementation and adequacy of actions taken to resolve issues
- Reviewing delayed reimbursement during the transition to ICD-10, detrimentally affecting providers' cash flow.

## *Accounts Payable and Spend Control*

The objective of the review is to assess current AP processes, including how invoices are received, processed, and monitored for timely, complete, and accurate processing.

# Recommended Audits for FY16 (continued)

## *CDM Maintenance Procedures*

The objective of the review is to evaluate the completeness and accuracy of CDM maintenance procedures performed by the third party CDM reviewer to validate updates are made timely and accurately.

## *Policy Updates and Version Control*

The objective of the Policy Updates and Version Control Review is to verify appropriate usage of the policy tracking system put in place to:

- Store and Manage ECH policies and procedures
- Identify policies requiring updates
- Communicate policy updates to key stakeholders
- Perform version control

## *Charity Care*

The objectives of the Charity Care Review are to:

- Assess ECH's Charity Care determination process for adherence to the Charity Care Policy, including expected practice regarding front-end processes, charity care eligibility requirements, etc.
- Assess the process and controls over reporting Charity Care costs, including the preparation of the IRS Form 990 Schedule H and documentation requirements
- Assess Business Office procedures for classifying patient account write-offs as charity care in accordance with regulations or as bad debt (according to the Bad Debt Write-Off Guidelines)

# Recommended Audits for FY16 (continued)

## *Epic Post-Implementation Reviews*

Following the Epic implementation, one to two areas for review will be identified for review based on discussions with management to determine known issues or areas with the highest risk to the organization which may require additional scrutiny or an independent review of processes in place to develop recommendations for process improvement. Potential areas for review may include , but not be limited to:

- Security Administration
- Charge Capture
- Data Center Operations/Back Up and Recovery
- IT Change Management
- Data Interface Integrity

## *Compliance Reviews – Upon Request*

Scopes of audit will be determined as needed - Throughout the year, ad-hoc Compliance Reviews will be performed as issues or identified risks arise which require additional research/personnel.

# **Att 5e - Board Open Session 09-10-14.pdf**

## **Board of Directors Open Session – September 10, 2014**

**To:** El Camino Hospital Board of Directors

**From:** Ramtin Agah, MD, Chief of Staff MV  
Karen Pike, MD, Chief of Staff LG

**Date:** August 28, 2014

**RE: REPORT FROM THE MEDICAL STAFF EXECUTIVE COMMITTEE**

This report is based upon the Medical Staff Executive Committee meeting of **August 28, 2014**.

### **Request Approval of the Following:**

**A. CME Policy Revisions Summary of Revisions (p. 2)**

Policies revised based on IMQs recent changes to the accreditation standards, approved by CME Committee on 6/16/14

- CME Faculty Disclosure and Resolution of Conflict of Interest (pp. 3-6)
- Appropriate Use of Commercial Support (pp. 7-9)
- Appropriate Management of Associated Commercial Promotion (pp. 10-13)
- Regularly Scheduled Series (pp. 14-16)
- Reimbursement and Honoraria (p. 17-18)

**B. Medical Staff Privileges -Ophthalmology Privilege List** – Revision to Core Privileges, to include temporal biopsy, this is a routine part of ophthalmology residency training and should be included in the core privileges (pp. 19-20)

**C. Medical Staff Rules & Regs – Revisions regarding Discharge Instructions, Verbal Orders** – Clarification regarding actual practice. We have added discharge instruction and the 5 components necessary for the discharge instructions (pp. 21-25)

**D. Patient Care Policy – OR - Types of Surgery and Persons to Perform as First Assistant** – Revised to define surgical assistants for Robotic procedures (pp. 26-27)

## SUMMARY OF CHANGES TO THE ACCREDITATION CRITERIA AND POLICIES EFFECTIVE MARCH 2014

This manual has been updated to reflect the simplification changes adopted by the ACCME on February 25, 2014. This edition of the manual includes changes to simplify or eliminate some of the criteria and policies, and the addition of an annual report glossary. There are **no new requirements**.

### ACCREDITATION CRITERIA

Criterion 1 has been simplified. Criteria 4, 14, and 15 have been **eliminated**. The criteria that have been eliminated are noted in **red**. To avoid confusion, the numbering of the criteria has not changed.

### STANDARDS FOR COMMERCIAL SUPPORT

Standard 4.2 incorporates the requirements related to Internet CME and journal-based CME that previously were included in the policies. These changes are noted in **blue**.

### TERMINOLOGY

The term “joint sponsorship” is replaced by the term “joint providership” throughout the requirements, including in the Standards for Commercial Support and in the Accreditation Statement Policy. The term “Essentials” in the accreditation statement is replaced with “accreditation requirements.”

### POLICIES

The Organizational Mission and Framework Policy has been **eliminated**.

The CME Program and Activity Administration section now includes the following policies that were moved from other requirements into this document:

- English As Official Language for Accreditation and Recognition Procedures
- HIPAA Compliance Attestation
- Administrative Deadlines

This section also includes the following policy that was moved from the Enduring Materials Policy, so that it now accompanies other policy related to content validation:

- Content Validity of Enduring Materials

### CME ACTIVITY TYPES

This CME Activity Types section in the policies has been **eliminated**. Some of the special requirements for Internet CME, enduring materials, regularly scheduled series, and journal-based CME, were **eliminated** as part of the simplification process. The remaining requirements related to the Standards for Commercial Support and therefore have been incorporated into the Standards, as described above. Previously, these policies also included descriptions of these activity types. These are not requirements—but rather, descriptions, used by accredited providers for annual reporting, and are now incorporated into the Annual Report Glossary. The IMQ/CMA incorporates these descriptions into the annual reports to present the diversity of accredited CME.

### ANNUAL REPORT GLOSSARY

The annual report glossary includes descriptions of CME activity types that previously were included in the policies, as well as other explanations and descriptions related to annual reporting.

## **EL CAMINO HOSPITAL MEDICAL STAFF POLICIES AND PROCEDURES**

### **CME FACULTY DISCLOSURE AND RESOLUTION OF CONFLICT OF INTEREST POLICY**

A. Reviewed/Revised:

[7/14](#), 8/13, 6/12, 9/08, 3/07

B. Policy Summary:

In accordance with the Accreditation Council Continuing Medical Education's (ACCME) Standards for Commercial Support<sup>SM</sup>, it is the policy of the El Camino Hospital CME Program to ensure balance, independence, objectivity, and scientific rigor in all of its continuing medical education activities. El Camino Hospital CME ensures that all personnel involved in planning and production of El Camino Hospital CME activities will disclose any and all potential conflicts of interest and resolve them prior to the CME activity. Each activity is planned, presented, and evaluated in accordance with ACCME's accreditation [Criteria-requirements](#) and Standards for Commercial Support<sup>SM</sup>.

C. Overview Standards for Commercial Support<sup>SM</sup>:

ACCME Standards for Commercial Support<sup>SM</sup> ensure independence in CME activities.

1. **Commercial Interest:** A commercial interest is any entity producing, marketing, re-selling, or distributing health care goods or services consumed by, or used on, patients. Providers of clinical service directly to patients in not considered a commercial interest.
2. **Financial Relationships:** Financial relationships are those relationships in which the individual benefits by receiving a salary, royalty, intellectual property rights, consulting fee, honoraria for promotional speakers' bureau, ownership interest (e.g., stocks, stock options or other ownership interest, excluding diversified mutual funds), or other financial benefit. Financial benefits are usually associated with roles such as employment, management position, independent contractor (including contracted research), consulting, speaking and teaching, membership on advisory committees or review panels, board membership, and other activities from which remuneration is received or expected. ACCME considers relationships of the person involved in the

CME activity to include financial relationships of a spouse or partner.

The ACCME has not set a minimum dollar amount for relationships to be significant. Inherent in any amount is the incentive to maintain or increase value of the relationship.

With respect to personal financial relationships, *contracted research* includes research funding where the institution gets the grant and manages the funds and the person is the principal or named investigator on the grant.

3. Conflict of Interest: Circumstances create a conflict of interest when an individual has an opportunity to affect CME content about products or services of a commercial interest with which he/she has a financial relationship.

The ACCME considers financial relationship to create actual conflicts of interest in CME when individuals have both a financial relationship with a commercial interest and the opportunity to affect the content of CME about products or services of that commercial interest. The ACCME considers “content of CME about the products or services of that commercial interest” to include content about specific agents/devices, but not necessarily about the class of agents/devices are used.

D. Procedure:

ACCME Standards for Commercial Support promote the development of effective strategies for ensuring full disclosure of faculty relationships with commercial interests, the resolution of potential conflict of interest, and the presentation of impartial and balanced information to learners.

1. All individuals involved with planning CME activities must sign a conflict of interest disclosure form during the planning process. Signatures are valid for 12 months unless there are changes in disclosure.
  - a. All relevant financial relationships with any commercial interest must be disclosed. The ACCME defines “‘relevant’ financial relationships” as financial relationships in any amount accruing within the past 12 months that create a conflict of interest.



- b. Individuals subject to this requirement include, but are not limited to, activity course directors and program chairs, planning committee members, faculty/speakers/presenters, authors and editors, expert reviewers, moderators, and panel members.
    - c. Individuals who do not disclose relevant financial relationships will be disqualified from being a planning committee member, a teacher, or an author of CME, and cannot have control of, or responsibility for, the development, management, presentation or evaluation of the CME activity. .
    - d. Relevant financial relationships must be disclosed to learners prior to the CME activity. An individual must disclose to learners any relevant financial relationship(s), to include the following information: The name of the individual; the name of the commercial interest(s); The nature of the relationship the person has with each commercial interest. For an individual with no relevant financial relationship(s), the learners must be informed that no relevant financial relationship(s) exist.
  2. Anyone who is in a position to control the content of a CME activity who discloses a personal conflict of interest must resolve that conflict prior to the CME activity.
    - a. Mechanisms for resolution may include: Support the presentation with “best available evidence” from the medical literature; Refrain from making recommendations regarding products or services; Recommend an alternative speaker; Submit the presentation in advance to allow for adequate peer review; Divest oneself of the financial relationship at least 12 months prior to participating in the planning of an educational activity.

Additional information may be requested of faculty to assist in resolution of personal conflicts of interest.

3. The source of all support from commercial interests must be disclosed to learners. When commercial support is “in-kind” the nature of the support must be disclosed to learners. “Disclosure” must never include the use of a trade name or a product-group message.

The disclosure of the above information to learners must occur prior to the beginning of the CME activity.

4. Evaluation/Monitoring for Bias: CME activities will survey participants about perceived commercial bias as part of the post-activity evaluation. The results of the evaluation are discussed with activity chairs and planners and with the CME Committee and are used for future planning efforts.

E. Additional Strategies and Resources:

The Director of Continuing Medical Education and the Medical Staff Services staff serve as ongoing resources to provide training and answer questions from CME coordinators, course directors, presenting faculty, educational partners/joint ~~sponsors~~ providers and potential grantors (commercial interests) related to standards of practice in CME, ACCME Standards for Commercial Support<sup>SM</sup>, this and all other El Camino Hospital CME policies.

F. Disclosure of Relevant Financial Relationships:

All relevant disclosure information will be made known to participants of an activity and documented on the Evaluation Form as well as CME announcements.

G. Approved By:

CME Committee: 07/16/14  
MEC:  
Board of Directors:

**EL CAMINO HOSPITAL  
MEDICAL STAFF POLICIES AND PROCEDURES**

**APPROPRIATE USE OF COMMERCIAL SUPPORT**

A. Reviewed/Revised:

[7/14, 08/13](#) ~~New~~

B. Purpose:

This policy describes the appropriate use of Commercial Support with El Camino Hospital's CME Program.

C. Commercial Support and Commercial Interest:

**Commercial Support** is financial, or in-kind, contributions given by a commercial interest which is used to pay all or part of the costs of a CME activity.

A **commercial interest** is any entity producing, marketing, re-selling, or distributing health care goods or services consumed by, or used on, patients. The ACCME does not consider providers of clinical service directly to patients to be commercial interests.

D. Appropriate Use of Commercial Support:

1. El Camino Hospital's CME Program will make all decisions regarding the disposition and disbursement of commercial support.
2. El Camino Hospital's CME Program cannot be required by a commercial interest to accept advice or services concerning teachers, authors, or participants or other education matters, including content, from a commercial interest as conditions of contributing funds or services.
3. All commercial support associated with a CME activity must be given with the full knowledge and approval of El Camino Hospital's CME Program.
4. The terms, conditions, and purposes of the commercial support will be documented in a written agreement between the commercial supporter that includes the provider and its educational partner(s). The agreement will include the provider, even if the

support is given directly to the provider's educational partner or a joint-~~sponsor~~ provider.

5. The written agreement will specify the commercial interest that is the source of commercial support.
6. Both the commercial supporter and El Camino Hospital's CME Program will sign the written agreement between the commercial supporter and El Camino Hospital's CME Program.
7. El Camino Hospital's CME Program has a written policy and procedure governing honoraria and reimbursement of out-of-pocket expenses for planners, teachers and authors (see Reimbursement and Honoraria Policy).
8. El Camino Hospital's CME Program, the joint-~~sponsor~~ provider, or designated educational partner will pay directly any teacher or author honoraria or reimbursement of out-of-pocket expenses in compliance with El Camino Hospital's CME Program written policies and procedures.
9. No other payment will be given to the director of the activity, planning committee members, teachers or authors, joint-~~sponsor~~ provider, or any others involved with the supported activity.
10. If teachers or authors are listed on the agenda as facilitating or conducting a presentation or session, but participate in the remainder of an educational event as a learner, their expenses can be reimbursed and honoraria can be paid for their teacher or author role only.
11. Social events or meals at CME activities cannot compete with or take precedence over the educational events.
12. El Camino Hospital's CME Program keeps accurate documentation detailing the receipt and expenditure of the commercial support.
13. The source of all support from commercial interests will be disclosed to learners prior to the beginning of the educational activity. When commercial support is "in-kind" the nature of the support will be disclosed. Disclosure will not include the use of trade name or product-group message of an ACCME-defined commercial interest. El Camino Hospital's CME Program will acknowledge the commercial support as required by SCS 6.3 and

6.4 by stating the name, mission, and areas of clinical involvement of an ACCME-deficined commercial interest but may not include corporate logos or slogans.

G. Commercial Support Agreement:

The Commercial Support Agreement form will be completed by El Camino Hospital's CME Program, the joint ~~sponsor~~ provider, or designated educational partner and the commercial supporter, or its agents.

H. Approved By:

CME Committee: 07/16/14  
MEC:  
Board of Directors:

**EL CAMINO HOSPITAL  
MEDICAL STAFF POLICIES AND PROCEDURES**

**APPROPRIATE MANAGEMENT OF ASSOCIATED COMMERCIAL  
PROMOTION**

A. Reviewed/Revised:

7/14, 8/13, 4/12, 9/08, 8/07

B. Policy Summary:

In accordance with the Accreditation Council Continuing Medical Education's (ACCME) Standards of Commercial Support<sup>SM</sup>, the El Camino Hospital CME Program will fulfill the ACCME requirements for appropriate management of associated commercial promotion and use sound fiscal and business practices with respect to promotional activities.

C. Exhibits and Other Commercial Activities:

1. Exhibits: When commercial exhibits are part of the overall program, arrangements for these ~~should not~~ cannot influence planning or interfere with the presentation of Continuing Medical Education (CME) activities, nor can they be a condition of the provision of commercial support for CME activities. Exhibits may not impede traffic, interfere or in any way compete with the learning experience immediately before, during, or after the activity takes place. All exhibitors must be in a room or area separate from the educational activity.

Exhibit fees shall be separate and distinct from educational grants; exhibit fees are not considered commercial support. Exhibits are considered promotional and therefore exhibit funds cannot be included as part of the educational grant. The company can pay for the grant and exhibit with one check, however, the actual grant agreement amount must not include the exhibit funds. The exhibit fees shall be set by the El Camino Hospital CME Program and will be standard for that activity; potential exhibitors shall have equal access to purchasing exhibit space on a first come-first serve basis.

2. Appropriate Management of Associated Commercial Promotion: The terms and conditions of the support are described in the written agreement (see Exhibitor Agreement), between the El Camino Hospital CME Program and the commercial supporter. Any event or product that contains advertising or promotional

opportunities must not be part of the educational activity and must not be paid for by commercial support. Normally these are assigned to the "exhibit hall," advertising pages or screens or promotional receptions or meals, all of which are clearly identified as such by the learner.

3. Commercial Activities During Educational Activities: No Commercial promotion materials shall be displayed or distributed in the same room immediately before, during, or immediately after the activity takes place.
4. Commercial Supporters at Educational Activities: Representatives of commercial supporters may attend an educational activity at the discretion of the El Camino Hospital CME Program for the direct purpose of the representatives' own education, but may not engage in sales activities while in the room where the activity takes place.

D. Advertisements and Promotional Materials:

Product-promotion material or product-specific advertisement of any type is prohibited in or during CME activities. The juxtaposition of editorial and advertising material on the same products or subjects must be avoided. Live (staffed exhibits, presentations) or enduring (printed or electronic advertisements) promotional activities must be kept separate from CME.

1. For *print*, advertisements and promotional materials will not be interleaved within the pages of the CME content. Advertisements and promotional materials may face the first or last pages of printed CME content as long as these materials are not related to the CME content they face and are not paid for by the commercial supporters of the CME activity.
2. For *computer based*, advertisements and promotional materials will not be visible on the screen at the same time as the CME content and not interleaved between computer 'windows' or screens of the CME content. [El Camino Hospital CME Program will not place our CME activities on a Web site owned or controlled by a commercial interest. With clear notification that the learner is leaving the educational Web site, links from the Web site of El Camino Hospital CME Program to pharmaceutical and device manufactures' product Web sites are permitted before or after the educational content of a CME activity, but shall not be embedded in the educational content of a CME activity. Advertising of any type is prohibited within the educational](#)

content of CME activities in the Internet including, but not limited to, banner ads, subliminal ads, and pop-up window ads.

3. For **audio and video recording**, advertisements and promotional materials will not be included within the CME. There will be no 'commercial breaks'.
4. For **live, face-to-face CME**, advertisements and promotional materials cannot be displayed or distributed in the educational space immediately before, during, or after a CME activity. Providers cannot allow representatives of Commercial Interests to engage in sales or promotional activities while in the space or place of the CME activity.
5. For **journal-based CME**, none of the elements of journal-based CME can contain any advertising or product group messages of commercial interests. The learner must not encounter advertising within the pages of the article or within the pages of the related questions or evaluation materials.

E. Educational Materials:

Educational materials that are part of the CME activity, such as slides, abstracts and handouts, cannot contain any advertising, corporate logo, trade name or a product-group message of an ACCME-defined commercial interest.

F. Non-CME Advertisements and Promotional Materials:

Print or electronic information distributed about the non-CME elements of a CME activity that are not directly related to the transfer of education to the learner, such as schedules and content descriptions, may include product-promotion or product-specific advertisements.

G. Commercial Interest Providing a CME Activity:

El Camino Hospital's CME Program will not use a commercial interest as the agent providing a CME activity to learners, e.g., distribution of self-study CME activities or arranging for electronic access to CME activities.

H. Exhibitor Agreement:

The Exhibitor Agreement form will be completed by the El Camino Hospital CME program and the commercial supporter, or its agents.



Medical Staff Policies and Procedures  
Appropriate Management of Associated Commercial Promotion  
Page 4 of 4

I. Approved By:

CME Committee: 07/16/14

MEC:

Board of Directors:

## EL CAMINO HOSPITAL MEDICAL STAFF POLICIES AND PROCEDURES

### REGULARLY SCHEDULED SERIES (RSS)

A. Reviewed/Revised:

[07/14](#), 08/13, 4/13, 2/09, 9/08, 4/07

B. Policy:

It is the policy of the El Camino Hospital's CME program to plan and implement its RSS activities in a manner that is in compliance with IMQ/CMA accreditation [Standard requirements](#), including ACCME Standards for Commercial Support<sup>SM</sup>. This policy outlines how El Camino Hospital's CME program makes decisions about how RSSs will be planned, implemented, and evaluated.

C. Overview Standards for RSSs:

El Camino Hospital's CME program will engage in RSS activities. RSS's will be planned, presented, and monitored per IMQ/CMA accreditation [Standard requirements](#), including ACCME Standards for Commercial Support<sup>SM</sup>.

1. Regularly Scheduled Series (RSS): An RSS as an activity that is planned to have 1) a series with multiple sessions that 2) occur on an ongoing basis (i.e., offered weekly, monthly, or quarterly) and 3) are primarily planned by and presented to the accredited organization's professional staff.
2. All the RSSs produced by El Camino Hospital's CME program taken together will be considered one "activity". Within the "RSSs Activity" there will be several "series" each made up of several "sessions".
3. RSS's will be directly-sponsored activities to our organization's professional staff. El Camino Hospital's CME program will not engage in joint-~~sponsored~~ [providership](#) RSS activities.

D. Procedure:

El Camino Hospital's CME program will analyze data and information to determine if each RSS ~~has met the Updated~~ [is in compliance with IMQ/CMA accreditation Criteria requirements 2-11](#) and the applicable IMQ/CMA policies. The process for ensuring compliance with this policy

applies a multi-step approach including planning, implementation, and evaluation. The steps for each area are described below.

1. Planning: On an annual basis, each RSS will submit their CME planning worksheet for review and consideration as well as evaluations summaries and promotional materials from the previous series in order to identify past compliance with IMQ/CMA accreditation [Standard requirements](#), including ACCME Standards for Commercial Support<sup>SM</sup>. All items will be reviewed and considered prior to any future approvals.
2. Implementation: RSS planners must complete a planning worksheet which gathers the appropriate information to assess future compliance with IMQ/CMA accreditation [Standard requirements](#), including ACCME Standards for Commercial Support<sup>SM</sup>. In addition, all documents will be reviewed, ~~as well as the monitoring tool from 10% of the sessions from the prior series.~~ If found in compliance, the CME Committee will approve the RSS for the upcoming year. El Camino Hospital's CME Program and its representatives will work closely with each RSS to ensure compliance with IMQ/CMA accreditation [Standard requirements](#), including ACCME Standards for Commercial Support<sup>SM</sup>.
3. Evaluation: All series will be monitored by the CME Committee who will review planning worksheets, activity materials, evaluation forms, budgets, income and expense statements, and written agreements along with list of commercial supporters, if applicable. ~~Additionally the CME Director or designated monitor will sample 10% of the sessions within each series across the whole accreditation term to assure compliance with all IMQ/CMA CME Accreditation Standard, including ACCME Standards for Commercial Support<sup>SM</sup>. An RSS will be found in compliance if, and only if, they achieve 100% in all samplings. Results will be shared with the CME Committee on an annual basis.~~

E. ~~Monitoring System for Regularly Scheduled Series (RSSs):~~

~~El Camino Hospital's CME program will monitor each RSS for compliance to assure that the activity: (1) is based on real performance data and information derived from the RSS that describe compliance (SCS 2.1-2.5 and 3.1-3.3), and Results in improvements when called by for by this compliance data (SCS 2.4-2.5 and 3.1), and Ensures that appropriate Letter of Agreement are in place whenever funds are contributed in support of CME (SCS 3.3).~~

~~The Monitoring System for Regularly Scheduled Series (RSSs) tool will be used during the CME Director or designated monitor's observations of each series.~~

~~FE.~~ Approved By:

CME Committee: 07/16/14

MEC:

Board of Directors:

**EL CAMINO HOSPITAL  
MEDICAL STAFF POLICIES AND PROCEDURES**

**REIMBURSEMENT AND HONORARIA**

A. Reviewed/Revised:

[07/14](#), 04/14, 08/13, 06/12, 09/08, 08/07

B. Purpose:

This policy describes the procedures payment of honoraria and out-of-pocket expenses.

C. Honoraria – Speakers, Planners, Authors:

1. El Camino Hospital's CME Program will make all decisions regarding the disposition and disbursement of commercial support not to exceed \$~~21~~20,000 per activity unless under extraordinary circumstances and approved by the CME Committee. [Grand Rounds \(Medicine, OB/GYN, and Pediatrics\) Program Directors may authorize up to \\$200 per activity without approval from the CME Medical Director and/or Manager of CME.](#)
2. The exact amount of honoraria for each speaker, planner or author must be specified on the Basic Activity Budget and Income/Expense Form located within the CME Planning Worksheet [and presented to El Camino Hospital's CME Program at least 30 days prior to the activity for consideration.](#)
3. All payment of honoraria will be made directly by El Camino Hospital's ~~CME Program~~.
4. Presenters, planners and authors shall not receive any reimbursement for a CME activity except that paid by El Camino Hospital's ~~CME Program~~ [and with approval by El Camino Hospital's CME Program.](#)

D. Expenses – Speakers, Planners, Authors:

1. Reimbursement will be made for reasonable out-of-pocket expenses for travel, lodging and meals on receipt of itemized expense reports. [Reimbursement for out-of-pocket expenses must receive approval from El Camino Hospital's CME Program at least 30 days prior to the activity.](#)

2. All reimbursement for expenses will be made directly by El Camino Hospital's ~~CME Program~~.
3. Commercial support may not be used to pay for travel, lodging, honoraria or personal expenses for non-teacher or non-author participants of a CME activity except bona fide employees and volunteers of the provider, joint ~~sponsor-providership~~ or educational partner.
4. A detailed budget, including honoraria and expenses, will be specified on the Basic Activity Budget and Income/Expense Form located within the CME Planning Worksheet.

E. Approved By:

CME Committee: 07/16/14

MEC:

Board of Directors:

***Practitioner Name:***

**CRITERIA FOR PRIVILEGES:** Physicians applying/reapplying to the Department of Surgery may be granted Core Privileges for Ophthalmology if they are Board Certified or have completed an accredited residency training program in Ophthalmology.

**CONSULTATIONS:**

Consultation(s) shall be obtained by all Medical Staff members whenever the patient appears to be developing unexpected complications or untoward results which threaten life or serious harm, either from the failure of the patient to appropriately respond to the therapy being given and/or substantial medical uncertainty in diagnosis and management.

**INSTRUCTIONS:**

- Please check the box in the “Requested” column for each privilege requested.
- Indicate the number you have performed in the “#Done” column.
  - **For new applicants**, this number needs to reflect your total experience with that procedure.
  - **For current medical staff applying for reappointment**, this will reflect the number performed within the last 24 months.
- Provide documentation where applicable – **see yellow highlighted items**.

***Approvals:***

***Surgery Department LG Executive Committee: August 21, 2014***

***Surgery Department MV Executive Committee: August 21, 2014***

***Medical Executive Committee: August 28, 2014***

***Board of Directors:***

Requested	#Done New App: Total # Reapp: # Last 2 yrs	Privilege Description	Additional/Special Criteria (if applicable) Highlighted areas show required documentation	Dept Chief Approved
	New	<b>Core Privileges Ophthalmology:</b> Core privileges include admission, workup, diagnosis, and the performance of surgical procedures on patients of all ages presenting with illnesses, injuries, and disorders of the eye, including its related structures and visual pathways. These privileges include the provision of consultation as well as the ordering of diagnostic studies and procedures related to the ophthalmologic problem <i>including temporal artery biopsies.</i>		
<b>Please list here any of the above Core privileges you do not wish to request:</b>				
		<b>MODERATE (CONSCIOUS) SEDATION</b>	Initial Applicant: Requires passing the Moderate Sedation Examination with 85% or higher. • Initial applicant must take the exam provided by ECH Medical Staff Office – 650-940-7058.	
		Laser		
		Penetrating keratoplasty		
		Radial Keratotomy		
		Epikeratophakia		
		Placement of external radiotherapeutic source		

**Acknowledgement of Practitioner:** I attest that I am competent to perform the procedures as requested and have attached supporting documentation where needed and agree to provide additional documentation if requested. I understand that in making this request I am bound by the applicable bylaws and/or policies of the hospital and medical staff.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date



B. RECORDS

The responsible staff member shall be accountable for the preparation of a complete medical record for each patient. Unless otherwise provided in standing orders, protocols, or guidelines, a record shall include (a) identification data; (b) chief complaint; (c) details of present illness; (d) relevant past, social, and family histories; (e) inventory of body systems; (f) complete physical examination; (g) provisional diagnosis; (h) consultation reports; (i) reports from laboratory, i.e., pathology, radiology, etc.; (j) progress notes detailing medical surgical treatment that reflect any change in condition and results of treatment; (k) reports of procedures (also see below), e.g., nuclear medicine, radiology, anesthesia; (l) principal & secondary diagnosis(es); (m) *discharge summary, discharge instructions, condition on discharge*; (n) follow-up plans; and (o) appropriate consents; and (p) autopsy results, if applicable. All entries shall be dated, timed, and authenticated by the appropriate practitioner. Any entries made for the practitioner (fellow, resident, physician assistant, etc.) must be dated, timed, and counter-signed by the practitioner, except emergency department (ED) reports. ED assessments may be dictated and signed by the responsible nurse practitioner or physician's assistant, and must include the name of the supervising ED physician. The ED physician must document in the ED record that he/she has reviewed the assessment and care provided.

Medical Records may be authenticated by a computer key code, in lieu of a physician's signature, only when that physician has placed a signed statement in the hospital administrative offices to the effect that he/she is the only person who has possession of the key code and the only person who will use the key code. Signature/authentication by a practitioner other than the author is permitted only when the author is unavailable, but not for convenience or as common practice.

History & Physical (H&P)

1. H&P must be completed by a practitioner privileged to perform H&Ps – these are defined as:
  - a. MD/DO
  - b. DDS/DMD
  - c. DPM
  - d. Nurse Practitioner – must be countersigned by supervising practitioner with 14 days of the patient's discharge.
  - e. Certified Nurse Midwife
  - f. Physician Assistant – must be countersigned by supervising practitioner with 14 days of the patient's discharge.
  
2. H&P must be completed and documented for each patient no more than 30 days before or 24 hours after admission, but prior to surgery or procedure requiring anesthesia services.

**At a minimum, the following systems must be included in the H&P:**

- a. Heart and lungs
- b. Abdomen
- c. General appearance and orientation
- d. Vital signs (including blood pressure, heart rate, respiratory rate, and temperature – afebrile is acceptable) or reference to vital signs obtained elsewhere in the admission process
- e. Major integumentary
- f. Musculoskeletal or sensory systems when problems such as blindness, deafness, missing limbs, or open sores and wounds exist
- g. Rectal/pelvic examinations are recommended when pertinent to the admission

- diagnosis
- h. Salient features of the case
- i. Drug tolerances
- j. Pertinent positive and negative findings that relate to the reason for admission.

**Outpatients** receiving local anesthesia or conscious sedation require, as a minimum, a current statement of present illness, a statement of absence of infection or intercurrent disease, a description of cardiorespiratory status, known allergies, current medications, and a preoperative diagnosis.

**Obstetrical records** should include all pertinent and significant prenatal information. A durable, legible original or reproduction of the office or clinical prenatal record is acceptable. The report of the physical examination shall reflect a comprehensive current physical assessment

**ECT Patients** - For patients receiving a series of ECT treatments, the history and physical must be within thirty (30) days prior to the initial treatment. For subsequent treatments within the same series, an update to the H&P will be required (the update must include auscultation of the lungs and heart and any significant change in condition or absence of any significant change). This may be documented on the anesthesiologist pre-anesthesia assessment form.

3. **Updates:** When the H&P is conducted within 30 days of admission (inpatient or outpatient), an updated examination, including any changes in the patient's condition, must be completed and documented by a qualified practitioner (see #1 in this section) within 24 hours of admission (inpatient or outpatient), but prior to surgery or a procedure requiring anesthesia services when the H&P was completed within the previous 30 days.
  - a. The update must include auscultation of the lungs and heart and any significant change in condition or absence of any significant change from the previous report. If the patient is an inpatient, the update may be documented in the progress note or on the 'Procedure Notes' form.
4. If the reviewing practitioner finds the H&P incomplete, inaccurate, or otherwise unacceptable, he/she may disregard the H&P and perform a new H&P within 24 hours or prior to surgery/procedure as noted above.

#### **Other Medical Record Documentation:**

1. There shall be pre-anesthetic and post-anesthetic notes documented in the medical record which include the anesthesiologist's pre-anesthetic evaluation, the patient's condition upon admission to the Post Anesthesia Care Unit, a description of the post-operative course, a description of any anesthesia complications, and a description of the patient's condition upon discharge from the Post Anesthesia Care Unit.

2. **Operative Reports:**

*The immediate post-operative note must be* ~~Documentation is~~ entered in the medical record before the patient is transferred to the next level of care. This documentation includes the name(s) of the primary surgeon and assistants, procedures performed and a description of each procedure finding, estimated blood loss, specimens removed, and complications, if any; condition at the end of the case, and postoperative diagnosis. This

documentation ~~can~~ must be in ~~the form of~~ documented in the electronic medical record on the 'post procedure note'. Downtime paper forms may be used when the EMR is not functional. a progress note or by using one of the forms supplied by the hospital.

*The comprehensive* ~~An~~ operative report describing techniques, findings, and tissues removed or altered must be written or dictated ~~immediately following~~ *within 24 hours of* surgery and signed by the surgeon.

- Date and times of the surgery;
- Name(s) of the surgeon(s) and assistants or other practitioners who performed surgical tasks (even when performing those tasks under supervision);
- Pre-operative and post-operative diagnosis;
- Name of the specific surgical procedure(s) performed;
- Type of anesthesia administered;
- Complications, if any;
- A description of techniques, findings, and tissues removed or altered;
- Surgeons or practitioners name(s) and a description of the specific significant surgical tasks that were conducted by practitioners other than the primary surgeon/practitioner (significant surgical procedures include: opening and closing, harvesting grafts, dissecting tissue, removing tissue, implanting devices, altering tissues); and
- Prosthetic devices, grafts, tissues, transplants, or devices implanted, if any.

3. Progress notes shall be written/dated/timed/signed on each day of the inpatient stay by the attending physician, his/her associate, or his/her designated PA or NP with El Camino Hospital privileges. The attending physician or his/her associate shall make at least daily rounds on patients in the CCU, PCU, or Telemetry.

4. Orders for treatment and tests ~~may be handwritten or~~ must be entered into the computer system by the Medical Staff member or authorized person at the direction of the staff member. Drug and treatment orders must be appropriately signed within forty-eight (48) hours. All other orders must be signed within seventy-two (72) hours or prior to the discharge or transfer of the patient. Telephone orders shall immediately be recorded and then read back to the staff member for confirmation, shall be signed by the person to whom dictated with the name of the Medical Staff member per his own name, and shall be signed by the Medical Staff member within the prescribed time limits.

Persons authorized to accept orders defined: Persons to accept and transcribe orders at the direction of Staff Member shall include the nursing staff, pharmacists, and those persons designated by department guidelines or service protocols in conformity with applicable statutory provisions.

Outpatient testing and treatment must be performed upon the order of a physician, with exceptions specified by law. Orders for outpatient tests and treatment must include the name of the patient, the date of the order, the test or treatment to be performed, and the reason for the test or treatment to be performed (symptoms or diagnosis). Orders for outpatient treatment must be authenticated by a physician. Orders for outpatient diagnostic tests (i.e., laboratory, radiology

exams, EKG, etc.) may be submitted on a requisition form, a prescription/order form from the physician's office, or may be telephoned to the appropriate department by the physician's office staff with follow-up written orders.

Verbal or telephone orders must be signed/authenticated, dated and timed by the author within 48 hours. Faxed or electronic signatures may be used to authenticate a verbal or telephone order. Signature/authentication by a practitioner other than the author is permitted only when the author is unavailable, but not for convenience or as common practice. Verbal or telephone orders should be limited to those situations in which it is impossible ~~or impractical~~ for the prescriber to ~~write the order or~~ enter it into a computer.

In the case of an incorrect order, the practitioner must document in the medical information system or on the Unsigned Orders Summary, that the order was entered incorrectly.

5. A Record of Newborn must be completed for each normal newborn. The Admission Examination must be completed within twenty-four (24) hours of birth by the attending physician, and the Discharge Examination must be completed at discharge of the infant from the hospital.
6. A discharge summary is required on all stays over forty-eight (48) hours, except for uncomplicated obstetrical cases and normal newborns. Discharge summaries are also required for patients who are transferred to another acute care facility or who die within forty eight (48) hours, and shall be written or dictated at the time of discharge, transfer or death.

A discharge summary should briefly recapitulate the reason for hospitalization, the significant findings, the procedures performed and treatment rendered, the condition of the patient on discharge, medications, and any specific instructions given to the patient and/or family regarding follow-up care.

For stays less than forty-eight (48) hours, a final progress note may be ~~written-completed~~ in lieu of a discharge summary unless the patient is transferred or dies. If a discharge summary is not required, the following information must be included in the final progress note: diagnosis, condition of the patient, diet, activity, medications, and follow-up instructions (if not covered with a preprinted form).

7. ***Discharge instructions are required on all hospital stays, including short-stay and cancelled surgeries. Discharge instructions must include the following elements: 1) Discharge medication reconciliation; 2) discharge diet; 3) follow-up appointments; 4) activity level; 5) signs/symptoms to watch for.***
8. In the event of a death, a discharge summary should be added to the record which the physician must authenticate. The final summary should indicate the reason for admission, the findings, course in the hospital including significant conditions (present on admission and comfort care), and immediate cause of death.
9. When a necropsy is performed, the provisional anatomic diagnosis should be recorded on the medical record within seventy-two (72) hours and a final completed report shall become a part of the record.
10. The records of discharged patients will be completed within 14 days following discharge.

11. All forms designed to become a part of the medical record must be approved by the Medical Records Committee and by the Medical Staff Executive Committee.
12. Procedures for making changes or amendments to record entries:
  - a. Any individual who discovers an error or omission of his or her own shall immediately upon discovery correct it and do so in accordance with the procedures in this section.
  - b. Simple corrections may be made during the actual writing of a record entry and shall be lined through (not obliterated), initialed and dated timed.
  - c. Errors or omissions discovered at a later time shall be corrected by a separate entry to the appropriate portion of the record. The original entry shall be lined out (not obliterated).
13. Physician Review of Medical Records  
A physician may request to review a chart only when he/she is actively involved in that patient's care or if reviewing the case for official peer review or quality assessment purposes. Any abuse of this privilege may result in disciplinary action.
14. Health Insurance Portability and Accountability Act of 1996 (HIPAA)  
This Act, as implemented by the HIPAA Privacy Regulation (42 CFR Parts 160 and 164) requires that El Camino Hospital implement policies and procedures to protect the privacy and security of "protected health information" and to afford patients certain rights with regard to their information. "Protected health information" includes any health-related information that identifies or could be used to identify an individual, including patient medical and billing records. HIPAA applies both to the Hospital and to the members of the Medical Staff
  - a. El Camino Hospital has adopted privacy practices for the use and disclosure of patient information within the Hospital. These privacy practices are summarized in the Hospital's Notice of Privacy Practices, which is furnished to patients and posted at the Hospital's facilities.
  - b. The Notice of Privacy Practices applies to all patient health information created or received in the course of providing health care or conducting business operations at any hospital operated location. The Notice is given jointly on behalf of the Hospital and the members of the Medical Staff. It does not, however, apply to patient health information at other locations, such as a Medical Staff member's private office.
  - c. Each member of the Medical Staff shall abide by the terms of the Notice of Privacy Practices and with the Hospital's policies and procedures for health information privacy and security, as amended from time to time. Medical Staff members must adopt their own notice of privacy practices at their private offices as necessary to comply with the Privacy Regulations.

## PATIENT CARE SERVICES POLICIES AND PROCEDURES OPERATING ROOM

### 19.5 TYPES OF SURGERY AND PERSONS TO PERFORM AS FIRST ASSISTANTS

A. Coverage: Operating Room personnel and Medical Staff

B. Reviewed/Revised: 4/98, 3/99, 1/01, 1/04, 7/06, 06/09; 01/20/12

C. Policy:

The types of surgery performed in the operating room is dictated by the approved privileges that are requested and granted through the application, appointment and reappointment process and approved by the Medical Staff and appropriate Executive Committees.

D. Purpose:

To define those procedures requiring an assistant, those allowing an RNFA/PA or other qualified allied health first assistant to assist, and those cases that will be left to the discretion of the surgeon, utilizing guidelines from the American College of Surgeons Assistant at Surgery Consensus.

E. Procedure:

1. Unless otherwise required, it is under the discretion of the operating surgeon and based on the complexity of the surgery or patient condition as to when an MD assistant is used.
2. The RNFA/PA or other qualified allied health professional practices under the direct supervision of the surgeon. The RNFA or PA may perform approved standardized procedures as directed and supervised by the surgeon.
3. The American College of Surgeons Assistant at Surgery Consensus will be used as guidelines and will be available in the Operating Room Suite and on the El Camino Hospital Toolbox.
4. All Cardiovascular operative procedures that require extracorporeal bypass must have a minimum of two surgeons, the third assistant may be an appropriately trained Physician Assistant per DHS notice of October 31, 2007.



**Robotic procedures:**

During robotic procedures, when there is no assistant and the surgeon is at the console, the person who is scrubbed-in is allowed to place and/or replace laparoscopic instrumentation through the trocar ports, under the direct visualization and supervision by the surgeon. Manipulation of any kind of tissue through a trocar port, including cutting or clamping is not acceptable within the scrub person's scope of practice.

4.

F. Approval:

*Multidisciplinary Surgery Committee: 1/20/12 (Consisting of MV & LG chiefs and vice chiefs of Surgery, Ortho; OR Directors MV & LG; Administration MV & LG; Regulatory Compliance Representatives)*

*Medical Staff Executive Committee: 1/26/12*

*Board of Directors: 2/8/12*

*Revision  
Aurg Dept MV & LG : 8/21/14  
MEC :  
Board:*

8/28/14

**Att 5f - Corp Compliance Open Minutes 6-19-14  
FINAL.docx**



**EL CAMINO HOSPITAL  
BOARD of DIRECTORS  
CORPORATE COMPLIANCE/PRIVACY and INTERNAL AUDIT COMMITTEE  
Open Session Meeting – June 19, 2014**

**MINUTES**

The Meeting of the Compliance/Privacy and Internal Audit Committee of the Board of Directors of El Camino Hospital (the “Committee”) was called to order by Chair John Zoglin at 5:00 p.m. on Thursday, June 19, 2014, in Conference Room F at El Camino Hospital.

**I. CALL TO ORDER**

A silent roll call was taken. Committee members John Zoglin, Wesley Alles, Christine Sublett, Dennis Chiu (5:42) Sharon Anolik-Shakked(via teleconference) and Ramy Houssaini (via teleconference) were in attendance.

**II. POTENTIAL CONFLICT OF INTEREST DISCLOSURES**

Chair Zoglin asked if there were any conflicts of interest among Committee members. None were reported.

**III. PUBLIC COMMUNICATIONS**

Chair Zoglin asked if there were any public communications to be announced. There were none.

**IV. CONSENT CALENDAR**

Chair Zoglin asked if there were any consent calendar item changes or corrections to the minutes of the April 10, 2014 meeting. None were proposed.

ACTION: A motion was made by Committee member Alles, seconded by Committee member Sublett and adopted by a vote of five Committee members in favor, to approve the minutes of the April 10, 2014 meeting.

**V. DISCUSSION OF ERM RISK PROFILE**

Chair John Zoglin opened discussion regarding El Camino Hospital’s enterprise-wide risk management profile and how it should be structured for presentation to the Board in March 2015. Discussion included the need for a clear determination of what is included in the current profile, defining tolerance by articulating among different domains what is tolerable and how to hold people accountable, identifying what risks can impact our ability to provide health care (i.e. enterprise-wide risks that are not measurable or can’t be quantified and, consequently, are not routinely thought about), recommend a structure to receive directions from other Board Committees regarding risk levels, and how to build the EMR into the culture of the enterprise. It was also suggested that we look at examples in place at other hospitals.

On Committee member Houssaini’s suggestion, it was agreed that a potential start should include the following:

- Begin with a core mission around delivering care which highlights Patient Safety, and develop from there
- Provide an overview of all that is currently in place
- Provide a methodology for pace and direction for the future
- Identify the top four risks under each domain
- Provide a process and reporting mechanism for the Board

How to proceed with the Quality Committee and the Board on this matter will be determined over the next 12 months. Ms. Ryba asked all to keep in mind that the Committee will be delivering information about the EMR process. It was suggested that an RFP be issued for an outside resource that can step in to educate the Board and sit with Committees and staff to walk through the ERM and provide education.

#### VI. KEY INDICATORS SCORECARD

Diane Wigglesworth provided a review of the FY 14 Corporate Compliance Scorecard. She also reviewed trending graphs which addressed policy compliance and related disciplinary action, Hotline activity, and incidents that required reporting to outside agencies. (An error in one of Ms. Wigglesworth's graphs was noted, which she indicated she would correct.)

Ms. Wigglesworth took a moment to clarify that the reason for such detailed reporting on the scorecard at the Committee meetings is not just for metrics purposes, but to demonstrate what is being detected to support the Committee's oversight responsibilities.

Greg Walton noted that the IT Security laptop policy should clearly include a directive that those who carry laptops in their cars should keep them locked in the car trunk to avoid theft.

Ms. Ryba suggested that adding medical malpractice and/or employee claims to the scorecard be considered.

#### VII. FY 15 COMMITTEE GOALS

FY 15 Committee Goals were briefly reviewed, and it was determined that there were no changes in content or timing.

#### VIII. ADJOURN TO CLOSED SESSION

Upon motion duly made, and approved by a vote of six Committee members in favor, the Open Session of the meeting was adjourned to Closed Session at 5:50 p.m. pursuant to *Gov't Code Section 54957.2* to consider and approve the Consent Calendar (the Closed Session minutes of April 10, 2014), pursuant to *Health and Safety Code Section 32106(b)* for one conference with legal counsel, and pursuant to *Gov't Code Section 54956.9(d)(2)* for three conferences with legal counsel.

#### IX. CLOSED SESSION

The Committee completed its business of the Closed Session at 6:49 p.m.

X. RECONVENE OPEN SESSION

The Open Session was reconvened at 6:49p.m.

XI. CLOSED SESSION REPORTS

Chair Zoglin announced that the following actions were taken in closed session: The minutes of the Closed Session of the April 10, 2014 Committee meeting were approved upon motion made by Committee member Alles, seconded by Committee member Chiu, and by a vote of five Committee members (Alles, Anolik-Shakked, Chiu, Sublett and Zoglin);

XII. STATUS OF FY 2104 COMMITTEE GOALS

All FY:14 committee goals have been accomplished.

XI. CLOSING COMMENTS

There being no further business, on a motion by Committee member Chiu, seconded by Committee member Alles, and a unanimous vote of five Committee members, the meeting was adjourned at 6:50 p.m.

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John Zoglin  
Chair, ECH Compliance/Privacy and  
Internal Audit Committee

Attest as to the approval of the foregoing  
minutes by the Corporate Compliance/Privacy  
and Internal Audit Committee and by the  
El Camino Hospital Board of Directors.

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Patricia A. Einarson, MD  
ECH Board Secretary/Treasurer

# **Att 5g - IC 5-12-14 OPEN Minutes.docx**

**Minutes of the Open Session  
Investment Committee Meeting  
Of El Camino Hospital  
Monday, May 12, 2014**

1. **Call to Order.** The Open Session meeting of the Investment Committee Meeting of El Camino Hospital (the “Committee”) was called to order by Committee Chair John Zoglin at 5:30 p.m. on Monday, May 12, 2014, Conference Room A at El Camino Hospital, 2500 Grant Road, Mountain View, California.

2. **Roll Call.** Committee members present were John Zoglin, Nicki Boone, Jeffrey Davis, MD, and Brooks Nelson. Committee member Ethan Cohen-Cole was absent.

3. **Potential Conflict of Interests Disclosures.** Committee Chair John Zoglin asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.

4. **Consent Calendar.** The Committee reviewed the item on the Consent Calendar. Upon motion duly made by member Nicki Boone and motion seconded by member Jeffrey Davis, MD, the March 3, 2014 open minutes were unanimously approved by four members in attendance (Zoglin, Boone, Davis, and Nelson), and one absent (Cohen-Cole).

5. **Agenda Item 5 – El Camino Hospital Financial Performance.** Matt Harris, Controller, presented an overview of the March 2014 Period 9 financial operations. He reviewed the Year to Date Statement of Revenue and Expenses and stated that net revenue is \$13M positive to budget, \$8M of which is due to cost report settlements. Mr. Harris recapped the unfavorable \$11M in salary and wages. The variance is due to several reasons: 1) management bonuses are not budgeted for; 2) the pricing issue in 2013 with PRN expenses; and 3) health benefit expenses (rate changes with medical, dental, vision, etc.) not meeting budget. Mr. Harris reported that supply expenses are looking good due to effective negotiations with vendors. Purchased services are over budget primarily because of strategic planning costs, recruiting costs, and epic consulting costs. He reported that other operating income is negative by \$1M due to retroactive property tax payments to Santa Clara County. Mr. Harris concluded by stating that we are doing extremely well with non-operating income which is over budget by \$23M due to cash investment income being over budget by \$8M and unrealized investment income over by \$14M.

6. **Agenda Item 6 – Executive Dashboard.** Mr. Antonio DiCosola, Pavilion Advisory Group, reviewed the Investment Committee Scorecard. He stated the Sharpe Ratio is very favorable for Surplus Cash and Cash Balance, explaining that the Sharpe Ratio is the excess return minus U.S. Treasury rates divided by the standard deviation, which gives an idea of how much return we are getting for the amount of risk taken, a higher number is better. He briefly went over the asset allocations stating that we are overweight in short duration fixed income as a placeholder until the capital calls start coming in. There is a standard range in asset allocations we are trying to meet, currently higher short fixed but less risk than the benchmark. Mr.

DiCosola pointed out that a footnote in the Investment Policy Statement stating that there will be deviations in the interim until it is fully invested. He briefly reviewed Manager Compliance, the Surplus Cash manager flags and Cash Balance Plan manager flags. Committee members requested that Pavilion create an informational page containing a glossary and basic definitions. To further understand how we are performing, it was also suggested that Pavilion add two additional columns to the Scorecard: 1) Year to Date against Benchmark, and 2) Annualized Since Inception against Benchmark .

**Agenda Item 7 – Investment Review.** Mr. Antonio DiCosola of Pavilion Advisory Group provided an overview of the global investment markets for the quarter. Equity and fixed income markets generated positive results. It was noted that value equities outperformed growth equities and large-cap equities outperformed small-cap equities.

Mr. DiCosola reviewed the performance of the El Camino Hospital pools. He indicated that the Surplus Cash and the Cash Balance Plan trailed their respective benchmarks by 10 basis points during the quarter but have outperformed by wide margins since inception. In both plans, asset allocation hindered performance during the quarter; however, both pools benefited from outperformance from their market duration fixed income managers as well as their alternative managers. Mr. DiCosola brought attention to asset allocation differences versus the target and ranges outlined in the Investment Policy Statement. The short-duration fixed income and alternatives composites were outside of established ranges. Mr. Lucas Mansberger, Pavilion Advisory Group, indicated that most investment managers were outperforming or performing in-line with their respective benchmarks since the restructuring of the El Camino Hospital portfolios in 2012.

There were net inflows into the Surplus Cash pool of \$1.8 million during the first quarter. Within the Cash Balance Plan, Walton Street RE Fund VII called \$1.7 million in capital while the Oaktree Real Estate Opportunities Fund VI called a total of \$2.5 million during the quarter.

Mr. DiCosola reviewed the Surplus Cash pool's Direct Hedge Fund Portfolio performance. The Direct Hedge Fund Portfolio returned +1.1% during the quarter, outperforming its primary benchmark, the HFRI Fund of Funds Composite Index, by 70 basis points. Performance was driven by the strong returns of the credit managers.

Mr. DiCosola reviewed new investments that were recently made in the Direct Hedge Fund Portfolio. On April 1, 2014 the increase in the hedge fund allocation was fully funded with a total of \$26.5 million invested in five new managers and an additional \$1.0 million each to existing managers Brevan Howard Multi-Strategy Fund and Robeco Transtrend Diversified Fund. The portfolio additions had been structured to bring the total Direct Hedge Fund Portfolio's top-level strategy allocations to approximately 40% equities and 20% each of credit, macro and relative value.

Mr. Mansberger provided detail on the new hedge funds in the portfolio and provided a brief summary of the differences in firms, investment strategies and portfolios of the new hedge fund strategies. The Committee briefly reviewed the rationale for the hedge fund allocation within the

Surplus Cash pool, which is intended to provide favorable returns relative to fixed income with reduced volatility relative to equities. The Committee inquired regarding the liquidity of the portfolio. Mr. DiCosola indicated that the initial “lock-ups” for several of the funds of the portfolio do not expire for approximately two to three years. Mr. Mansberger added that after the lock-up periods expire, the majority of the portfolio would be available for redemption within a year and some as soon as monthly.

8. **Agenda Item 8 – Goals and Pacing Plan.** Committee Chair Zoglin was concerned about the timing for the 403(b) analysis and understanding the legal issues surrounding what the Committee’s role should be. He would like a timeframe as to when the analysis can be presented to the Committee. Chair Zoglin took a poll on availability of Committee members and Pavilion so that questions regarding risk can be placed on either the June or August Board Agenda. He requested that the Charter and Executive Dashboard Goals be updated to reflect the correct status. Chair Zoglin briefly reviewed the FY2014 Pacing Plan and asked members to check their calendars against the Investment Committee meeting dates so that changes can be made if necessary. On the draft FY2015 goals, Chair Zoglin suggested moving the Board education goal from May (budget review) to fiscal year Q2 or Q3 and the Asset Allocation goal may need to be moved from August to November. Chair Zoglin asked Committee members to let him know if they come across educational opportunities so that funding can be made available.

9. **Agenda Item 9 – Adjourn to Closed Session.** Committee member Nelson made a motion, seconded by member Brooks and adopted by a vote of four members in favor (Boone, Brooks, Davis, and Zoglin), one absent (Cohen-Cole) to adjourn to Closed Session at 6:45 pm.

10. **Agenda Item 12 – Reconvene to Open Session.** Open Session reconvened at 7:04 pm. Committee Chair stated that there was nothing to report out.

11. **Agenda Item 10 - Adjournment.** There being no further business of the Investment Committee, the meeting was adjourned at 7:04 pm.

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John Zoglin, Chair  
ECH Investment Committee

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Patricia A. Einarson, MD  
ECH Board Secretary

## **Att 5h - BQC Open Minutes 6-16-14.docx**



**Minutes of the Open Session**  
**Quality, Patient Care and Patient Experience Committee**  
**Monday June 16, 2014**  
**El Camino Hospital, 2500 Grant Road, Mountain View, California**  
**Conference Rooms E&F**  
**And**  
**1431 First Street, Coronado, CA 92118**

1. **Call to Order.** The meeting of the Quality, Patient Care and Patient Experience Committee of El Camino Hospital (the “Committee”) was called to order by Committee Vice-Chair, Jeffrey Davis, MD, at 5:32 p.m.

2. **Roll Call.**

Members present: Patricia Einarson, MD (via phone conference), Jeffrey Davis, MD, Katie Anderson, Lisa Freeman and Ex-officio Member Neal Cohen, MD.

3. **Potential Conflict of Interests Disclosures.** Vice-Chair Davis asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.

4. **Consent Calendar.** Vice-Chair Davis asked if any Committee member had any corrections to the consent calendar items. Dr. Einarson pulled the Closed May 19, 2014 minutes for correction; (1) Remove committee member Dr. D’Andrea and state Dr. D’Andrea (2) place Dr. in front of Eric Pifer.

**Motion:** To approve the consent calendar (Minutes of the May 19, 2014, as corrected).

**Movant:** Freeman

**Second:** Einarson

**Ayes:** Einarson, Freeman, Davis and Anderson

**Noes:** None

**Abstentions:** None

**Absent:** Reeder, Hill and Pinsker

**Recused:** None

5. **Corporate Scorecard Review.** There was discussion primarily around mortality and pneumonia. Dr. Davis stated that pneumonia is a very important metric to measure and does not want to see it drop off the corporate scorecard and would like to see the Hospital get into the highest quartile for that metric. He also suggested doing our own risk adjustment internally to get greater clarity.

Dr. Pifer will discuss the clinical variation reduction program in more detail at the September meeting. Dr. Pifer will suggest better ways to show trends, data display, and benchmark performances on the current corporate scorecard at the August meeting.

6. **Corporate Scorecard Review: Infection Control.** Dr. Pifer introduced Carol Kemper, MD, and Catherine Nalesnik, RN to present on infection control. Dr. Kemper discussed the infection control team, a summary of the program and the different task forces. There was some discussion on legionella testing of the water at El Camino Hospital and the policy on wearing scrubs and air exchange via ventilation in critical care areas.

7. **Draft of FY15 Pacing Plan.** Vice-Chair Davis stated that this agenda topic would be discussed in more detail at the August meeting.

8. **Patient & Family Advisory Council (PFAC) Update.** Ms. Reinking gave an update on the PFAC. They met in the month of May and they focused on the HCAPS questions and they received great feedback from the committee. Ms. Reinking stated that all employees, including physicians are receiving half-day service foundation training. Ms. Reinking will come back to the committee in 6 months for another update.

9. **Public Communication.** None

10. **Adjourn to Closed Session.**

**Motion:** To adjourn to closed session

**Movant:** Einarson

**Second:** Freeman

**Ayes:** Einarson, Freeman, Davis and Anderson

**Noes:** None

**Abstentions:** None

**Absent:** Reeder, Hill and Pinsker

**Recused:** None

*Agenda Item 13 and 14 were completed in Closed Session.*

15. **Reconvene Open Session.** Open session was reconvened at 7:43 pm. Vice Chair Davis reported that the committee approved the amended Closed Session minutes of the Committee's May 19, 2014 meeting.

16. **Adjournment.**

**Motion:** To adjourn the meeting at 7:44 pm.

**Movant:** Anderson

**Second:** Freeman

**Ayes:** Einarson, Freeman, Davis and Anderson

**Noes:** None

**Abstentions:** None

**Absent:** Reeder, Hill and Pinsker

**Recused:** None

**Attest as to the approval of the  
Foregoing minutes by the Quality  
Committee and by the Board of  
Directors of El Camino Hospital**

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David Reeder  
Chair, ECH Quality, Patient Care  
And Patient Experience Committee

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Patricia A. Einarson, MD  
ECH Board Secretary

# **Att 5i - Foundation Report.pdf**

## Memorandum

Date: August 28, 2014  
To: El Camino Hospital Board of Directors  
From: Russ Satake, Chair, El Camino Hospital Foundation Board of Directors  
Jodi Barnard, President, El Camino Hospital Foundation  
Re: Report on Foundation Activities FY 2015 - Period 1 in Review

### **Setting the Stage for Fundraising in FY15**

El Camino Hospital Foundation has put in place the infrastructure for FY2015 fundraising activities, focused on donor identification, cultivation, solicitation and stewardship.

- **Donor / Prospect Identification**
  - We have strengthened our prospect research by hiring Kris Ethington, who, began on July 1 to devote 20 hours/week to identifying new donors with the greatest potential for further cultivation. Kris has been working with the Foundation over the last four years to complete donor profiles, as requested, and with the need to focus on major gifts she has been retained as the Foundation's prospect research component which has been missing from the organizational chart. Her work will help to drive prospects to support the Foundation's major gift initiatives.
  - South Asian Heart Center has identified 150 major donor prospects for the expansion into the South Bay and Fremont over the next three years and developed all collateral materials for solicitation. The first salon event was held on August 7 at the home of Dr. Anil and Sheetal Singhal; there were 20 prospects in attendance who heard from SAHC medical director, Dr. Cesar Molina; executive director, Ashish Mathur; and philanthropy officer, Nivisha Mehta; and Jodi Barnard also was present to talk with donors.
  - The Foundation will hold its 3<sup>rd</sup> Partners in Philanthropy Medical Philanthropy Workshop on September 11, 2014 in order to continue building connections with clinical professionals (physicians and front-line nurses) who can help to identify and refer prospective donor grateful patients to the Foundation. Thanks to Cheryl Reinking, Drs. Fred St. Goar and Shyamali Singhal for their support and leadership of this program.
- **Cultivation and Stewardship**
  - The Foundation has developed and begun implementing a formal stewardship plan across all donor levels, including a streamlined acknowledgement process, personal touches, special events, and reports to donors; CEO Tomi Ryba will personally meet donors who make a

*Spirit of Giving*

donation of \$10,000 or more in a given year and will host an annual breakfast for donors who give \$5,000 or more in that year.

- The Foundation is planning the Sapphire Soirée stewardship reception for donors who have made challenge gifts at the gala, to be held at the home of Katie and Dr. Greg Morganroth on September 16.
- The Foundation is planning the annual Legacy Society luncheon for donors who have made planned gifts to El Camino Hospital, to be held at the Mozart Automobile Museum on November 12, 2014.
- Hope to Health, the women’s giving circle, is planning two member cultivation events, Nutrition: Fact or Fiction at Testarossa Winery in Los Gatos on September 9 and tea at Lisa’s Tea Treasures in Los Altos on October 7.
- As suggested during the Foundation Board retreat in May, the Foundation is preparing for a Thankathon on September 17, during which Foundation board members will call all donors of \$500 and above to thank them for their support of El Camino Hospital. This is an activity of the Foundation’s stewardship plan.
- With the implementation of e-messaging capability within the Foundation’s database, Raiser’s Edge, the Foundation will launch their first e-newsletter in mid-September that will help drive donors to our website and online donation page. This effort will support the growth in donor count and broaden the base of donors.

- Solicitation

- Golf Tournament – Sponsorship letters were written, then mailed in August; online registration was developed and is now live; the response is on target and will be reflected in the period 2 fundraising report.
- Sapphire Soirée – The date and venue have been selected, a new chair is in place, and new committee members have been recruited; the first committee meeting will be held on October 6.
- Norma’s Literary Luncheon – Sponsorship letters have been mailed, with a plan for personal follow-up; the Melchor family has agreed to once again underwrite the event; author and screenwriter Delia Ephron has been hired.
- Scarlet Night – Committee has begun to plan the 7<sup>th</sup> annual gala benefit for the South Asian Heart Center, including budget goals and sponsorship levels
- Major donor cultivation efforts continue for behavioral health and cancer. Chaired by Donna and John Shoemaker, the Philanthropy Council for Mental Health will hold their first meeting in September.

### **Supporting Comments to the FY15 Period 1 Fundraising Report**

- In comparison with July 2013, annual giving is higher by nearly \$8,000, thanks in part to a \$4,000 donation to Hope to Health, donations in response to the mid-summer Healthy Giving Newsletter, and Circle of Caring donations from grateful patients.
- The Foundation received a \$20,000 golf sponsorship from Fidere Anesthesia in FY 2014 for the FY 2015 golf tournament, which is therefore not reflected in FY15 Golf line item. The Foundation is now receiving many more golf sponsorships in response to the sponsorship letters that were mailed in early August and through the online registration website, which is now live.

- The \$6,600 Sapphire Soirée gifts were for the 2014 gala. At this time last year, we had received a \$250,000 challenge match gift from Pamela and Ed Taft for the 2014 gala which will not be repeated in FY15.
- The number of donors as of July 30 has increased slightly over the same period in FY 2014.

### **Save the Date**

- ***19<sup>th</sup> Annual El Camino Heritage Golf Tournament*** will take place on Monday, October 20, 2014 at Ruby Hill Golf Club in Pleasanton. Proceeds will benefit the adolescent mental health program.
- ***Norma's Literary Luncheon*** will take place on Thursday, February 5, 2015 at Palo Alto Hills Golf and Country Club. The featured speaker will be author and screenwriter Delia Ephron and the beneficiary will be women's mental health services.
- ***Scarlet Night***, the annual benefit for the South Asian Heart Center, will take place on Saturday, March 21, 2015 at the Santa Clara Marriott. Proceeds will benefit the South Asian Heart Center's expansion.
- ***Sapphire Soirée*** will take place on Saturday, May 16, 2015 at the Menlo Circus Club in Atherton. The beneficiary will be the Cancer Center and a specific focus will be determined by early September.

# El Camino Hospital Foundation Fundraising Report to Hospital Board

FY 2015 Income figures as of July 31, 2014 (1 month)

		<b>FY15 Goals</b>	<b>FY15 YTD Totals</b>	<b>FY14 thru 7/31 Totals</b>	<b>FY13 thru 7/31 Totals</b>	<b>FY12 thru 7/31 Totals</b>
<b>Major Gifts</b>		\$ 3,440,000	\$ -	\$ 50,000	\$ -	\$ 62,822
<b>Planned Gifts</b>		\$ 1,000,000	\$ 26,850	\$ 212,000	\$ 16,829	\$ -
<b>Special Events</b>	<b>Gala</b>	\$ 600,000	\$ 6,600	\$ 250,000	\$ 2,000	\$ 7,500
	<b>Golf</b>	\$ 280,000	\$ -	\$ 40,000	\$ 11,650	\$ 2,850
	<b>Scarlet Night *</b>	\$ 250,000	\$ -	\$ -	\$ -	\$ -
	<b>NLL*</b>	\$ 120,000	\$ -	\$ -	\$ -	\$ -
<b>Annual Giving</b>		\$ 300,000	\$ 12,379	\$ 4,750	\$ 32,636	\$ 6,380
<b>Grants</b>		\$ 200,000	\$ -	\$ -	\$ 520,984	\$ -
<b>Investment Income</b>		\$ 500,000	\$ 40,742	\$ 76,881	\$ (9,560)	\$ 26,909
<b>TOTAL</b>		\$ 6,690,000	\$ 86,571	\$ 633,631	\$ 574,539	\$ 106,461
<b>Total Number of Donors</b>		<b>2,700</b>	<b>47</b>	<b>41</b>	<b>123</b>	<b>26</b>

\* Prior to FY15, proceeds were included in the Annual Giving line.



## Notes

FY13 - Moore Grant for Nursing Excellence, \$500,000  
 FY14 - Taft Pledge for Sapphire Soiree 2014, \$250,000  
 FY14 - Realized Planned Gift, \$212,000



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## **Att 5j - Auxiliary Report.pdf**

**El Camino Hospital Auxiliary**  
**Activity Report to the Hospital Board**  
**Meeting of September 10, 2014**

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**The New Fiscal Year Begins**

The Auxiliary Board began the new year July 1 with a mix of four members serving their first term, five members serving their second term, one member in a Pro Tem position, and one position still in the nominations process. Also, three empty positions, filled in previous years, are being reconsidered – whether they are really needed for today’s operations or possibly should be replaced with a different type of position. Of the four first-term members, two have prior board experience and two are new to board participation.

This year the Board continues to focus on putting into action the Auxiliary Strategic Plan adopted previously, especially striving to better align Auxiliary objectives and activities with the Q-S-A goals of the hospital. Over this year, the Board will give special attention to strengthening the operations of the Auxiliary Chairpersons and their Co-Chairs, to fostering Auxiliary leadership development and volunteer training, and to communicating more effectively with the Auxiliary general membership. The Board also is reexamining its process and its types of board positions to achieve more effective operation.

Respectfully submitted by Charles Hebel



**Att 5k - Board and Finance Committee FY15 Period 1  
FINAL.pptx**



**El Camino Hospital**

THE HOSPITAL OF SILICON VALLEY

## Summary of Financial Operations

Fiscal Year 2015 – Period 1  
7/1/2014 to 7/31/2014

Date Issue: August 28, 2014

# EL CAMINO HOSPITAL

(Excludes Controlled Affiliates)

## EXECUTIVE FINANCIAL SUMMARY

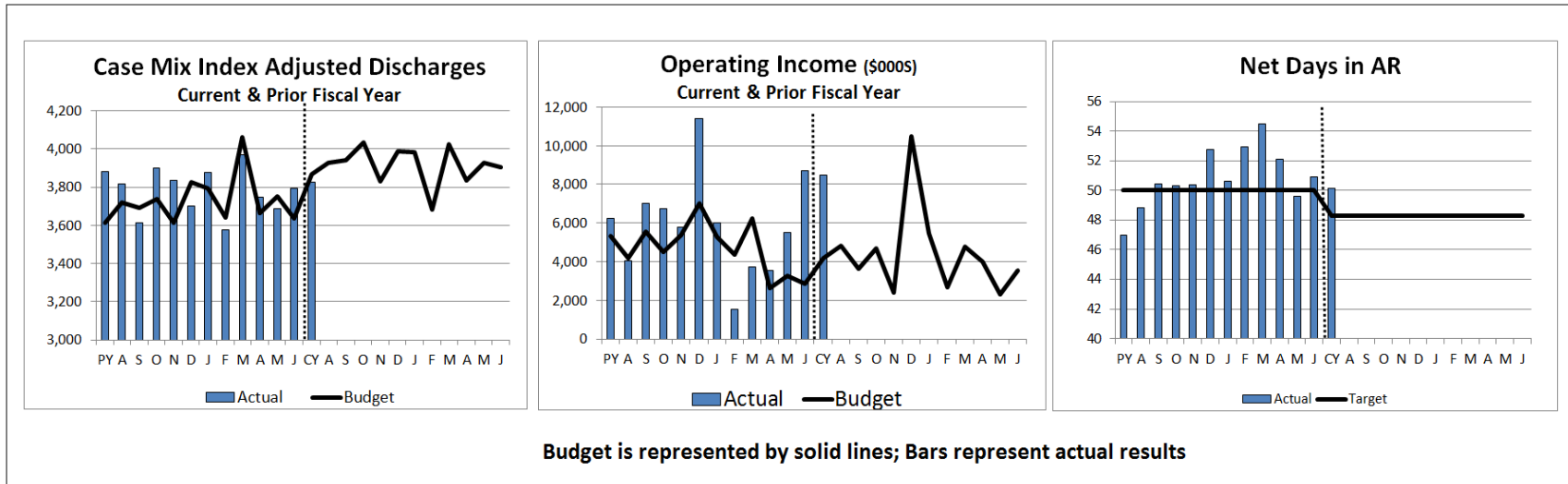
Period Ending July 31, 2014

YTD STATEMENT OF REVENUE AND EXPENSES (\$000s)				BALANCE SHEET (\$000s)		
	Actual	Budget	Var F(U)		July 31, 2014	Jul 31, 2013
Gross Revenue	\$213,959	\$210,010	\$3,949	Cash and Investments	667,730	580,031
Deductions from Revenue	(151,138)	(150,246)	(892)	Non Cash Current Assets	166,342	144,668
Net Patient Revenue	62,821	59,765	3,057	Property, Plant & Equipment (Net)	643,308	630,831
Other Operating Revenue	1,565	1,685	(121)	Other Assets	36,088	36,875
<b>Total Operating Revenue</b>	<b>64,386</b>	<b>61,450</b>	<b>2,936</b>	<b>Total Assets</b>	<b>1,513,468</b>	<b>1,392,406</b>
Salaries & Wages	33,491	33,817	326	Current Liabilities	107,507	95,603
Supplies	8,896	8,960	63	Long-Term Liabilities	229,054	230,416
Fees & Purchased Services	6,119	6,556	437	Fund Balance/Capital Accounts	1,176,908	1,066,386
Other Operating Expense	2,965	3,456	491	<b>Total Liabilities &amp; Equity</b>	<b>1,513,468</b>	<b>1,392,406</b>
<b>Total Non Capital Operating Expense</b>	<b>51,472</b>	<b>52,789</b>	<b>1,317</b>	<b>KEY ECH STATISTICS - YTD</b>		
<b>OPERATING EBITDA</b>	<b>12,914</b>	<b>8,661</b>	<b>4,253</b>	<b>Balance Sheet</b>	<b>Actual</b>	<b>Target <sup>(1)</sup></b>
Interest, Depreciation & Amortization	4,420	4,463	43	Debt Service Coverage Ratio (MADS)	9.9	1.2
<b>NET OPERATING SURPLUS</b>	<b>8,495</b>	<b>4,198</b>	<b>4,296</b>	Debt to Capitalization	12.4%	29.0%
Non Operating Income	(2,482)	1,268	(3,750)	Days of Cash	398	236
<b>TOTAL NET SURPLUS</b>	<b>6,013</b>	<b>5,467</b>	<b>546</b>	Net AR Days	50.1	48.3
Yield Percent (NPR / Gross Revenue)	29.4%	28.5%	0.9%	<b>Other</b>	<b>Actual</b>	<b>Budget</b>
EBITDA Margin	20.1%	14.1%	6.0%	Acute Discharges	1,596	1,528
Operating Margin	13.2%	6.8%	6.4%	Acute Average Daily Census	240	225
Total Margin	9.3%	8.9%	0.4%	Deliveries	427	424
				Emergency Department Visits	4,865	4,851
				Surgical Cases	923	885
				Full Time Equivalent Employees	2,433	2,410
				Worked Hrs/CMI Adjusted Patient Day	30.69	31.90

<sup>(1)</sup> For Debt Service Coverage Ratio and Debt to Capitalization, Target represents Bond Covenants  
For Days Cash and Net AR Days, Target represents S&P A Rated Stand-Alone Hospital Medians

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

# Management Commentary<sup>(1)</sup>



**CMI Adjusted Discharges** Gross revenues were 1.9% better than budget for services delivered in the month of July. Inpatient discharges were 4.5% above budget and case mix index is lower than budget. Outpatient gross revenues were slightly over budget (0.7%) and CMI adj discharges were slightly below budget.

**Operating Margin** Net patient revenues were \$3.1 million favorable to budget (5.1%). Labor costs were \$326,000 favorable to budget and non-labor costs were \$1.0 million favorable, primarily due to favorable variances of \$303,000 in purchased services and \$324,000 in repairs and maintenance areas respectively. The operating margin was favorable by \$4.3 million for the month.

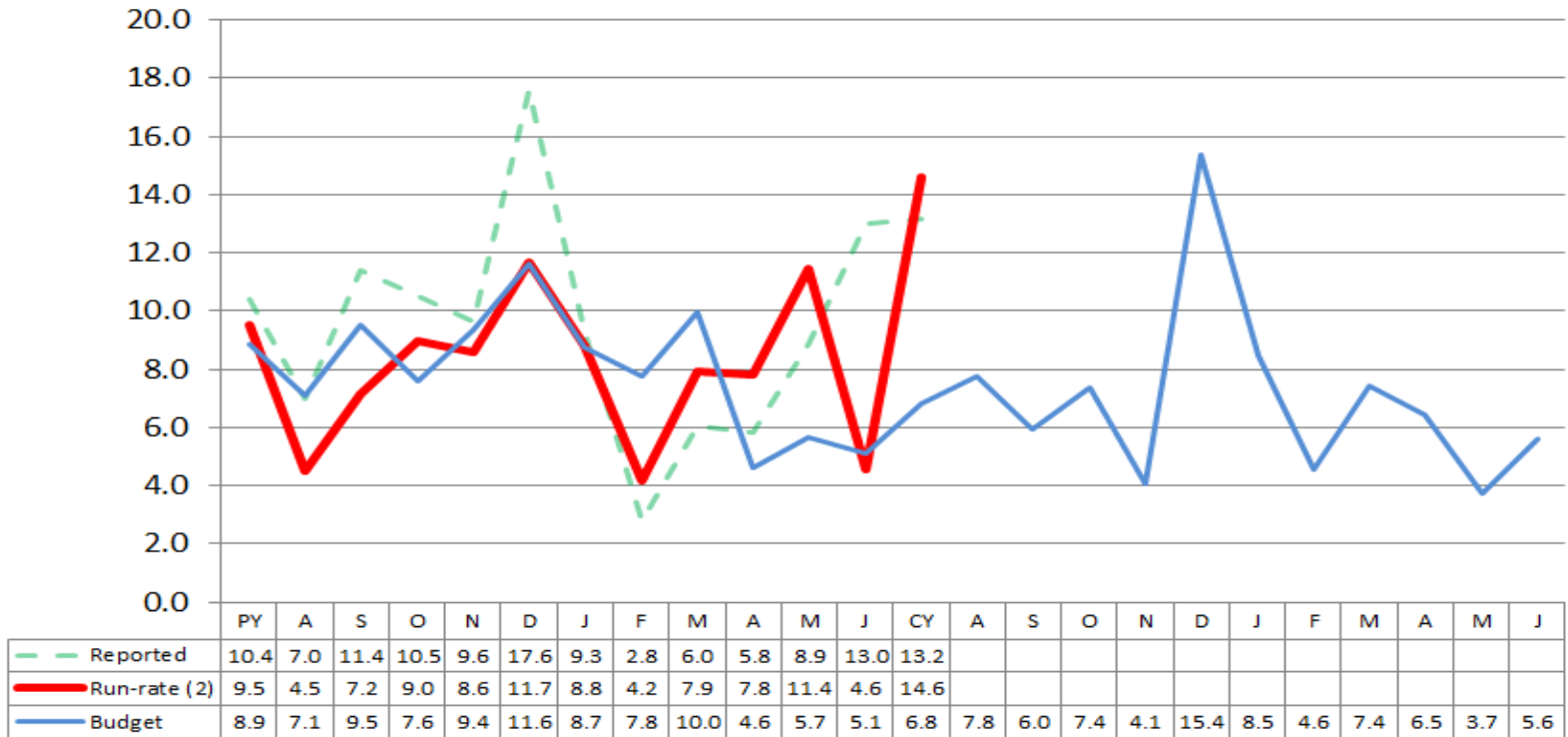
**Net Days in AR** Net outstanding receivables increased slightly by \$147,000 between June and July. Net days in A/R decreased from 50.9 days to 50.1 days. This is unfavorable to the targeted A/R of 48.3 days.

**Non Operating Income** Non operating income was unfavorable to budget by \$3.8 million, primarily due to \$4.1 million unfavorable variance on unrealized gains on investments.

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates



# ECH Operating Margin <sup>(1)</sup>



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

(1) Hospital entity only, excludes controlled affiliates

(2) Run rate exclusions of cost report settlements, EPIC expenses, and pay for performance bonuses

# Key Hospital Indicators<sup>(1)</sup>

Statistic	FYE 2012	FYE 2013	FYE 2014	FYTD 2015	Annual Target (2)	+/-
Operating Margin	10.5%	9.9%	9.5%	13.2%	7.1%	
EBITDA Margin	19.4%	17.8%	16.9%	20.1%	14.3%	
Days of Cash	321	350	382	398	236	
Debt Service Coverage Ratio (MADS)	7.2	7.9	9.5	9.9	4.3	
Debt to Capitalization	15.8%	14.0%	12.6%	12.4%	29.0%	
Net AR Days	48.1	48.3	50.9	50.1	48.3	

<sup>(1)</sup> Hospital Only - Excludes Affiliates

<sup>(2)</sup> Target source: Annual Budget for Operating Margin and EBITDA Margin

Target source: S&P 2013 A Rated Hospital Medians for all others published 8/2014

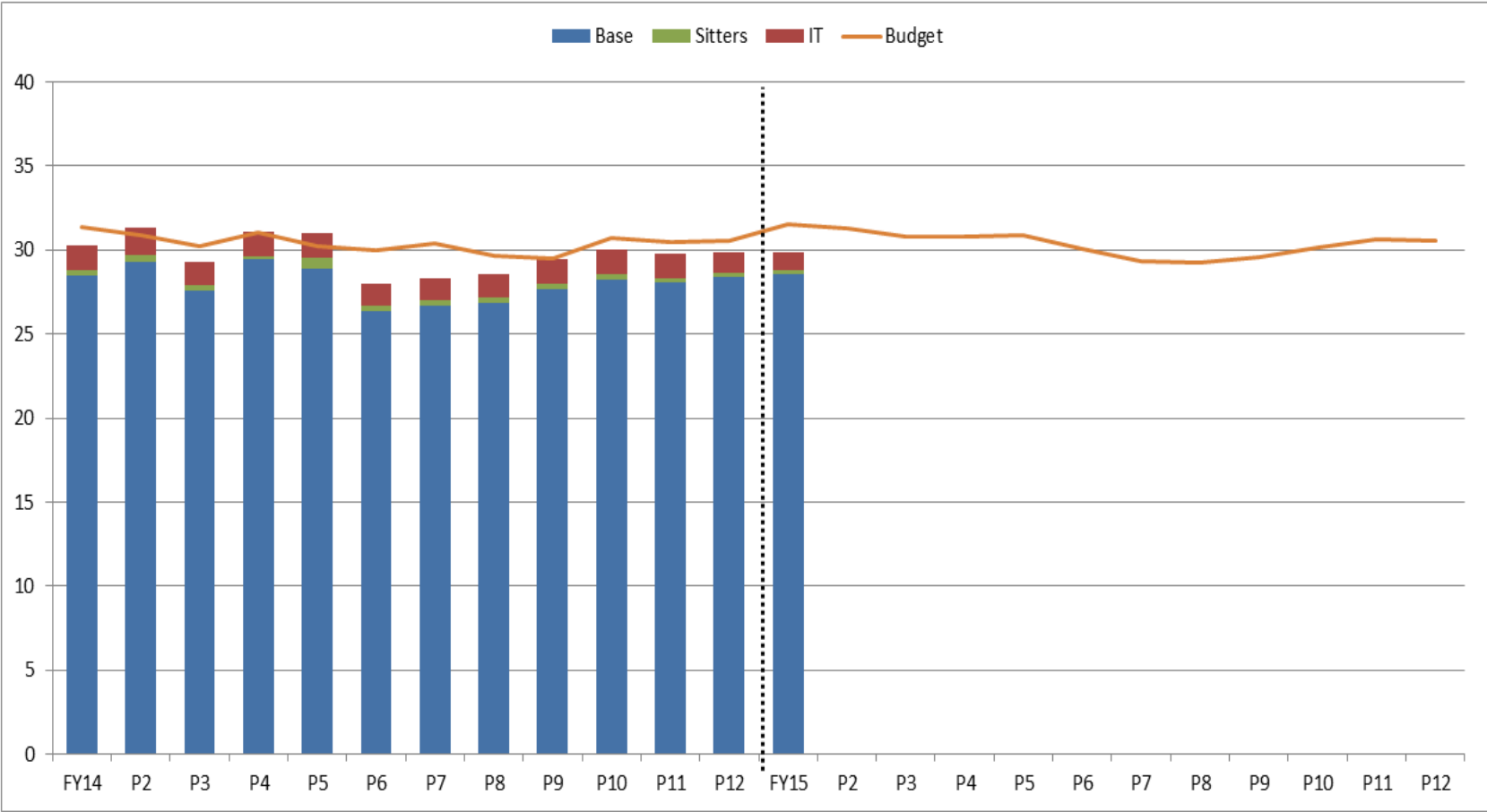
\*Prior Year numbers represent full year

## Summary of Financial Results

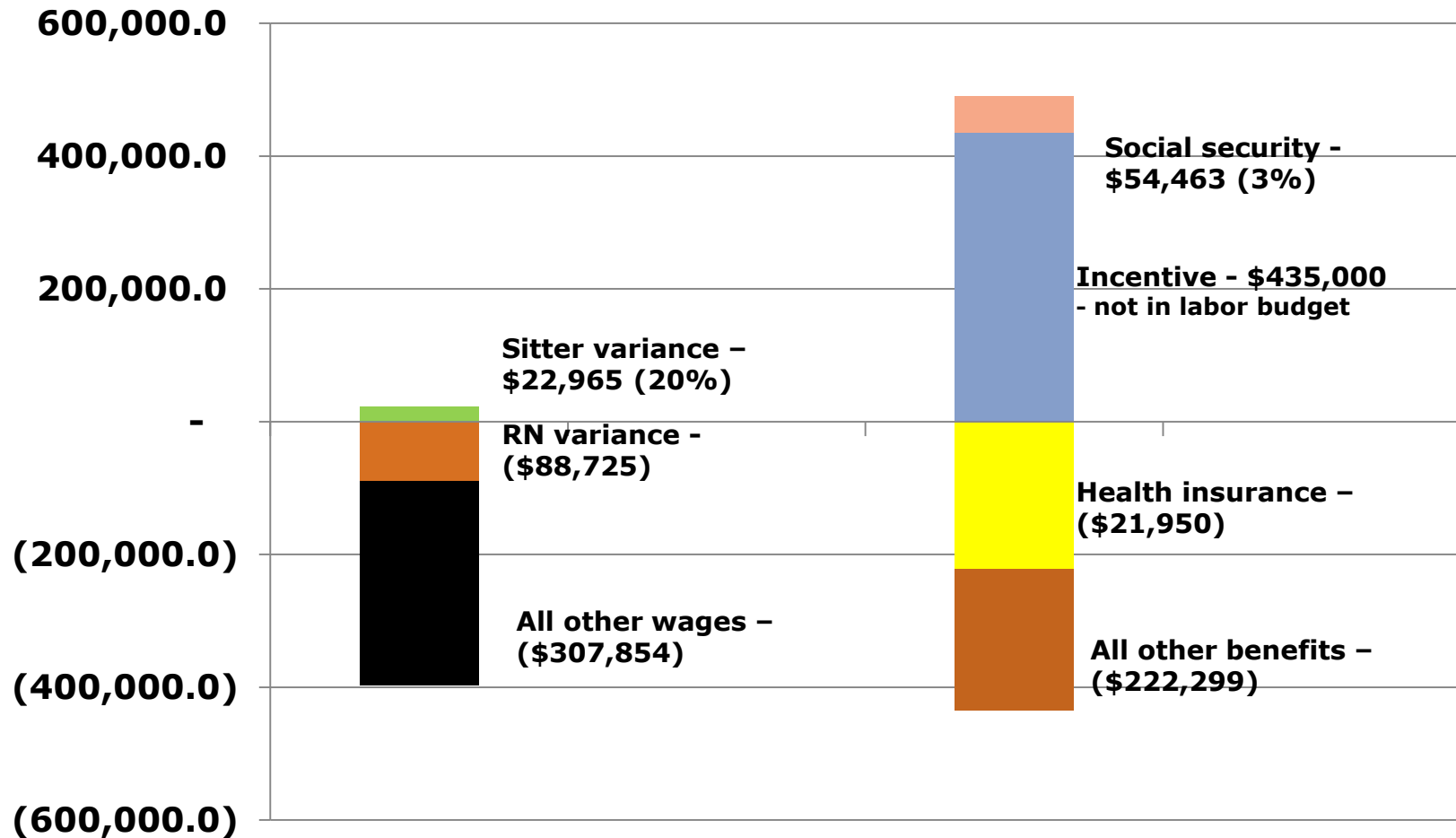
\$ in Thousands

	Period 1 - Month			Period 1 - FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>El Camino Hospital Income (Loss) from Operations</b>						
Mountain View	5,041	2,412	2,629	5,041	2,412	2,629
Los Gatos	3,454	1,786	1,668	3,454	1,786	1,668
<b>Sub Total - El Camino Hospital, excl. Affiliates</b>	<b>8,495</b>	<b>4,198</b>	<b>4,296</b>	<b>8,495</b>	<b>4,198</b>	<b>4,296</b>
<b>Operating Margin %</b>	<b>13.2%</b>	<b>6.8%</b>		<b>13.2%</b>	<b>6.8%</b>	
<b>El Camino Hospital Non Operating Income</b>						
Investments	(2,445)	1,658	(4,103)	(2,445)	1,658	(4,103)
Swap Adjustments	142	0	142	142	0	142
Community Benefit	(45)	(161)	115	(45)	(161)	115
Other	(134)	(230)	95	(134)	(230)	95
<b>Sub Total - Non Operating Income</b>	<b>(2,482)</b>	<b>1,268</b>	<b>(3,750)</b>	<b>(2,482)</b>	<b>1,268</b>	<b>(3,750)</b>
<b>El Camino Hospital Net Income (Loss)</b>	<b>6,013</b>	<b>5,467</b>	<b>546</b>	<b>6,013</b>	<b>5,467</b>	<b>546</b>
<b>ECH Net Margin %</b>	<b>9.3%</b>	<b>8.9%</b>		<b>9.3%</b>	<b>8.9%</b>	
<b>Net Income Hospital Affiliates</b>	<b>(450)</b>	<b>256</b>	<b>(706)</b>	<b>(450)</b>	<b>256</b>	<b>(706)</b>
<b>Total Net Income Hospital &amp; Affiliates</b>	<b>5,563</b>	<b>5,723</b>	<b>(160)</b>	<b>5,563</b>	<b>5,723</b>	<b>(160)</b>

# Worked Hours per Adjusted Patient Day: Favorable to Budget

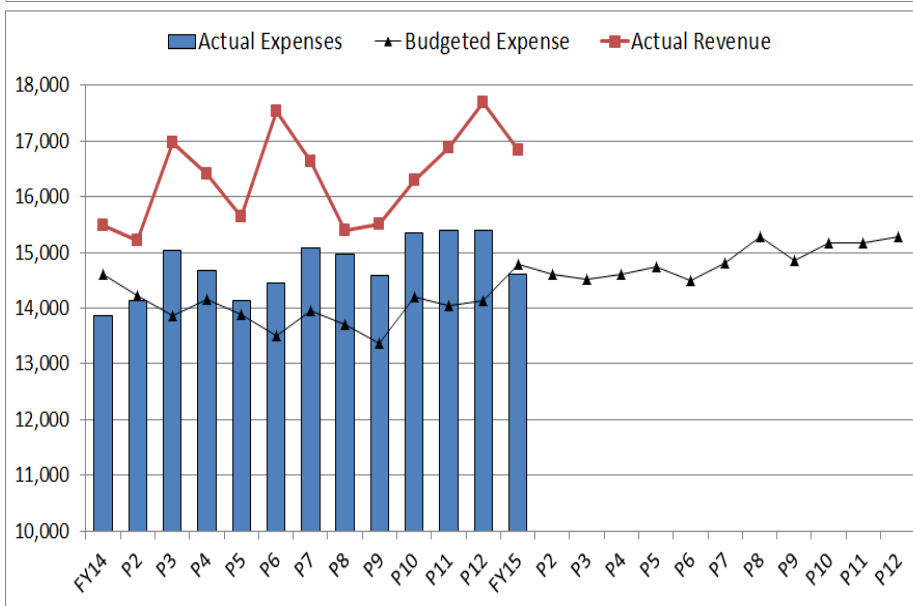
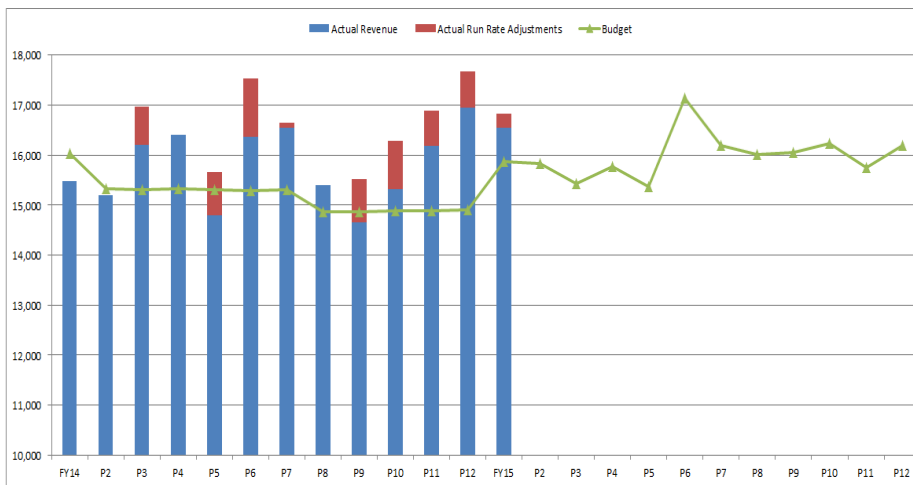


# Year to date Labor Variance: \$319,000 Favorable to Fixed Budget



\* Positive number = unfavorable to budget

# Both revenue and expenses per CMI adjusted discharge are higher than budget most months.



(1) Hospital entity only, excludes controlled affiliates

# ECH Volume Statistics <sup>(1)</sup>

## MOUNTAIN VIEW

Month of Jul, 2014			
Act	Bud	Var%	
Discharges <sup>(2)</sup>	1,288	1,244	3.5%
ADC <sup>(2)</sup>	194	180	7.7%
Deliveries	355	361	-1.7%
ED Visits	3,860	3,804	1.5%
Surgical Cases	545	540	0.9%

Year to Date			Prior Year		
Act	Bud	Var%	Act	Var%	
Discharges <sup>(2)</sup>	1,288	1,244	3.5%	1,235	4.3%
ADC <sup>(2)</sup>	194	180	7.7%	173	12.2%
Deliveries	355	361	-1.7%	386	-8.0%
ED Visits	3,860	3,804	1.5%	3,787	1.9%
Surgical Cases	545	540	0.9%	556	-2.0%

## LOS GATOS

Month of Jul, 2014			
Act	Bud	Var	
Discharges <sup>(2)</sup>	308	284	8.5%
ADC <sup>(2)</sup>	46	45	1.5%
Deliveries	72	63	14.3%
ED Visits	1,005	1,046	-4.0%
Surgical Cases	378	345	9.7%

Year to Date			Prior Year		
Act	Bud	Var	Act	Var%	
Discharges <sup>(2)</sup>	308	284	8.5%	307	0.3%
ADC <sup>(2)</sup>	46	45	1.5%	49	-6.2%
Deliveries	72	63	14.3%	64	12.5%
ED Visits	1,005	1,046	-4.0%	1,121	-10.3%
Surgical Cases	378	345	9.7%	364	3.8%

## ECH

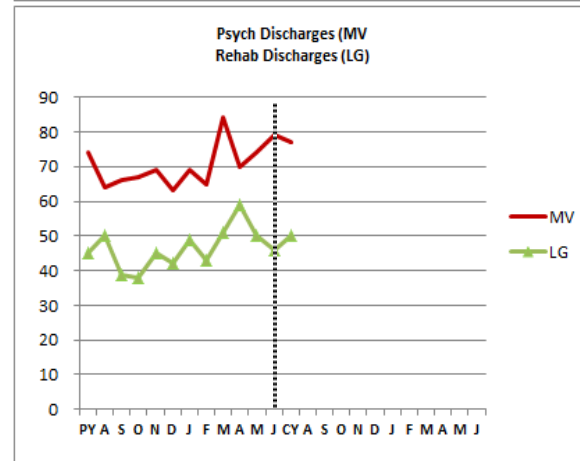
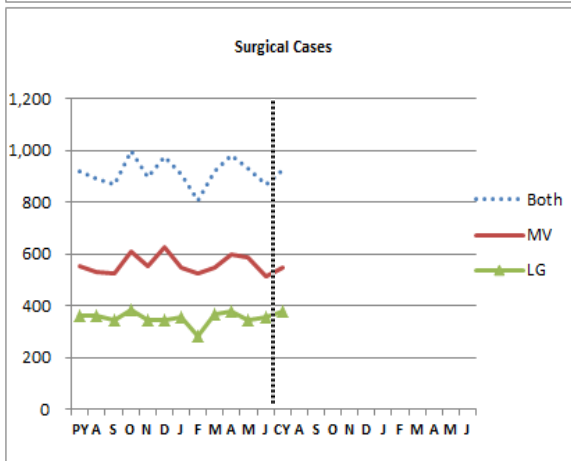
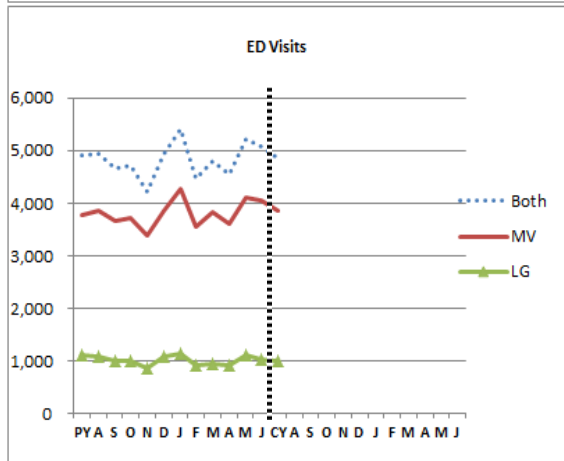
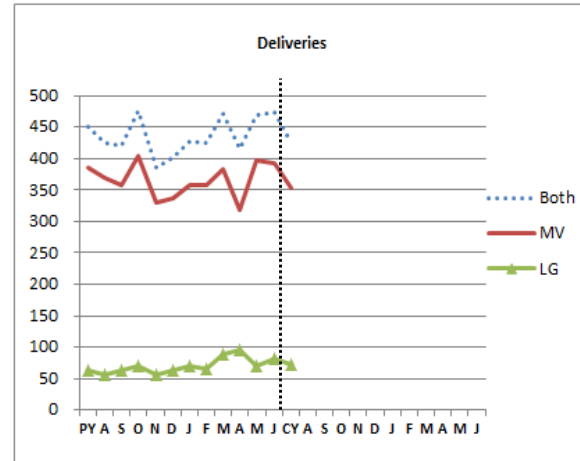
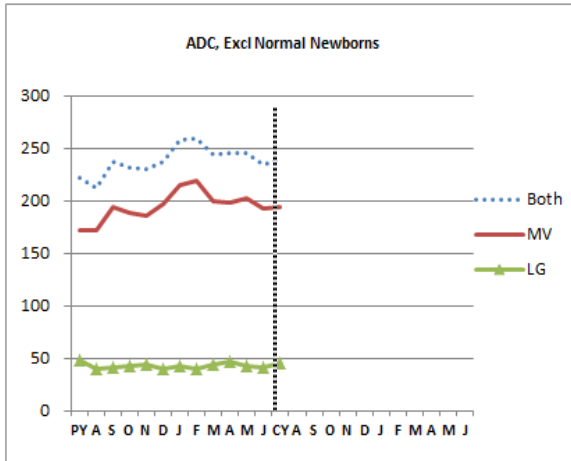
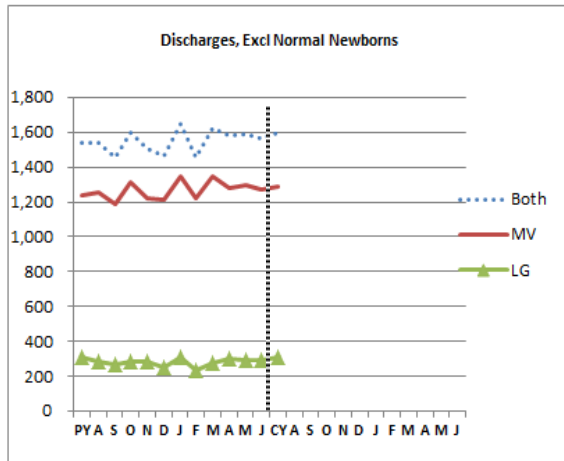
Month of Jul, 2014			
Act	Bud	Var	
Discharges <sup>(2)</sup>	1,596	1,528	4.5%
ADC <sup>(2)</sup>	240	225	6.5%
Deliveries	427	424	0.7%
ED Visits	4,865	4,851	0.3%
Surgical Cases	923	885	4.3%

Year to Date			Prior Year		
Act	Bud	Var	Act	Var%	
Discharges <sup>(2)</sup>	1,596	1,528	4.5%	1,542	3.5%
ADC <sup>(2)</sup>	240	225	6.5%	221	8.2%
Deliveries	427	424	0.7%	450	-5.1%
ED Visits	4,865	4,851	0.3%	4,908	-0.9%
Surgical Cases	923	885	4.3%	920	0.3%

(1) Hospital entity only, excludes controlled affiliates

(2) Excludes normal newborns, includes discharges from L&D

# El Camino Hospital Volume Trends Prior and Current Fiscal Years

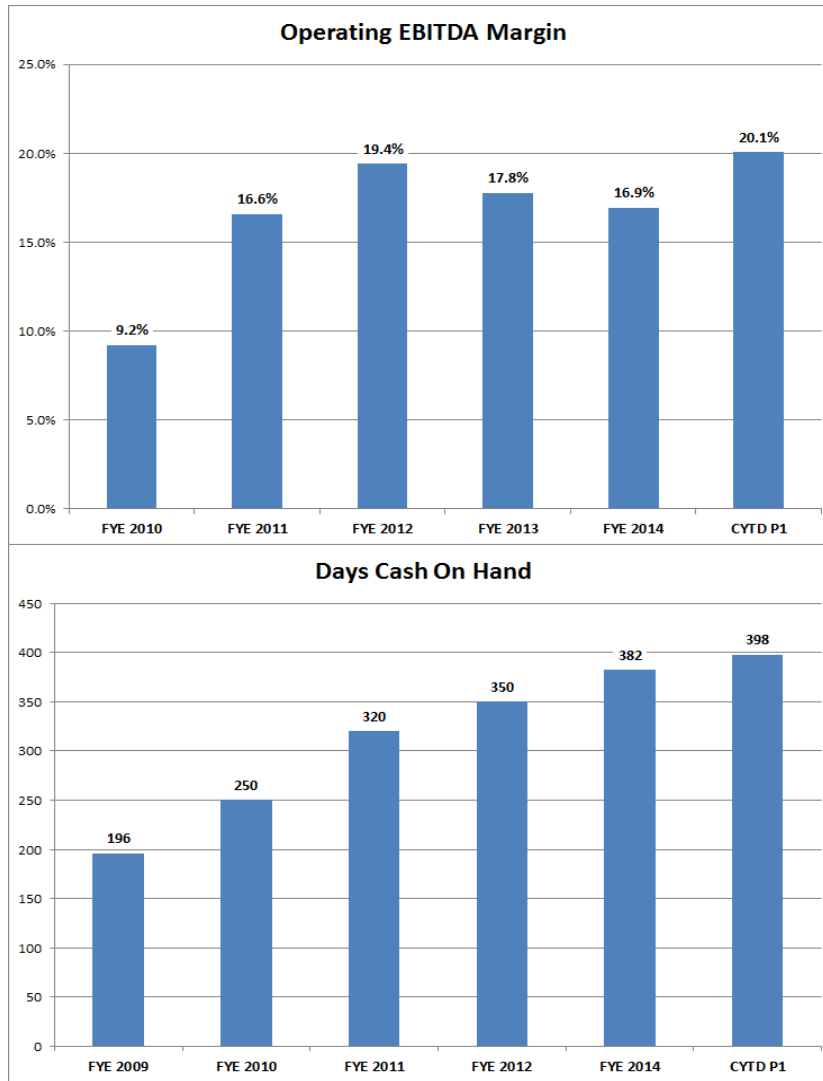




# El Camino Hospital Financial Metrics Trend <sup>(1)</sup>

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Budget

Represents  
cash of \$668  
million

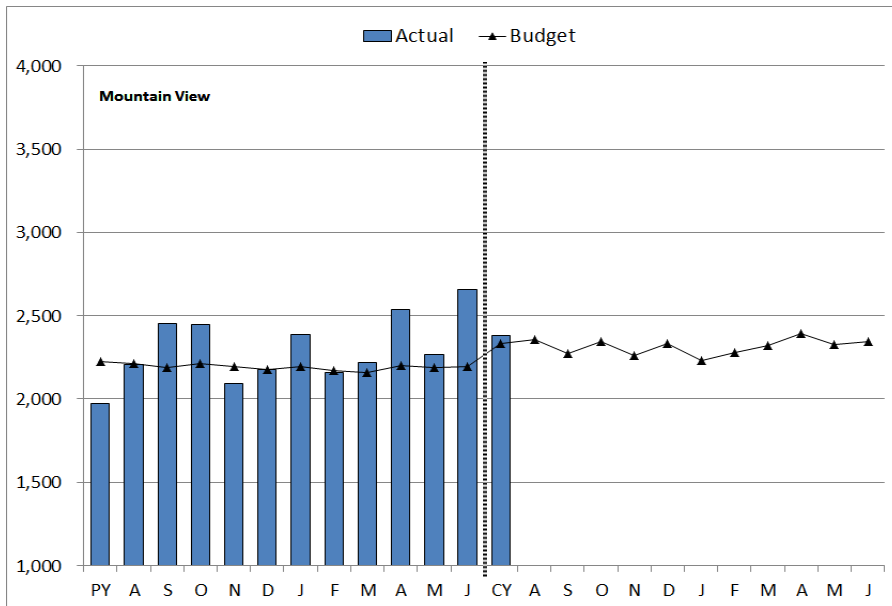
<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

# APPENDIX

# Supply Cost per CMI Adjusted Discharges <sup>(1)</sup>

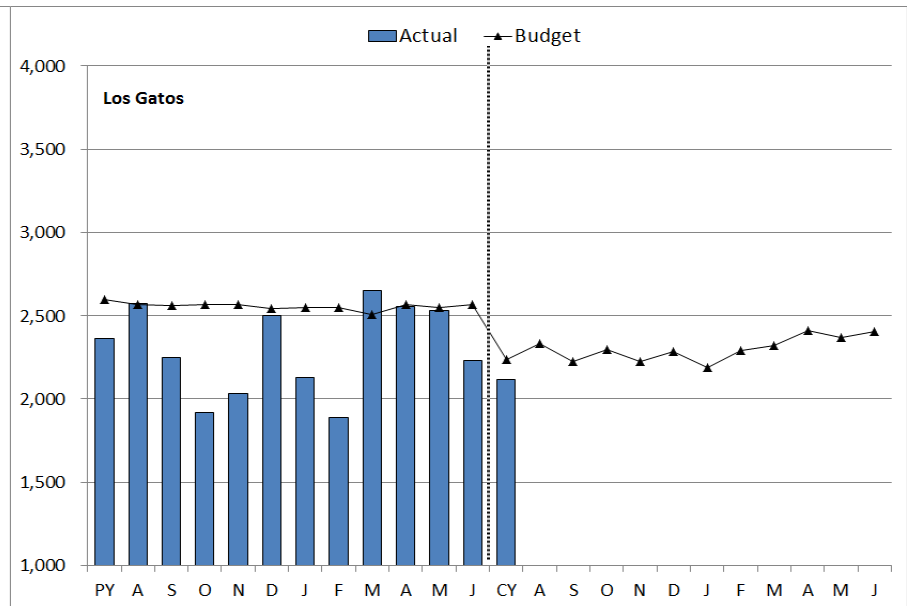
YTD: 1.9% over budget

## Mountain View



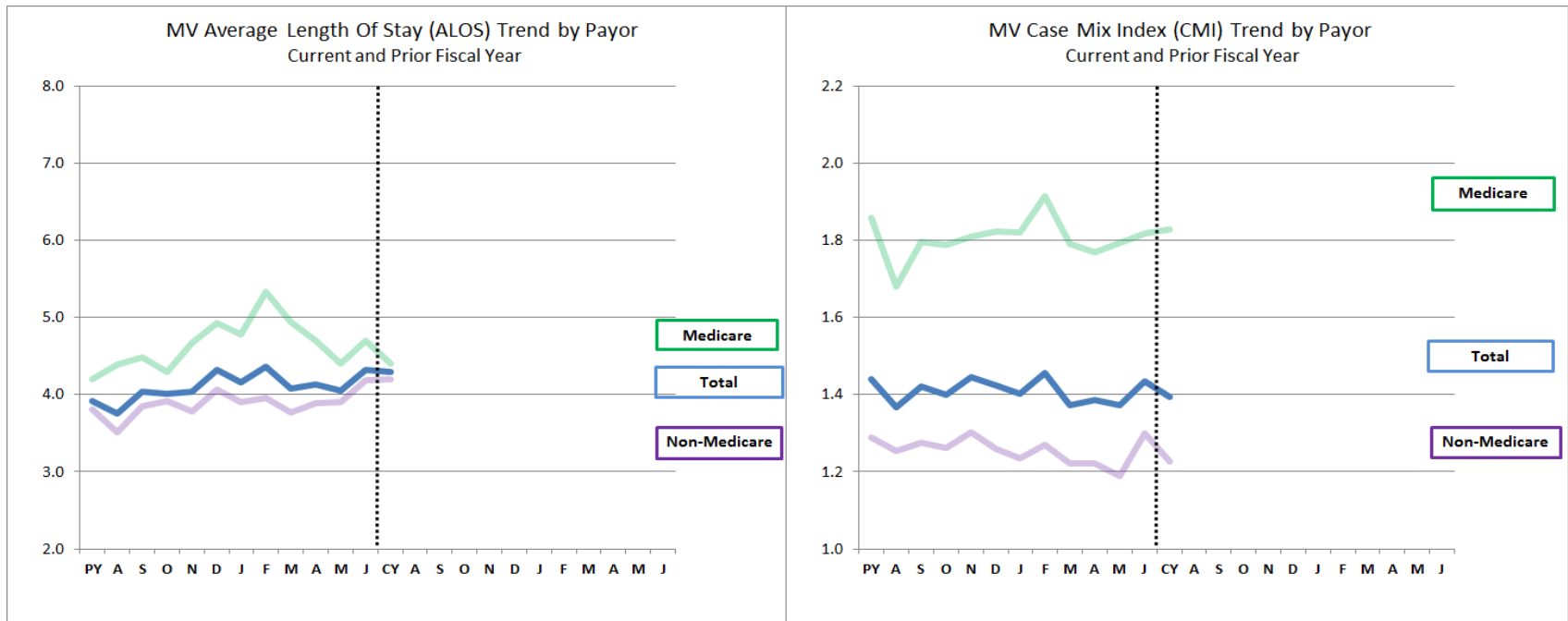
YTD: -5.4% under budget

## Los Gatos



<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

# Mountain View LOS & CMI Trend <sup>(1)</sup>

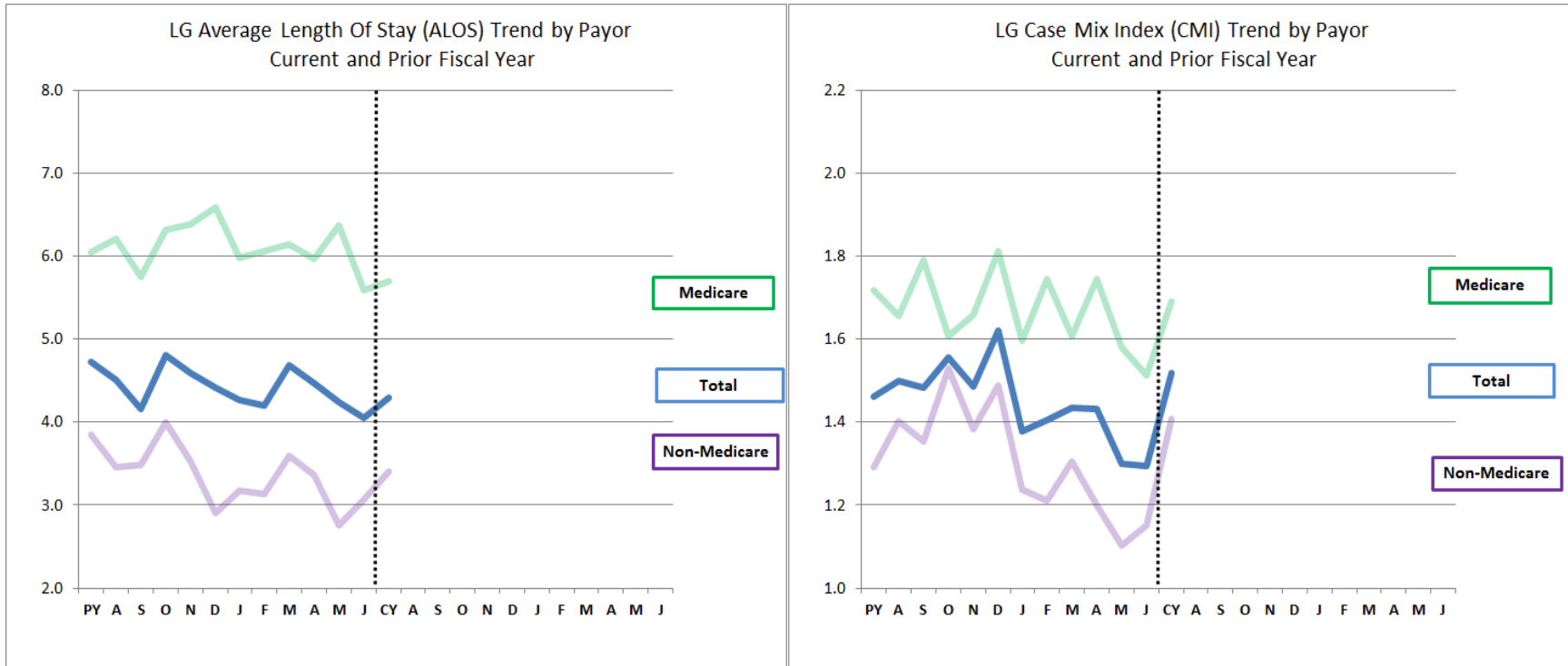


- Medicare: Due to DRG reimbursement, financial results usually improve with decreased LOS and increased CMI
- Non-Medicare: Reimbursement varies; financial results usually improve when both LOS & CMI increase

(1) Hospital entity only, excludes controlled affiliates

All data excludes normal newborns (MS-DRG=795), Medicare data excludes Medicare HMOs and PPOs

# Los Gatos LOS & CMI Trend <sup>(1)</sup>



- Medicare: Due to DRG reimbursement, financial results usually improve with decreased LOS and increased CMI
- Non-Medicare: Reimbursement varies; financial results usually improve when both LOS & CMI increase

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

All data excludes normal newborns (MS-DRG=795), Medicare data excludes Medicare HMOs and PPOs

# El Camino Hospital<sup>(1)</sup>

Results from Operations vs. Prior Year

1 month ending 7/31/2014

\$000s	FY 2015	FY 2014	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE:</b>				
Gross Revenue	213,959	201,253	12,706	6.3%
Deductions	(151,138)	(142,382)	(8,756)	6.1%
<b>Net Patient Revenue</b>	<b>62,821</b>	<b>58,871</b>	<b>3,950</b>	<b>6.7%</b>
Other Operating Revenue	1,565	1,225	339	27.7%
<b>Total Operating Revenue</b>	<b>64,386</b>	<b>60,096</b>	<b>4,290</b>	<b>7.1%</b>
<b>OPERATING EXPENSE:</b>				
Salaries & Wages	33,491	31,898	(1,593)	-5.0%
Supplies	8,896	7,933	(963)	-12.1%
Fees & Purchased Services	6,119	6,670	550	8.2%
Other Operating Expense	7,385	7,339	(46)	-0.6%
<b>Total Operating Expense</b>	<b>55,891</b>	<b>53,839</b>	<b>(2,052)</b>	<b>-3.8%</b>
<b>Net Operating Income/(Loss)</b>	<b>8,495</b>	<b>6,257</b>	<b>2,238</b>	<b>35.8%</b>
Non Operating Income	(2,482)	10,994	(13,476)	-122.6%
<b>Net Income(Loss)</b>	<b>6,013</b>	<b>17,251</b>	<b>(11,238)</b>	<b>-65.1%</b>
<b>Collection Rate</b>	29.4%	29.3%	0.1%	
<b>Operating Margin</b>	13.2%	10.4%	2.8%	
<b>Net Margin</b>	9.3%	28.7%	-19.4%	

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

# El Camino Hospital – Mountain View<sup>(1)</sup>

Results from Operations vs. Prior Year  
1 month ending 7/31/2014

\$000s	FY 2015	FY 2014	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE:</b>				
Gross Revenue	172,850	159,794	13,056	8.2%
Deductions	(123,618)	(112,547)	(11,071)	9.8%
<b>Net Patient Revenue</b>	<b>49,232</b>	<b>47,246</b>	<b>1,986</b>	<b>4.2%</b>
Other Operating Revenue	1,405	1,189	216	18.2%
<b>Total Operating Revenue</b>	<b>50,637</b>	<b>48,435</b>	<b>2,202</b>	<b>4.5%</b>
<b>OPERATING EXPENSE:</b>				
Salaries & Wages	27,709	26,504	(1,205)	-4.5%
Supplies	7,286	6,289	(996)	-15.8%
Fees & Purchased Services	4,842	5,404	563	10.4%
Other Operating Expense	5,759	5,788	28	0.5%
<b>Total Operating Expense</b>	<b>45,596</b>	<b>43,985</b>	<b>(1,611)</b>	<b>-3.7%</b>
<b>Net Operating Income/(Loss)</b>	<b>5,041</b>	<b>4,450</b>	<b>591</b>	<b>13.3%</b>
Non Operating Income	(2,482)	10,994	(13,476)	-122.6%
<b>Net Income(Loss)</b>	<b>2,559</b>	<b>15,443</b>	<b>(12,885)</b>	<b>-83.4%</b>
<b>Collection Rate</b>	28.5%	29.6%	-1.1%	
<b>Operating Margin</b>	10.0%	9.2%	0.8%	
<b>Net Margin</b>	5.1%	31.9%	-26.8%	

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

# El Camino Hospital – Los Gatos<sup>(1)</sup>

Results from Operations vs. Prior Year  
1 month ending 7/31/2014

\$000s	FY 2015	FY 2014	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE:</b>				
Gross Revenue	41,109	41,460	(350)	-0.8%
Deductions	(27,520)	(29,835)	2,315	-7.8%
<b>Net Patient Revenue</b>	<b>13,590</b>	<b>11,625</b>	<b>1,965</b>	<b>16.9%</b>
Other Operating Revenue	160	37	123	337.0%
<b>Total Operating Revenue</b>	<b>13,749</b>	<b>11,661</b>	<b>2,088</b>	<b>17.9%</b>
<b>OPERATING EXPENSE:</b>				
Salaries & Wages	5,782	5,394	(388)	-7.2%
Supplies	1,611	1,644	33	2.0%
Fees & Purchased Services	1,278	1,265	(13)	-1.0%
Other Operating Expense	1,625	1,551	(74)	-4.8%
<b>Total Operating Expense</b>	<b>10,295</b>	<b>9,854</b>	<b>(441)</b>	<b>-4.5%</b>
<b>Net Operating Income/(Loss)</b>	<b>3,454</b>	<b>1,808</b>	<b>1,646</b>	<b>91.1%</b>
Non Operating Income	0	0	0	0.0%
<b>Net Income(Loss)</b>	<b>3,454</b>	<b>1,808</b>	<b>1,646</b>	<b>91.1%</b>
<b>Collection Rate</b>	33.1%	28.0%	5.0%	
<b>Operating Margin</b>	25.1%	15.5%	9.6%	
<b>Net Margin</b>	25.1%	15.5%	9.6%	

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates



# El Camino Hospital <sup>(1)</sup>

Results from Operations vs. Budget  
1 month ending 7/31/2014

\$000s	FY 2015	Budget 2015	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE:</b>				
Gross Revenue	213,959	210,010	3,949	1.9%
Deductions	(151,138)	(150,246)	(892)	0.6%
<b>Net Patient Revenue</b>	<b>62,821</b>	<b>59,765</b>	<b>3,057</b>	<b>5.1%</b>
Other Operating Revenue	1,565	1,685	(121)	-7.2%
<b>Total Operating Revenue</b>	<b>64,386</b>	<b>61,450</b>	<b>2,936</b>	<b>4.8%</b>
<b>OPERATING EXPENSE:</b>				
Salaries & Wages	33,491	33,817	326	1.0%
Supplies	8,896	8,960	63	0.7%
Fees & Purchased Services	6,119	6,556	437	6.7%
Other Operating Expense	7,385	7,919	534	6.7%
<b>Total Operating Expense</b>	<b>55,891</b>	<b>57,252</b>	<b>1,360</b>	<b>2.4%</b>
<b>Net Operating Income/(Loss)</b>	<b>8,495</b>	<b>4,198</b>	<b>4,296</b>	<b>102.3%</b>
Non Operating Income	(2,482)	1,268	(3,750)	-295.7%
<b>Net Income(Loss)</b>	<b>6,013</b>	<b>5,467</b>	<b>546</b>	<b>10.0%</b>
<b>Collection Rate</b>	29.4%	28.5%	0.9%	
<b>Operating Margin</b>	13.2%	6.8%	6.4%	
<b>Net Margin</b>	9.3%	8.9%	0.4%	

(1) Hospital entity only, excludes controlled affiliates

# El Camino Hospital – Mountain View<sup>(1)</sup>

Results from Operations vs. Budget  
1 months ending 7/31/2014

\$000s	FY 2015	Budget 2015	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE:</b>				
Gross Revenue	172,850	170,772	2,078	1.2%
Deductions	(123,618)	(123,085)	(533)	0.4%
<b>Net Patient Revenue</b>	<b>49,232</b>	<b>47,687</b>	<b>1,544</b>	<b>3.2%</b>
Other Operating Revenue	1,405	1,502	(97)	-6.4%
<b>Total Operating Revenue</b>	<b>50,637</b>	<b>49,189</b>	<b>1,448</b>	<b>2.9%</b>
<b>OPERATING EXPENSE:</b>				
Salaries & Wages	27,709	27,956	247	0.9%
Supplies	7,286	7,304	18	0.2%
Fees & Purchased Services	4,842	5,256	414	7.9%
Other Operating Expense	5,759	6,261	502	8.0%
<b>Total Operating Expense</b>	<b>45,596</b>	<b>46,777</b>	<b>1,181</b>	<b>2.5%</b>
<b>Net Operating Income/(Loss)</b>	<b>5,041</b>	<b>2,412</b>	<b>2,629</b>	<b>109.0%</b>
Non Operating Income	(2,482)	1,268	(3,750)	-295.7%
<b>Net Income(Loss)</b>	<b>2,559</b>	<b>3,680</b>	<b>(1,122)</b>	<b>-30.5%</b>
<b>Collection Rate</b>	28.5%	27.9%	0.6%	
<b>Operating Margin</b>	10.0%	4.9%	5.1%	
<b>Net Margin</b>	5.1%	7.5%	-2.4%	

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

# El Camino Hospital – Los Gatos<sup>(1)</sup>

Results from Operations vs. Budget  
1 month ending 7/31/2014

\$000s	FY 2015	Budget 2015	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE:</b>				
Gross Revenue	41,109	39,238	1,871	4.8%
Deductions	(27,520)	(27,161)	(359)	1.3%
<b>Net Patient Revenue</b>	<b>13,590</b>	<b>12,077</b>	<b>1,512</b>	<b>12.5%</b>
Other Operating Revenue	160	184	(24)	-13.1%
<b>Total Operating Revenue</b>	<b>13,749</b>	<b>12,261</b>	<b>1,488</b>	<b>12.1%</b>
<b>OPERATING EXPENSE:</b>				
Salaries & Wages	5,782	5,860	79	1.3%
Supplies	1,611	1,656	45	2.7%
Fees & Purchased Services	1,278	1,301	23	1.8%
Other Operating Expense	1,625	1,658	32	2.0%
<b>Total Operating Expense</b>	<b>10,295</b>	<b>10,475</b>	<b>179</b>	<b>1.7%</b>
<b>Net Operating Income/(Loss)</b>	<b>3,454</b>	<b>1,786</b>	<b>1,668</b>	<b>93.4%</b>
Non Operating Income	0	0	0	0.0%
<b>Net Income(Loss)</b>	<b>3,454</b>	<b>1,786</b>	<b>1,668</b>	<b>93.4%</b>
<b>Collection Rate</b>	33.1%	30.8%	2.3%	
<b>Operating Margin</b>	25.1%	14.6%	10.6%	
<b>Net Margin</b>	25.1%	14.6%	10.6%	

<sup>(1)</sup> Hospital entity only, excludes controlled affiliates

# El Camino Hospital <sup>(1)</sup>

## Balance Sheet (\$ Thousands)

### ASSETS

	Period Ending Jul 31	
	FY 2015	FY 2014
<b>CURRENT ASSETS</b>		
Cash	59,853	59,687
Short Term Investments	144,043	134,016
Patient Accounts Receivable, net	103,110	87,235
Other Accounts and Notes Receivable	2,941	3,294
Intercompany Receivables	1,001	996
Inventories and Prepays	59,290	53,142
<b>Total Current Assets</b>	<b>370,237</b>	<b>338,370</b>
<b>BOARD DESIGNATED ASSETS</b>		
Plant & Equipment Fund	109,034	83,689
Operational Reserve Fund	100,196	100,196
Community Benefit Fund	1,546	-
Workers Compensation Reserve Fund	26,537	26,221
Postretirement Health/Life Reserve Fund	16,409	15,629
PTO Liability Fund	20,779	18,609
Malpractice Reserve Fund	2,321	2,002
Catastrophic Reserves Fund	13,069	15,246
<b>Total Board Designated Assets</b>	<b>289,891</b>	<b>261,592</b>
<b>FUNDS HELD BY TRUSTEE</b>	<b>9,384</b>	<b>9,385</b>
<b>LONG TERM INVESTMENTS</b>	<b>173,944</b>	<b>124,737</b>
<b>INVESTMENTS IN AFFILIATES</b>	<b>26,696</b>	<b>22,837</b>
<b>PROPERTY AND EQUIPMENT</b>		
Fixed Assets at Cost	1,052,843	1,011,754
Less: Accumulated Depreciation	(434,889)	(391,533)
Construction in Progress	25,355	10,611
<b>Property, Plant &amp; Equipment - Net</b>	<b>643,308</b>	<b>630,831</b>
<b>DEFERRED COSTS/BOND ISSUE COSTS</b>	<b>-</b>	<b>4,647</b>
<b>RESTRICTED ASSETS - CASH</b>	<b>7</b>	<b>7</b>
<b>TOTAL ASSETS</b>	<b>1,513,468</b>	<b>1,392,406</b>

### LIABILITIES AND FUND BALANCE

	Period Ending Jul 31	
	FY 2015	FY 2014
<b>CURRENT LIABILITIES</b>		
Accounts Payable	26,362	21,595
Salaries and Related Liabilities	23,162	16,461
Accrued PTO	20,779	18,609
Worker's Comp Reserve	2,300	2,383
Third Party Settlements	21,943	21,117
Intercompany Payables	84	235
Malpractice Reserves	2,321	2,002
Bonds Payable - Current	3,075	3,000
Bond Interest Payable	4,348	4,387
Other Liabilities	3,134	5,814
<b>Total Current Liabilities</b>	<b>107,507</b>	<b>95,603</b>
<b>LONG TERM LIABILITIES</b>		
Post Retirement Benefits	16,409	15,629
Worker's Comp Reserve	24,237	23,838
Other L/T Obligation (Asbestos)	3,437	3,320
Other L/T Liabilities (IT/Medl Leases)	-	-
Bond Payable	184,970	187,629
<b>Total Long Term Liabilities</b>	<b>229,054</b>	<b>230,416</b>
<b>FUND BALANCE/CAPITAL ACCOUNTS</b>		
Unrestricted	887,010	804,760
Board Designated	289,891	261,592
Restricted	7	34
<b>Total Fund Bal &amp; Capital Accts</b>	<b>1,176,908</b>	<b>1,066,386</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>1,513,468</b>	<b>1,392,406</b>

(1) Hospital entity only, excludes controlled affiliates

**Att 5I - Memo - Teleconferencing  
Requirements(CMrev).doc**

## Memorandum

**DATE:** El Camino Hospital Board Meeting – September 10, 2014

**TO:** El Camino Hospital Board of Directors and Advisory Committee Members

**FROM:** Mary Rotunno, Associate General Counsel

**SUBJECT:** Teleconferencing Requirements under the Brown Act

**BOARD ACTION:** Information

Government Code Section 54953(b) allows a local agency to use teleconferencing for Board and Committee meetings subject to the following requirements:

- 1) Board and Committee members attending a meeting by telephone should post the agenda at the teleconference location;
- 2) Each teleconference location must be identified in the notice and agenda of the meeting;
- 3) Each teleconference location should be accessible to the public;
- 4) All votes taken during a teleconferenced meeting shall be by roll call vote. This requirement may be satisfied by taking a roll call vote of only those member(s) participating by telephone; and
- 5) During the teleconference, at least a quorum of the members of the Board or Committee shall participate from locations within the El Camino Healthcare District.

**Att 6 - Cover Memo - FY 2015 Corporate Scorecard  
Status.doc**

## Memorandum

DATE: Board of Directors Meeting– September 10, 2014

TO: El Camino Hospital Board of Directors

FROM: Tomi Ryba, CEO and Mick Zdeblick, COO

SUBJECT: FY 2015 Corporate Scorecard Status

ACTION: Information/Discussion

### **Summary:**

At its February 2014 meeting, the Quality, Patient Care, and Patient Experience Committee (“Quality Committee”) began its annual process of reviewing and revising the Corporate Scorecard for the following fiscal year. At its April 21, 2014 meeting, the Quality Committee voted to recommend a draft revised FY2015 Scorecard (showing those metrics to be measured, but not the targets) to the Board for approval. As revised, the draft listed fewer financial metrics; notably, in-patient and outpatient operating margin were removed. The draft revised Scorecard should have been presented to the Finance Committee as part of the Budget package in May 2014, but it was not. However, at its June 11, 2014 meeting, the Board did approve the Draft Revised FY 2015 Scorecard as recommended by the Quality Committee.

Subsequently, at its August 18, 2014 meeting, the Quality Committee reviewed the format of the FY 2015 Scorecard and asked management to bring back a revised document to its September 15, 2014 meeting that will include targets and some proposed revisions to the format. In addition, management will present this newly revised draft (which will include in-patient and outpatient operating margin) to the Finance Committee for consideration at its September 29, 2014 meeting.

Following consideration by the Committees in September, management plans to bring a Final FY2015 Draft Scorecard to the Board for consideration and approval on October 8, 2014.



**Att 7 - Compliance Committee Report Memo September  
2014.doc**

## Memorandum

DATE: El Camino Hospital Board Meeting – August 13, 2014

TO: El Camino Hospital Board of Directors

FROM: John Zoglin, Chair, Corporate Compliance, Privacy and Internal Audit Committee

SUBJECT: Corporate Compliance, Privacy and Internal Audit Committee Report

BOARD ACTION: For Information

Date of last Committee Meeting: August 21, 2014

Date of next Committee Meeting: September 23, 2014

### **1. Progress Against Goals**

The committees first quarter FY: 2015 goal was to review the hospitals proposed FY2015 and FY 2016 Internal Audit Work Plan. The plan was based on a risk assessment completed the previous year and included consideration of major hospital initiatives, industry trends and current known internal concerns. The goal of the audit plan is to test internal controls and provide recommendations for business performance improvements. Due to the time and resource constraints on managers and staff in support of the November 2015 iCare go live the number of internal audits planned for FY15 was reduced to six and is then scheduled to be ramped up again in FY16. The committee reviewed the internal audit work plan and recommended approval.

### **2. Other Key Accomplishments**

All of the committees FY: 14 goals were achieved which included proposed development structure of an enterprise risk management program to the Hospital Board and recommendations for policy oversight.

### **3. Important Future Activities**

After the enterprise-wide risk assessment has been completed additional recommendations will be shared with the committee in early 2015 and the Board in March 2015 regarding development

of the ERM program and risk reporting. The committee discussed adding some risk management data to the Compliance Scorecard such as the number of medical malpractice or outstanding lawsuits so the committee can be aware of outstanding liability. The committee provided feedback to management regarding the reporting of Physician Arrangements and recommended additional clarification regarding fair market value analysis reported. Management will be developing FMV guidelines that will be brought back to the committee and to the full Board for approval.

## **Att 8 - qual\_com\_report\_9\_14.doc**

## Memorandum

DATE: El Camino Hospital Board Meeting – September, 10 2014

TO: El Camino Hospital Board of Directors

FROM: David Reeder, Chair, Quality, Patient Care, and Patient Experience

SUBJECT: Quality, Patient Care, and Patient Experience Committee Report

BOARD ACTION: For Information

Date of last Committee Meeting: 8/18

Date of next Committee Meeting: 9/15

### **1. Progress Against Goals**

Goal 1: Organizational goals have been reviewed and approved prior to the summer. Goal targets will be reviewed and recommended in September. The Scorecard has been approved and the Committee has discussed changes to the format. We will continue to discuss some changes to the format of the Scorecard in September.

Goal 2: Update to the PaCT plan will be reviewed in September.

Goal 3: Drill downs on specific quality targets are ongoing. In August, the Committee requested a drill down on length of stay as the metric has been off target for the past several quarters. We will receive this drill down in September.

Goal 4: The Committee has added Dr. Daniel Shin, Medical Director of Quality Improvement, as staff to the Committee. He is intimately involved in the peer review process and he, Dr. Pifer, and the Chiefs of Staff will provide the peer review and credentialing report later this year.

### **2. Other Key Accomplishments**

The Committee has been working steadily on several key topics:

1. **Safety, Sentinel Event Reporting and Communications:** The Committee discussed standards for Board and Committee notification when safety events occur and levels of alert in August. This feedback will be incorporated into a draft policy which will go to the Committee in September.
2. **Committee Function, Scope and Overall Quality Governance:** The Quality Committee is poised to play a key role in the quality consultation by national quality expert, Dr. Jim Reinertsen in October. Dr. Reinertsen's visit will occur on October 27 and 28. His work will be integrated with the work Mr. Jamie Orlikoff, a Board and quality governance expert. Mr. Orlikoff will visit ECH in November and he will attend a joint meeting of the Quality Committee and the Board.
3. **Quality Committee Membership:** The Committee has reviewed several resumes and we have scheduled interviews for several excellent candidates.
4. **Data Presentation and Corporate Scorecard Format:** The quality committee is going to review a draft of a new data presentation model after discussing objectives for data presentation at the August meeting.

### **3. Important Future Activities**

1. Final recommendations of organizational targets.
2. Continue drill down on under-performing quality metrics.
3. Quality consultation and overall and governance recommendations.
4. Discuss Corporate Scorecard formatting changes.

# **Att 9 - Board Member Committee Responsibilities.pdf**

## Memorandum

DATE: ECH Hospital Board – September 10, 2014

TO: ECH Board of Directors

FROM: John Zoglin, Board Member

SUBJECT: Board Member Committee Responsibilities

BOARD ACTION: For Discussion

### **Summary:**

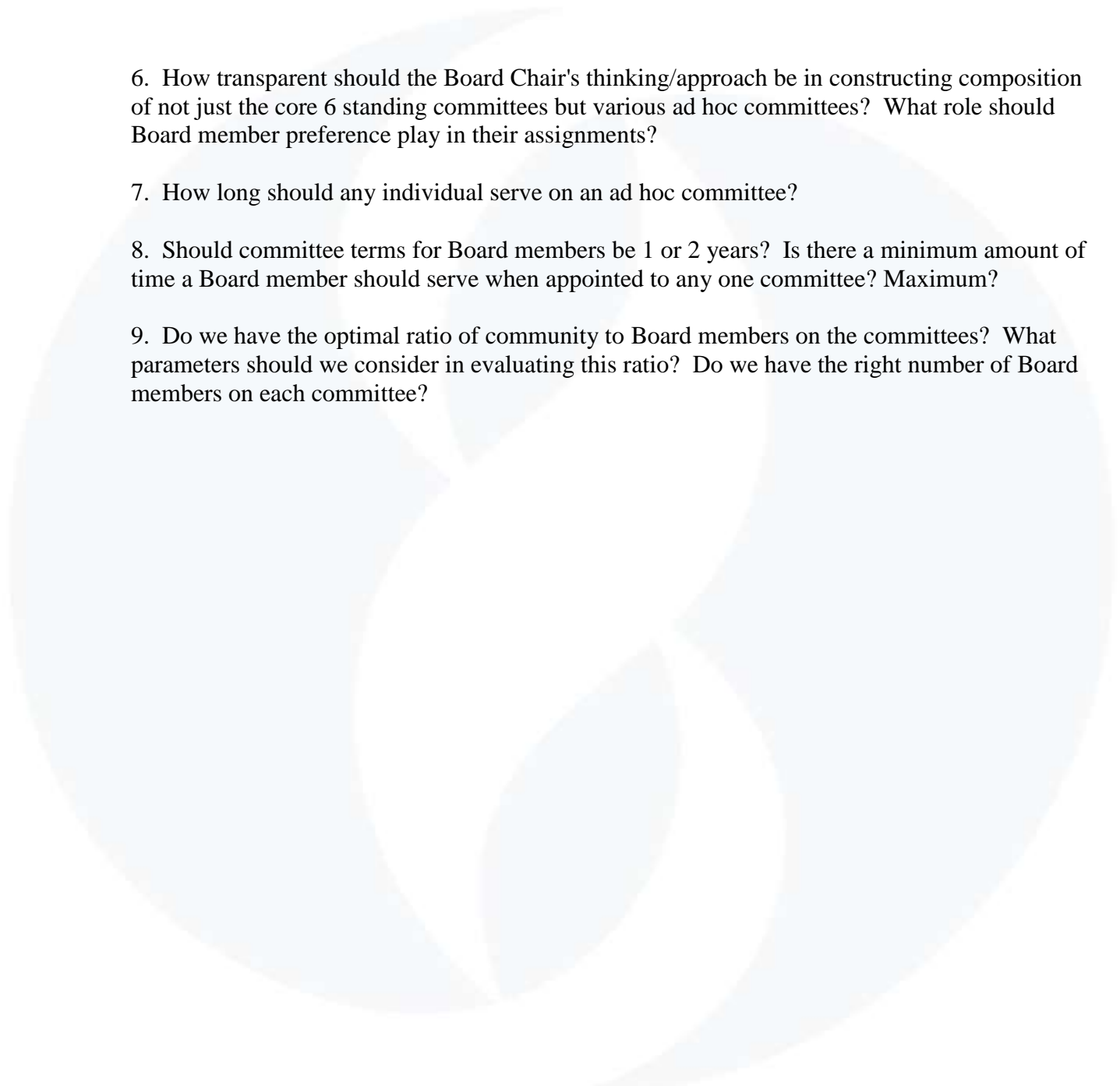
We are now two years into our effort to transform the Board’s governance structure and practices: The Board is striving to adopt best practices in healthcare governance as we ask our institution to adapt its practices to the dramatically shifting healthcare environment and marketplace in order to provide the best care possible. We must continue to force ourselves to evolve and evaluate our initial committee oriented structure.

Among the issues that have arisen are the individual responsibilities of Hospital Board members to each other and the institution as well as the obligations of the institution to those contributing their time and expertise. At a very tactical level, a number of questions have arisen that we should explicitly discuss. Ideally, we will answer these questions before the end of the fiscal year at which point a new Board chair may be facing fresh decisions on how to compose committees. To inform our conversation, Cindy has included a spreadsheet detailing Board members’ current assignments.

### **Considerations:**

1. Is there a minimum number of committees on which any member should be willing to serve?
2. Is there a maximum number of committees that any one person should be permitted to sit on or chair?
3. Should every Board member be obligated, at the choice of the Board Chair and validated by the full Board, to chair at least one committee?
4. Should there be minimum attendance requirements? In person? Remote?
5. Does a Board member have a right to serve as chair of at least one committee if they choose?



- 
6. How transparent should the Board Chair's thinking/approach be in constructing composition of not just the core 6 standing committees but various ad hoc committees? What role should Board member preference play in their assignments?
  7. How long should any individual serve on an ad hoc committee?
  8. Should committee terms for Board members be 1 or 2 years? Is there a minimum amount of time a Board member should serve when appointed to any one committee? Maximum?
  9. Do we have the optimal ratio of community to Board members on the committees? What parameters should we consider in evaluating this ratio? Do we have the right number of Board members on each committee?

**Att 9b - Director Board and Committee  
Responsibilities.xlsx**

FY 2015 El Camino Hospital Board of Directors  
Board Member Assignments

Assignment	Hospital Board	District Board	Governance	Quality	Executive Compensation	Investment	Finance	Compliance	iCare	Strategy	ECHD Ad Hoc	PAMF/ECH JOC	Foundation Board	CBAC
Director														
Cohen	Chair									Chair				
Chiu	x	x					Chair	x		x				
Einarson	x	Chair		x					Chair		x	x		
Davis	x			x		x								
Miller	x	x	x	x	x								x	x
Reeder	x	x	Chair	Chair	x				x				x	
Tandon	x		x		Chair		x							
Zoglin	x	x				Chair	x	Chair			x			
Mtgs/year	13	6*	6	10	4	4	6	6	10*	10*	3	10	6	3

\* Frequency is Estimated Based on FY 2014 Meetings

**Att 10 - Cover Memo - Addition of Names to  
Agendas.doc**

## Memorandum

**DATE:** El Camino Hospital Board Meeting – September 10, 2014

**TO:** El Camino Hospital Board of Directors

**FROM:** Mary Rotunno, Associate General Counsel

**SUBJECT:** Request to add names and telephone numbers of Board and Committee members participating by telephone to notice and agenda of meeting

**BOARD ACTION:** Possible Motion

At the August Board meeting, Director Miller requested that the Board consider whether the names and telephone numbers of Board and Committee members participating in a meeting via teleconference should be added to the notice and agenda of the meeting in the interest of full transparency.

The Brown Act is silent on this specific question and there is no legal requirement to post names and telephone numbers of members participating by telephone. Government Code Section 54953(b)(3) generally provides that teleconference meetings should be conducted “in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency”.

With this guidance from the Brown Act, the Board may want to consider that certain Board and Committee members are not publicly elected officials, and their privacy rights may outweigh the transparency interest. Further, a requirement to publicly post an individual’s name and telephone number could have a chilling effect on the willingness of Board and Committee members to participate in meetings when they are traveling for employment related or personal business.

# **Att 11 - CEO Report 9-10-14 Open(V2).docx**



Date: September 10, 2014  
 To: El Camino Hospital Board of Directors  
 From: Tomi Ryba, CEO  
 Re: CEO Report - Open Session

FY14 Organizational Goals

Prepared: 8/26/2014

Organizational Goal	Performance Measurement				Evaluation Timeframe	Evaluation Values	FY14 thru June
	FY13	Minimum	Target	Maximum			
<b>Regulatory Compliance</b>							
Joint Commission Accreditation	Met	Full Accreditation			FY	FY: Met	Met
<b>Financial Viability</b>							
Budgeted Operating Margin	Met	90% of Budgeted			FY	FY: Met	Met
Operating Margin re Budget	2.8%	meet	0.5% > Budgeted	1.0% > Budgeted	FY	FY 2014 1.4%	1.5%
<b>Quality and Patient Safety</b>							
Rate of Med/Surg/Critical Care Patient Falls	2.10 Q4 CALNOC	2.00	1.90	1.85	FY	FY: 1.45	1.45
		2.00	1.80	1.60	Apr-Jun 2014	A-J 14: 1.50	
<b>Service</b>							
Meet the averaged performance for these 3 Service metrics on the Corporate Scorecard: CMS Qualified Methodology	Q4	75.0%	78.0%	79.0%	Apr-Jun 2014	Apr-Jun 2014 pulled 8/15/14	Jul-Jun CMS pulled 8/15/14
- Improve Staff Communication	Avg of 3 scores	62.0%	63.0%	64.0%		77.7%	78.0%
- Improve Medication Communication		63.0%	66.0%	68.0%		71.6%	65.9%
- Improve Staff Responsiveness	67.0 CMS					66.9%	67.0%
Average of all 3 Scores		66.6%	69.0%	70.3%		72.0%	70.3%
<b>Efficiency</b>							
Median Minutes from ED Arrival to Admit to Unit	275	280	265	255	Apr-Jun 2014	Apr-Jun 2014 272	272
<b>Continuum of Care</b>							
30 Day Unplanned Readmission (Medicare)*	10.6%	10.5%	10.4%	10.3%	FY	FY: 8.8	8.8%
*Margin of Error +/- 0.3%		10.5%	10.2%	10.0%	Apr-Jun 2014	A-J 14: 8.7	
<b>People</b>							
Biometrics Screening Employee Participation Rate	42%	46%	47%	48%	FY	FY 2014 51.9%	51.9%

Thrilled to report we achieved all FY14 Organizational Goals at the maximum level with the exception of Efficiency where we achieved a little over the Minimum level. Outstanding focused effort marking excellent progress against continuous improvement.

**DRAFT**

**FY15 Organizational Goals**

Prepared: 8/28/14

Organizational Goal	Performance Measurement			Evaluation Timeframe	FY15 thru July
	FY14	Minimum	Target		
<b>Regulatory Compliance</b>					
Joint Commission Accreditation	Met	Full Accreditation		FY	Met
<b>Financial Viability</b>					
Budgeted Operating Margin		90% of Budgeted		FY	
Operating Margin re Budget				FY	
<b>Quality and Patient Safety</b>					
Rate of Med/Surg/Critical Care Patient Falls				FY Apr-Jun 2015	
<b>Service</b>					
Improve 3 Service metrics on the Corporate Scorecard (Based on CMS Qualified Methodology) - Improve RN Communication - Improve Staff Responsiveness - Improve Medication Communication				Apr-Jun 2015	
# Composites (Max 8) Above Threshold (50th percentile)					
<b>Efficiency</b>					
Medical / Surgical Length of Stay Improvement Opportunity (Fiscal YTD)				FY	
<b>Continuum of Care</b>					
30 Day Medicare Unplanned Readmission (Enterprise)* *Margin of Error +/- 0.3%				FY	
<b>EPIC</b>					
Validate EPIC Foundation and Complete System Design				Jun 2015	

Metrics for the FY15 Organizational Goals will be recommended for approval at the October Board meeting, now that we have the baselines established.

**Patient Quality and Safety**

Culture of Safety and Employee Engagement Surveys

- Clinical Effectiveness and Human Resources have partnered to identify correlations between the results of the Culture of Safety and Employee Engagement Surveys.
- Overall job satisfaction was rated as the most favorable item on both surveys.
- Knowledge of how to report safety concerns and feeling safe if they were patient here were the other two most highly rated items on the Culture of Safety Survey.
- On the Employee Engagement Survey, the other top scoring items included strong agreement with the statements that individuals in the organization show genuine caring to the patient/customer and that their coworkers are friendly and helpful.



Overall, the organization improved from the 65<sup>th</sup> percentile to the 78<sup>th</sup> percentile.

- There was also consistency between low scoring items on both surveys as related to supervisory/management topics. This included the frequency of supervisor feedback on performance (engagement) and supervisors' constructive handling of problem personnel (safety).
- Culture of Safety survey results also indicated opportunity for improvement related to stress recognition.
- Employee Engagement survey results showed measureable improvement related to low scoring items from last year, however continue to show that employees are concerned about workload distribution and have a desire to be more involved in decision-making related to their work.
- Value Based Purchasing Processes of Care were 100% for June (most recent data).

## **Operations**

- 93% of management staff members attended SuccessFactors Online Performance Evaluation and Goal Planning Training in order to complete the 2014 Management Performance Evaluation and 2015 Incentive Goal Setting processes.
- Over 700 RNs and other clinical staff received training on the new Zoll defibrillators to ensure the organization was well-prepared when these long-awaited devices were deployed.
- Key hires: R.J. Salus, Director Patient Experience, Johnna Mohun, Sr. Manager Patient Financial Services, and Petrina Griesbach, Manager Quality & Risk Mgmt. in LG.
- RotaCare Clinic Nurse Practitioner, Michelle Luttrell was selected as an outstanding partner in community health by the Community Health Partnership (CHP). She will serve as a representative for all of RotaCare Bay Area. She has demonstrated exceptional leadership with improving healthcare access and care to low-income and uninsured populations for patients at the ECH RotaCare Clinic. She will be honored by CHP at a reception on 9/12/14.
- Secured a new EAP customer, a large semi-conductor company headquartered in the Bay Area, Applied Materials
- HIMs in collaboration with IT, MSO, Nursing and Regulatory, completed eDocs project (electronic progress notes, pre and post op notes and H&Ps) with 95% success rate by physicians at both campuses.

- Worked with Pharmacy to avoid a \$200K price increase on IV fluids by converting IV room supplies.
- PaCT Update: A central theme of the PaCT Plan is our balanced approach to managing Quality, Service and Affordability, or the Triple Aim. In FY15 we will be reviewing all three aspects together for each major operational area of the hospital. Monthly, starting in September, we will review the department specific quality metrics, their department specific service metrics, and the four aspects of affordability; Labor Productivity (last pay period and rolling past four pay periods), Non-Labor Purchase Services, Consulting Fee's and Supplies.
- The total number of uninsured in Santa Clara County prior to Covered CA and the Medi-Cal expansion was approximately 220,000. County officials expected that number to decrease by 138,000 this year, but official numbers have not yet been released.
- This week we learned that three ECH clinical teams received Moore Foundation Dissemination grants. The three teams include Sepsis for \$45K, ABCDE (i.e. early mobilization in ICU) \$45K, and Transitions of Care \$33K. The Moore Foundation is winding down its 10 year grant process for the nursing initiative and asked hospitals who received grants over the past 10 years to submit proposals for dissemination of the outcomes of their work in the areas where they received monies from the Moore Foundation. ECH submitted three proposals and three were awarded. We are thrilled to spread the good work and outcomes we have achieved. This is due to Cheryl Reinking's leadership, reputation, the fact she has led the delivery of remarkable results for the past grants, and the professional relationship she has developed with the Moore Foundation.

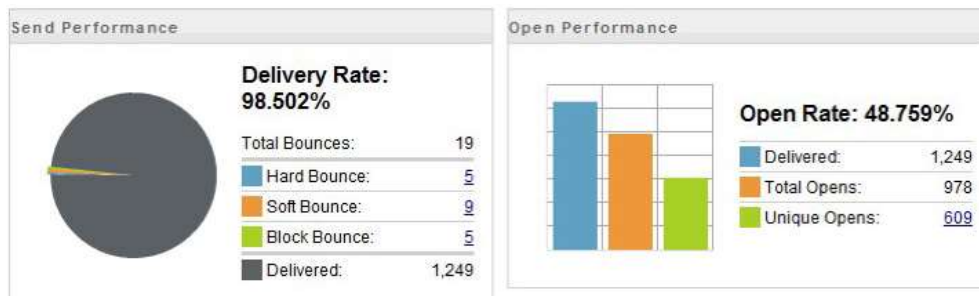
### **Community Outreach**

- Partnered with PAMF's Dr. Sinha to present a workshop at Yahoo! on lab results and a heart healthy diet.
- Established partnership with Cal Fresh program to provide a weekly onsite screening at RotaCare for the food assistance program in Santa Clara County. The clinic is seeing an increasing number of patients experiencing food scarcity.
- Participated at the Senior Resource Fair at the Mountain View Senior Center with 200+ seniors in attendance. ECHD community benefit sponsored this event.
- Conducted a community wellness workshop "Breathing – Are You Doing it Right?" The workshop featured a Traditional Chinese Medicine (TCM) physician speaker and was well-received by 50 participants.
- Participated in the 8th annual Chinese Alzheimer's event.

- El Camino Hospital hosted a celebration event at its Mountain View campus for its CoreValve patients and care teams, in recognition of the FDA’s recent approval of Medtronic’s CoreValve System to treat high-risk patients with aortic stenosis. More than 50 people were in attendance, including Medtronic leadership, Fogarty Institute for Innovation leadership, Jack Melchor, CoreValve physician leaders and patients who have undergone the procedure.
- I spoke to 60 members of the Los Gatos Lions about El Camino Hospital and the opportunities and challenges of health care reform. Staff gave a presentation to the ECH Foundation Board on the objectives and activities of government and community relations within our organization.

## Relationship Marketing

- Heart Risk Assessments: Launched in March, 284 online assessments have been completed, with 35 occurring this past month. Of those, 2% were at very high or high risk. All participants received follow up communication this month customized to their level of risk.
- HealthPerks: Our hospital membership program continues to grow with 800 new members, totaling over 5,800 members who have elected to receive our marketing and communications.
- Two print mailings to affiliated and referring physicians were distributed this month.
- Cancer Program Report 2013 and Breast Cancer Report 2013 mailed to 2,762 physicians; it was also posted as a digital book on the hospital website
- Behavioral Health Services “Connections,” a four-fold, color piece focusing on key programs was mailed to 3,482 physicians
- Physician Briefings: In July, the bi-monthly “fax” was distributed via email for the first time. Of the 1269 physician emails, only 19 were returned (or bounced) for a 98.5% delivery rate. Nearly 50% of recipients opened the email, including those who opened the email more than once. We will continue to monitor open rates and engagement of content as we transition to this digital format.



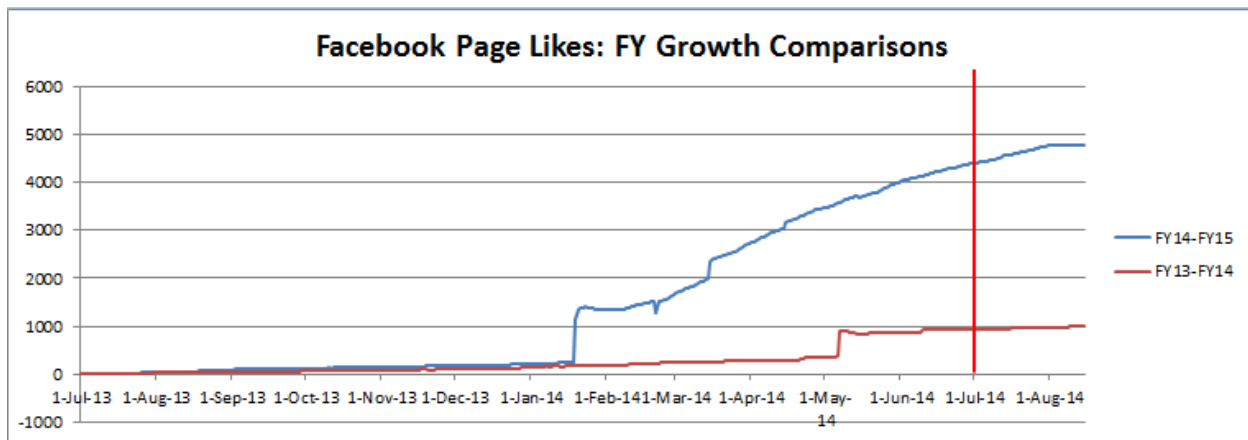
## Digital Engagement

- Website: Over 229K page views and 215K uniques; this is -3% under the last month, but still +6% over FY13.



## Social Media:

- o Facebook now has over 11k Likes, a 2% increase over last month and 74% increase over last year. The average engagement rate/post was 7%. Total reach was almost 30k.
- o Facebook posts with the highest engagement rate: Joint Committee Reaccreditation - 23%, 8/14 Farmers' Market - 15%, Los Gatos celebrating 5 yrs. - 13%, death of Dr. Robert Armstrong - 12.5%, depression (after Robin Williams death) - 11.7%, watermelon fruit popsicles - 9.8%
- o Facebook posts with highest reach: US News Best Hospitals - 3,400, Joint Commission Reaccreditation - 1,300, 8/14 Farmers' Market - 1,100, Los Gatos campus phone issues - 1,100, depression (after Robin Williams death) – 823



- **Video:** YouTube videos had over 14k views and an estimated 43k minutes watched
  - o Most watched YouTube videos: Maternity Care and Birth Center - over 5k views, Treatment of Enlarged Prostate Glands - almost 800 views, Peripheral Artery Disease Warning Signs - over 700 views, Is Your Chest Pain a Heart Attack - almost 750 views.

### YouTube Subscribers Gained: FY Growth Comparison

