

**AGENDA**  
**GOVERNANCE COMMITTEE OF THE**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**

**Wednesday, February 1, 2023– 5:30 pm**

El Camino Hospital | 2500 Grant Road Mountain View, CA 94040

PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1), EI CAMINO HEALTH **WILL NOT BE PROVIDING A PHYSICAL LOCATION TO THE PUBLIC FOR THIS MEETING**. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

**1-669-900-9128, MEETING CODE: 979 1628 2980#.** No participant code. Just press #.

**PURPOSE:** To advise and assist the El Camino Hospital (ECH) Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition. The Governance Committee ensures that the Board and Committees are functioning at the highest level of governance standards.

	<b>AGENDA ITEM</b>	<b>PRESENTED BY</b>	<b>ACTION</b>	<b>ESTIMATED TIMES</b>
1	<b>CALL TO ORDER/ROLL CALL</b>	Lanhee Chen, Chair		<b>5:30 – 5:32pm</b>
2	<b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Lanhee Chen, Chair	Information	<b>5:32 – 5:33</b>
3	<b>PUBLIC COMMUNICATION</b> a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes, on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Lanhee Chen, Chair	Information	<b>5:33 – 5:36</b>
4	<b>CONSENT CALENDAR</b> <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> <b>Approval</b> a. <a href="#">Minutes of the Open Session of the Governance Committee Meeting (10/25/2022)</a> b. <a href="#">Revised Investment Committee Charter</a> <b>Information</b> c. <a href="#">Report on Board Actions</a> d. <a href="#">FY23 Pacing Plan</a>	Lanhee Chen, Chair	Motion  <i>public comment</i>	<b>5:36 – 5:41</b>
5	<b><u>FY23 BOARD ACTION PLAN</u></b> a. Agenda Input and Question Submission b. Board Skills Matrix c. Board and Committee Chair Onboarding	Dan Woods, CEO Tracy Fowler, Director of Governance Services	Information  <i>Possible Ad Hoc Committee Formation</i>	<b>5:41 – 6:01</b>
6	<b><u>BOARD TRAINING AND DEVELOPMENT</u></b> a. Annual Education Opportunities b. March 8, 2023 Board Retreat	Dan Woods, CEO Tracy Fowler, Director of Governance Services	Information	<b>6:01 – 6:16</b>
7	<b><u>FY24 GOVERNANCE COMMITTEE DATES</u></b>	Lanhee Chen, Chair	Possible Motion <i>public comment</i>	<b>6:16 – 6:21</b>

A copy of the agenda for the Committee Meeting will be posted and distributed at least twenty-four (24) hours prior to the meeting. In compliance the Americans with Disabilities Act, please notify us at **(650) 988-8254** 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	ACTION	ESTIMATED TIMES
8	<b><u>POLICY UPDATES</u></b> a. <a href="#">Rules of Order of the Board of Directors of El Camino Hospital</a> b. <a href="#">Board and Advisory Committee Education</a> c. <a href="#">El Camino Hospital Board Director Compensation and Reimbursement</a>	Dan Woods, CEO Tracy Fowler, Director of Governance Services	Possible Motion <i>public comment</i>	6:21– 6:30
9	<b>ADJOURN TO CLOSED SESSION</b>	Lanhee Chen, Chair	Motion <i>Public comment</i>	6:30 – 6:31
10	<b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Lanhee Chen, Chair	Information	6:31 – 6:32
11	<b>CONSENT CALENDAR</b> <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> <b>Approval</b> Gov't Code Section 54957.2: Minutes of the Closed Session of the Governance Committee Meeting (10/25/22)	Lanhee Chen, Chair	Motion	6:32 – 6:35
12	<b>ADJOURN TO OPEN SESSION</b>	Lanhee Chen, Chair	Motion	6:35– 6:36
13	<b>RECONVENE OPEN SESSION/ REPORT OUT</b>	Lanhee Chen, Chair	Information	6:36 – 6:37
	To report any required disclosures regarding permissible actions taken during Closed Session.			
14	<b>ROUNDTABLE</b>	Lanhee Chen, Chair	Discussion	6:37 – 6:47
15	<b>ADJOURNMENT</b>	Lanhee Chen, Chair	Motion <i>public comment</i>	6:47 – 6:48 pm

**Upcoming Committee Meetings:** May 2, 2023

**Upcoming Education/Retreat Sessions:** March 2023 (Board Retreat); August 2023 (Joint Board and Committee Education Session)

**Minutes of the Open Session of the  
Governance Committee of the  
El Camino Hospital Board of Directors  
Tuesday, October 25, 2022**

Pursuant to Government Code Section 54953(e)(1), El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

<u>Members Present</u>	<u>Members Absent</u>	<u>Others Present</u>
<b>Ken Alvares</b> <b>Lanhee Chen, Chair</b> <b>Michael Kasperzak</b> <b>Christina Lai**</b> <b>Julia Miller</b> <b>Don Watters</b>	<b>None</b>  **via teleconference	<b>Dan Woods, CEO</b> <b>Andreu Reall, VP Strategy</b> <b>Tracy Fowler, Director, Governance Services</b> <b>Stephanie Iljin, Manager, Administration</b> <b>Jennifer Bettendorf, Exec Assistant **</b> <b>Marianne Vicencio. Via Healthcare Consulting (Via) **</b>

<b>Agenda Item</b>	<b>Comments/Discussion</b>	<b>Approvals/ Action</b>
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session of the regular meeting of the Governance Committee of El Camino Hospital (the “Committee”) was called to order at <b>5:30 pm</b> by Lanhee Chen, Chair. A verbal roll call was taken. A quorum was present under Government Code Section 54953(e)(1).	<b><i>Called to order at 5:30 pm</i></b>
<b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Chen asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
<b>3. PUBLIC COMMUNICATION</b>	Chair Chen invited the members of the public to address the Committee, and no comments were made.	
<b>4. CONSENT CALENDAR</b>	<b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Governance Committee Meeting 08/31/2022), and for information: Pacing Plan.  <b>Movant:</b> Mr. Kasperzak <b>Second:</b> Alvares, Chen, Kasperzak, Lai, Miller, Watters <b>Noes:</b> None <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None	<b><i>The Consent Calendar was approved.</i></b>
<b>5. REPORT ON BOARD ACTIONS</b>	Chair Chen reported on the Board Actions, as detailed in the packet materials.	
<b>6. INCLUSION, DIVERSITY, EQUITY, AND BELONGING (I-DEB)</b>	Dan Woods, CEO, provided a brief update. He reported that there has been no response to the initial request for proposal (RFP) for diversity, equity, and inclusion (DEI) consulting services. Therefore, they have expanded the scope to include recommendations for the enterprise to attract more DEI consultant proposals. The expectation is to have a decision by the end of December followed by a recommendation to the board of a firm to hire.  Members engaged in discussion, and questions were asked and answered.	

<p><b>7. FY23 COMMITTEE GOALS CROSSWALK UPDATE</b></p>	<p>Mr. Woods referred members to the Committee Goals/Pacing Plan Crosswalk to ECH Strategic Plan document included in the packet. He shared the project timeline and explained that this process is to ensure that all committee goals align to the strategic plan.</p> <p>The group then entered a working session to review and establish Governance Committee’s FY23 goals. A document showing how the goals and metrics reflect ECH’s value proposition and strategic framework was shared.</p> <p>Suggested topics for inclusion in goals:</p> <ul style="list-style-type: none"> <li>• Focus on both inpatient and ambulatory objectives</li> <li>• Include reference to diversity for each committee goal/metric</li> <li>• Implement a regular succession plan as part of ensuring competent governance.</li> </ul> <p>The group then engaged in a discussion about scorecards and metrics. It was noted that the objective for the Governance Committee is to review what metrics are used, not the outcomes. Questions were asked regarding how the metrics are being developed and what the process is for bringing them to the board. Mr. Woods answered.</p> <p>It was noted that it is time to do the regular bylaws review. Ms. Fowler informed the committee that she is in the process of developing an action registry to track all action items. This registry will be on the board portal so all members may track on progress.</p>	<p><b>Follow-up:</b></p> <ul style="list-style-type: none"> <li>• <i>Include annual review of committee members as potential future board member candidates</i></li> <li>• <i>Management to conduct initial review of the ECH Hospital Board bylaws and make recommendations to the Committee according to pacing plan.</i></li> </ul>
<p><b>8. POLICY REVISION: BOARD AND ADVISORY COMMITTEE CONTINUING EDUCATION POLICY</b></p>	<p>Chair Chen opened the conversation by commenting on the visibility to the policy and education opportunities for members. Members discussed ways to provide more education opportunities to members and ways to ensure the topic relevancy by focusing on targeted education areas and the organization type.</p> <p>Ms. Fowler informed the committee that she is developing a list of conferences to provide to board and committee members. She added they will also provide a template for reports outs as they return from trips.</p> <p><b>Motion:</b> Motion to approve board and advisory committee continuing education policy.</p> <p><b>Movant:</b> Director Miller  <b>Second:</b> Director Watters  <b>Ayes:</b> Alvares, Chen, Kasperzak, Lai, Miller, Watters  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b>Board and Advisory Committee Continuing Education Policy approved</b></p> <p><b>Follow-up:</b></p> <p><i>Encourage board continuing education. Inform members that the Board Education Policy and Budget exists.</i></p>

<p><b>9. EDUCATION PLANNING: JOINT BOARD AND COMMITTEE EDUCATION SESSION FEBRUARY 2023</b></p>	<p>Mr. Woods began the discussion around the February 2023 joint board and committee education session by recommending the overall focus be on healthcare environmental trends, the competitive landscape and developing ECH's frictionless experience. These topics will provide a framework when setting FY24 Goals.</p> <p>Members discussed the format of the meeting and importance of engaging the group both in the meeting, and socially.</p>	
<p><b>10. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at <b>6:28 pm.</b></p> <p><b>Movant:</b> Director Miller  <b>Second:</b> Mr. Kasperzak  <b>Ayes:</b> Alvares, Chen, Kasperzak, Lai, Miller, Watters  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b><i>Adjourned to closed session at 6:28 pm.</i></b></p>
<p><b>11. AGENDA ITEM 14: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>The open session was reconvened at <b>6:30 pm.</b> Agenda items 11 and 12 were addressed in the closed session. During the closed session, the Committee approved the Closed Session Minutes of the 08/31/2022 Governance Committee meeting by a unanimous vote of all the Committee members present. Committee members Alvares, Chen, Kasperzak, Lai, Miller, and Watters were present.</p>	
<p><b>12. AGENDA ITEM 15: ROUND TABLE DISCUSSION</b></p>	<p>Director Watters commended leadership for structuring the meeting to include more discussion and collaboration. Members agreed.</p>	
<p><b>13. AGENDA ITEM 16: ADJOURNMENT</b></p>	<p><b>Motion:</b> To adjourn at <b>6:31 pm.</b></p> <p><b>Movant:</b> Mr. Alvares  <b>Second:</b> Director Watters  <b>Ayes:</b> Alvares, Chen, Kasperzak, Lai, Miller, Watters  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><b><i>The meeting was adjourned at 6:31 pm.</i></b></p>

**Attest as to the approval of the preceding minutes by the Governance Committee of El Camino Hospital:**

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Tracy Fowler  
 Director, Governance Services

## El Camino Hospital Board of Directors Investment Committee Charter

### Purpose

The purpose of the Investment Committee (the “Committee”) is to develop and recommend to the El Camino Hospital (ECH) Board of Directors (“Board”) the organization’s investment policies, maintain current knowledge of the management and investment of the invested funds of the hospital and its pension plan(s), provide guidance to management in its investment management role, and provide oversight of the allocation of the investment assets.

### Authority

All governing authority for ECH resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee or subcommittee. All of the recommendations of the Committee flow to the El Camino Hospital Board for action. Reports of the Committee will be provided to the subsequently scheduled Board meeting. The Committee has the authority to recommend one or more investment managers for the hospital, monitor the performance of such investment managers, and monitor adherence to the investment policies of the hospital.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

The Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

### Membership

- The Investment Committee shall be comprised of two (2) or more Hospital Board members. The Chair of the Committee shall be appointed by the Board Chair, subject to approval by the Board. All members of the Committee shall be eligible to serve as Chair of the Committee.
- The Investment Committee may also include ~~2-4 Community members~~<sup>1</sup> ~~2-5 Community Members~~ with expertise areas such as finance, banking, and investment management.
- All Committee members, with the exception of new Community members, shall be appointed by the Board Chair, subject to approval by the Board. New Community members shall be appointed by the Committee, subject to approval of the Board. All Committee appointments shall be for a term of one year expiring on June 30<sup>th</sup>, renewable annually.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice Chair from among the members of the Committee. If the Chair of the Committee is not a Hospital Board member, the Vice Chair must be a Hospital Board member. All members of the Committee must be independent with no conflicts of interest regarding hospital investments. Should there be a

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<sup>1</sup> Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.

potential conflict, the determination regarding independence shall follow the criteria approved by the Board.

## **Staff Support and Participation**

The CFO shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the management team may participate in the Committee meetings as deemed necessary.

## **General Responsibilities**

The Committee's primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall work with its investment advisor(s) to develop dashboard metrics that will be used to measure and track investment performance for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. The Committee is responsible for ensuring that performance metrics are being met to the Board's expectations and that the Board is apprised of any deviations therefrom.

## **Specific Duties**

The specific duties of the Investment Committee include the following:

### **A. Investment**

- Define the necessary skill sets, diversity and other attributes required for Board members to support Hospital strategy, goals, community needs and current market conditions.
- Review and recommend for approval by the Board the investment policies for corporate assets and Cash Balance Plan assets. Review and make recommendations to the Board regarding the selection of an independent investment advisor. The Board will appoint the investment advisor, and management, in consultation with the Committee, will appoint the investment managers.
- Monitor the performance of the investment managers through reports from the independent investment advisor, and make recommendations for change when appropriate.
- Monitor investment allocations and make recommendations to the Board if assets are managed inconsistently with approved investment policies.
- Monitor the financial stability and safety of the institutions which have custody of the Hospital's assets, and make recommendations for change when appropriate.
- Monitor the investment performance of the specific investment vehicles made available to employees through their 403(b) Retirement Plan.
- Review recommendations from the Retirement Plan Administrative Committee (RPAC) regarding the selection of an independent investment advisor for the employees' 403(b) Retirement Plan and make recommendations to the Board. The Board will appoint the investment advisor, and the RPAC will monitor, select, and replace the Core investment choices.

**B. Ongoing Education**

- Endorse and encourage Investment Committee education and dialogue relative to the work of the Committee.

**Committee Effectiveness**

The Committee is responsible for establishing its annual goals, objectives and pacing plan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

**Meetings and Minutes**

The Committee shall meet at least once per quarter. The Committee Chair, in collaboration with hospital management, shall determine the frequency of meetings based on the Committee's annual goals and work plan and the operational needs of the organization. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all Advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of Advisory committees may also be called by resolution of the Board or by the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.



**EL CAMINO HOSPITAL BOARD OF DIRECTORS  
COMMITTEE MEETING MEMO**

**To:** Governance Committee  
**From:** Tracy Fowler, Director Governance Services  
**Date:** February 1, 2023  
**Subject:** Report on Board Actions

**Purpose:** To keep the Committee informed regarding actions taken by the El Camino Hospital and El Camino Healthcare District Boards.

**Summary:**

1. **Situation:** It is essential to keep the Committees informed about Board activity to provide context for Committee work. The list below is not meant to be exhaustive; still, it includes agenda items the Board voted on that are most likely to be of interest to or pertinent to El Camino Hospital’s Board Advisory Committees.
2. **Authority:** This is being brought to the Committees at the request of the Board and the Committees.
3. **Background:** Since the last time we provided this report to the Governance Committee, the Hospital Board has met twice and the District Board met once. In addition, since the Board has delegated specific authority to the Executive Compensation Committee, the Compliance and Audit Committee, and the Finance Committee, those approvals are also noted in this report.

<b>Board/Committee</b>	<b>Meeting Date</b>	<b>Actions (Approvals unless otherwise noted)</b>
<b>ECH Board</b>	November 9, 2022	<ul style="list-style-type: none"> <li>- Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings</li> <li>- Credentialing and Privileges Report</li> <li>- Physician Services Agreement</li> <li>- Capital Project Request – MV Imaging Equipment Replacement and Expansion</li> </ul>
	December 7, 2022	<ul style="list-style-type: none"> <li>- Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings</li> <li>- Credentialing and Privileges Report</li> <li>- Orthopedic Co-Management Agreement</li> <li>- Annual Safety Report for the Environment of Care</li> <li>- Affiliate Covered Entity (ACE) Policy</li> </ul>

Report on Board Actions  
February 1, 2023

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
<b>ECHD Board</b>	October 18, 2022	<ul style="list-style-type: none"> <li>- Community Benefits Spotlight Resolution 2022-11: Day worker center of mountain view</li> <li>- Continuation of Resolution 2021-10; AB361</li> <li>- Resolution 2022-08: Appointment of FY23 El Camino Hospital Board Member Ad Hoc Committee Advisory Members</li> <li>- FY22 Year-End Community Benefit Report</li> <li>- Community Benefit Sponsorship Report</li> <li>- Report on Covid-19 Community Program</li> <li>- FY23 Pacing Plan</li> <li>- Board Educational Activity Report – Director Zoglin</li> <li>- Board Educational Activity Report – Director Somersille</li> <li>- ECHD FY2022 Financials</li> <li>- Annual Adoption of Community Benefit Grants Policy</li> <li>- FY24 Community Benefit Board Policy Guidance and FY23 Update</li> <li>- FY2022 Audited Financial Report</li> </ul>
	December 5, 2022	<ul style="list-style-type: none"> <li>- Santa Clara County Board of Supervisor Appointments of September 13, 2022</li> <li>- Election of District Board Members Fung and Ting to Hospital Board of Directors</li> </ul>
<b>Executive Compensation Committee</b>	November 3, 2022	<ul style="list-style-type: none"> <li>- FY2022 CEO Performance Review Process and FY2023 Recommendations</li> </ul>
<b>Compliance and Audit Committee</b>	November 30, 2022	<ul style="list-style-type: none"> <li>- Affiliate Covered Entity (ACE) Policy</li> <li>- Modification to Physician Financial Arrangement Review and Approval Policy</li> </ul>
<b>Finance Committee</b>	November 21, 2022	<ul style="list-style-type: none"> <li>- FY23 Period 3 Financial Report</li> </ul>

**List of Attachments:** None.

**Suggested Committee Discussion Questions:** None.

Governance Committee												
AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	8/31	SEP	10/25	NOV	DEC	JAN	2/1	MAR	APR	5/7	JUN
<b>STANDING AGENDA ITEMS</b>												
Consent Agenda items		✓		✓				✓			✓	
Approve Minutes		✓		✓				✓			✓	
<b>DISCUSSION ITEMS / COMMITTEE ACTIONS</b>												
Board Education		✓						✓				
Board Actions		✓										
Assess ECH Board Structure		✓										
Confirm Self-Assessment Sent to District		✓										
GC Self-Assessment Results				✓								
Review Policy and Procedure for Advisory Committee Member Nomination Selection				✓								
Assess Progress against Board Action Plan								✓			✓	
Hospital Board Member Competencies, Including Diversity								✓				
Set Gov. Committee Dates								✓				
Develop next FY Gov. Committee Goals											✓	
Review Advisory Committee and Committee Chair Assignments											✓	
Assess Committee Structure & Charters												
Review Committee Progress Against Goals											✓	
Finalize Next FY Master Calendar											✓	
<b>PLANNING SESSIONS</b>												
Plan for Joint Education Session		✓		✓				✓				
Board Education Plan				✓								
Plan for Board Retreat											✓	

**EL CAMINO HOSPITAL BOARD OF DIRECTORS  
COMMITTEE MEETING MEMO**

**To:** Governance Committee  
**From:** Tracy Fowler, Director Governance Services  
**Date:** February 1, 2023  
**Subject:** FY23 Board Action Plan

**Purpose:**

To update the Governance Committee on the progress against the FY23 Board Action Plan.

**Actions:**

1. **Situation:** The Hospital Board of Directors utilized the services of an independent consulting firm to conduct a Governance assessment to promote optimal processes and practices.
2. **Authority:** The Governance Committee goals includes to promote, enhance, and sustain competency-based, efficient, effective governance of the board.
3. **Background:** The governance assessment reviewed the actions taken by and processes in place with the El Camino Hospital Board of Directors to address Strategic Planning, Operational Topics, Corporate Governance Matters, Administrative Matters and Written Reports. The assessment included, but was not be limited to, Director and Management interviews and surveys. As a result, a multi-year Board Action Plan was created with actions identified in the following areas: Meeting Practices, Strategy, Committees, and Board Composition/Succession.
4. **Actions:** This information is provided to the Committee for discussion and recommendations to the Board to make further progress on the outstanding items on the board action plan.

We recommend the Governance Committee propose the adoption of meeting practice guidelines for agenda development and question submission for all Board and Committees; reviews the approved Board Skills Matrix to determine if an Ad Hoc Committee is necessary to determine the definitions and measurements of the skills and reviews the onboarding materials provided and recommends adoption of Board/Committee onboarding plan to the Board.

**List of Attachments:**

1. Presentation to the Board

**Suggested Committee Discussion Questions:**

1. How should the board proceed with the board skills matrix?
2. How are the skills in the matrix defined and measured? Do we need to formulate the Min/Target/Max?



## Progress Against FY23 Board Action Plan

*February 1, 2023*

# Action Plan Dashboard

Presented by SpencerStuart on December 8, 2021

<u>Action Area</u>	<u>Proposed Steps</u>	<u>Complete By</u>	<u>Responsible</u>	<u>Status</u>
<b>Meeting Practices</b>	Create guidelines for question submission/agenda input (to support time management in meetings)	January 2022	Lanhee and Bob	Not complete
	Drop one meeting in 2022		Governance Services	Complete
<b>Strategy</b>	Conduct review of meeting agendas: reduce time on standing items, increase time on strategy	March 2022	Dan, Governance Committee	Complete – Approved by ECHB
<b>Committees</b>	Refine Committee pacing plans	March 2022	Dan, Governance Committee	Complete – Approved by ECHB
	Review board agendas and committee remits; identify items to be delegated to committee	March 2022	Dan, Lanhee, Bob, Committee Chairs	Complete – Approved by ECHB
	Develop a succession plan for each committee	December 2023	Committee Chairs	In Progress
<b>Board Composition, Succession</b>	Review and update the board skills matrix	May 2022		Complete – Approved by ECHB
	Review and update the onboarding process for new directors; focus on the role of the board	July 2022	Governance Committee	Not complete
	Develop list of future board candidates for appointed seats; consider committee members as potential board members	November 2023	All board members, Governance Committee	In Progress

# Action Area: Meeting Practices

## Proposed Guidelines Agenda Input and Board Question Submission

**We recommend the Governance Committee propose the adoption the following meeting practice guidelines for all Board and Committees.**

- **Agendas:** Reviewed and finalized in advance with CEO, Chairs (Board or Committee), Committee Liaisons and Governance Services.
  - Standing items: Call to order, Conflict of Interest disclosures, public communication, prior meeting minutes, consent calendar approvals.
  - Rotating items: Topics from current year pacing plan, follow ups from prior meetings
- **Materials:** Full material packets will be posted to Boardvantage one week prior to meetings. Public packets will be posted to District or Hospital site seventy-two (72) hours prior to meetings.
- **Questions:** If you have questions that cannot wait until the meeting, please send them to CEO, Chair, Committee Liaison and Governance Services via email at least 24 hours in advance.
  - Consider the number and intent of your questions.
  - Questions should address gaps for strategic understanding and avoid management responsibilities.

# Examples of Best Practice Board Member Questions

- How does this fit with our current responsibilities? Our strategic priorities?
- Will this advance our strategic plan? How will this add value?
- How will we measure success?
- Do we have the right time expectations for progress?
- Do we have the resources?
- Are there any risks?
- Do we have mitigation plans in the case of risks?
- Is this discussion in the weeds?
- Is that a personal agenda or perspective?



# Action Area: Board Composition, Succession

## Board Skills Matrix

The Board Skills Matrix was approved in June 2022.

The Governance Committee should review and determine if there is a need for an Ad Hoc Committee to review and determine the definitions and measurements of the skills.

Once reviewed and approved, we recommend the adoption of the Board Skills Matrix for use in succession planning for the Board and Committees.

<b>Level of Knowledge/Experience</b>												
1 = None (no background/experience)												
2 = Minimal												
3 = Moderate/Broad												
4 = Competent												
5 = Expert												
		Lanhee Chen	Bob Rebitzer	Julia Miller	Peter Fung, MD	Julie Kliger, RN	Jack Po, MD	Carol Somersille, MD	George Ting, MD	Don Watters	John Zoglin	
<b>COLLECTIVE COMPETENCIES:</b> Knowledge and skills that the board as a whole needs, and therefore, should be strong attributes of one or more but not necessarily all members.												
FUNCTIONAL EXPERTISE	1. Strategy											
	2. Governance											
	3. Accounting / Finance / Investment											
	4. Information Technology											
	5. Human Resources											
	6. Marketing / Branding / Communications											
	7. M&A: understanding of complex market partnerships											
	8. Government Relations											
	9. Philanthropy											
	10. Large Company Corporate Management											
	11. Clinical / Partnerships with Clinicians											
	12. Patient Care (Quality and Safety)											
	13. Board Experience (outside ECH)											

# Action Area: Board Composition, Succession

## Board Skills Matrix (cont)

<b>INDUSTRY EXPERIENCE</b>	1. Health Services / Healthcare Policy																		
	2. Life Sciences / Research																		
	3. Insurance																		
	4. Professional Services (Law, Accounting, etc.)																		
	5. Consumer Services																		
	6. Not-For-Profit																		
	7. Media / Communications																		
	8. Government (federal, state or local)																		
	9. Community / Advocacy																		
	10. Real Estate / Development																		
	11. Information Technology / Analytics																		
	12. Venture / Private Equity																		
<b>UNIVERSAL ATTRIBUTES:</b> Personal qualifications required of all board members.																			
1. <b>Analytical Thinker:</b> separates the important from trivial																			
2. <b>Collaborative:</b> feels collaboration is essential for success																			
3. <b>Community-Oriented:</b> demonstrate commitment to the ECH mission, vision, and values and to the communities served																			
<b>DEMOGRAPHICS</b>																			
1. <b>Age</b>																			
2. <b>Gender</b>																			
3. <b>Race</b>																			
4. <b>Residential Location</b>																			

# Action Area: Board Composition, Succession

## Board/Committee Succession Planning Toolkit

Succession planning is an ongoing process. Implementing the tools below the process can continue to evolve.

### Assess Talent / Identify Needs for Board and Committees

- Competency and Skills Matrix
- Annual Board and Committee Assessments

### Board and Committee Member Development

- Internal and External Training/Education Opportunities
- Education Report Outs

### Recruitment

- Consistent Ad Hoc Committee Process
- Board and Committee notification for all vacancies

### Governance

- Officer Rotation
- Committee Rotation

## Action Area: Board Composition, Succession

### Board/Committee Member Onboarding

Onboarding is not a one-time event – it begins with initial training and should continue throughout the year.

**Recommendation:** We recommend the Governance Committee reviews the following onboarding materials and best practices for adoption by the Board and Committees.

**DRAFT**



**Board/Committee Chair Onboarding**

*Insert Date*

# Learning Objectives

- Review the role of the Board and Committee chair
- Provide an overview of the Ralph M. Brown Act as it relates to committee functioning
- Examine tools and techniques you can use to promote successful meeting facilitation
- Explore ways that you can strengthen your board and committee capabilities to help them govern effectively

# Role of the Committee Chair

- Plan and facilitate effective meetings
- Set the tone and maintain focus
- Manage and resolve conflict
- Report findings and recommendations to the Board
- Oversee Committee performance and development
- Drive Committee renewal through recruitment and succession planning

# Traits of an Effective Committee Chair

Exhibits passion and commitment for the mission

Effectively communicates with diverse groups of people

Strives to be collaborative and approachable

Demonstrates respect, empathy and understanding

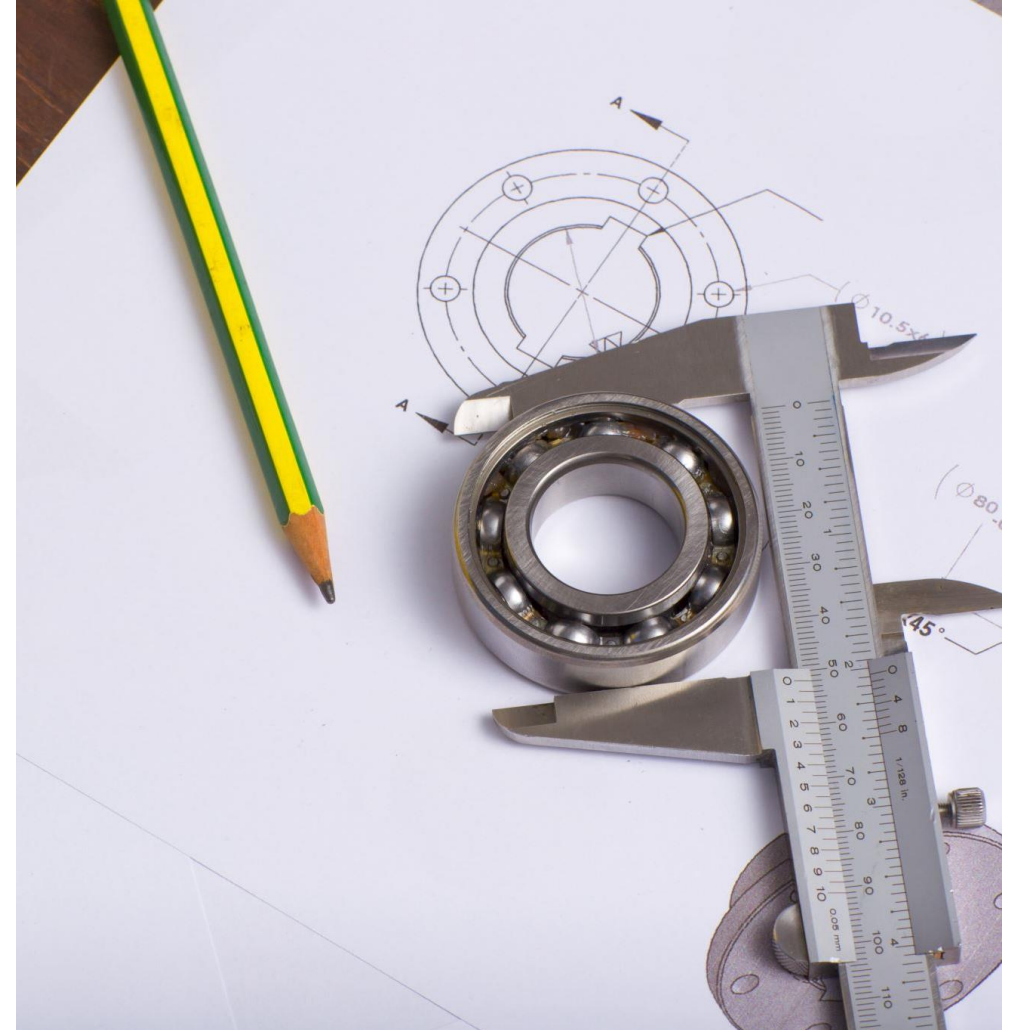
Embraces complexity and ambiguity

Advocates diverse perspectives without bias



# Board and Committee Chairs Toolkit

- Board bylaws
- Committee charters
- Committee chair job description
- Annual pacing plans
- Committee roster with bios
- Skills matrix and identified gaps
- Boardvantage
- Partners – CEO, Executive Sponsor, Committee Liaison, Governance Services



# Committee Discussion Guidelines



- Be honest and kind
- Encourage and respect all opinions
- Declare 'devil's advocate' when sharing potentially divisive comments
- Avoid side conversations
- Be fully engaged (no smartphone gazing)
- Confidentiality must be maintained for all discussions
- Be prepared for unfinished business
- Utilize a 'parking lot' to keep discussion focused and moving forward
- Share the action register

# Levels of Committee Authority

- Differing levels of authority based on state law and board preference
  - Advisory committees: *assist the board by gathering information, conducting research, making recommendations to the board*
  - Delegated committees: *authorized to make decisions on behalf of the board in specific situations, specified in bylaws and charter*
- \* *All standing committees of El Camino Hospital Board comply with the Brown Act*

# Ralph M. Brown Act Compliance

- All meetings be open and public
- Exceptions include:
  - Health facility trade secrets
  - Medical staff/quality
  - Litigation
  - Personnel matters
- Applies to the El Camino Hospital District and El Camino Hospital Boards and our standing committees



# Ralph M. Brown Act Compliance

- No “meetings” without Brown Act compliance
- Avoid use of intermediaries to have a meeting (serial meeting)
- Staff can have a series of separate conversations with members to answer questions and provide information
- Staff can’t relate comments or positions from one member to another



# Managing a Closed Session



- Only members of the board, committee and other essential may be present, public, news media, and others are excluded.
- Discussions limited to matters identified listed in the public notice
- All information presented in closed session is confidential
- Minutes to be taken and kept in a confidential book of closed sessions
- After closed session, committee shall reconvene into open session and publicly report on matters discussed and voted on

# Matters Discussed in Closed Session, Reported in Open Session

- Medical staff care process, consideration of credentials and membership
- Medical staff hearings
- Quality reports on structure and process of care
- Report of insurance claims and suits
- Certain personnel matters
- New programs or services

# Closed Session Topics

Closed sessions are permitted for many reasons in the public interest

- Real estate negotiations
- Pending/threatened litigation
- Certain personnel related issues
  - Hire
  - Fire (exceptions)
  - Evaluate
- Meeting with labor negotiators

Specific to health care facility public interests

- Health care facility trade secrets
- Medical staff matters
- Patient-specific information



# Purpose of an Executive Session

- Provide a venue for discussing confidential or sensitive matters
- Encourage exploration of different courses of action that may be difficult or unpopular
- Provide a safe space for building member-to-member relationships and resolving conflicts among committee members
- Provide an opportunity, for those sessions where the chief executive officer (CEO) is invited, for dialogue about concerns or issues that may not be appropriate to share with staff or others

# Executive Session Topics

## CEO Attends

- Roles, responsibilities and expectations of the board and CEO
- Staff performance and disciplinary matters
- Legal issues and settlements
- Major strategic or business transactions
- Management of a crisis

## CEO Not in Attendance

- CEO performance and compensation
- Legal issues involving the CEO
- Succession planning for the CEO
- Board/committee practices, disputes and performance issues
- Presentation and discussion of the annual audit

# Key Tips for Facilitating an Effective Meeting

- Develop and agree upon rules of engagement
- Actively balance discussion with reaching a conclusion
- When conversations go off topic, reframe the discussion and bring it back to the governance level
- Provide framing and pose topical questions to help focus members' attention
- Encourage debate and active deliberation prior to acting on significant issues
- Watch closely for dominators and solicit the perspective of more reserved members

# Strategic Framing Questions

- How does this fit with our current responsibilities? Our strategic priorities?
- How are we performing?
- Where do we go in the near-term and in the future?
- What essential data or information is missing before the board/committee can act?
- What concerns does this raise and how can those concerns be addressed?
- Is there a risk? Do we have a clear plan for addressing that risk? Are we willing to accept the risk?
- Is there an action(s) or next step(s) the committee wants the staff to take?
- Is there a significant or projected cost for completing a request? Does the committee believe this is a reasonable cost?

# Understanding and Differentiating Disruption

## POSITIVE DISRUPTION

- Challenges assumptions
- Considers alternate views
- Engages others
- Open to changing viewpoint

- Argumentative
- Distracting
- Disrespectful
- Divisive
- Shuts down dialogue

## NEGATIVE DISRUPTION

# Managing Difficult Committee Members

- Confront issues promptly and in person
- Consider the human element
- Focus on the organization, not the person
- Avoid generalities by providing specific examples
- State position as a perception rather than an absolute
- Practice active listening

# Advocate for Committee Member Development

- Ensure a robust new member onboarding
- Oversee regular self-assessments
- Promote a culture of continuous learning
- Focus on intentional succession planning
- Assign an onboarding buddy from the committee
- Onboarding is an ongoing process, not simply one or two training sessions



## Committees Overview



# Compliance and Audit Committee

The Compliance and Audit Committee advises and assists the El Camino Hospital Board of Directors in its exercise of oversight Corporate Compliance, Privacy, Internal and External Audit, Enterprise Risk Management, and Information Technology (IT) Security.

The Committee will accomplish this by monitoring the organization's compliance policies, controls, processes, and the engagement, independence, and performance of the internal auditor and external auditor. In addition, the Compliance and Audit Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of the hospital corporation in a manner consistent with its mission and purpose.

# Roles and Responsibilities of the Compliance and Audit Committee and the Hospital Board

## The **Compliance and the audit Committee**

advises the Board on the following:

- Performance in the areas of corporate compliance, privacy, audit, IT and cybersecurity and enterprise risk management
- Findings and recommendations of internal audits and management's response
- Policies and processes relating to internal controls on finance
- Scope and approach to annual external audit
- External audit reports and financial statements

## The **Hospital Board** reviews and approves:

- Corporate Compliance Plan
- Performance metrics to track corporate compliance, privacy, audit, information technology, cybersecurity and enterprise risk management
- External audit firm selection, retention or replacement
- Annual Audit and Financial Statements

# Executive Compensation Committee

The Executive Compensation Committee assists the El Camino Hospital Board of Directors in its responsibilities related to the organization's executive compensation philosophy and policies. In addition, the Executive Compensation Committee shall advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

# Roles and Responsibilities of the ECC and the Board

The **Executive Compensation Committee** has been delegated the authority to approve:

- Executive base salaries and salary ranges (for all executives except the CEO)
- Executive incentive payments
- Individual executive performance goals

The **Hospital Board** receives

- informational reports from the ECC on these Committee actions; and
- Recommendations on other ECC Matters

The **Hospital Board** approves:

- CEO base salary and salary range
- CEO incentive payments
- Organizational performance goals (reviewed and recommended by the Finance, Quality, and Exec Comp Committees)
- Any exceptions to policy (benefits, compensation, goal changes after year-end); these are often reviewed and recommended by the ECC
- Changes to any ECC policies

# Finance Committee

The Finance Committee provides oversight, information sharing, and financial reviews related to budgeting, capital budgeting, long-range financial planning and forecasting, and monthly financial reporting for El Camino Hospital Board of Directors. In carrying out its review, advisory, and oversight responsibilities, the Finance Committee shall remain flexible in order to best define financial strategies that react to changing conditions.

# Roles and Responsibilities of the Finance Committee and the Hospital Board

The **Finance Committee** has been delegated the authority to approve:

- Unbudgeted capital expenditures exceeding the CEO's signing authority, < \$5M
- Annual Community Benefit Plan
- Physician financial arrangements > \$250,00
- Annual Summary Report of Physician Financial Arrangements

The **Hospital Board** receives:

- Informational reports from the Committee on these actions; and
- Recommendations on other matters relating to budgeting, financial planning and reporting, capital structure, banking relationships and certain contractual agreements

The **Hospital Board** reviews and approves:

- Long range forecasts and financial plans
- Annual operating and capital budget
- Business ventures and capital expenditures > \$5M but < \$25M
- Significant investments in businesses, joint ventures, mergers, acquisitions, and other business combinations
- Incurrence of debt in excess of \$1M
- Sale, lease, exchange, or other disposition of all or substantially all of the property and assets of the Corporation
- Physician financial arrangements in excess of 75% of fair market value

# Governance Committee

Governance Committee advises and assists the El Camino Hospital Board of Directors in matters related to governance, board development, board effectiveness, and board composition, i.e., the nomination and appointment/reappointment process. In addition, the Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards.

# Roles and Responsibilities of the Governance Committee and the Hospital Board

The **Governance Committee** advises the Board on the following:

- Board composition including skill sets, diversity and experience
- Orientation, ongoing education and development
- Regular Board and committee evaluation
- Improvements or changes to the ongoing governance process and/or structure
- Process for development and review of committee goals, charters, and membership succession plan
- Hospital Articles of Incorporation, Bylaws and governance policies

**The Hospital Board reviews and approves:**

- Annual ECH Board Competency Matrix
- Establishment of Board committees
- Committee chair appointment and removal
- Committee member appointment
- Policy, budget and annual Board and committee education, training and development plan
- Board and committee performance evaluation
- Annual Board action plan



# Investment Committee

The Investment Committee develops and recommends to the El Camino Hospital Board of Directors the investment policies governing the hospital corporation's assets, maintains current knowledge of the organization's management and investment funds, and provides oversight of the allocation of the investment assets.

# Roles and Responsibilities of the Investment Committee and the Hospital Board

The **Investment Committee** advises the Board on the following:

- Investment policies for corporate assets and Cash Balance Plan assets
- Selection and performance of independent investment advisor and managers
- Financial stability and safety of the institutions that have custody of the Hospital's assets
- Investment performance of investment vehicles made available to employees through their 403 (b) Retirement Plan
- Selection of independent investment advisor for employee's 403 (b) Retirement Plan

The **Hospital Board** reviews and approves:

- Establishment or revisions to the System Investment policies
- Establishment or revisions to the 403 (b) Retirement Plan policies
- Selection of the Independent investment advisor

# Quality, Patient Care, Patient Experience Committee

The Quality, Patient Care and Patient Experience Committee advises and assists the El Camino Hospital Board of Directors in constantly enhancing and enabling a culture of quality and safety at the hospitals to ensure delivery of effective, evidence-based care for all patients, and to oversee quality outcomes.

The Quality Committee helps to assure that exceptional patient care and patient experiences are attained through monitoring organizational quality and safety measures, leadership development in quality and safety methods, and ensuring appropriate resource allocation to achieve this purpose.

# Roles and Responsibilities of the Quality Committee and the Hospital Board

The **Quality, Patient Care and Patient Experience Committee** advises the Board on the following:

- Organizational goals re quality, safety, risk, efficiency, patient and physician satisfaction and scope of continuum of care services
- Organization's compliance with regulatory and accrediting body requirements
- Sentinel events, seriously safety events, and red alerts
- Quality and safety performance improvement for organization and medical staff activities
- Hospital medical staff appointments, reappointments

The **Hospital Board** reviews and approves:

- Multi-year system quality and value work plan with long-term and annual improvement targets
- Annual Quality Dashboard
- Performance objectives and plans for sustaining high levels of physician, employee, and patient satisfaction
- Hospital medical staff appointments, reappointments, or revocation or restrictions of appointment
- Hospital Medical Staff Bylaws
- Patient safety surveys, sentinel event and red alert reports, risk management reports

**EL CAMINO HOSPITAL BOARD OF DIRECTORS  
COMMITTEE MEETING MEMO**

**To:** Governance Committee  
**From:** Dan Woods, CEO  
**Date:** February 1, 2023  
**Subject:** Board Training and Development

**Recommendations:**

We have two information and recommendation items for the Governance Committee to continue progress on our development plans for the Board and Committees:

- (1) To recommend that the Board review the education calendar and opportunities shared on Boardvantage and via email monthly.
- (2) To recommend that the Board approve the proposed topic(s) for the upcoming the March Retreat.

**Summary:**

The Board continues to request ongoing education to support its work. As well, ongoing Board education is considered a best practice, vital to effective Board functioning.

Authority: It is within the Committee's chartered responsibilities to recommend activities to facilitate Hospital Board and Committee member education, training, and development.

Assessment: The education plan will utilize a variety of resources. Committee members will be asked to review the materials as part of the meeting packet and come prepared to engage in a group discussion to propose topic(s) for the upcoming Board Retreat.

Outcomes: The recommendation is to highlight upcoming educational meetings and plan for the March session. The current education plan includes:

- A. March 2023: Board Retreat – Topic TBD
- B. Conference Attendance (AHA, CSDA, Governance Institute)
- C. CSDA and Governance Institute Membership Website Resources: White Papers, E-Briefings, Board Room Press, Webinars, etc.

**Suggested Committee Discussion Questions:**

1. What topics would the Committee prioritize the March Board Retreat?
2. Which conferences would the Committee prioritize for board participation?



## **Governance Committee Meeting Education Planning**

*February 1, 2023*

# Annual Education Opportunities

There is now an online calendar of potential board education events posted on Boardvantage.

March					April				
Date	Event	Association	Stream	Cost	Date	Event	Association	Stream	Cost
March 20-23, 2023	<u>ACHE Conference</u> , Chicago, IL	American College of Healthcare Executives	Management	Member: \$1100 - 1600	April 3-6, 2023	<u>Becker's Hospital Review 13<sup>th</sup> Annual Meeting</u> , Chicago, IL	Becker's Healthcare		\$1000 for 1 <sup>st</sup> attendee, \$950 additional attendees
					April 11-13, 2023	Becker's Annual Meeting – <u>VIRTUAL</u>	Becker's Healthcare		
					April 17-21	<u>HIMSS 23</u> , Chicago, IL	Healthcare Information and Management Systems Society, Inc.	Finance, IT	\$925 - \$1305
					April 19-21, 2023	Health Evolution Summit, Dana Point, CA	Health Evolution	CEOs and C-Suite Executives	Applications
					April 23-26, 2023	<u>Leadership Conference</u> , Scottsdale AZ	The Governance Institute	Finance, Governance, Quality	\$1750 in person \$495 virtual
					April 26-28, 2023	<u>GPIN Semi-Annual Conference</u> , Charlotte, NC	Group Practice Improvement Network	Compliance, Healthcare, Management, Quality	\$300

**Governance Committee Meetings**  
**Proposed FY2024 Dates**

<b>RECOMMENDED GC DATES</b> <b>TUESDAYS</b>
<b>Tuesday, August 1, 2023</b>
<b>Tuesday, November 7, 2023</b>
<b>Tuesday, February 6, 2024</b>
<b>Tuesday, May 7, 2024</b>



**EL CAMINO HOSPITAL BOARD OF DIRECTORS  
COMMITTEE MEETING MEMO**

**To:** Governance Committee  
**From:** Tracy Fowler, Director of Governance Services  
**Date:** February 1, 2023  
**Subject:** Proposed Changes to Policies

**Recommendation(s):**

To recommend changes to the following policies for Board approval:

- 1) Rules of Order of the Board of Directors of El Camino Hospital
- 2) Board and Advisory Committee Education
- 3) El Camino Hospital Board Director Compensation and Reimbursement

**Summary:**

1. Situation: The policies need to be reviewed and updated as needed as part of governance best practices.
2. Authority: The Committee has been delegated the authority to recommend policy changes to the Board.
3. Assessment: The policies have been updated to reflect current status for Governance Committee review.

Policy	Changes	Effective Date
Rules of Order of the Board of Directors of El Camino Hospital	No material changes. New formatting will track periodic reviews. Dress code language added to match ECHD policy.	After ECHB approval – next meeting February 15, 2023
Board and Advisory Committee Education Policy	No material changes. Training institutions updated.	After ECHB approval – next meeting February 15, 2023
El Camino Hospital Board Director Compensation and Reimbursement Policy	Policy updated to simplify the payment process and ensure prompt payment to Directors.	After ECHB approval – next meeting February 15, 2023

4. Other Reviews: n/a

Proposed Changes to Board Policies  
February 1, 2023

5. Outcomes: Changes will be implemented pending ECHB approval on February 15, 2023.

**List of Attachments:**

1. Rules of Order of the Board of Directors of El Camino Hospital
2. Board and Advisory Committee Education
3. El Camino Hospital Board Director Compensation and Reimbursement

**Suggested Committee Discussion Questions:**

1. None

**RULES OF ORDER**  
**OF THE BOARD OF DIRECTORS OF**  
**EL CAMINO HOSPITAL**

As of: August 19, 2008  
Reviewed: February 1, 2023

**PREAMBLE**

These Rules of Order are adopted for the general purpose of establishing rules for its proceedings subject generally to:

- (a) Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code (the "Brown Act") as applicable to the Hospital; and
- (b) The Amended and Restated Bylaws of El Camino Hospital, as may be amended from time to time (the "Bylaws").

In the event of any conflict between these rules, the Brown Act or the Bylaws, the Brown Act and the Bylaws, as the case may be, shall prevail.

**CHAPTER I**  
**GENERAL PROVISIONS**

Section 1. Purpose of Rules. The purpose of these rules is to make it easier for the Board of Directors of El Camino Hospital (the "Board") and the members of the community to work together effectively and to help the Hospital accomplish its purpose.

Section 2. Order by Motions. At a Board meeting, the Board will address only one matter at a time. Therefore, subsequent motions may be entertained by the Board Chair as described in Paragraph 5.1 of Chapter II.

Section 3. Full Discussion. Every matter presented for decision should be discussed fully by the Board. The right of every member of the Board to speak on any issue is as important as each Board member's right to vote.

Section 4. Full Understanding. Every member of the Board has the right to understand the matter considered at a meeting, and to know what effect a decision on the matter will have. A member of the Board always has the right to request information on any motion he or she does not thoroughly understand.

Section 5. Fairness and Good Faith. All meetings of the Board shall be conducted fairly and in good faith.

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**CHAPTER II**  
**BOARD MEETINGS**

Section 1. Board Chair Presides. The Board Chair, when present, shall preside at all meetings of the Board and shall take the chair at the hour appointed for every Board meeting and shall call the members to order and, except in the absence of a quorum, shall proceed with the business of the Board in the manner prescribed by these rules. In the absence of the Board Chair, the Vice Chair will preside and shall have all the powers and duties of the Board Chair. A majority of the members shall constitute a quorum for the transaction of business.

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Section 2. Agenda. The agenda consists of the items of business to be discussed during a meeting of the Board. Each agenda shall include a brief general description of matters to be considered or discussed and shall contain such other information as may be required by the Brown Act and shall be posted, mailed, and/or delivered as prescribed by the Brown Act. The Board Chair, with assistance of the CEO, shall take appropriate measures to see that a proposed agenda is prepared in advance of each meeting of the Board.

Section 3. Consent Calendar. There will be no separate discussion of Consent Calendar items as they are considered to be routine. Consent Calendar items will be enacted by one motion, a second and a vote. If a member of the Board, the Hospital staff, or the public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

Section 4. Minutes. The minutes of the meetings of the Board shall record, in summary rather than verbatim, the actions taken by the Board.

4.1. *Preparation*. The Secretary, with the assistance of the CEO, shall take appropriate measures to see that the minutes are prepared in advance of each meeting of the Board.

4.2. *Adoption*. If the minutes have been duplicated and circulated to the members of the Board before the meeting, they need not be read at the meeting. The Board Chair shall ask if there are any errors in or omissions from the minutes. Should there be any mistake, appropriate corrections or additions shall be made. Any member of the Board may then move that the minutes be approved as printed or amended.

Section 5. Motions. The business of the Board is accomplished in meetings by means of debating motions, which are formal proposals by two members (the mover and the seconder) that the meeting take certain action. Once a main motion (a motion that brings business before the meeting) has been stated by one member, seconded by another member, and repeated for the meeting by the Board Chair, the meeting cannot consider any other business until that motion has been disposed of, or until some other motion of higher precedence has been proposed, seconded and accepted by the Board Chair. The Board Chair, in his/her sole discretion, may permit discussion of a general topic before a motion is introduced. A main motion must not interrupt another speaker, requires a seconder, is debatable, is lowest in rank or precedence, can be amended, cannot be applied to any other motion, may be reconsidered, and requires a majority vote.

5.1. *Precedence of Motions.* When a motion is before the Board, no motion shall be entertained except the Board Chair shall entertain subsequent motions to adjourn, take a recess, to table a motion, to limit or extend debate, and to amend or substitute a motion. Any question as to the order or precedence of motions shall be referred to the District's legal counsel for a determination based on Robert's Rules of Order. All subsequent motions require a second, are amendable and are debatable.

Section 6. Discussion and Voting.

6.1. *Board Chair to State Motion.* The Board Chair shall assure that all motions are clearly stated before allowing discussion to commence. The Board Chair may restate the motion or may direct the CEO to restate the motion prior to voting.

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6.2. *Board Chair May Discuss and Vote.* The Board Chair may move, second and discuss from the chair, subject only to such limitations of discussion as are by these rules imposed on all members of the Board. The Board Chair shall not be deprived of any of the rights and privileges of a member of the Board.

6.3. *Division of a Question.* If a question contains multiple divisible propositions, each of which is capable of standing as a complete proposition if the others are removed, the Board Chair may, and upon request of a member of the Board, divide the same. The Board Chair's determination shall be appealable by any member of the Board

6.4. *Withdrawal of Motion.* A motion may not be withdrawn by its maker without the consent of the member of the Board seconding it.

6.5. *Change of Vote.* Members of the Board may change their votes before the next item on the agenda is called.

6.6. *Voting.* The vote shall be taken by voice, and a verbal roll call need not be called in voting upon a motion except where specifically required by law or requested by a member of the Board.

6.7. *Silence Constitutes Affirmative Vote.* Members of the Board who are silent during a voice vote shall have their vote recorded as an affirmative vote, except when individual members of the Board have stated in advance that they will not be voting.

6.8. *Abstaining from Vote.* Generally, it is the duty of every member of the Board who has an opinion on a motion before the Board to express it by a vote; however, every member has the right to abstain from voting.

6.9. *Not Participating.* A member of the Board who disqualifies himself or herself because of any financial interest shall disclose the nature of the conflict and may not participate in the discussion or the vote. A member of the Board may otherwise disqualify himself or herself due to personal bias or the appearance of impropriety or to avoid the appearance of a conflict of interest.

6.10. *Tie Votes.* Tie votes may be reconsidered during the time permitted by Section 6.11 of Chapter II on a motion by any member of the Board voting “Aye” or “Nay” during the original vote. Before a motion is made on the next item on the agenda, any member of the Board may make a motion to continue the matter to another date. Nothing herein shall be construed to prevent any member of the Board from adding a matter which resulted in a tie vote to the agenda at a future Board meeting, as provided in the Bylaws.

6.11. *Motion to Reconsider.* A motion to reconsider any action taken by the Board may be made only during the meeting or adjourned meeting thereof when the action was taken. A motion to reconsider requires a second, is debatable and is not amendable. Such motion must be made by one of the prevailing side, but may be seconded by any member of the Board. A motion to reconsider may be made at any time and shall have precedence over all motions, or while a member of the Board has the floor, providing that no vested rights are impaired. If the motion to reconsider fails, it may not itself be reconsidered. Reconsideration may not be moved more than once on the same motion.

6.12. *Appeal ~~From~~ Decision of Board Chair.* When the rules are silent as to questions of order, the Board Chair shall either refer to the Hospital’s legal counsel for an opinion based on Robert’s Rules of Order, Newly Revised, or submit the question to the Board, in which case a majority vote shall prevail.

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6.13. *Recognition by Board Chair.* In order for a member of the Board to be recognized, he or she must first request to be recognized for verbal comment by the Board Chair. Once recognized by the Board Chair, the speaker shall confine his/her remarks to the question under debate and shall avoid personal attacks and indecorous language.

6.14. *Interruptions.* Except for being called to order, a member of the Board, once recognized, shall not be interrupted when speaking, except as otherwise provided for in these rules.

Section 7. *Absence.* No member of the Board shall absent himself/herself from any regular or special meeting (except on account of illness or an emergency). If any member of the Board is unable to attend a meeting, he or she shall notify the Board Chair at least one day prior to the meeting and advise him/her of the reasons therefor.

Section 8. *Items to Be Considered After Eleven P.M.* Before 11:00 p.m., the Board will determine whether it will commence any new items after 11:00 p.m. and shall determine which specific items will be taken up.

Section 9. *Adjournment.* The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. When a regular adjourned meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

## CHAPTER III

### ORDER AND DECORUM OF BOARD MEETINGS

Section 1. Meeting Powers of the Board Chair. The Board Chair shall possess the powers and perform the duties prescribed as follows:

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- (a) Have general direction over the meeting place;
- (b) In accordance with the Brown Act: preserve order and decorum; prevent demonstrations; order removed from the meeting place any person whose conduct he or she deems objectionable; and order the meeting place cleared whenever he or she shall deem it necessary;
- (c) Assure that attendance of the public at meetings shall be limited to that number which can be accommodated by the seating facilities regularly maintained therein. Stantees may be asked to leave when room capacity exceeds that maximum number set by the Fire Marshal;
- (d) Recess the meeting if deemed necessary due to disturbance.

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Section 2. Removal by the Board Chair. The Board Chair shall order removed from the meeting place any person who commits the following acts in respect to a meeting of the Board:

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- (a) Disorderly, contemptuous or insolent behavior toward the Board or any member of the public or staff, tending to interrupt the due and orderly course of said meeting;
- (b) A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting;
- (c) Disobedience of any lawful order of the Board Chair which shall include an order to be seated or to refrain from addressing the Board;
- (d) Any other unlawful interference with the due and orderly course of said meeting.

Section 3. Clearing of Meeting Place. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board Chair may order the meeting place cleared and continue the meeting in executive session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section.

Any person so removed shall be excluded from further attendance at the meeting from which he or she has been removed, unless permission to attend be granted upon motion

adopted by a majority vote of the Board, and such exclusion shall be effected by the Sergeant at Arms upon being so directed by the Board Chair.

Section 4. Sergeant at Arms. The Sergeant at Arms, who shall be the CEO of the Hospital, or his designee, in attendance at the meeting when his/her services are commanded by the Board Chair, shall carry out all orders and instructions given by the Board Chair for the purpose of maintaining order and decorum at the meeting.

Section 5. Placards, Signs, Posters, Etc. Except with prior authorization of the Board Chair, no placards, signs or posters or packages, bundles, suitcases, balloons or other large objects shall be brought into the meeting place.

Section 6. Seating. Unless addressing the Board or entering or leaving the room, all persons in the audience shall remain sitting in the seats provided. No person shall block the aisles or doorways.

Section 7. Disruption. All demonstrations, including cheering, yelling, whistling, hand clapping and foot stamping are prohibited.

Section 8. Distribution of Literature. Except with prior authorization of the Board Chair, the distribution of literature, of whatever nature or kind, is prohibited. If persons wish to distribute information on matters not on the agenda, they must present themselves at the appropriate time and receive permission from the Board Chair to distribute informational items covered under their three-minute public comment.

Section 9. Public Participation.

9.1. *Policy*. It is the policy of the Board that members of the public have the opportunity to provide comments at any regular or special meeting on any agenda item to be considered by the Board after it is presented, but before or during final consideration of the agenda item.

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9.2. *Persons Eligible to Speak*. The Board may exclude all persons who willfully cause a disruption of a meeting so that it cannot be conducted in an orderly fashion. Where removal of the disruptive persons is not sufficient to restore order, the Board may clear the room of all persons, except that media personnel not involved in the disruption will be permitted to remain.

9.3. *Addressing the Board*. No person shall address the Board until he or she has first been recognized by the Board Chair. The decision of the Board Chair to recognize or not recognize a person may be changed by order of the Board. All persons addressing the Board will be asked to give, but are not required to give, their names and addresses for the purpose of the record. No person, other than a member of the Board and the person recognized, shall be permitted to enter into any discussion without the permission of the Board Chair. All remarks shall be addressed to the Board as a body and not to any member thereof. No remarks shall be addressed to the staff of the Hospital.

9.4. *Indecorous Remarks*. All remarks shall avoid indecorous language, personal attacks, or personally disparaging remarks.



9.5. *Time Limitations.* Each speaker shall have not more than three minutes to address an agenda item. Public comment on a single subject matter shall not exceed fifteen minutes. The Board Chair may, in the interest of facilitating the business of the Board, increase the amount of time spent on a subject matter.

9.6. *Spokesperson for a Group of Persons.* When any group of persons wishes to address the Board on the same subject matter, it shall be proper for the Board Chair to request that a spokesperson be chosen by the group to address the Board.

9.7. *Subject Matter Limitations.* Public comment shall be limited to matters within the subject matter jurisdiction of the Board.

9.8. *Non-Agenda Matters.* Persons desiring to address the Board on any matter not listed on the agenda may do so at regularly scheduled meetings of the Board pursuant to instructions on the printed agenda. Only those matters listed on the agenda of a special meeting of the Board may be addressed by the public. Comments regarding non-agenda matters shall be subject to the provisions of Chapter III, Section 9.

#### CHAPTER IV

#### MISCELLANEOUS PROVISIONS

Section 1. Robert's Rules of Order. The proceedings of the Board shall be governed by the provisions of law applicable thereto and, except as herein otherwise provided, by Robert's Rules of Order, Newly Revised. Failure to follow Robert's Rules of Order, Newly Revised, or these rules shall not invalidate any action taken.

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Section 2. Suspension and Amendment of Rules. Except as otherwise provided by law, these rules, or any portion thereof, may be suspended or amended by order of the Board when regularly entered in its minutes.

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Section 3. Dress Code: Members of the Board are expected to wear appropriate business attire at ECH meetings and functions.

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~~Section 2.~~

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**TITLE:** Board and Advisory Committee Continuing Education Policy  
**CATEGORY:** Administrative  
**LAST APPROVAL:** October 25, 2022

**TYPE:**  Policy  Protocol  Scope of Service/ADT  
 Procedure  Standardized Process/Procedure  
**SUB-CATEGORY:** Board  
**OFFICE OF ORIGIN:** Administration  
**ORIGINAL DATE:** November 14, 2012

**I. COVERAGE:**  
 All Members of the El Camino Hospital Board of Directors and Board Advisory Committees

**II. PURPOSE:**

- To set forth the budget parameters for Board and Advisory Committee education, including both in-house training, such as study sessions, and off site programs offered by institutions such as the ~~Estes Park Institute~~ California Special Districts Association, the Center for Healthcare Governance and the Governance Institute.
- To establish procedures for budgeting, reporting back to the Board, and requesting funding and reimbursement for educational activities.

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**III. POLICY STATEMENT:** It is the policy of the El Camino Hospital Board of Directors to provide Board Directors and Advisory Committee Members with ongoing governance and healthcare education, to strengthen the skill set of each Director and Committee member, and to ensure the Board and its Committees are maintaining contemporary knowledge on topics of general Board duties, changes in the healthcare industry, healthcare governance and other areas specific to Committee responsibility.

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**IV. DEFINITIONS:**  
 N/A

**V. REFERENCES:**  
 Appendices A and B attached.

**VI. PROCEDURE:**

A. **Board and Advisory Committee Education Goals:** The Board and Advisory Committees will identify their educational goals both individual and collective, and submit them to the Governance Committee on an annual basis. These goals should ~~be tied to, or in support of~~ in alignment with Board, Committee, or Hospital goals. The Board and Committees should also identify the programs or training opportunities (in-house or off-site) to fulfill their learning objectives.

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<b>TITLE:</b>	<b>Board and Advisory Committee Continuing Education Policy</b>
<b>CATEGORY:</b>	Administrative
<b>LAST APPROVAL:</b>	<b>October 25, 2022</b>

**B. Expectations of Board and Advisory Committees:**

1. Board of Directors:
  - a. Group Education: El Camino Hospital (“ECH”) will coordinate occasional group training where the full Board, along with the senior management team, can receive education on the latest trends in the healthcare industry and further their understanding of governance. At the Board’s discretion, committee members may be invited to partake in the event.
  - b. Individual Education: Board directors are encouraged to individually attend one off-site program at ECH’s expense, on an annual basis, that best suits their development as a hospital director.
2. Board Advisory Committees:
  - a. Group Education: In addition to any committee-specific in-house training provided by ECH throughout the year, committees are expected to identify how they can achieve their educational goals. For example, a committee may elect to attend an off-site training event or collaborate with another committee to invite a guest speaker.
  - b. Individual Education: While it is the expectation of the Board that outside committee members keep up with their own continuing education in their professions, the Board recognizes that additional education and training will further enhance their ability to serve on the committees. As such, outside committee members who wish to individually attend an education program/conference may submit a request for funding to their committee chair.

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**E.C. Budget and Delegated Authority:**

1. The Governance Committee, in collaboration with the CEO and Finance Committee, will develop a budget for Board and committee member education for adoption by the Board, which shall be reviewed in conjunction with review of this policy very third year. This budget will enable both collective and individual educational opportunities. The amounts will be based on market data, while taking into consideration the needs of the Board and committee members.
2. The Board will delegate authority to the Board Chair (and to the Chair of the Governance Committee in the case of the Board Chair’s requests) to approve requests for education by a Board member that exceed the per member/per event limits in the budget. The Board will delegate authority to each

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<b>CATEGORY:</b>	Administrative
<b>LAST APPROVAL:</b>	<b>October 25, 2022</b>

committee chair to approve education and training requests up to a specific amount, which the Board will establish annually. The Board will delegate authority to the Board Chair to consider and approve or reject any request above this amount.

3. The total annual budget for Board and Committee member education, as well as the approval limit for Committee chairs, as approved by the Board will be noted, and updated as necessary, in the appendix of this policy.
4. The Governance Committee will recommend to the ~~Board how~~Board how remaining funds, if any, should be managed. Unused funds may not be rolled over into the next fiscal year.
5. ECH shall pay all costs associated with the program, i.e., registration fees, travel and lodging. Directors and Committee members shall adhere to the ECH reimbursement policy.

**F.D. Requesting Funding for Training:**

1. Directors need only inform the Board Chair of their request to participate in a training event provided that the total fees do not exceed the established event limitation amount set forth in the Appendix to this Policy. If the amount exceeds this limit, the request will be reviewed by the Board Chair and approved, conditioned (e.g., reducing the amount allocated to the Director by the amount of the excess), modified or rejected.
2. Committee members shall submit to their Committee chair a request for training no less than 30 days prior to the program’s registration deadline. Upon consideration, the Committee chair may approve the request for training provided that the total costs do not exceed the per Committee member event limit established by the Board. If the amount requested exceeds the limit, the request will be sent to the Board Chair for consideration.
3. Any requests made by the Board Chair for approval of amounts in excess of the limits set forth in the Appendix to this Policy shall be submitted to the Chair of the Governance Committee for approval.
4. Board or Committee members shall request reimbursement by submitting Form 2085 to the CEO for approval within 30 days of completing training.

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**G.E. Point of Contact:** The ~~Board Liaison~~Director of Governance Services is the primary point of contact for Board and Committee members with respect to the process concerning continuing education and training for Board and Committee members.

**VII. APPROVAL:**

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**TITLE:** Board and Advisory Committee Continuing Education Policy  
**CATEGORY:** Administrative  
**LAST APPROVAL:** October 25, 2022

APPROVING COMMITTEES AND AUTHORIZING BODY	APPROVAL DATES
Originating Committee or UPC Committee	Governance Committee
(name of) Medical Committee (if applicable):	N/A
ePolicy Committee:	N/A
Pharmacy and Therapeutics (if applicable):	N/A
Medical Executive Committee:	N/A
Board of Directors:	
Historical Approvals:	11/14/12, 3/12/14, 8/13/14, 5/13/15

- VIII. ATTACHMENTS (if applicable):**  
 Appendix A - Budget for FY ~~2019-2021~~2023  
 Appendix B – Report on Educational Activity

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Origination 01/2014  
Last Approved 03/2019  
Effective 03/2019  
Last Revised 03/2019  
Next Review 03/2022

Owner **Stephanie Iljin:  
Manager  
Administration**  
Area **Board**  
Document Types **Procedure**

## El Camino Hospital Board Director Compensation and Reimbursement

### I. COVERAGE:

All Members of the El Camino Hospital Board of Directors with the exception of the Chief Executive Officer.

### II. PURPOSE:

- A. To define the events for which Board Directors other than the CEO shall receive compensation and reimbursement.
- B. To define the amount of compensation Board Directors shall receive.
- C. To define the procedures necessary to implement this policy.

### III. POLICY STATEMENT:

- A. El Camino Hospital shall pay its Board Chairperson an annual stipend in the amount of \$12,000, payable during the third month of each quarter of the fiscal year.
- B. El Camino Hospital shall pay members of its Board of Directors, with the exception of the Board Chairperson, a stipend for **in person attendance** at each of the events listed below, not to exceed seven events per month. However, one of the compensable events per month may be attended by teleconference. Members of the Board of Directors who do not wish to receive such payments may notify the Director of Governance Services and the CEO by submitting a "Board of Directors' Compensation Op-Out" form. Any member not receiving compensation may request to receive such compensation for attendance at future events by notifying the Director of Governance Services and the CEO. Notwithstanding the above, a stipend shall be paid for participation in the event described in Section C(3)(e) for either in person or telephonic attendance.

- C. Events which are subject to compensation include:
1. Board members shall be paid \$200 for attendance at Regular, Special and Emergency Meetings of the El Camino Hospital Board of Directors.
  2. Board members shall be paid \$100 for attendance at meetings of the Standing Board Advisory Committees of which the Director is a member or an alternate.
  3. In addition to the foregoing meetings, the Board, by adoption of this policy, declares that the following events constitute performance of official duties by a member of the Board of Directors for which Board members shall be paid \$100 for attending:
    - a. Meetings of the Board's Ad Hoc Committee established by the Board of which the Director is a member.
    - b. Meetings of the El Camino Hospital Foundation, when the Director is then serving as a liaison to the Foundation Board.
    - c. Meetings of the Community Benefit Advisory Council ("CBAC") if the Director has been appointed as a liaison to the CBAC by the El Camino Hospital Board of Directors.
    - d. Advisory Committee Meeting agenda setting meetings, in person or telephonic, if the Director is the Chair of the Committee.
- D. El Camino Hospital shall also pay to members of its Board of Directors, including the Board Chairperson, (who request such payment reimbursement and submit the required form) an amount equal to his or her actual necessary travel and incidental expenses, including but not limited to travel, lodging and meals incurred (1) as a result of attending events specified in Section B above and (2) as a result of attending educational events funded by El Camino Hospital.
- E. Board members who reside within the El Camino Healthcare District shall not be eligible for reimbursement for mileage to events at El Camino Hospital.
- F. Board members are expected to use prudent judgment in selecting their travel accommodations and otherwise incurring expenses which will be reimbursed by the Hospital.
- G. This policy shall be implemented in accordance with the procedures described in Section VI below.

## **IV. DEFINITIONS:**

N/A

## **V. REFERENCES:**

N/A

## **VI. PROCEDURE:**

- A. Stipends
1. Hospital staff will track Board members' attendance at meetings and, on a monthly basis, provide Board members who have not opted out of the policy with a "Meeting

Attendance Report Confirmation" Form for ~~signature~~confirmation.

2. Upon receipt of the ~~signed~~ Meeting Attendance Report Confirmation and following approval of the ~~Board Chair, (or the Vice Chair, in the case of the Chair's compensation)~~Director of Governance Services, Hospital staff will forward the document to accounting.
3. Stipends paid to Directors are IRS Form 1099 – Miscellaneous reportable. Directors who have not opted out of participation (See, Section III A) and are accepting stipend payments must submit IRS FORM W-9 to ECH Accounting before receiving payment. Annually, ECH will provide IRS Form 1099-Miscellaneous to Directors receiving stipend compensation in excess of \$600.00 in a calendar year.

B. Use of Personal Vehicle for attendance at meetings or educational events.

1. The Hospital will pay the current IRS mileage rate for miles actually traveled, but not more than, from the Board member's home or usual place of business within California to events as defined in Section III B and to educational events funded by the Hospital. Board members who reside within the El Camino Healthcare District shall not be eligible for reimbursement for mileage traveled to events at El Camino Hospital.
2. To be reimbursed, the Board member must complete the Mileage Reimbursement form provided by the Director of Governance Services. ~~The form must be signed by the Board Chair (or the Vice Chair in the case of the Chair's reimbursement) and sent to accounting (OAK200) for processing.~~

C. Educational seminars, conferences, events etc. attended for the benefit of the Hospital and in accordance with the Board and Committee Education Policy.

1. **Seminar/conference fees** will be reimbursed in full or at a pro-rated amount in accordance with the Board and Committee Education Policy.
2. **Air travel** will be reimbursed at "coach" airfare rates. No reimbursement should be claimed for personal convenience fees such as those associated with priority boarding or seating upgrades.
3. **Ground travel** to a seminar or a meeting using the Board member's personal vehicle will be reimbursed as noted in item D.1., at the current IRS mileage rate per mile. Board members should consider use of a rental car in cases where the expenses are expected to be less than the reimbursement for a personal vehicle.
4. **Taxi, bus, rail, limo or rental car service**, if required at the destination, may be reimbursed by the Hospital if necessary for business purposes, as follows:
  - a. Reimbursement for car rental expenses incurred by the Board member will be limited to the amount charged for a standard "intermediate" car unless there is a business need for a larger vehicle (multiple travelers with luggage, for example). If the requester requests a larger automobile than is necessary to meet the business need, he/she is to have the rental agency document what the price would have been for a standard "intermediate" vehicle and seek reimbursement for only the lower amount. If a larger vehicle is required to meet a business need, this need must be documented on the "Business-Education-Travel Reimbursement Authorization" form.



- b. Limousine service is permitted if it is no more expensive than available alternatives.
    - c. Board members should choose the least expensive available alternative suitable for the purpose and situation.
  5. **Lodging** will be reimbursed at the standard private room rate at the selected motel/hotel.
  6. **Meals** will be reimbursed at actual cost plus tip (normally 15%). The maximum reimbursement per day is an average of \$130.00. It is the responsibility of the Board member to decide how he/she spends the average per day maximum allowable amount for meals. Detailed receipts indicating the items purchased must be submitted.
  7. **Alcohol** will not be reimbursed unless approved by the CEO, CFO or Board Chair. Because approval will only be granted in unusual circumstances, it is recommended that Board members request approval in advance of the expenditure. The maximum reimbursement of \$130.00 per day includes any approved expenses for alcohol.
  8. **Telephone calls and Internet Service**, during travel, required for necessary Hospital business will be reimbursed at cost. These expenses should be itemized on the statement. The Hospital will also reimburse expenses for a personal telephone call home each day while on Hospital business. The conversation should be kept to a reasonable length and will be reimbursed at cost.
- D. The Hospital will not advance or reimburse for the following:
1. Any expenses of a spouse or other individual who accompanies the Board member on travel.
  2. Any additional expenses for travel by business or first class, or any charges for special boarding privileges or seats.
  3. Lodging amenities such as subscription television, valet service, cleaning/pressing of clothes (if the function is greater than one week, this service is allowed), concierge, etc. In-room meal service is subject to the normal meal reimbursement rates detailed in D.2.f above.
  4. If an offsite event is within a reasonable radius of the Board member's home or usual place of business **and** the function is starting **after** 7:30 a.m. and/or will be ending **before** 11:30 p.m., the Hospital will not pay for overnight accommodations, as it is expected that the Board member will commute that distance to and from the function within that business day.
  5. Car rental fees on an individual basis where there is the opportunity to share a rental car for a group of participants.
  6. Additional per mileage charge or gasoline expense by a car rental agency for personal pleasure driving.
  7. Any entertainment such as theater, tours, nightclubs, etc.
  8. Discretionary expenses for another Board member or Hospital staff, such as a birthday, holiday (e.g. Christmas), weddings, child birth, special days (i.e.

Administrative Day, or some life event.

9. Professional memberships are generally not reimbursable.

E. Travel Reservations: When booking accommodations and/or air travel, the following points should be noted:

1. If a deposit is required to be made by the Hospital, prior approval of the travel request must be received in sufficient time for Accounting to process the request and ensure that the payment reaches its destination by the required date.
2. When booking air travel utilizing a travel agency, the Hospital's current travel agency must be used. Board members will be given a profile to use the Hospital's current travel agency. Board members may book airfares over the Internet using the Board member's personal credit card. The Board member must then seek reimbursement from the Hospital.
3. In most cases, air travel should be booked as a non-refundable fare. The much-lower cost of these non-refundable fares is normally so great that the extra cost, should a trip be re-scheduled, is still much less than paying a full-price fare.

F. Expense Account Reporting

1. Expense account reporting must be in conformity with minimum IRS standards and all expenses of \$25.00 or greater must be supported by detailed receipts. Expense reports must indicate as a minimum all of the following:
  - a. Business purpose
  - b. Date and location
  - c. Name and position
2. Noncompliance with the above requirements could cause the reimbursement to be considered as additional compensation to the Board member and thus would become taxable (via a W-2 or Form 1099). To avoid this potential problem, the Board member must complete the "Business-Education-Travel Reimbursement Authorization" form and attach all supporting documentation.

G. Procedure for Completing Form

1. All Board members must complete the "Business-Education-Travel Reimbursement Authorization" form (Form 2085). Local business mileage reimbursement may be requested via the use of the Mileage Reimbursement form (form #54.00a).
2. Form #2085 is self-explanatory, but listed below are key points to remember.
  - a. **All** supporting documents must be attached to the request form. Examples of supporting documents include
    - i. Copy of registration form
    - ii. Lodging receipts
    - iii. *Detailed* meal receipts
    - iv. Car rental receipts
    - v. Parking fee receipts

- b. In circumstances where a receipt is not obtainable (or lost), the Board member must attach a statement detailing the expense as to date, place, reason for expense, and amount. All reports with missing receipts require approval by the CFO or CEO.
    - c. Where receipts are given that include non-reimbursable expenses, these expenses must be marked in some fashion and deducted from the total so that only eligible expenses are reimbursed.
  - 3. When travel advances are provided, the recipient must submit a final accounting of his/her expenses on the Business, Education, and Travel Expense form and return any excess advance, no later than 120 days from the date of the event. If this is not done, disciplinary action may be taken. In addition, any undocumented advance will be considered additional income to the recipient and reported as a W-2 or Form 1099 transaction.
  - 4. Signature Authority (approval) for the completed form, as well as travel agency invoices, is as follows:
    - a. Director of Governance Services, Controller or CFO - up to \$25,000 per activity
    - b. CEO - amounts greater than \$25,000.00 per activity.
  - 5. A Board Member cannot approve her/his own reimbursement of funds.
- H. Exceptions: Because it is impossible to foresee every possible situation, it is recognized that exceptions may sometimes be appropriate. As a result, expenses which are not generally reimbursed under this policy may be reimbursed by the Hospital upon determination of the appropriateness and reasonableness of the expenses by the CEO or CFO. Any such exception, including the justification for the exception, shall be attached to the request for reimbursement.

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## Approval Signatures

Step Description	Approver	Date
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