



**Minutes of the Open Session of the
Finance Committee of the
El Camino Hospital Board of Directors
Monday, November 21, 2022**

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

Members Present

**Don Watters, Chair
Wayne Doiguchi
Peter Fung, MD
Bill Hooper
Cynthia Stewart**

Members Absent

Joseph Chow

****via teleconference**

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:30 pm by Chair Don Watters. A verbal roll call was taken and all members were present at roll call except for Joseph Chow who was absent. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST	Chair Watters asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of the Finance Committee meeting (09/27/2022) (b) FY2023 Period 3 Financial Report (c) FY2023 Pacing Plan (d) Progress Against FY2023 Goals (e) Article(s) of Interest.</p> <p>Movant: Hooper Second: Fung Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: Chow Recused: None</p>	Consent Calendar was approved.
5. REPORT ON BOARD ACTIONS	Chair Watters asked the Committee for any questions or feedback on the Report on Board Actions, as further detailed in the packet.	
6. FY2023 PERIOD 4 FINANCIAL REPORT	<p>Carlos Bohorquez, Chief Financial Officer presented the FY2023 Period 4 Financial Report through October 31, 2022, and highlighted the following:</p> <ul style="list-style-type: none"> • Mr. Bohorquez began the discussing by stating that workforce challenges and inflation are starting have a material impact on the financial performance of the organization has indicated by missing budget in September and October. • ADC (average daily census), was strong for October, mainly driven by general medicine which was more than 10% favorable to budget. This activity was driven by an early start of the flu season and resurgence of Covid. ADC of 301 compared to budget of 257, almost about 17% better than budget and about 7% better last fiscal year. 	

	<ul style="list-style-type: none"> • Higher ADC has resulted in increased utilization of OT and higher utilization of contract labor which have a material impact on the financial performance of the organization. • Another factor negatively impacting financial performance is a YTD deterioration of the commercial payor which is mostly driven by higher general medical cases which are typically Medicare. • For the outpatient procedural cases, we are unfavorable to budget by 14.4% which is not an area of concern as this is attributed to the decrease in Covid testing and vaccinations. • One area that we are continuously focusing on and managing is net days in A/R. The current year is at 60.8 versus a budget of 54.0. This is driven by the following (1) an increase in unresolved claim issues related to us being out of contract with one specific payor (2) denial rates across the organization have increased (3) and the additional activity across the organization puts an additional burden on the revenue cycle as they are experiencing some staffing challenges and the built up with our collectibles. There is a plan in place to reduce net days in A/R which has been implemented, so the expectation is that my Q1 of CY2023 net days in A/R will be closer to the target. • Operating EBIDA was unfavorable to budget by \$880K and \$3.9 million lower than the same period last year. <p><u>Operational/ Financial Results: YTD FY2023 as of October 31 , 2022</u></p> <ul style="list-style-type: none"> • YTD ADC is 298 which is 20% favorable to budget and 10% higher than last fiscal year which is driven by general medicine. • Gross charges are better than budget by 9.3% and 13.3% better than last fiscal year. • Overall Operating Revenue is better than budget by 2.7% and 8.6% better than last fiscal year. • Operating EBIDA is favorable to budget by \$5.4 million, but about \$5.1 million lower than the same period of last fiscal year. <p>Motion: To approve the FY2023 Period 4 Financial Report.</p> <p>Movant: Fung Second: Doiguchi Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: Chow Recused: None</p>	
<p>7. FY2024 COMMUNITY BENEFIT GRANT APPLICATION GUIDING PRINCIPLES AND PROCESS</p>	<p>Jon Cowan, Senior Director, Government Relations & Community Partnerships presented the FY2024 Community Benefit (CB) Grant Application Guiding Principles and Process and highlighted the following as further detailed in the materials:</p> <p>Mr. Cowan stated Guiding Principles” are a list of 6-10 policy statements that set the parameters and guardrails which guide Community Benefit’s philosophy for health improvement.</p>	

	<p><u>FY2024 Grant review and Timeline & Process</u></p> <ul style="list-style-type: none"> • Applications Released: December 15, 2022 • Applications Due: February 24, 2023 • Staff Review of Proposals: February-April 2023 <ul style="list-style-type: none"> • Hospital Community Benefit Committee (HCBC) meets in April • HCBC's recommendations for funding are provided to the Finance Committee (FC) as part of CB Annual Plan & Implementation Strategy • FC approves grant funding through the FY2024 ECH Implementation Strategy Report and Community Benefit Plan • FY2023 Plan presented to the Finance Committee: May 2023 • Notification of Award or Denial: June 2023 <p><u>FY2023 Progress Update: Grantee Acknowledgment</u></p> <ul style="list-style-type: none"> • FY2023 grant agreements include guidelines for acknowledging El Camino Health funds through a variety of channels, including building signage for grants \geq \$200K and mobile van signage for grants \geq \$50K. ECH grant partners will begin implementing signage in January 2023. • Grant partners will be required to report on their acknowledgments in midyear reports. • Grant managers are reinforcing the guidelines and ensuring that grant partners follow through in FY2023. 	
<p>8. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 5:55 pm.</p> <p>Movant: Hooper Second: Doiguchi Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: Chow Recused: None</p>	<p><i>Adjourned to closed session at 5:55 pm</i></p>
<p>9. AGENDA ITEM 18: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>During the Closed Session, the Finance Committee approved the following item: Closed Session Minutes of the September 27, 2022 Finance Committee Meeting by a unanimous vote of all Committee Members present (Mr. Doiguchi, Dr. Fung, Mr. Hooper, Ms. Stewart, Mr. Watters) except for Mr. Chow who was absent.</p>	
<p>10. AGENDA ITEM 16: PHYSICIAN CONTRACTS & AGREEMENTS</p>	<p>Motion: To approve physician contracts recommend for board approval.</p> <p>Movant: Fung Second: Doiguchi, Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: Chow Recused: None</p>	
<p>11. AGENDA ITEM 17: CLOSING COMMENTS</p>	<p>None</p>	
<p>12. AGENDA ITEM 18: ADJOURNMENT</p>	<p>Motion: To adjourn at 8:43 pm.</p>	<p><i>Meeting adjourned at 8:43 pm</i></p>

	<p>Movant: Fung Second: Hooper Ayes: Doiguchi, Fung, Hooper, Stewart, Watters Noes: None Abstentions: None Absent: Chow Recused: None</p>	
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Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:



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Don Watters

Chair, Finance Committee

Prepared by: Samreen Salehi, Executive Assistant II, Administrative Services