



**Minutes of the Open Session of the  
Finance Committee of the  
El Camino Hospital Board of Directors  
Monday, March 28, 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
<b>1. CALL TO ORDER/ ROLL CALL</b>	The open session meeting of the Finance Committee of El Camino Hospital (the "Committee") was called to order at 5:30 pm by Chair John Zoglin. A verbal roll call was taken. All members were present at roll call, excluding committee member 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.	
<b>2. POTENTIAL CONFLICT OF INTEREST</b>	Chair Zoglin asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
<b>3. PUBLIC COMMUNICATION</b>	There were no comments from the public.	
<b>4. CONSENT CALENDAR</b>	<p><b>Motion:</b> To approve the consent calendar:</p> <ul style="list-style-type: none"> <li>a. Open Session Finance Committee Minutes (1/31/2022)</li> <li>b. Open Session Joint Finance/Investment Committee Minutes (1/31/2022)</li> <li>c. Period 7 FY2022 Financials</li> </ul> <p><b>Movant:</b> Watters  <b>Second:</b> Hooper  <b>Ayes:</b> Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin  <b>Noes:</b> None  <b>Abstentions:</b> None  <b>Absent:</b> Fung  <b>Recused:</b> None</p>	<b>Consent Calendar was approved.</b>
<b>5. REPORT ON BOARD ACTIONS</b>	Chair Zoglin asked the Committee for any questions or feedback on the Report on Board Actions, as further detailed in the packet.	
<b>6. FY2023 COMMITTEE PLANNING</b>	Chair Zoglin recommended that this item be deferred to the April Finance Committee meeting.	
<b>7. PERIOD 8 FINANCIAL REPORT</b>	<p>Carlos Bohorquez, Chief Financial Officer, presented the Period 8 Financial Report and highlighted the following:</p> <ul style="list-style-type: none"> <li>• Mr. Bohorquez shared the overall financial performance for the month of February. The operating margin was \$10.2M compared to a budget of \$6.3M, resulting in a favorable variance of \$3.9M.</li> </ul>	

	<ul style="list-style-type: none"> <li>February volumes and revenues continue to be strong, as demonstrated by the favorable variance of gross charges of \$40.5M driven by Inpatient and Outpatient activity.</li> <li>Operating Expenses were unfavorable to budget by \$10.1M / 11.3%, driven by patient activity. Supply expenses attributed to Covid-19 were \$742K in February and \$6.2M YTD. It was noted that all other discretionary non-volume driven expenses were unfavorable to budget by \$3.4M.</li> <li>Mr. Bohorquez stated hospital operations and volume metrics were favorable to budget. Adjusted Discharges (AD) is favorable to budget by 390 ADs / 3.4% and above prior year by 578 ADs / 21.3%. <ul style="list-style-type: none"> <li>Mountain View is favorable to budget by 254 ADs / 10.8% and above the prior year by 409 ADs / 19.5%.</li> <li>Los Gatos is favorable to budget by 136 ADs / 20.6% and above the prior year by 169 ADs / 27.0%.</li> <li>Operating expenses per CMI Adjusted Discharge: \$17,041, which is 5.1% favorable to budget.</li> </ul> </li> <li>Net income was unfavorable to budget by \$35.1M / (279.6%) and \$40.2M / (227.8%) lower than the same period last year. This is attributed the instability in the capital markets, which has resulted in the lower than expected investment income.</li> </ul> <p>Mr. Bohorquez asked the Committee for their feedback, and a brief discussion ensued.</p>	
<p><b>8. FY2023 COMMUNITY BENEFIT GRANT PROGRAM OVERVIEW</b></p>	<p>Jon Cowan, Senior Director of Relations and Community Partnerships, informed the Finance Committee about the Community Benefits process in FY2022 and provided an update on midyear FY2022 grant performance.</p> <p>Mr. Cowan stated the following items would be reported at the next Finance Committee Meeting:</p> <ul style="list-style-type: none"> <li>The Annual Plan &amp; Implementation Strategy for funding approval and the recommendation for grants, sponsorships, and placeholder.</li> <li>The implementation strategy explains how the organization plans to address the health needs by identifying the Community Health Assessment and the anticipated impact. The 2022 Community Health Needs Assessment is conducted with other Santa Clara County hospitals every three years. This is in the process of being written and taken to the Finance Committee for approval.</li> </ul> <p>Mr. Cowan provided the following FY2022 Grant Details:</p> <ul style="list-style-type: none"> <li>\$3.3M for Board Approved Funding</li> <li>44 Grant Programs</li> <li>68% Grants that Met Midyear Metrics</li> </ul>	
<p><b>9. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 6:26 pm.</p> <p><b>Movant:</b> Watters</p> <p><b>Second:</b> Hooper</p> <p><b>Ayes:</b> Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin</p> <p><b>Noes:</b> None</p>	<p><i>Adjourned to closed session at 6:26 pm</i></p>

	<b>Abstentions:</b> None <b>Absent:</b> Fung <b>Recused:</b> None	
<b>10. AGENDA ITEM 16: RECONVENE OPEN SESSION/REPORT OUT</b>	<p>During the Closed Session, the Finance Committee approved the following items: The Closed Session Minutes of January 31, 2022, Finance Committee Meeting, The Closed Session Minutes of January 31, 2022, Joint Finance and Investment Committee Meetings, and the Radiology Professional Services Renewal Agreement and Annual Report on Physician Financial Arrangement FY2021.</p> <p>By a unanimous vote of all Committee Members present: Mr. Chow, Mr. Doiguchi, Mr. Hooper, Ms. Stewart, Director Watters, and Director Zoglin. Director Fung was absent.</p>	
<b>11. AGENDA ITEM 17: CLOSING COMMENTS</b>	No closing comments	
<b>12. AGENDA ITEM 18: ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 7:39 pm. <b>Movant:</b> Watters <b>Second:</b> Chow <b>Ayes:</b> Chow, Doiguchi, Hooper, Stewart, Watters, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Fung <b>Recused:</b> None	<i>Meeting adjourned at 7:39 pm</i>

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

*John Zoglin*

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John Zoglin

Chair, Finance Committee

Prepared by: Heidi Parker, Executive Assistant II, Administrative Services