



**Minutes of the Open Session of the  
El Camino Hospital Board of Directors  
Wednesday, June 10, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, 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.

**Board Members Present**

Lanhee Chen\*\*, Chair  
 Peter C. Fung, MD\*\*  
 Gary Kalbach\*\*  
 Julie Kliger\*\*  
 Julia E. Miller\*\*, Secretary/Treasurer  
 Jack Po, MD, PhD\*\*  
 Bob Rebitzer\*\*  
 George O. Ting, MD\*\*  
 Don Watters\*\*  
 John Zoglin\*\*, Vice Chair

**Board Members Absent**

None  
 \*\*via teleconference

**Members Excused**

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Board of Directors of El Camino Hospital (the "Board") was called to order at 5:30pm by Chair Chen. A verbal roll call was taken. Chair Chen reviewed the logistics for the meeting. All Board members were present and participated via teleconference and videoconference pursuant to Santa Clara County's shelter in place order. 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 CONFLICTS OF INTEREST DISCLOSURES	Chair Chen asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. BOARD RECOGNITION: RESOLUTION 2020-06	<p><b>Motion:</b> To approve <i>Resolution 2020-06</i> recognizing the Infection Prevention Team.</p> <p><b>Movant:</b> Miller  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p> <p>Mark Adams, MD, CMO, recognized Carol Kemper, MD and Catherine Nalesnik for their leadership in responding to the COVID-19 pandemic.</p>	<b><i>Resolution 2020-06 approved</i></b>
5. QUALITY COMMITTEE REPORT	<p>Director Kliger, Quality Committee Chair, highlighted the following from the Quality Committee's discussion at its June 1, 2020 meeting:</p> <ul style="list-style-type: none"> <li>- A positive patient story from a COVID-19 patient</li> <li>- FY21 organizational goals and measures</li> <li>- 30-day all-cause, unplanned readmissions rate, which is slightly above goal; there has been improvement in 3 of 7 key domains, but there are opportunities in total joint replacement, pneumonia, heart failure, and stroke.</li> <li>- Patient safety indicators that are higher than the Premier mean</li> </ul>	<b><i>Quarterly Board Quality dashboard approved</i></b>

	<p>related to vaginal injuries, which was reviewed with Lisa Packard, MD, Medical Director of Maternal-Child Health Services</p> <ul style="list-style-type: none"> <li>- SVMD Quality Report: duties and oversight responsibilities as they relate to SVMD; Dr. Hussain from the SVMD Board of Managers provided an overview of the 2020 Quality Improvement program</li> </ul> <p>Mark Adams, MD, CMO, further discussed patient safety indicators related to vaginal trauma, noting that the ECH maternity population is 64% Asian, and 76% of injuries are in that group. He explained that ECH is making a concerted effort to reduce the injury rate without increasing the number of C-sections. Dr. Adams noted that the uptick in the mortality index is due to a lack of elective surgeries and hesitancy to seek care during the COVID-19 pandemic; the majority of cases have been for treatment of severe illness.</p> <p>In response to Director Zoglin's question, Dr. Adams and Director Kliger further described the opportunities to improve readmissions domains in FY21. Dr. Adams explained that ECH has a readmissions index target of .96 in FY20, current performance is around .98 - .99 and top tier performers are at .90.</p> <p>In response to Director Miller's question, Dr. Adams and Linda Teagle, MD, Los Gatos Chief of Staff, discussed the work with providers on decreasing elective deliveries (induction before 39 weeks).</p> <p>Director Fung commended ECH's work on readmissions and commented that it will be a continual work in progress.</p>	
<p><b>6. FY20 PERIOD 10 FINANCIALS</b></p>	<p>Michael Moody, Interim CFO, provided an overview of the FY20 Period 10 Financials and highlighted:</p> <ul style="list-style-type: none"> <li>- There was an operating loss of \$24 million due to the drop in volume related to Shelter in Place orders; revenues were down 35% (\$30 million).</li> <li>- Expenses approximated the budget; Mr. Moody noted that productivity improved in every pay period in April and May as staffing was flexed in response to volume. There were \$2.7 million in expenses related to COVID-19 and almost \$1 million in rent forgiveness for community physicians.</li> <li>- For non-operating income, the \$52 million positive variance was driven by \$19 million in CARES Act funding and \$37 million in realized and unrealized gains from the market's recovery in April 2020.</li> <li>- Year-to-date, the organization had an operating gain of \$27 million versus a budget of \$64 million; Net income is \$36 million versus a budget of \$95 million for \$59 million negative variance.</li> </ul> <p>Mr. Moody noted that the investment portfolio was valued at over \$1 billion at the end of April 2020 and no re-balancing is needed.</p> <p><b>Motion:</b> To approve the FY20 Period 10 Financials.</p> <p><b>Movant:</b> Watters  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<p><i><b>FY20 Period 10 Financials approved</b></i></p>



**7. FY21 ECH  
COMMUNITY  
BENEFIT PLAN**

Barbara Avery, Director of Community Benefit, provided an overview of the FY21 Community Benefit Plan. She reviewed the organization's FY19 Total Community Benefit (as defined by the Internal Revenue Service (IRS)) of \$64.9 million and the grant cycle process, including the application and review by the Community Benefit Advisory Council (CBAC). Ms. Avery reviewed the grant requests of \$100,000 or more and the CBAC adjustments to staff recommendations for five proposals.

Ms. Avery described the evaluation and distribution of placeholder funds related to COVID-19 emergency response (\$85,000 for safety-net access, medication, telehealth transition, and emergency food and shelter). She explained that the funds are meant to be used in more extreme circumstances and recipients have reporting requirements and must use the funds before the end of the fiscal year for direct services to community members.

Director Fung commented that there should be additional funding to support mental health especially in light of the pandemic and shelter in place orders. In response to questions, Ms. Avery described 1) the rationale not to fund the programming with Cambrian School District 2) organizations' changing needs and plans to use funding during COVID-19, and 3) recent funding increases to mental health agencies.

Director Zoglin suggested accepting the FY21 Plan including the CBAC's adjustments, which total under 5% of the funding. He commented that the purpose of including the CBAC is unclear if their recommendations are not accepted.

Director Miller suggested decreasing funding to GoNoodle. Ms. Avery discussed their new "GoNoodle at Home" modules, continued content development, and the school districts' desire to continue this programming.

In response to Director Miller's questions, Ms. Avery described the rationale not to fund certain programs due to their structure and size.

Director Miller requested a copy of ECH Community Benefit Policy that outlines the process for allocating placeholder funds.

In response to Director Watters' question, Ms. Avery explained how "community" is defined for the Community Benefit services and plan; it includes the Hospital service area (the 85 Highway corridor). She noted that the plan does not fund services south of San Jose.

In response to Director Po's question, Ms. Avery described the discussion regarding funding of Hospital-operated programs, including the Chinese Health Initiative and South Asian Heart Center, and CBAC's recommendations to further reduce funding to those programs.

**Motion:** To approve the proposed FY21 ECH Community Benefit Plan including the adjustments of the five grants as suggested by the CBAC.

**Movant:** Zoglin

**Second:** Miller

Director Fung commented that the recommendations should be reviewed and further adapted to address COVID-19. He requested additional information about the reasons for CBAC's changes to particular grant recommendations and expressed concerns about approving anything at this time.

There was no vote on the motion.

**Motion:** To approve the FY21 ECH Community Benefit Plan per the

	<p>CBAC Recommendation.</p> <p><b>Movant:</b> Chen <b>Second:</b> Zoglin</p> <p>Chair Fung expressed concerns about the materials presented and voting on a motion at this time.</p> <p><b>Ayes:</b> Chen, Kalbach, Kliger, Rebitzer, Ting, Watters, Zoglin <b>Noes:</b> Fung, Miller <b>Abstentions:</b> Po <b>Absent:</b> None <b>Recused:</b> None</p> <p>Chair Chen requested that staff or the Governance Committee provide a recommendation to the Board to amend the Community Benefit process and how the Board considers the plan on a yearly basis.</p>	
<p><b>8. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 6:39pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the Hospital Board Meeting (5/20/2020) and Minutes of the Closed Session of the Executive Compensation Committee Meeting (5/5/2020); pursuant to <i>Health and Safety Code Section 32155</i>: Enterprise Quality Council Minutes; pursuant to <i>Health and Safety Code Section 32155</i>: Annual Performance Improvement Reports (Core Measures, Clinical Laboratory &amp; Pathology Services, Hospital-Based Inpatient Psychiatric Services (HBIPS), Patient Care Services); pursuant to <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: Medical Staff Report; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets and <i>Health and Safety Code Section 32155</i> for a report of the Medical Staff; deliberations concerning reports on Medical Staff quality assurance matters: Restructure of Incentive Goals and FY20/FY21 Positioning/Recovery Goals; <i>Gov't Code Section 54956.9(d)(2)</i> – conference with legal counsel – pending threatened or litigation: Enterprise Risk Management; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: El Camino Health Medical Network (ECHMN) Operating Assumptions; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Planning the Strategic Planning Process for the El Camino Health System; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: FY20 and FY21 Rolling Forecast; pursuant to <i>Health and Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets and <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: CEO Report on New Programs; and pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.</p> <p><b>Movant:</b> Miller <b>Second:</b> Kalbach <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	<p><i>Adjourned to closed session at 6:39pm</i></p>



<p><b>9. AGENDA ITEM 20: RECONVENE OPEN SESSION/ REPORT OUT</b></p>	<p>Open session was reconvened at 9:33pm by Chair Chen. Agenda Items 9-19 were addressed in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the Hospital Board Meeting (5/20/2020), Minutes of the Closed Session of the Executive Compensation Committee Meeting (5/5/2020), for information: the Enterprise Quality Council Minutes; and the Medical Staff Report, including the credentials and privileges report, by a unanimous vote in favor of all members participating in the meeting (Directors Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, and Zoglin).</p>	
<p><b>10. AGENDA ITEM 21: CONSENT CALENDAR</b></p>	<p>Chair Chen asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed.</p> <p><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Hospital Board Meeting (5/20/2020); Approval of Clinic Relocations (Outpatient Laboratory, Breast Health Center, Perinatal Diagnostic Center, Endoscopy, and Respiratory Care Services) and Opening of Advanced Care and Diagnostic Center; Minutes of the Open Session of the Executive Compensation Committee Meeting (5/5/2020); Deferral of Revision to FY21 Executive Salary Ranges; Ophthalmology Professional Services Renewal Agreements (Enterprise); Anatomic Pathology and Laboratory Medical Director Renewal Agreement (Enterprise); Cancer Program Medical Director Renewal Agreement (MV); Respiratory Care Services Medical Director Renewal Agreement (MV); Radiation Oncology Medical Director Renewal Agreement (MV); NICU Medical Director Renewal Agreement (MV); New Inpatient Perinatal Program Medical Director Agreement (MV); Cardiac Cath Lab Medical Director Renewal Agreement (MV); Echocardiography Medical Director Renewal Agreement (MV); Progress Against FY20 Advisory Committee Goals; FY21 Master Calendar; FY21 Advisory Committee Goals; FY21 Advisory Committee and Liaison Appointments; Medical Staff Report; Major Capital Projects in Progress.</p> <p><b>Movant:</b> Miller <b>Second:</b> Watters <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> None <b>Recused:</b> None</p>	<p><i>Consent calendar approved</i></p>
<p><b>11. AGENDA ITEM 22: RESTRUCTURE OF INCENTIVE GOALS: FY20 AND FY20/21 POSITIONING RECOVERY GOALS</b></p>	<p><b>Motion:</b> To 1) recalibrate FY20 incentive goals from 12 months to an eight-month period and 2) reallocate weight given to the People goal to the other FY20 goals due to pandemic-related postponement of the Employee Engagement Survey.</p> <p><b>Movant:</b> Kalbach <b>Second:</b> Kliger</p> <p>Director Zoglin commended the executive team for doing an incredible job managing through the pandemic and for demonstrating leadership by taking essentially a 10% pay cut in the form of mandatory paid time off (PTO). He noted that the Hospital is in a situation where it will probably end the year \$40-50 million below projected budget, most of the employees have taken bigger cuts in the form of hard-earned PTO or otherwise, and there is a financial threshold goal for a reason. He further noted that performance should be a bell curve over time. He expressed concerns about removing</p>	<p><i>FY20 goal restructure approved</i></p>

	<p>the trigger goal and commented that he would not be supporting this change.</p> <p>Director Chen commented that exigencies of this time and the significant impact of pandemic on the health care sector could not have been anticipated and the Board should consider that as messages are sent to executives and staff.</p> <p><b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Rebitzer, Ting, Watters  <b>Noes:</b> Po, Zoglin  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	
<b>12. AGENDA ITEM 23: CEO REPORT</b>	<p>Dan Woods, CEO, described COVID-19 antibody testing capability, relaxed restrictions on the patient visitor policy, and the opening of the Taube and Sobrato Pavilions. He highlighted Catherine Nalesnik's recognition as a Woman of Influence by the Silicon Valley Business Journal.</p> <p>He discussed two seasoned independent OB/Gyns joining El Camino Medical Associates as employed physicians.</p> <p>He reported that the Foundation has received in excess of \$9.3 million as well as in-kind donations, including meals from a variety of local restaurants and personal protective equipment and supplies.</p> <p>Mr. Woods reported that the El Camino Healthcare District has funded a COVID-19 testing program and 30 people have been tested in the first two days. In response to questions, Mr. Woods explained that the program provides nares testing.</p>	
<b>13. AGENDA ITEM 24: BOARD COMMENTS</b>	There were no additional comments from the Board.	
<b>14. AGENDA ITEM 25: ADJOURNMENT</b>	<p><b>Motion:</b> To adjourn at 9:43pm.</p> <p><b>Movant:</b> Fung  <b>Second:</b> Kalbach  <b>Ayes:</b> Chen, Fung, Kalbach, Kliger, Miller, Po, Rebitzer, Ting, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> None  <b>Recused:</b> None</p>	<i>Meeting adjourned at 9:43pm</i>

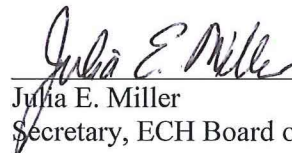
**Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Hospital:**

DocuSigned by:



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Lanhee Chen  
Chair, ECH Board of Directors



Julia E. Miller  
Secretary, ECH Board of Directors

Prepared by: Cindy Murphy, Director of Governance Services  
Sarah Rosenberg, Contracts Administrator/Governance Services EA