



**Minutes of the Open Session of the
Finance Committee of the
El Camino Hospital Board of Directors
Monday, January 31, 2022**

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

Members Present

John Zoglin, Chair**
Joseph Chow**
Wayne Doiguchi**
Bill Hooper**
Cynthia Stewart**
Don Watters**

Members Absent

Peter Fung, MD

**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 6:00 pm by Chair John Zoglin. A verbal roll call was taken. All other members were present in telephonically and one member was absent Peter Fung, MD. 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 Zoglin 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 (11/22/2021) (b) FY2022 Period 5 Financials and for information: (c) FY2022 Pacing Plan (e) Article of Interest.</p> <p>Mr. Zoglin pulled the Agenda Item (e) pacing plan, Mr. Zoglin stated to review the March meeting regarding the Community Benefit Plan to include the generated cash flow in the presentation. Mr. Bohorquez to work with Jon Cowan to review this request.</p> <p>Movant: Watters Second: Doiguchi Ayes: Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	<i>Consent Calendar was approved.</i>
5. REPORT ON BOARD ACTIONS	Chair Zoglin asked the Committee for any questions or feedback on the Report on Board Actions as further detailed in the packet.	
6. FY2022 PERIOD 6 FINANCIALS	<p>Carlos Bohorquez, Chief Financial Officer presented the FY2022 Period 6 Financials and highlighted the following:</p> <ul style="list-style-type: none"> • Mr. Bohorquez stated that despite the challenges tied to the Omicron wave, Period 6 (December) results were strong and consistent with the first five months of FY2022. • Omicron yielded a significant increase in ED volumes. Year-over year ED volumes were 47.5% higher than same period last calendar year and 34% favorable to budget. 	

- Mr. Bohorquez stated that the organization's ability to maintain all services during the latest wave was the result of proactive planning by operations, HR and other departments to ensure we had sufficient staff during the peak of the wave.
- Overall activity for all service lines in December was favorable to budget (with the exception of Rehab.) and significantly better than prior fiscal year.
- Operational KPIs demonstrate the steady increase in FTEs over the prior fiscal year, these increases are consistent with volume trends and needed to ensure we have sufficient staffing to manage the volumes while continuing to focus on quality and patient experience.
- As discussed in prior meetings, net days in A/R increased to 58.8 days through the end of November. While this was of concern, Mr. Bohorquez had shared that the root cause had been identified and in the process of correction. Corrective actions resulted in net days in A/R decrease to 50.1 days through the end of December.
- From an overall financial performance strong revenue associated with volume and careful expense management yielded Operating EBIDA of 15.4% favorable to budget by 8.1% and 8.2% better than prior fiscal year.

Operational/ Financial Results: YTD FY2022 (as of 12/31/2021)

- Mr. Bohorquez shared that overall inpatient and outpatient activity for the first six months of FY2022 indicates a full recovery from the impact of Covid.
- ADC is favorable to budget by 6.9% budget and 10.5% higher year-over-year.
- Adjusted discharges are 12.1% favorable to budget and 18.0% better than same period last fiscal year.
- From an operational standpoint, Mr. Bohorquez stated we are continuously monitoring FTEs to ensure expenses don't increase at a higher rate than revenue / volume.
- Through the first six months of the fiscal year, total operating revenue is \$660.0 million which is 11.4% favorable to budget and a 18.6% year-over-year increase.
- Operating EBIDA represents strong performance for the first two quarters of FY2022. However, Mr. Bohorquez noted that staffing shortages, inflation pressures, supply challenges and on-going Covid expenses will have an impact on financial performance for the second half of FY2022.
- Mr. Bohorquez noted that YTD net income is lower by \$76.6 million compared to the same period last fiscal year. This is mainly attributed to instability in the capital markets which has resulted in lower than expected investment income.

Motion: To approve the FY2022 Period 6 Financials

Movant: Watters

Second: Doiguchi

Ayes: Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin

Noes: None

Abstentions: None

	<p>Absent: Fung Recused: None</p>	
<p>7. ECHMN QUARTERLY FINANCIAL REPORT</p>	<p>Vince Manoogian, Interim President of ECHMN presented a review of the financial performance of El Camino Health Medical Network and discussed the following metrics as further detailed in the materials:</p> <ul style="list-style-type: none"> • Patient Active Lives • New Patient Visits vs. Established Patient Visits • Productivity Metrics (total visits by month, total visits per Business Day by Month, Urgent Care Visits by Month and Work RVU's by Month) • Fiscal Year to Date Financial Performance by Practice • Revenue Cycle Trends (Quarterly Payer Mix Trend, Collection Rate Trend, Days Accounts Receivable Outstanding, Percentage of Accounts Receivable greater than 90 days). 	
<p>8. CAPITAL REQUEST (a) MV Chemistry Line Replacement Project Request</p>	<p>Ken King, CASO is requesting the Finance Committee to approve the MV Chemistry Line Replacement Project Request.</p> <p>Motion: To approve a capital facilities project budget not to exceed \$2.8 million for the replacement of the Mountain View Lab Chemistry Line. Movant: Hooper Second: Watters Ayes: Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	
<p>9. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 7:05 pm.</p> <p>Movant: Watters Second: Doiguchi Ayes: Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	
<p>10. AGENDA ITEM 15: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>Agenda Item 12 was discussed in the closed session and the Committee approved the consent calendar by a unanimous vote of all members present (Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin).</p>	
<p>11. AGENDA ITEM 16: PHYSICIAN CONTRACTS & AGREEMENTS</p>	<p>Motion: To approve the MV Hospitalist Professional Services Agreement and to recommend Board approval for the MV Interventional Radiology Call Panel Agreement</p> <p>Movant: Hooper Second: Watters Ayes: Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	
<p>12. AGENDA ITEM 20: CLOSING COMMENTS</p>	<p>No closing comments</p>	

13. AGENDA ITEM 21: ADJOURNMENT	Motion: To adjourn at 7:59 pm. Movant: Watters Second: Chow Ayes: Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None	
--	---	--

Attest as to the approval of the foregoing minutes by the Finance Committee of El Camino Hospital:

John Zoglin

D411E71F6749499...

John Zoglin

Chair, Finance Committee

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