

AGENDA
GOVERNANCE COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, August 31, 2022– 5:30 pm

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

PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1), EL 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: **914 7709 7139#**. 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, i.e., the nomination and appointment/reappointment process. The Governance Committee ensures that the Board and Committees are functioning at the highest level of governance standards.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER/ROLL CALL	Lanhee Chen, Chair		5:30 – 5:32pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Chair		information 5:32 – 5:33
3. PUBLIC COMMUNICATION 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 5:33 – 5:36
4. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Governance Committee Meeting (06/02/2022) Information b. FY23 Pacing Plan	Lanhee Chen, Chair	<i>public comment</i>	motion required 5:36 – 5:37
5. GOVERNANCE BEST PRACTICE a. FY22 Annual Board Assessment b. Progress on FY22 Board Action Plan	Dan Woods, Chief Executive Officer George Anderson, Spencer Stuart		discussion 5:37 – 5:57
<u>REPORT ON BOARD ACTIONS</u>	Lanhee Chen, Chair		information 5:57 – 6:02
7. VICE-CHAIR APPOINTMENT	Lanhee Chen, Chair	<i>public comment</i>	motion required 6:02 – 6:07
<u>DIVERSITY, EQUITY, AND INCLUSION</u>	Dan Woods, Chief Executive Officer		discussion 6:07 – 6:42
9. EDUCATION PLANNING a. FY23 Board Education b. Joint Board and Committee Education Session	Dan Woods, Chief Executive Officer	<i>public comment</i>	possible motion 6:42 – 7:00

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
10. <u>APPOINTMENT AND RE-APPOINTMENT OF NON-ELECTED/APPOINTED BOARD MEMBERS ADHOC COMMITTEE ADVISOR RECOMMENDATIONS</u>	Lanhee Chen, Chair	<i>public comment</i>	possible motion 7:00 – 7:10
11. ADJOURN TO CLOSED SESSION	Lanhee Chen, Chair	<i>public comment</i>	motion required 7:10 – 7:11
12. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lanhee Chen, Chair		information 7:11 – 7:12
13. CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval <i>Gov't Code Section 54957.2:</i> – Minutes of the Closed Session of the Governance Committee Meeting (06/02/22)	Lanhee Chen, Chair		motion required 7:12 – 7:14
14. ADJOURN TO OPEN SESSION	Lanhee Chen, Chair		motion required 7:14 – 7:15
15. RECONVENE OPEN SESSION/ REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Lanhee Chen, Chair		information 7:15 – 7:16
16. <u>ROUNDTABLE</u>	Lanhee Chen, Chair		discussion 7:16 – 7:19
17. ADJOURNMENT	Lanhee Chen, Chair	<i>public comment</i>	motion required 7:19 – 7:20pm

Upcoming Committee Meetings: October 25, 2022; February 7, 2023; May 2, 2023

Upcoming Education/Retreat Sessions: January 18, 2023 (Education); March 8, 2023 (Retreat)



**Minutes of the Open Session of the
Governance Committee of the
El Camino Hospital Board of Directors
Thursday, June 2, 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.

Members Present
Ken Alvares**
Peter C. Fung, MD
Michael Kasperzak
Christina Lai
Bob Rebitzer
Don Watters, Chair

Members Absent

Others Present
Dan Woods, CEO
Shiraz Ali, Director, Office of the CEO

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session of the regular meeting of the Governance Committee of El Camino Hospital (the " <u>Committee</u> ") was called to order at 5:31 pm by Chair Watters. A verbal roll call was taken. A quorum was present under Government Code Section 54953(e)(1).	<i>Called to order at 5:31 pm</i>
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Watters asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	<p>Motion: To approve the open session minutes of the 03/29/2022 Governance Committee Meeting.</p> <p>Movant: Kasperzak Second: Fung Ayes: Fung, Kasperzak, Lai, Watters Noes: None Abstentions: None Absent: Rebitzer, Alvares Recused: None</p>	<i>The Consent Calendar was approved.</i>
5. REPORT ON BOARD ACTIONS	<p>Chair Watters thanked the committee members who participated in the April education session and provided a brief update on the following Board Actions:</p> <ul style="list-style-type: none"> • The Hospital Board approved the Board Officer Elections Procedure, an agenda item paced later in this meeting. • The District Board approved the policy of re-appointing Hospital Board members. Going into FY23, the work of this Committee may further inform that policy. 	
6. COMMITTEE ASSIGNMENTS	<p>Dan Woods, CEO, reviewed the changes to the FY23 committee assignments, and a discussion ensued regarding the reasoning for assignment changes.</p> <p>Motion: To approve FY23 Advisory Committee, Committee Chair, and Liaison assignments.</p> <p>Movant: Fung</p>	<i>The FY23 Advisory Committee and Liaison assignments were approved.</i>

	<p>Second: Rebitzer Ayes: Fung, Kasperzak, Lai, Rebitzer, Watters Noes: None Abstentions: None Absent: Alvares Recused: None</p>	
<p>7. COMMITTEE CHARTER UPDATES</p>	<p>Shiraz Ali, Director to the Office of the CEO, reviewed the changes to the Executive Compensation and Quality Committee Charters as presented in the materials</p> <p>Motion: To approve changes to the Committee Charter.</p> <p>Movant: Rebitzer Second: Fung Ayes: Alvares, Fung, Kasperzak, Lai, Rebitzer, Watters, Noes: None Abstentions: None Absent: None Recused: None</p>	<p>Committee Charters were approved.</p>
<p>8. COMMITTEE GOALS</p>	<p>Shiraz Ali reviewed the Committee Goals as presented in the materials. A discussion ensued amongst the committee members, and the suggestion was made to realign the committee goals to the strategic plan.</p> <p>Motion: To approve FY23 Committee Goals under the guidance that they will be revisited under the new strategic plan and brought back to the Governance Committee within the calendar year with adjustments.</p> <p>Movant: Kasperzak Second: Alvares Ayes: Alvares, Fung, Kasperzak, Lai, Rebitzer, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p>FY23 Committee Goals were approved.</p>
<p>9. COMMITTEE PACING PLANS</p>	<p>Shiraz Ali reviewed the FY23 Committee Pacing Plans and Master Calendar. Chair Watters recommended changing to the new format presented in the previous meeting.</p> <p>Motion: To approve proposed FY23 Committee Pacing Plans and Master Calendar (with adjusted format).</p> <p>Movant: Fung Second: Kasperzak Ayes: Alvares, Fung, Kasperzak, Lai, Rebitzer, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p>FY23 Committee Pacing Plans and Master Calendar were approved.</p>
<p>10. GOVERNANCE AD HOC COMMITTEE</p>	<p>Shiraz Ali presented the recommendations for Board Composition and Succession Planning, as detailed in the packet materials.</p> <p>Motion: To approve the FY23 Board Composition Skills Matrix</p> <p>Movant: Kasperzak Second: Lai Ayes: Fung, Kasperzak, Lai, Rebitzer, Watters</p>	<p>FY23 Board Composition Skills Matrix was approved</p>

	<p>Noes: None Abstentions: Alvares Absent: None Recused: None</p>	
<p>11. GOVERNANCE BEST PRACTICES</p>	<p>Dan Woods, CEO, reviewed the Hospital Board Officers Nomination and Selection Procedure. Discussion amongst the committee took place.</p> <p>Motion: To approve the Hospital Board Officers Nomination and Selection Procedure.</p> <p>Movant: Rebitzer Second: Alvares Ayes: Alvares, Fung, Kasperzak, Lai, Rebitzer, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Hospital Board Officers Nomination and Selection Procedure was approved.</i></p>
<p>12. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:46 pm.</p> <p>Movant: Kasperzak Second: Alvares Ayes: Alvares, Fung, Kasperzak, Lai, Rebitzer, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 6:46 pm</i></p>
<p>13. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>The open session was reconvened at 7:56 pm.</p> <p>Agenda items 13-16 were addressed in the closed session.</p> <p>During the closed session, the Committee approved the Closed Session Minutes of the 03/29/22 Governance Committee meeting by a unanimous vote of all the Committee members present; Committee members Alvares, Fung, Kasperzak, Lai, Rebitzer, and Watters were present.</p>	
<p>14. AGENDA ITEM 18: ROUND TABLE DISCUSSION</p>	<p>The committee held a roundtable discussion to review the success of the meeting. Feedback included: a healthy and comfortable debate on diversity, this meeting was very productive, and the culture in this committee is incredible.</p>	
<p>15. AGENDA ITEM 16: ADJOURNMENT</p>	<p>Motion: To adjourn at 8:00 pm.</p> <p>Movant: Alvares Second: Watters Ayes: Alvares, Fung, Kasperzak, Lai, Rebitzer, Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>The meeting was adjourned at 8:00 pm.</i></p>

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

Don Watters
Chair, Governance Committee

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

To: Governance Committee
From: Dan Woods, CEO
Date: August 31, 2022
Subject: Governance Best Practices

Recommendation:

To provide an update on the progress of the FY22 Board Assessment and Action Plan.

Summary:

1. **Situation:** The Governance Committee is tasked with developing recommendations for the ECH Board and Committees to improve its governance practices. It aims to achieve that purpose through the FY22 goals set by the committee in conjunction with the CEO.
2. **Authority:** The purpose of the Governance Committee is to advise and assist the El Camino Health Hospital Board of Directors in 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.
3. **Background:** The Hospital Board of Directors commissioned the services of an independent consulting firm, Spencer Stuart, to conduct a Governance Assessment to promote optimal processes and practices. This assessment reviewed the actions taken by the El Camino Hospital Board of Directors to address strategic planning, operational topics, corporate governance matters, administrative matters, and written reports.
4. **Assessment:** Spencer Stuart presented a summary of recommendations and an action plan to the Hospital Board on December 8th, 2021. Several of the proposed steps on the action plan were assessed to be the responsibility of the Governance Committee.
5. **Outcome:** FY22 Annual Board Self-Assessment Survey is complete, with all Board Members submitting responses. The multi-year Board Action Plan, created in FY22, is in progress with the following action items on track to be completed in FY23:
 - Review/update the onboarding process for new members of the board; emphasizing the role of the board at a governance level
 - Develop a list of future board candidates for appointed seats; consider committee members as potential board members
 - Create a succession plan for each committee

List of Attachments:

1. FY22 Board Assessment
2. Board Action Plan

Suggested Committee Discussion Questions:

1. In addition to the FY22 Board Action Plan, what other focus areas should the Governance Committee consider for FY23?
2. What other approaches can the Governance Committee use to improve ECH's governance practices in FY23?

El Camino Health Board Survey

August 2022

Prepared for the El Camino Health Governance Committee

Board Review Process

- » Spencer Stuart was engaged by the Chief Executive Officer of El Camino Health to assist with a survey-based review of the board's effectiveness.
- » The online survey was open from August 13 – 23, 2022. All Board Members (10) completed the survey in that timeframe. The survey results are presented on an unattributed basis in this report.
 - Questions about the Board as a whole have an “n” of 10.
 - Individual Committee questions were only answered by Board Members on those Committees:
 - Compliance and Audit, “n” = 3
 - Finance, “n” = 4
 - Investment, “n” = 2
 - Executive Compensation, “n” = 2
 - Governance, “n” = 3
 - Quality, Patient Care and Patient Experience, “n” = 4
- » Participants were asked to answer a series of questions on a 4-point Likert scale, where a rating of “1” indicates strong disagreement and a rating of “4” indicates strong agreement. Participants were also given the option to respond “N/A”, indicating “no opportunity to observe.”
- » This report will be reviewed by the Governance Committee at its August 31, 2022 meeting.

Survey Findings

Strengths and Opportunity Areas

The highest and lowest rated items by the Board about the Board as a collective. Scores were given on a 1-4 scale, from “Strongly Disagree” to “Strongly Agree.”

Area of Strength	Avg. Score	Opportunity Area	Avg. Score
Aggregated responses on individual contributions to the board (see page 23).	3.84	The Board actively plans for its own succession including identifying potential appointed board members and committee members and developing a pipeline of potential candidates who are qualified based on defined criteria.	2.4
The Board has an effective working relationship with the Chief Executive Officer and leadership team.	3.8	The Board frequently evaluates the organization's performance in relation to community healthcare needs.	2.7
Board Members receive meeting notices, written agendas, minutes and other appropriate materials well in advance of meetings with appropriate time to review and prepare for meetings.	3.6	During the course of the year, the Board effectively monitors performance against its goals and provides feedback regarding any needed course correction, including through regular reports of the appropriate committees tasked with specific oversight responsibilities.	3
The Board and executive management exhibit mutual trust and respect and foster transparency in the working relationship.	3.5	Board members are organized properly into appropriate committees based on background and expertise of each member.	3
The Board effectively assesses the organization's financial performance in relation to its goals.	3.5	The Board is composed of members with optimal subject matter expertise and appropriate competencies.	3
The Board has a defined procedure in place for establishing the Chief Executive Officer's yearly objectives.	3.5	Board Members possess strong communication skills, knowing when to listen and when to speak up.	3
The Board, through its committees, also provides effective oversight in the key areas of Compliance and Audit; Finance; Investment; Executive Compensation; Governance; Quality, Patient Care and Patient Experience.	3.5		
The organization's strategic planning processes are effective, and the Board provides appropriate input into the strategic planning process, taking into account all key stakeholders.	3.5		

Note: Given the small sample size of individual Committee responses, average scores for those corresponding questions are not included in the above summary. Please see pages 17 - 22 for each committee.

Areas of Most Agreement

Distribution

The Board has an effective working relationship with the Chief Executive Officer and leadership team.



Board Members honor the professional boundaries between governance and management.



Board materials contain information at the appropriate level of detail and are aligned with the board's governance responsibility.



Board Members engage in productive and meaningful discussion.



Board meetings focus on appropriate topics, such as areas of oversight and related Board education.



The Board has established procedures to effectively oversee quality.



■ Strongly disagree ■ Disagree ■ Agree ■ Strongly agree

Areas of Least Agreement

Distribution

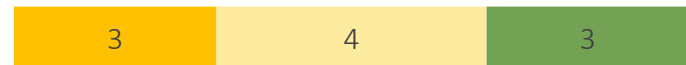
The Board actively plans for its own succession including identifying potential appointed board members and committee members and developing a pipeline of potential candidates who are qualified based on a defined criteria.



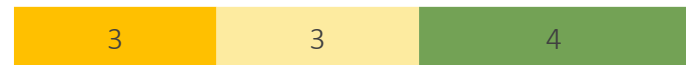
The Board frequently evaluates the organization's performance in relation to community healthcare needs.



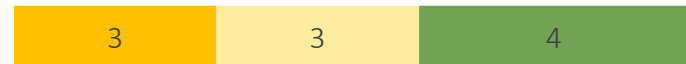
Board Members are organized properly into appropriate committees based on background and expertise of each member.



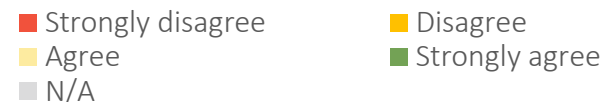
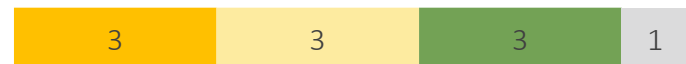
The Board membership comprises diversity of thought, experience, gender, race and ethnic representation, and perspective in order to add greater value to the Board's deliberations.



The time commitment board members are asked to make is reasonable and appropriate for fulfilling our duties.

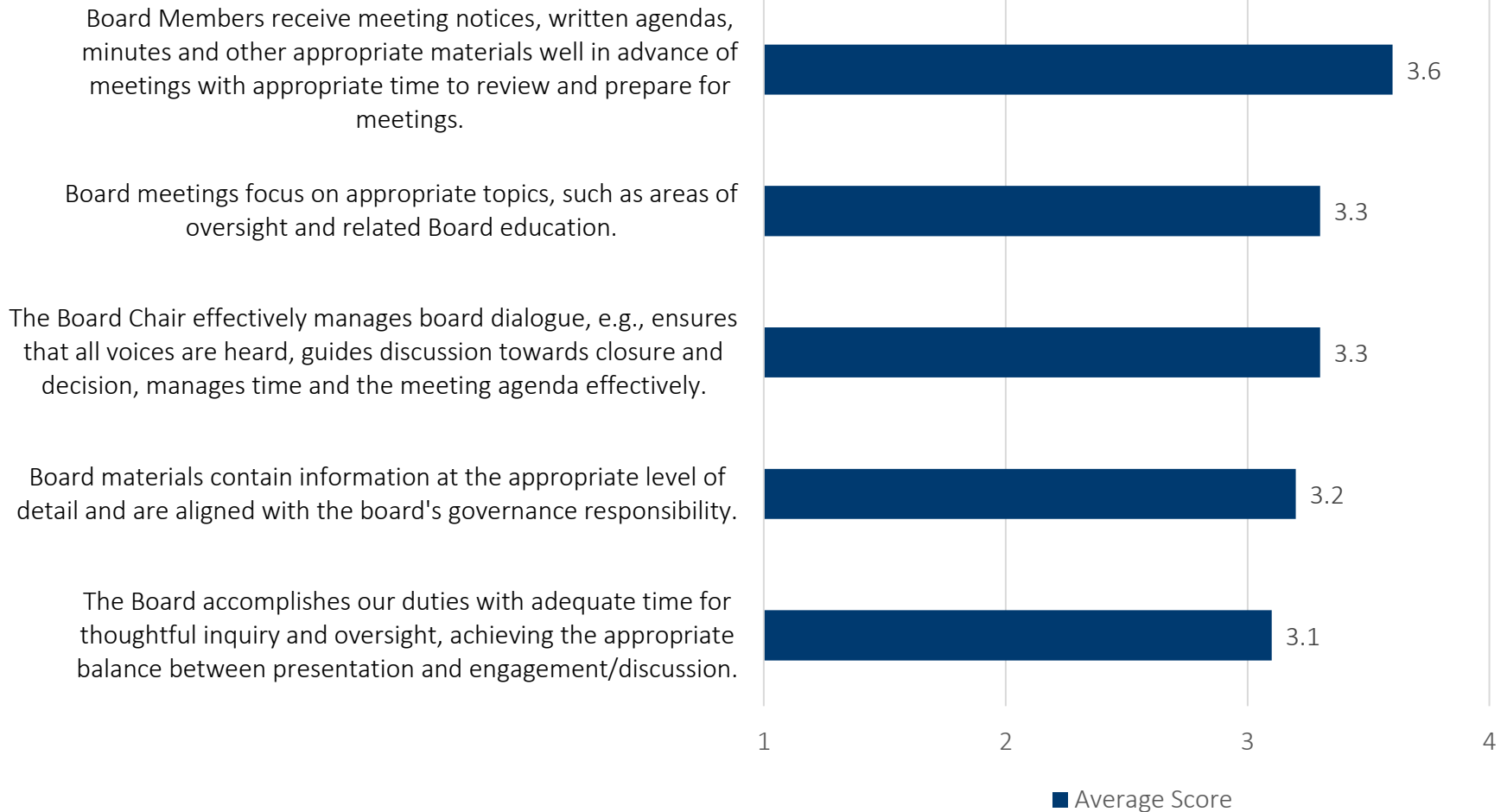


The Board effectively monitors performance against its goals and provides feedback regarding any needed course correction, including through regular reports of the appropriate committees tasked with specific oversight responsibilities.



Appendix: All Survey Results

Board Meetings



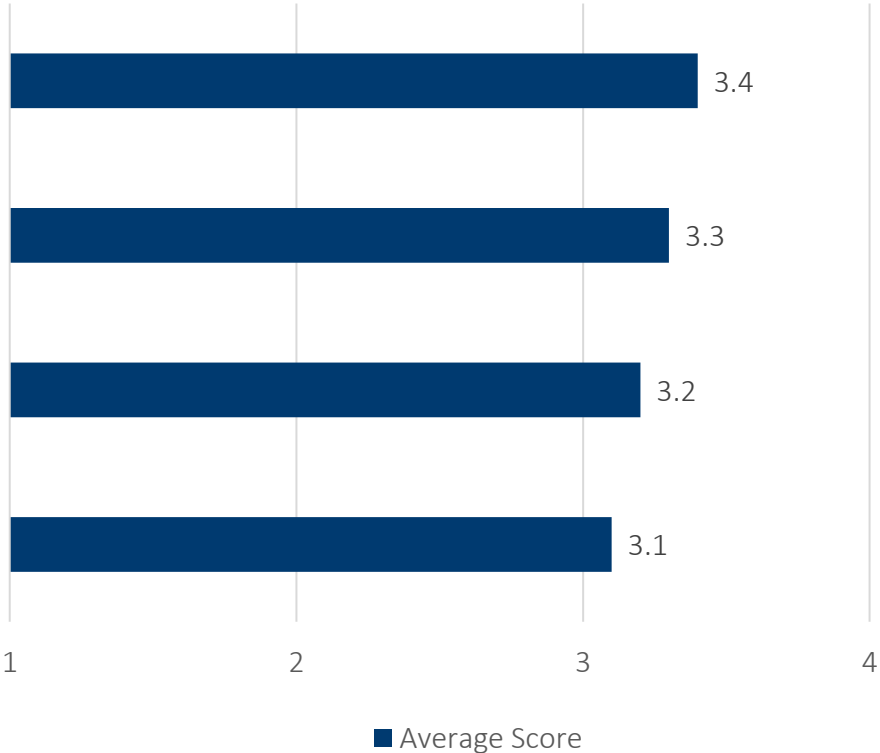
Board Role

The Board makes appropriate adjustments and effectively exercises its judgement in unique circumstances, such as the COVID-19 pandemic.

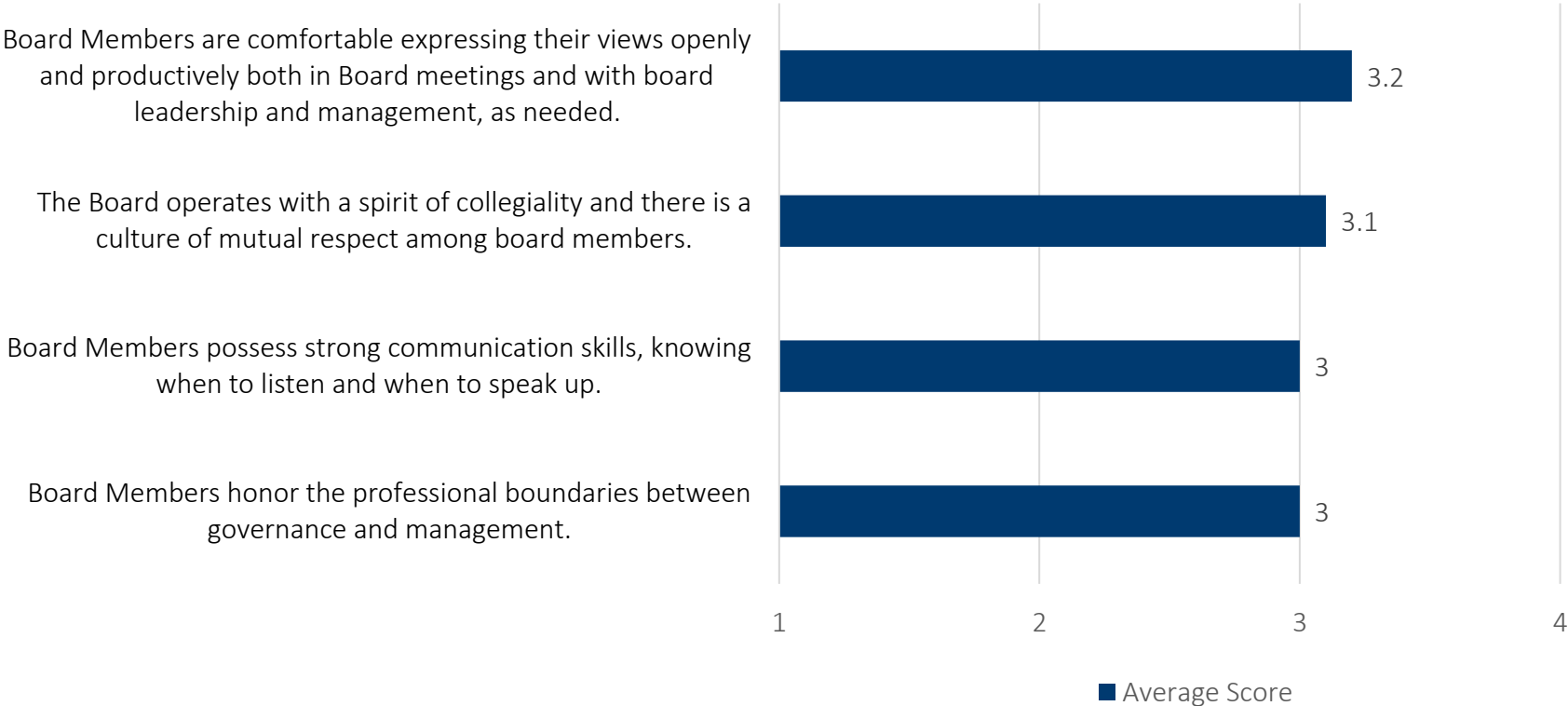
The expectations for board service are clearly articulated and well understood by board members.

Board Members engage in productive and meaningful discussion.

The time commitment Board Members are asked to make is reasonable and appropriate for fulfilling our duties.



Board Culture and Dynamics

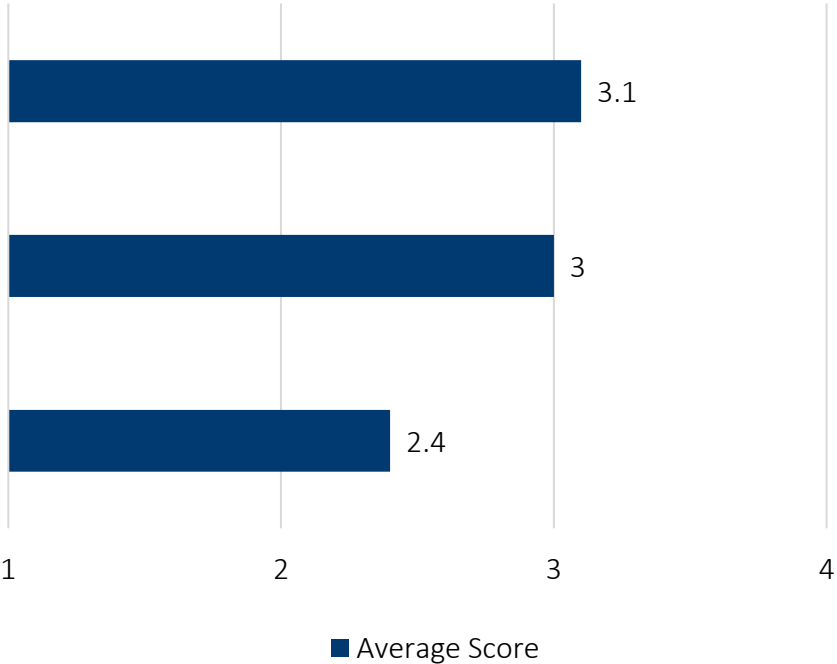


Board Skills, Experiences, and Attributes Including Diversity

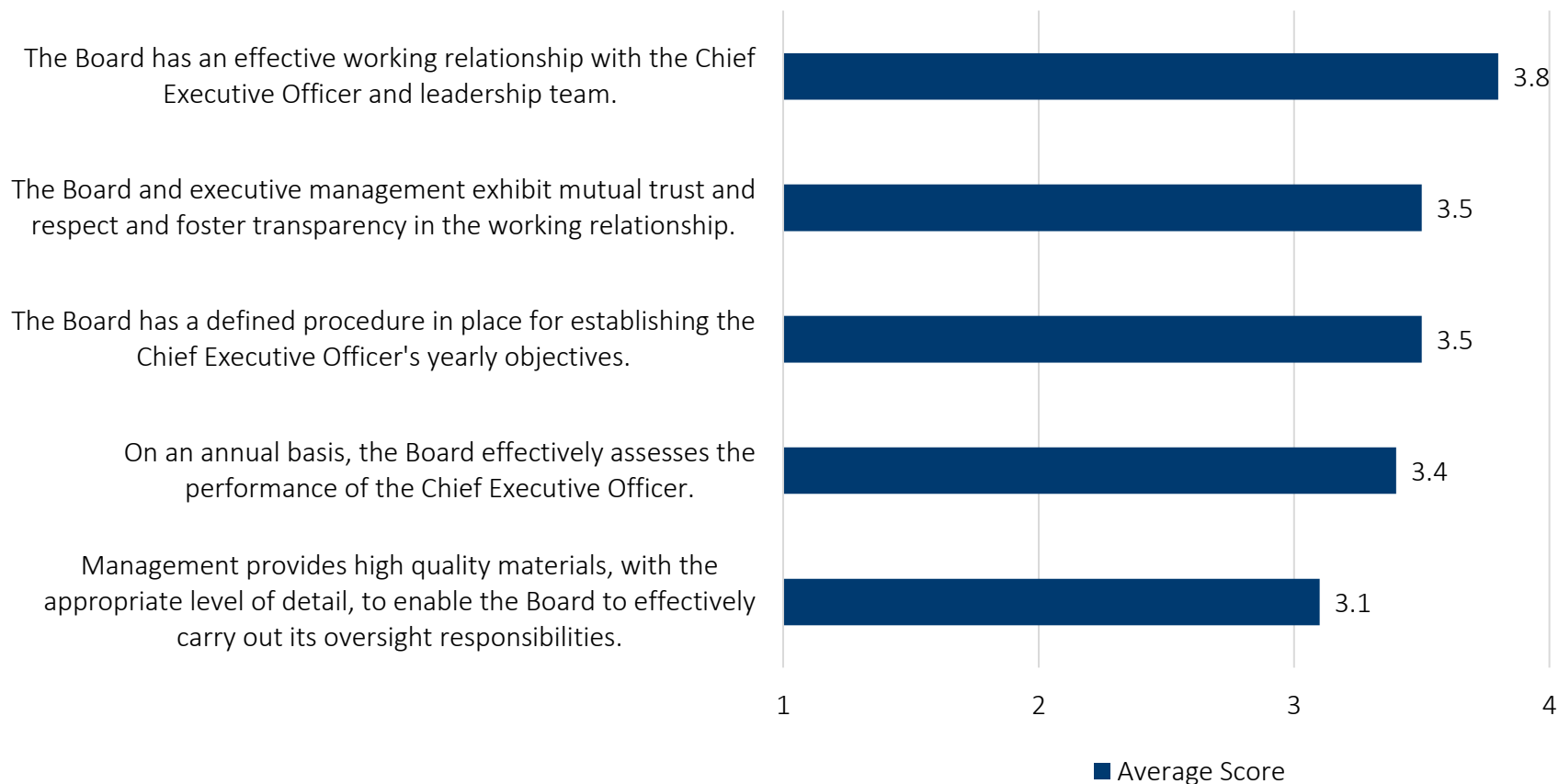
The Board membership comprises diversity of thought, experience, gender, race and ethnic representation, and perspective in order to add greater value to the Board's deliberations.

The Board is composed of members with optimal subject matter expertise and appropriate competencies.

The Board actively plans for its own succession including identifying potential appointed board members and committee members and developing a pipeline of potential candidates who are qualified based on defined criteria.



Relationship with Management



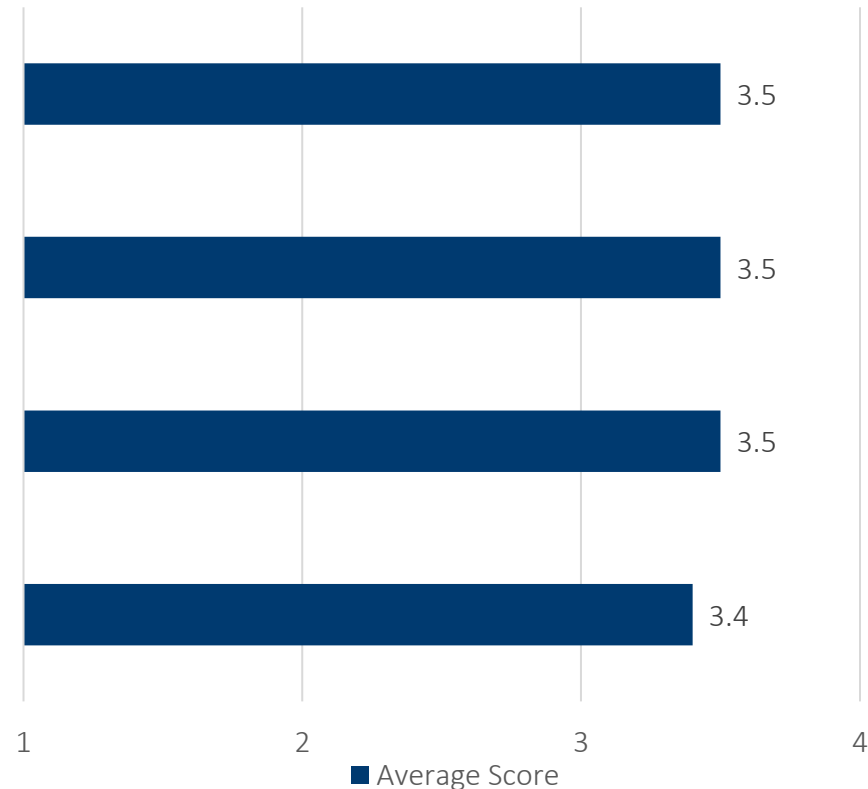
Execution of Board's Oversight Responsibilities

The organization's strategic planning processes are effective, and the Board provides appropriate input into the strategic planning process, taking into account all key stakeholders.

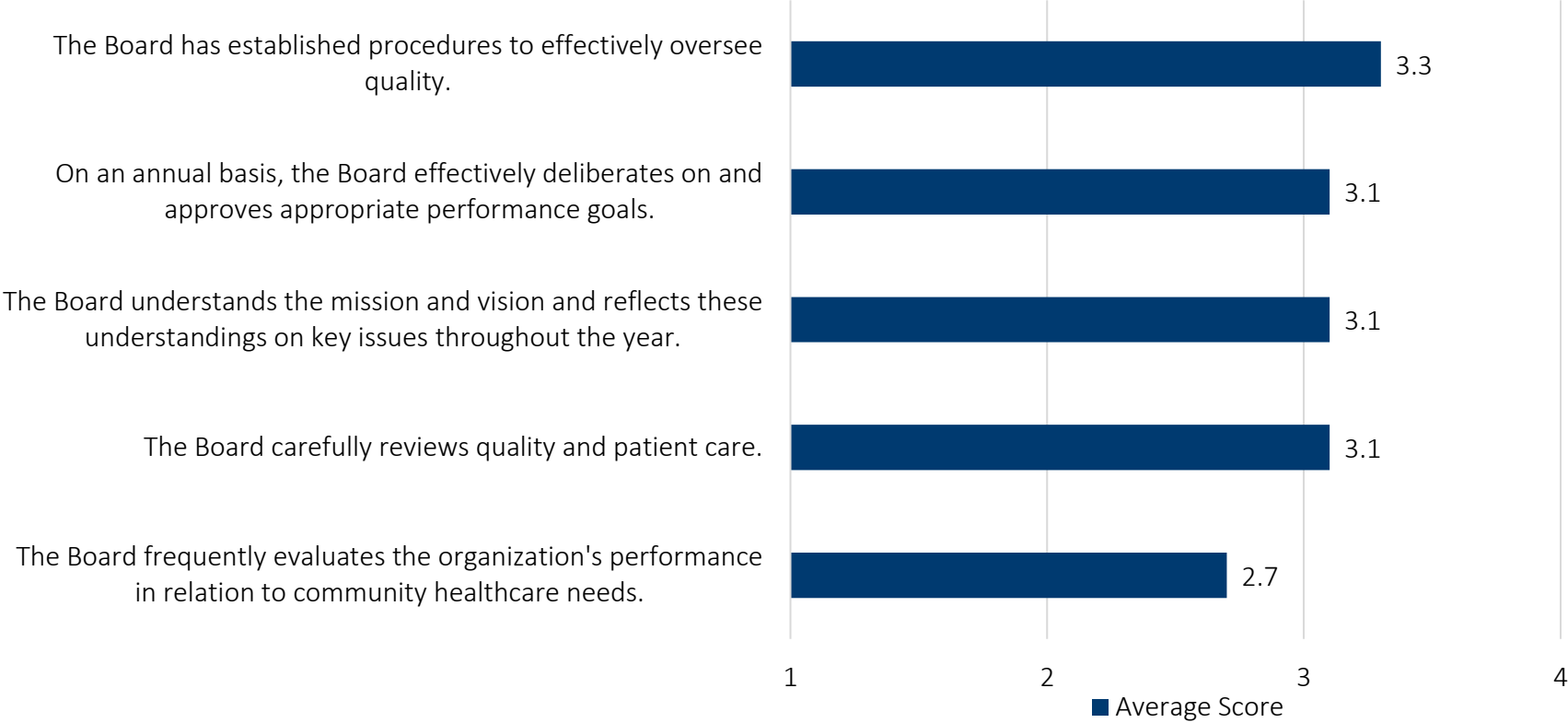
The Board effectively assesses the organization's financial performance in relation to its goals.

The Board, through its committees, also provides effective oversight in the key areas of Compliance and Audit; Finance; Investment; Executive Compensation; Governance; Quality, Patient Care and Patient Experience.

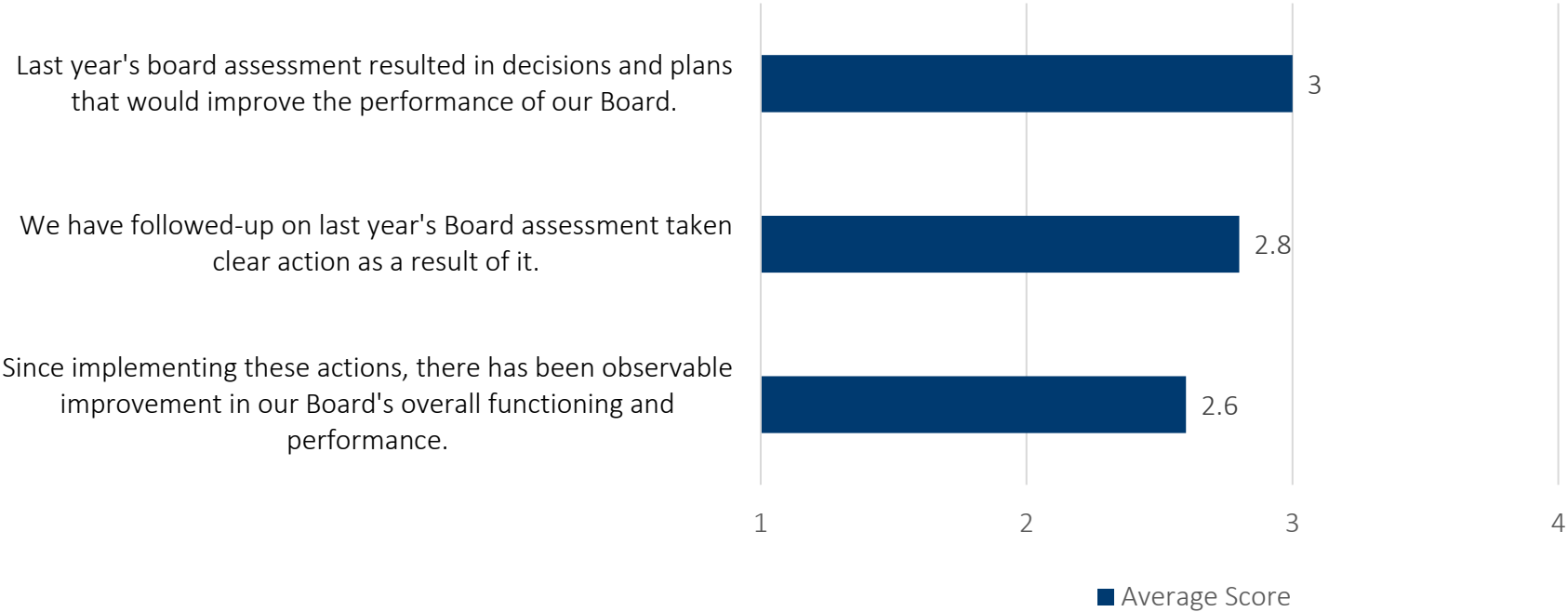
The Board has an effective mechanism in place for resolving potential conflicts of interest.



Execution of Board's Oversight Responsibilities, continued

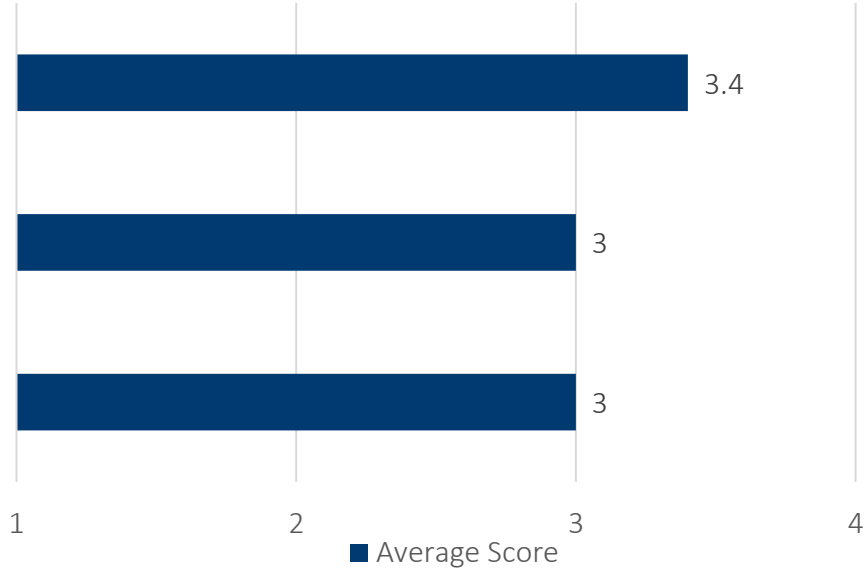


Reflections on 2021 Board Assessment



Committee Effectiveness

The Board has the proper number of committees representing specific issues of specialized expertise.



The Board effectively monitors performance against its goals and provides feedback regarding any needed course correction, including through regular reports of the appropriate committees tasked with specific oversight responsibilities.

Board Members are organized properly into appropriate committees based on background and expertise of each member.

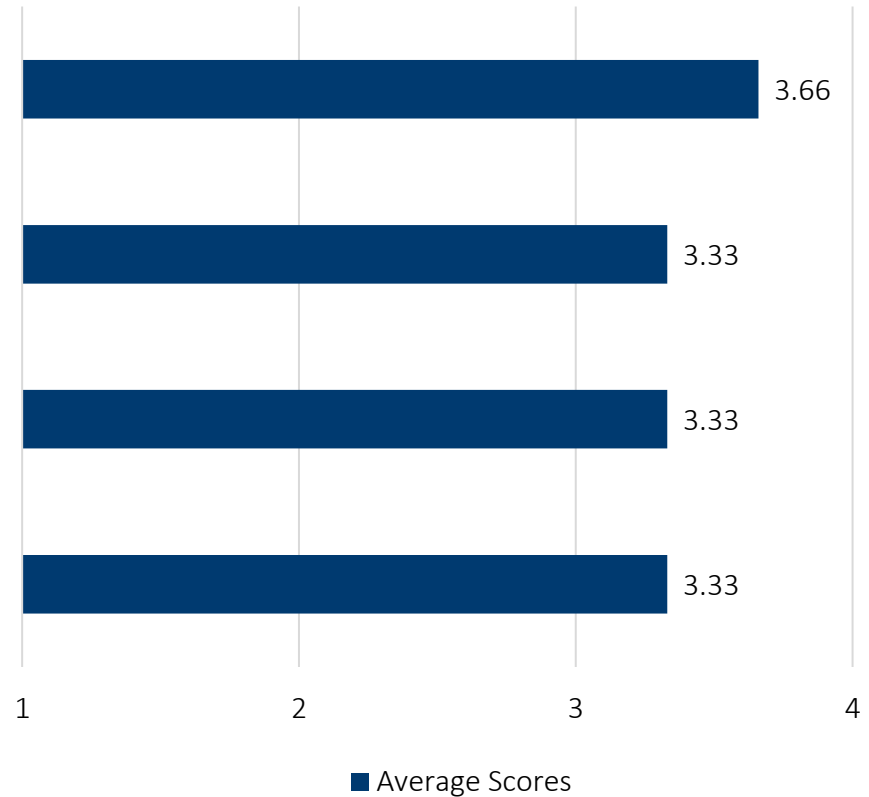
Compliance and Audit Committee

Committee agendas are prepared and circulated timely and contain all pertinent information, minutes are taken accurately, and informational and logistical support are provided by management and outside advisors.

The committee has strong leadership.

Committee members have the experience to serve effectively.

The current committee structure and operating procedures are effective.



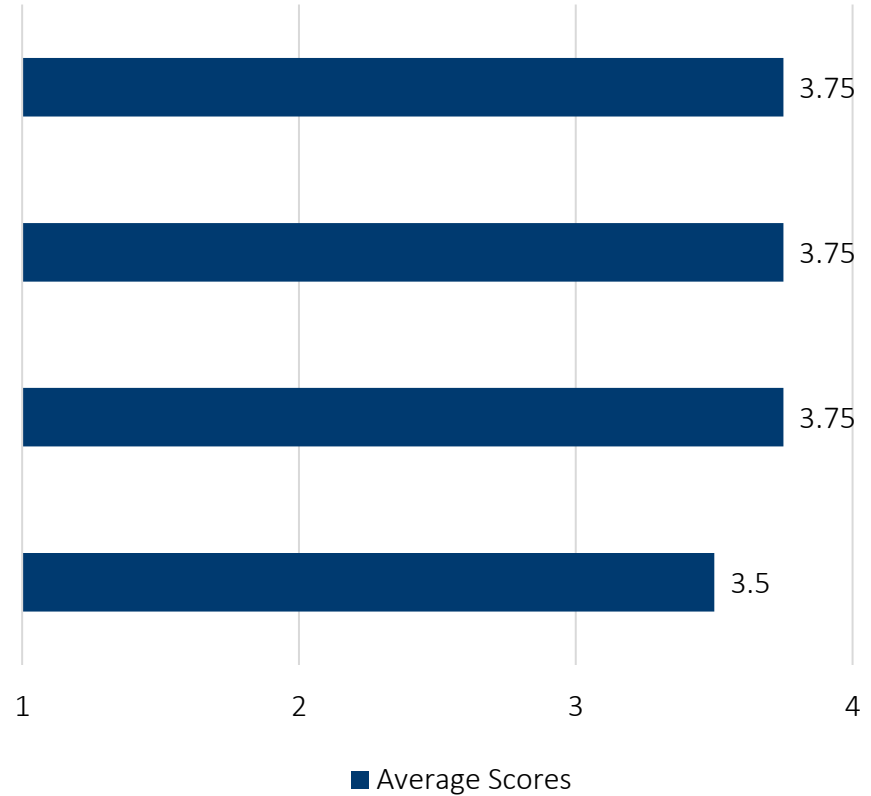
Finance Committee

Committee agendas are prepared and circulated timely and contain all pertinent information, minutes are taken accurately, and informational and logistical support are provided by management and outside advisors.

Committee members have the experience to serve effectively.

The current committee structure and operating procedures are effective.

The committee has strong leadership.



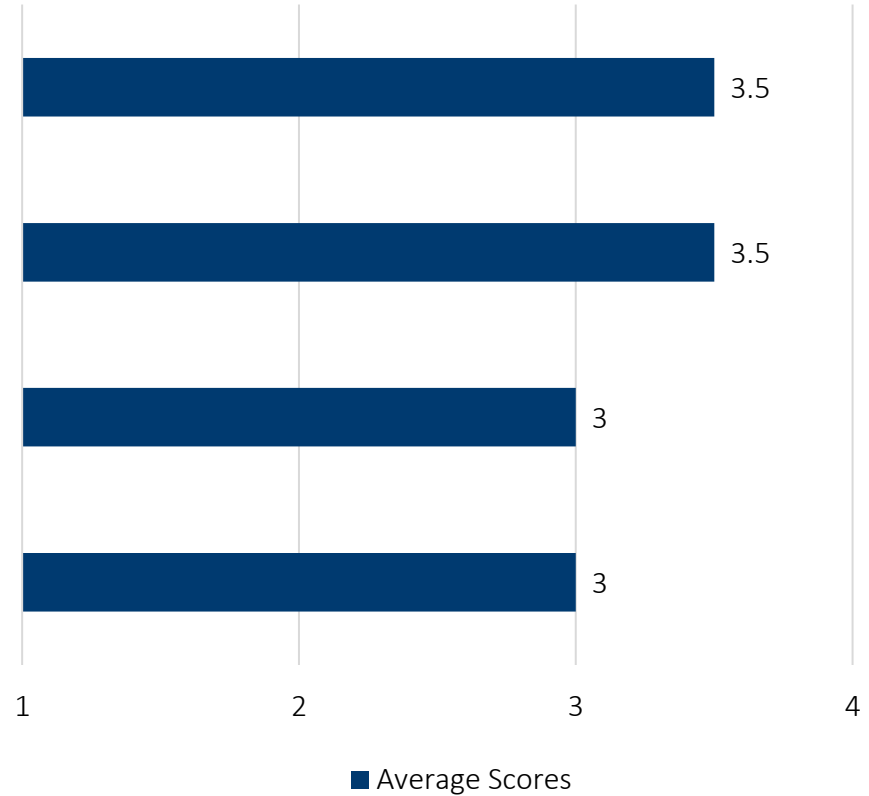
Investment Committee

Committee agendas are prepared and circulated timely and contain all pertinent information, minutes are taken accurately, and informational and logistical support are provided by management and outside advisors.

The current committee structure and operating procedures are effective.

Committee members have the experience to serve effectively.

The committee has strong leadership.



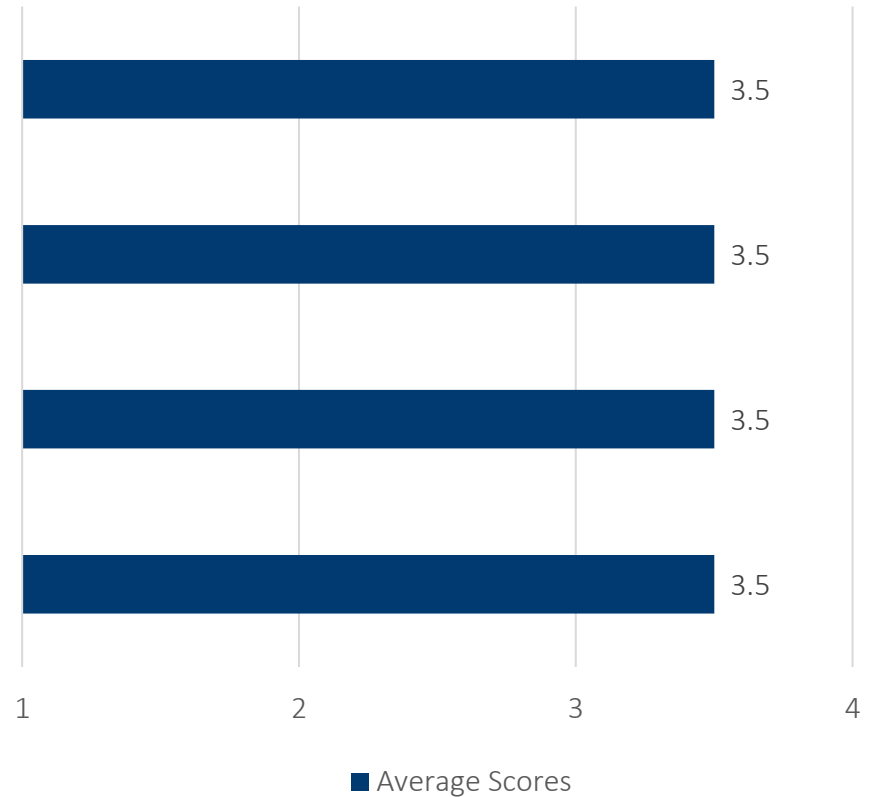
Executive Compensation Committee

Committee agendas are prepared and circulated timely and contain all pertinent information, minutes are taken accurately, and informational and logistical support are provided by management and outside advisors.

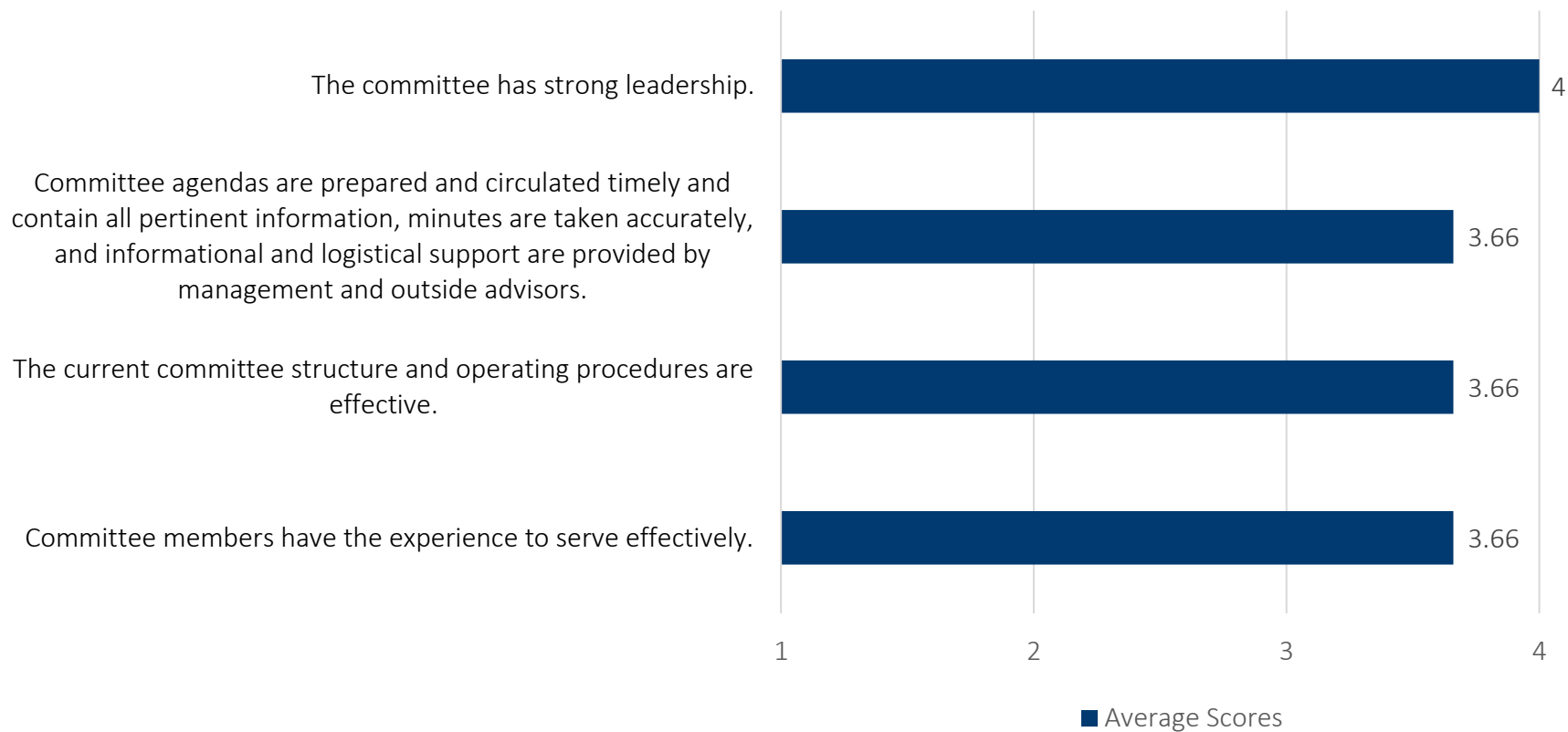
The current committee structure and operating procedures are effective.

Committee members have the experience to serve effectively.

The committee has strong leadership.



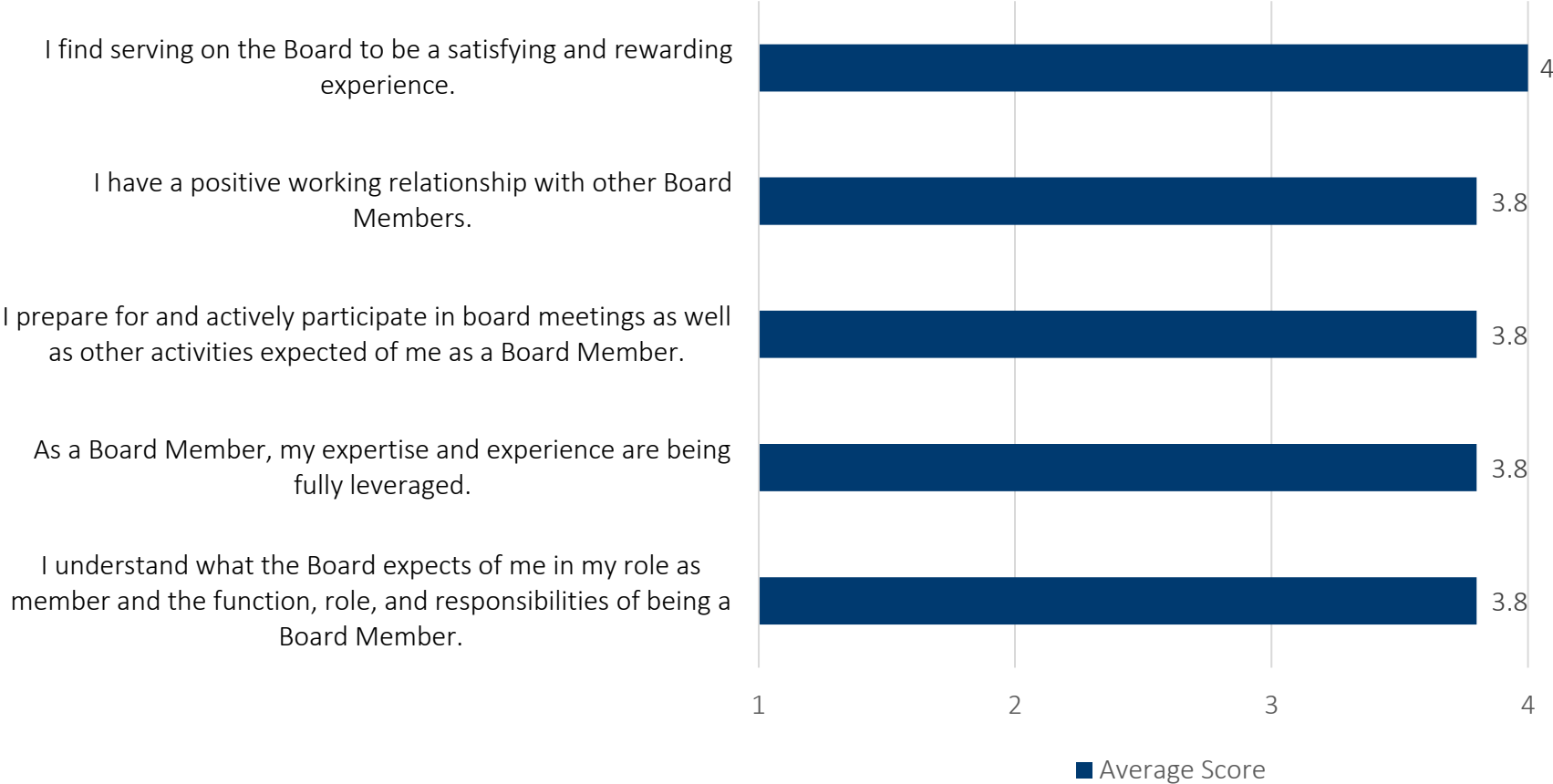
Governance Committee



Quality, Patient Care and Patient Experience Committee



Self-Reflection on Your Contributions to the Board



SpencerStuart

El Camino Health - Board Review – Action Plan

Presented review and approval - December 8, 2021

Action Area	Proposed Next Step	Complete By	Responsible	
Meeting practices	<ul style="list-style-type: none"> Create guidelines for question submission/agenda input (in order to support time management in the meetings) 	<ul style="list-style-type: none"> Jan 2022 	<ul style="list-style-type: none"> Lanhee and Bob 	Not complete
	<ul style="list-style-type: none"> Drop one meeting in 2022 			
Strategy	<ul style="list-style-type: none"> Conduct review of meeting agendas; reduce time on standing items; increase time on strategy 	<ul style="list-style-type: none"> March 2022 	<ul style="list-style-type: none"> Dan, Governance Committee 	Complete - Approved by Hospital Board
Committees	<ul style="list-style-type: none"> Refine committee “pacing plan” 	<ul style="list-style-type: none"> March 2022 	<ul style="list-style-type: none"> Dan, Governance Committee 	
	<ul style="list-style-type: none"> Review board agendas and committee remits; identify items to be delegated to committee 	<ul style="list-style-type: none"> March 2022 	<ul style="list-style-type: none"> Dan, Lanhee, Bob, Committee Chairs 	
Board composition, succession	<ul style="list-style-type: none"> Review, update the board skills matrix 	<ul style="list-style-type: none"> May 2022 	<ul style="list-style-type: none"> Governance Committee 	Not complete
	<ul style="list-style-type: none"> Review, update onboarding process for new directors; focus on role of the board 	<ul style="list-style-type: none"> July 2022 	<ul style="list-style-type: none"> Governance Committee 	
	<ul style="list-style-type: none"> Develop list of future board candidates for appointed seats; consider committee members as potential board members 	<ul style="list-style-type: none"> Nov 2023 	<ul style="list-style-type: none"> All board members, Governance Committee 	
Committees	<ul style="list-style-type: none"> Develop a succession plan for each committee. 	<ul style="list-style-type: none"> Dec 2023 	<ul style="list-style-type: none"> Committee Chairs 	In Progress - on track to be completed in FY23

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

To: Governance Committee
From: Lanhee Chen, Governance Committee Chair
Date: August 31, 2022
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 has 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.

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	June 8, 2022	<ul style="list-style-type: none"> - 2022 ECH CHNA and FY23 ECH Implementation Strategy Report and Community Benefit Plan - FY23 Master Calendar Meeting Dates - Progress against FY22 Committee Goals - FY23 Committee Planning: Meeting Dates, Goals, Pacing Plans, Committee and Liaisons Appointments, and Charter Updates - FY23 Organizational Goals
	August 17, 2022	<ul style="list-style-type: none"> - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Silicon Valley Medical Development Board Appointments - Third Amended and Restated Limited Liability Company Operating Agreement of Silicon Valley Medical Development, LLC - Chief Operating Officer and Chief Growth Officer Base Salaries - CHRO Base Salary - FY23 Capital Budget

Report on Board Actions
August 29, 2022

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECHD Board	June 14, 2022	<ul style="list-style-type: none"> - FY23 Regular Meeting Dates: Resolution 2022-07 - FY23 Operating Budget – ECHD and ECH & Affiliates - Appointment of Liaison to the Community Benefit Advisory Council - Appointment of FY23 Hospital Board Member - Reappointment AD Hoc Committee: <i>Resolution 2022-08</i> - El Camino Health District Mission Statement Review AD Hoc Committee Recommendation - Requesting for and Consenting to Consolidate for Election: <i>Resolution 2022-09</i> - FY22 YTD District Financial Report - Establishing Tax Appropriation Limit for FY23 (Gann Limit): <i>Resolution 2022-10</i> - District Capital Outlay Funds - FY22 Community Benefit Plan
Executive Compensation Committee	June 24, 2022	<ul style="list-style-type: none"> - Proposed Salary Range Change and Base Salary Change for Chief Operating Officer - Proposed Salary Range Change and Base Salary Change for Chief Growth Officer
Compliance and Audit Committee	- N/A	
Finance Committee	August 15, 2022	<ul style="list-style-type: none"> - FY 2022 Period 11 Financial Report - FY 2022 Period 12 Financial Report - Real Estate Acquisition / APN: 264-09-57 - MV NICU Medical Director Agreement - LG General Surgery Panel - Enterprise Vascular Surgery Panel - Enterprise GI Call Panel - Enterprise EKG Reading Panel - FY 2023 Capital Budget

List of Attachments: None.

Suggested Committee Discussion Questions: None.

EL CAMINO GOVERNANCE COMMITTEE MEETING MEMO

To: El Camino Hospital Board of Directors
From: Dan Woods, Chief Executive Officer
Date: August 31, 2022
Subject: El Camino Health Inclusion, Diversity, Equity and Belonging

Purpose: To inform the Board regarding progress in evolving the El Camino Health (ECH) culture to emphasize Inclusion, Diversity, Equality and Belonging (I-DEB).

Summary:

1. **Situation:** The ECH Board of Directors has emphasized the need to evaluate and potentially evolve ECH’s culture regarding I-DEB. The goal is to collaborate with the Board of Directors, Board Committees, and staff to understand the views, beliefs and needs of the Board and ECH as a whole.
2. **Authority:** The Governance Committee is to advise and assist the El Camino Hospital Board of Directors in matters related to governance, board development, board effectiveness, and board composition. The Governance Committee ensures the Board and Committees are functioning at the highest level of governance standards. The Committee has taken the responsibility to engage and oversee the consultant’s engagement, and I-DEB development efforts.
3. **Background:** Consultants were initially engaged in April, but the Directors and staff identified a need for different advisors for the process.

4. **Assessment:** Santa Clara County has many different micro-cultures, with diverse demographics. Figure 1 illustrates a demographic comparison of Santa Clara County to the nation.¹ The Census data does not allow deeper analysis on ethnicity (including Hispanic and Latinx demographics) at the zip code level.

Since 2017, ECH leadership has made diversity a higher emphasis. As shared with the Board at the August Board meeting, management has made a concerted effort to align

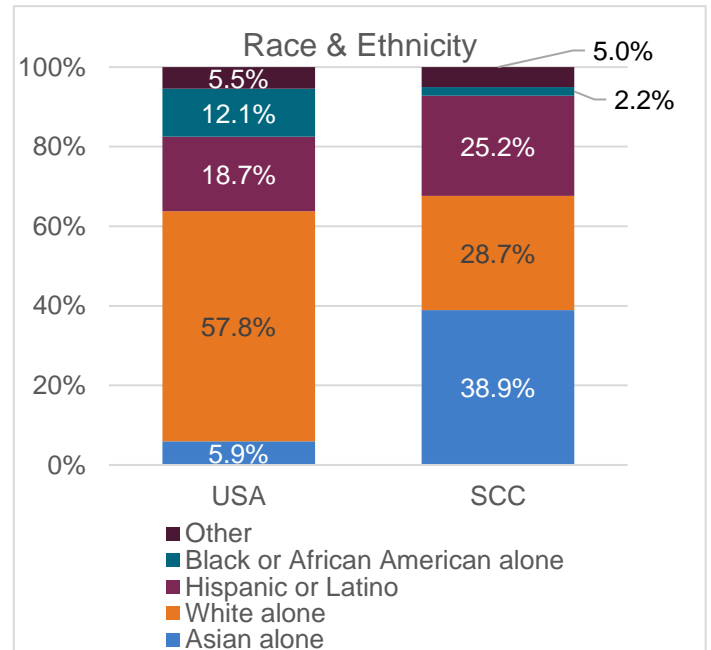


Figure 1 - Santa Clara County, Primary Service Area, and Mountain View Specific Demographics

¹ Data collected from the 2020 Census. “Other” includes “Other race alone,” “Native Hawaiian or Pacific Islander”, and “American Indian and Alaska Native alone”

leadership and initiatives with the demographics of our staff and Service Area (See “Outcomes” below). Staff demographics are included in Appendix 1.

In addition to management and staff demographics, the Board and Governance Committee have indicated the need to align the Board and Board Committee with the area demographics.

5. Other Reviews: None.

6. Outcomes:

Organizational Development - Management has distributed a Request For Proposal (RFP) for a new consulting advisor to facilitate analysis and planning for I-DEB improvements in Board Committees, incorporation of I-DEB and health equity into Board Committee oversight, etc. This advisor will be selected and overseen by the Governance Committee. See Appendix 3 for projected timeline for the RFP process.

Leadership Demographics:

Board & Committees – Initial current state analysis of the Board and Committees indicates a demographic disparity between current members and that of ECH’s Service Area - summarized in Appendix 2. Based on Santa Clara County, the Board of Directors demographics is closer to matching the demographics of our area, compared to that of the committees (especially Investment, and Compliance & Audit Committees).

Senior Management - Since 2017 the demographics of the senior management team has shifted significantly, which better represents the geographies ECH serves. In 2017 the ethnicity of the senior management team was over ninety percent (90%) White/Caucasian, with only one member representing the Asian demographic. In 2022, White/Caucasian senior management members only totaled sixty percent (60%), with thirty percent (30%) from the Asian demographic, and five percent (5%) from the Black/African American and Hispanic demographics (See figure 2). This evolution brings the senior management team closer to

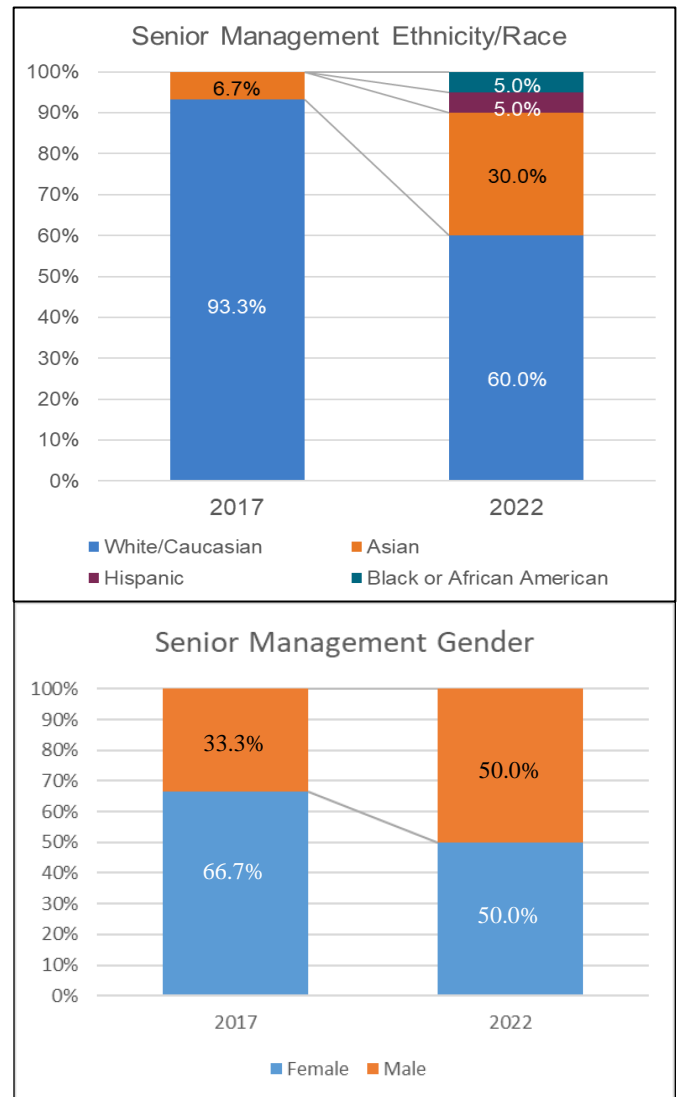


Figure 2 - Senior Management Demographics

representing Mountain View, the Primary Service Area, and Santa Clara County as shown in Figure 2 (Details in Appendix 4).

Similarly, evaluating the gender of the Senior Management team, in 2017 nearly sixty-seven percent (67%) of the management team were female. In 2022, the numbers have balanced out.

Diversity Director – Management is currently recruiting a Director of Diversity. Initial interviews are taking place with seven candidates, with the intent of moving forward quickly. Of note, there is significant demand for Diversity leadership throughout the nation, with limited supply of qualified candidates. Given this high demand and the rate at which the market is recruiting, ECH management recognizes the importance of this role, and is moving quickly to identify and recruit the best fit for ECH's needs.

Quality and Health Equity

Quality Committee – The Quality Committee (QC) has moved to improve their oversight of Health Equity. Health Equity is incorporated into their reporting structure to the Committee and Board (through the STEEEP dashboard the Board receives quarterly). Initial goals of the Committee will be to 1) understand how race, ethnicity, and social determinants of health such as education, employment, and even conditions such as obesity, affect the quality of care patients receive, 2) study and make visible health outcomes for our patients segregated based on Social Determinants of Health (SDOH), race and ethnicity. This will help management and the committee identify how to close the gaps we hypothesize exist for many of our patients.

The priorities for FY23 are:

1. Understand ECH's processes gathering information on race, ethnicity and social determinants of health from our patients.
2. Establish baseline percent completion of survey of SDOH questions on intake process
3. Set target for percent improvement of data collection
4. Deploy performance improvement methods to achieve target

List of Attachments:

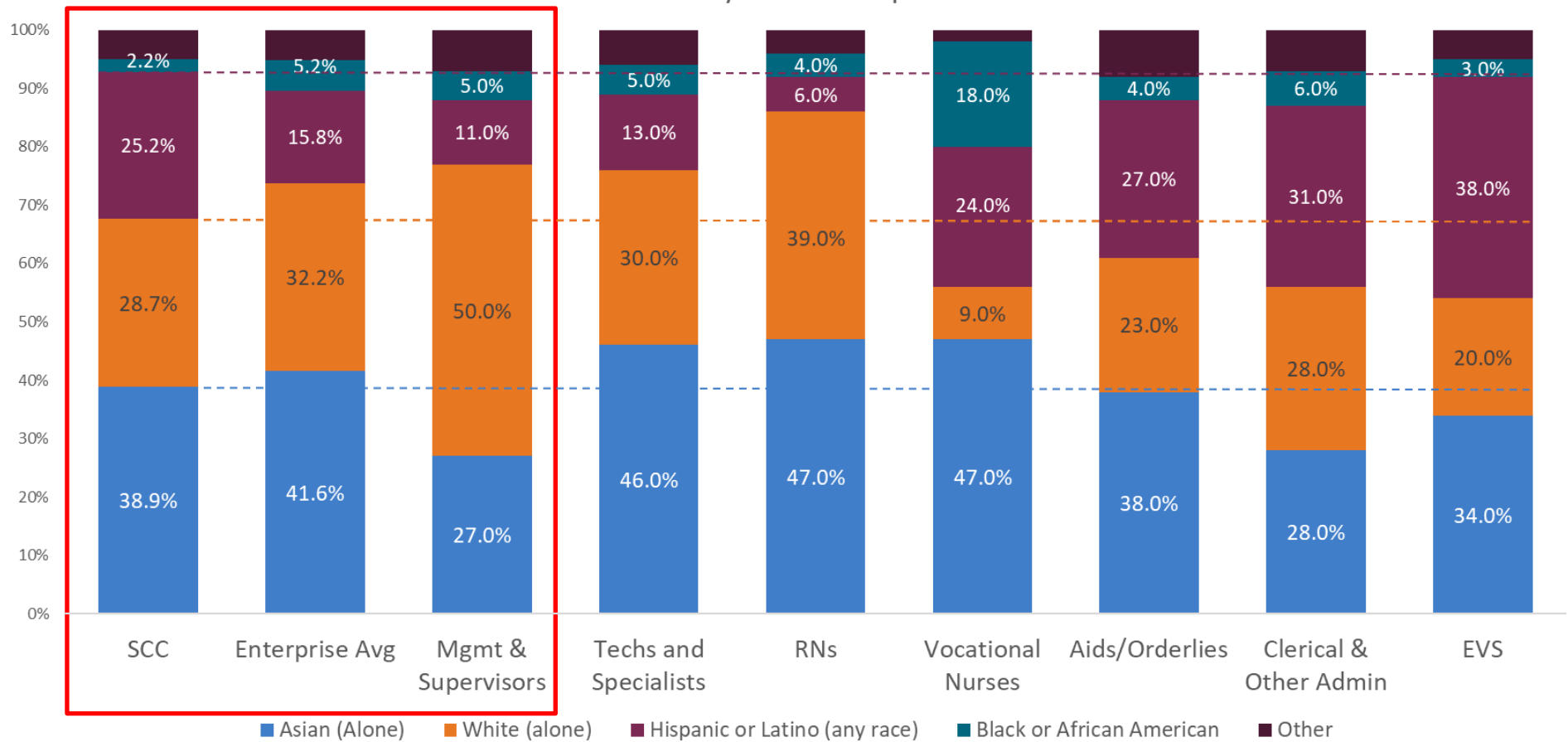
A. DEI Presentation

Suggested Discussion Questions:

1. What decision criteria will be used in selecting a I-DEB advisor?
2. How do we plan to address the disparity between local demographics and the Committee structures?

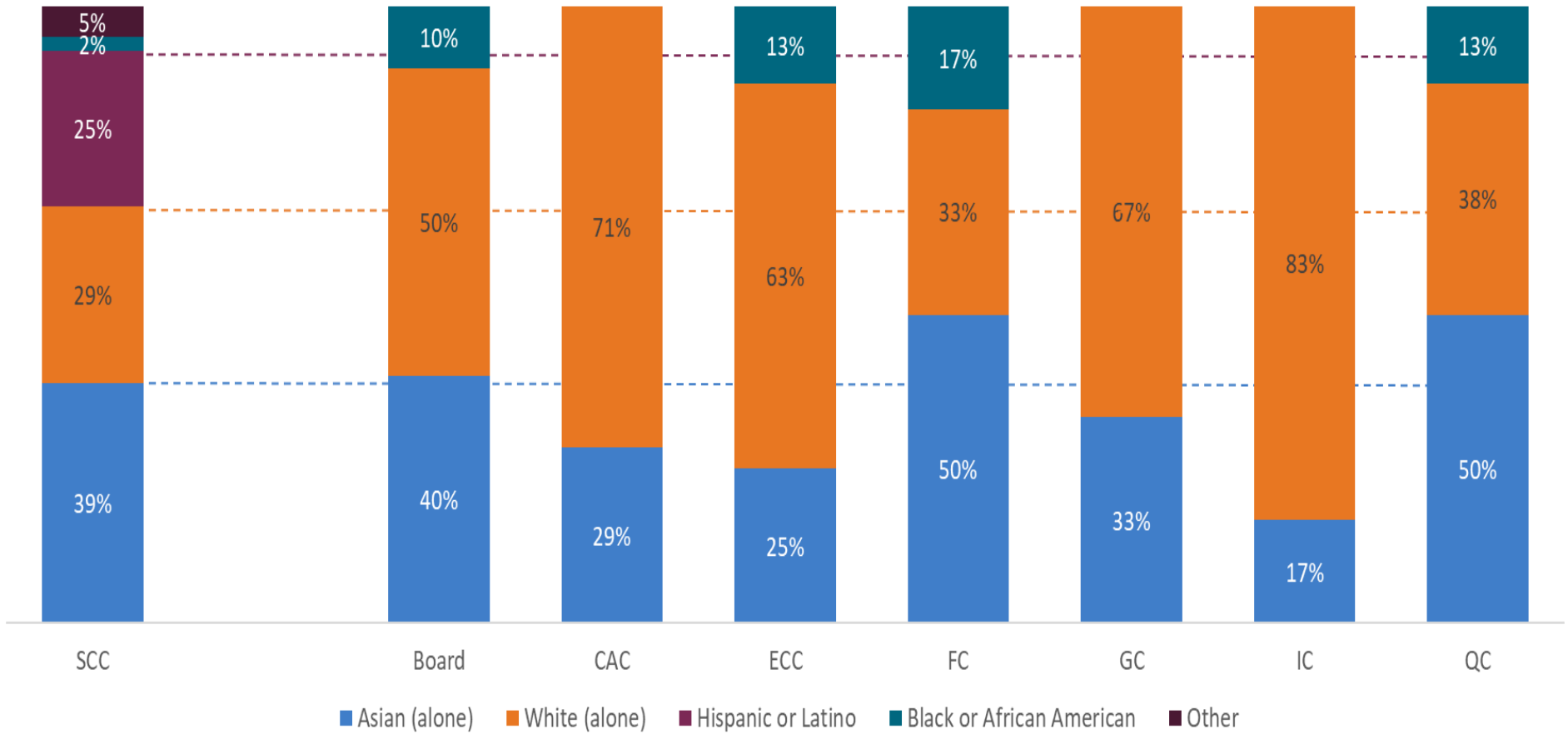
Appendix 1 – Management and Staff Demographics compared with Santa Clara County

Race & Ethnicity of ECH Compared to SCC



Appendix 2 – Board and Committee Demographics

Board & Committee Members by Race/Ethnicity



Diversity
August 31, 2022

Appendix 3 – I-DEB Timeline

RFP CALENDAR SCHEDULE

- RFP responses are due on September 15, 2022
- ECH leadership will vet responses 3rd week of September
- ECH will invite 2 finalists for final interviews with the Governance Committee the 25th of October
- ECH will notify respondents of the final decision in the first week of November

Diversity Director

- Initial screening interviews of 7 candidates underway
- Intent to hire as soon as possible

Quality Committee and Health Equity

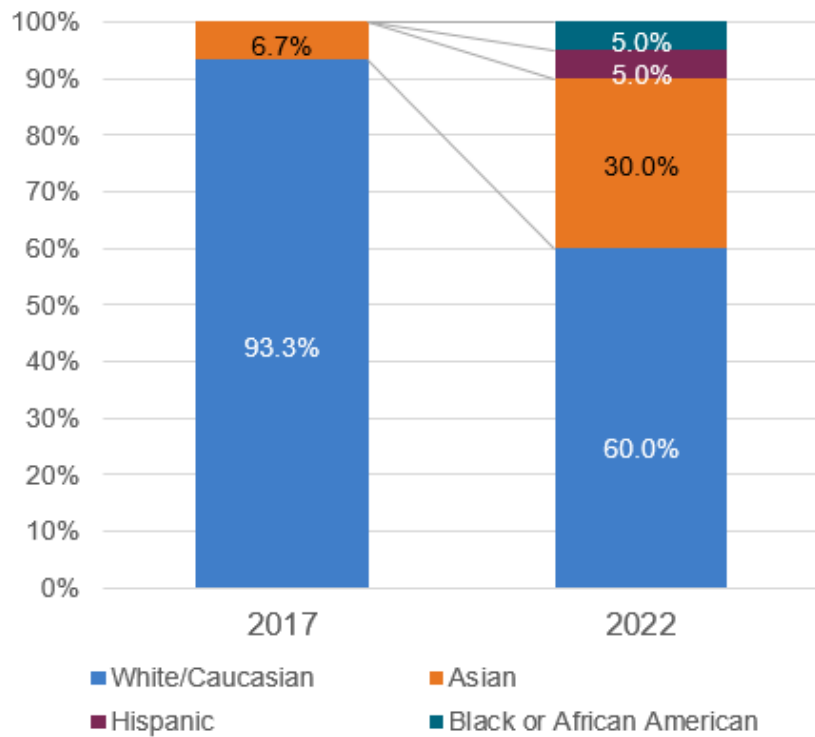
- Incorporation of health equity metrics into STEEEP dashboard – Complete for FY23
- Analysis of current state data collection – (date pending Holly), 2022
- Targets developed for improvement of SDOH data collection – (date pending Holly), 2022

Appendix 4 – Senior Management Demographics 2017 to 2022

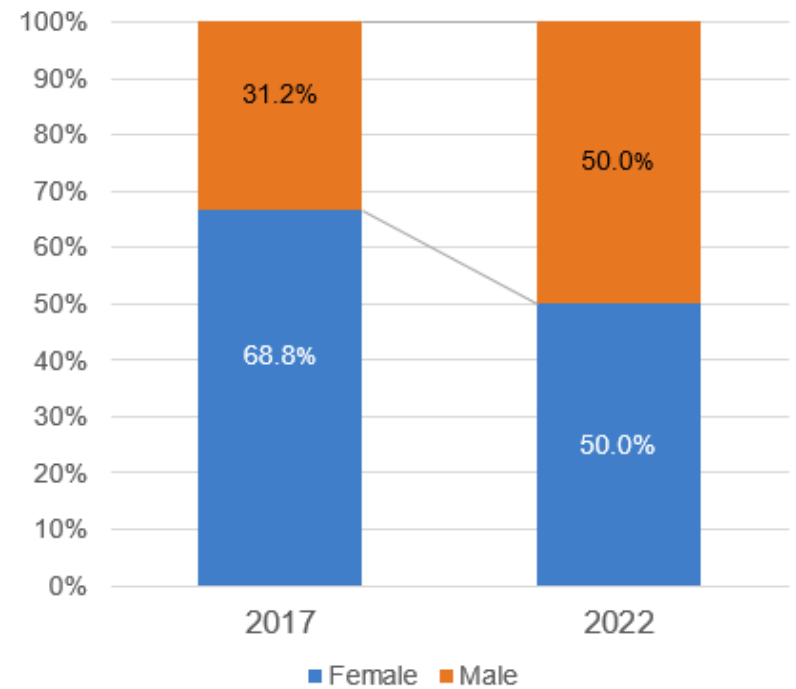
Senior Management Demographic Change



Senior Management Ethnicity/Race



Senior Management Gender



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

To: Governance Committee
From: Dan Woods, CEO
Date: August 31, 2022
Subject: FY23 Board Education Plan

Recommendation(s):

To approve the Proposed FY23 Board Education Plan.

Summary:

1. Situation: The Board continues to request ongoing education to support its work. Ongoing Board education is also considered a best practice, vital to effective Board functioning.
2. Authority: It is within the Committee's chartered responsibilities to recommend an annual plan for Hospital Board and Committee member education, training, and development.
3. Assessment: The proposed education plan will utilize various external resources and assist the Board in completing its Action Plan, which will be presented at an upcoming Board meeting.
4. Outcomes:
 - A. February 2023 - Joint Board and Committee Session: Forecasted Trends and Environmental Factors; Determining Key Areas of Emphasis for FY24
 - B. August 2023 - Board Retreat: FY23 Successes and Lessons Learned
 - C. Conference Attendance
 - D. Governance Institute Membership Website Resources: White Papers, E-Briefings, Board Room Press, Webinars, etc.

List of Attachments: FY23 Board Education Topics

El Camino Hospital
FY23 Board Education Topics

The Governance Committee approved the following topics and requested that they be paced for discussion throughout the year. The Committee will review each topic and recommend how to educate the Board in these areas.

	Board Meeting Date	Education Topic	Presenter
1.	February 2023	Forecasted Trends and Environmental Factors; Determining Key Areas of Emphasis for FY24	Dan Woods, CEO
2.	August 2023	FY23 Successes and Lessons Learned	Dan Woods, CEO

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

To: Governance Committee
From: Dan Woods, CEO
Date: August 31, 2022
Subject: October Joint Board and Committee Education Planning Session

Recommendation(s):

To recommend that the Committee approve the topic for the Agenda for the Joint Board and Committee Education Session.

Summary:

1. **Situation:** The Board continues to request ongoing education to support its work. Ongoing Board education is also considered a best practice, vital to effective Board functioning.
2. **Authority:** It is within the Committee's chartered responsibilities to recommend educational activities for Hospital Board and Committee member education, training, and development.
3. **Background:** It has been expressed that a Year in Review and Success and Lessons Learned are areas in which the Board and Committees wish to have more education and dialogue.
4. **Recommendation:** The topic of discussion at the February 2023, Joint Board and Committee Education Session be "Forecasted Trends and Environmental Factors; Determining Key Areas of Emphasis for FY24".

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

To: Governance Committee
From: Lanhee Chen, Governance Committee Chair
Date: August 31, 2022
Subject: Appointment and Re-Appointed of Non-Elected/Appointed Board Members (ABM) to the El Camino Hospital Board of Directors; Advisor Recommendations

Recommendation: Recommendation that the El Camino Hospital Board of Directors convene an Ad Hoc committee, per the Appointment and Re-Appointed of Non-Elected/Appointed Board Members (ABM) to the El Camino Hospital Board of Directors Policy (Policy), to consider the potential re-appointments of Directors Kliger and Rebitzer.

Summary:

1. **Situation:** The Policy for appointment and re-appointment of Board Members has been in place since December 2014 with revisions, most recently in May of 2022. The Policy requires the appointment of an Ad Hoc Committee to consider the re-appointment of the ABM Director(s) and make a recommendation to the District Board.
2. **Authority:** Per the Governance Committee Charter, the Governance Committee has the delegated responsibility to make recommendations to the Board regarding Board Composition.
3. **Background:** The District Board will use the current Policy to consider the potential re-appointments of Directors Kliger and Rebitzer.
4. **Assessment:** Per the Policy, “The District Board Chair shall convene an Ad Hoc committee by appointing a Chair also a District Board member, which may be themselves. The second member will also be a District Board member, ratified by the full Board. The District Board shall also approve the appointment of up to **two advisors** to the Ad Hoc Committee. Both advisors should be Hospital Directors who are not members of the District Board (one of the advisors should be a ABM Director from the Governance Committee. Both should be referred by the El Camino Hospital Board Chair.”

Per the Governance Committee Charter, the Governance Committee recommends convening the Ad Hoc Committee to consider the potential re-appointments of Directors Kliger and Rebitzer.

List of Attachments:

1. Appointment and Re-Appointed of Non-Elected/Appointed Board Members (ABM) to the El Camino Hospital Board of Directors Policy
2. Governance Committee Charter

Suggested Committee Discussion Questions:

1. Are there any recommendations for the Ad Hoc Committee?



ID #: P.6
Adopted: 12/09/2014
Last Revised: 01/28/2020
Last Approved: 01/28/2020
Next Reviewed: 05/17/22
Area: Board
Category: Policy

APPOINTMENT AND RE-APPOINTMENT OF NON-ELECTED/APPOINTED BOARD MEMBERS (ABM) TO THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

- I. COVERAGE: All appointed members of the El Camino Hospital Board

- II. COMPETENCY CONSIDERATIONS:
 1. A member of the El Camino Hospital Board (ECHB) should exhibit the following characteristics:
 - Understand the vital role El Camino Hospital plays in the region.
 - Loyalty to El Camino Hospital's charitable (Community Benefit) purposes.
 - Ability to understand and monitor the following:
 - Diverse portfolio of businesses and programs
 - Complex partnerships with clinicians
 - Programs to create a continuum of care
 - Investments in technology
 - Assumption of risk for population health
 - Resource allocation
 - Quality metrics
 - Commitment to continue learning.
 - Demonstrated strategic thinking.
 2. Engaged attendance at Board and Committee meetings.
 - Appropriate business attire at ECH meetings and functions.
 - Understanding and support of the role the District Board plays in Governance of the 501(c)(3) corporation.
 3. Additionally, appointment or re-appointment should be based on contributing a complementary skill set to other Board members (gap filling) and demonstrate a:
 - Positive working relationship with other Board members
 - Productive working relationship with the El Camino Hospital CEO, hospital staff and other board members.

If there are mid-term vacancies or other open seats on the Hospital Board the District Board will authorize a timeline for recruitment to fill those seats. Any qualified individual may apply and staff shall solicit applications from the public, the ECH Board, the ECH Foundation Board, ECH Board Advisory Committees and the Executive Leadership Team or local businesses.

4. Preferably the candidate lives in the District or Santa Clara County.



III. TIMELINE:

Time Period	Action to be Performed
Previous FYQ4	<ul style="list-style-type: none"> • The District Board Chair shall convene an Ad Hoc committee by appointing a Chair also a District Board member, which may be themselves. The second member will also be a District Board member, ratified by the full Board. The Ad Hoc Committee Chair's role shall be to set meeting agendas, work with staff to set meeting dates and facilitate the meetings. • The District Board shall also approve the appointment of up to two advisors to the Ad Hoc Committee. Both advisors should be Hospital Directors who are not members of the District Board (one of the advisors should be a ABM Director from the Governance Committee. Both should be referred by the El Camino Hospital Board Chair.
FYQ1	<ul style="list-style-type: none"> • The District Board Chair asks the El Camino Hospital Appointed Board Member (ABM), whose term is next to expire, to declare interest in continuing to serve. • The Chair of the Hospital Board and Ad Hoc committee are informed of this intent. • The Ad Hoc Committee would conduct an interview of the El Camino Hospital Appointed Board Member (ABM), including review of attendance report. • The Ad Hoc Committee considers this re-appointment of the ABM Director(s) and makes a recommendation to the District Board. • At the next District Board Meeting, the District Board may consider re-appointment of ABM. Once a decision is made, the Chair of the Hospital Board and the Hospital Appointed Board Member (ABM) shall be notified. If re-appointment is not recommended, the District Board authorizes the Ad Hoc Committee to pursue external recruitment.
FYQ2	<ul style="list-style-type: none"> • Ad Hoc Committee completes and reviews competency matrix, position specification and job description. Ad Hoc Committee will consult with the CEO, Hospital Board Chair and Governance Committee Chair. The CEO is responsible for the employment of outside consultant(s) to support the Ad Hoc Committee. • Ad Hoc Committee analyzes ECH Board Competency Matrix survey results, reviews candidate profiles (resume, candidate questionnaire and attendance report), interviews potential candidates, and develops a recommendation to the CEO, District Board Chair and Hospital Board Chair.
FYQ3	<ul style="list-style-type: none"> • Ad Hoc Committee presents an interim update to the District Board and incorporates feedback into further recruitment efforts.
FYQ4	<ul style="list-style-type: none"> • Prior to the Meeting: Ad Hoc Committee to summarize interviews for the Board packet and make a recommendation to the District Board. • District Board considers Ad Hoc Committee recommendation and votes to appoint ABM(s) to the Hospital Board.

El Camino Hospital Board of Directors Governance Committee Charter

Purpose

The purpose of the Governance Committee (“Committee”) is to advise the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in matters related to governance, board development, board effectiveness, and board composition (*i.e.*, the nomination and appointment/reappointment process and succession planning for the Board) for El Camino Hospital and its affiliated entities where ECH is the sole corporate member (“the Organization”). The Governance Committee ensures the Organization is functioning at the highest level of governance standards.

Authority

All governing authority for the Organization resides with the Hospital Board for ECH and with the boards of the affiliated entities except that which may be lawfully delegated to a specific board committee. The Committee will report to the Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on governance-related issues. In addition, 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 Governance Committee shall be comprised of two (2) or more Hospital Board members. The Chair of the Committee shall be a Hospital Board director who shall be appointed by the Board Chair, subject to approval by the Board. .
- The Governance Committee may also include 2-4 Community members¹ with expertise in governance, organizational leadership or as a hospital or health system executive.
- 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 30th each year, renewable annually.
- The Governance Committee shall review and make recommendations to the Board regarding the Board Chair’s appointments of Advisory Committee Chairs and Advisory Committee members.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice-Chair from among the members of the Committee.
- All members of the Governance Committee shall be independent.

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

Staff Support and Participation

The CEO shall attend meetings and 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 executive team may participate in the Committee meetings upon the recommendation of the CEO and at the discretion of the Committee Chair.

General Responsibilities

The Committee is responsible for recommending to the Board policies, processes and procedures related to board development, board effectiveness, board composition and other governance matters for the Organization.

Specific Duties

The specific duties of the Governance Committee include the following:

- A. **Board Composition, Development, and Effectiveness:** Ensure that the Board and the boards of the affiliated entities are committed to the discipline of doing the right things the right way.

Composition

- Define the necessary skill sets, diversity and other attributes required for Board members to support Hospital strategy, goals, community needs and current market conditions.
- Make recommendations to the Board regarding Board Composition.

Orientation, Education and Development

- Adopt the orientation program for newly-appointed members to the Hospital Board of Directors and newly-appointed Board Committee members.
- Recommend a policy, budget and annual plan for Hospital Board and Committee member education, training and development.

Board Evaluation

- Recommend an evaluation instrument and process to be used by the Hospital Board for evaluation of Board governance.
- Ensure there is a board performance evaluation completed on an annual basis, and as appropriate, evaluation of the individual directors, committees and their chairs, and the Board Chair.
- Ensure submission of Hospital Board's annual self-evaluation to the El Camino Healthcare District Board of Directors.

Board Efficiency

- Monitor and recommend improvements or changes to the on-going governance process and procedures of the Hospital Board in order to enhance overall efficiency of the Board and Advisory Committee Structure.
- Ensure the Board develops a master Board meeting calendar to establish a cadence of information flow and dialogue, such that the Board has sufficient time to review the minutes and

recommendations of the committees. The cadence must accommodate a flow of approvals from Committee to the full Board.

B. Support of Board Advisory Committee Alignment with Organizational Strategy and Goals

Development of Process for Advisory Committee Review of Advisory Committee Goals and Charters

- Recommend process for the development of annual Board Advisory Committee goals which includes: 1) Linkage of committee goals to organizational goals and strategy, to the Board; and 2) the Board's review and approval.
- Ensure all Board Advisory committees conduct biennial review of Advisory committee charters and recommend any changes to the Board for approval.

Development of Board Advisory Committee Membership Succession Plan

- Ensure membership succession plan considers organizational strategy and goals.
- Develop process for Advisory committee use to identify a need for increase or change in membership to further alignment with organizational strategy and goals.

C. Articles of Incorporation, Bylaws, and Policies

- Provide for a review of the Hospital's Articles of Incorporation and Bylaws at least once every three years.
- Provide for a review of Articles of Incorporation and Bylaws of affiliated entities as needed
- Monitor legal and regulatory issues affecting governance of the Organization.
- Recommend updates to the Organization's governance policies where necessary and as required by legal and regulatory agencies.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and pacing plan in alignment with the Board and the Organization'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 shall determine the frequency of meetings based on the Committee's annual goals and work plan. 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 and the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.

**EL CAMINO HOSPITAL
COMMITTEE MEETING COVER MEMO**

To: Governance Committee
From: Lanhee Chen, Governance Committee Chair
Date: August 31, 2022
Subject: Roundtable Discussion – Closing Comments

Purpose: To review the effectiveness of the Committee's meeting

Suggested Committee Discussion Questions:

1. Brief discussion topics: what worked well/should be repeated? What should be changed/added/deleted?
2. Were the meeting packet and agenda helpful?
3. Did key issues receive sufficient attention?
4. Did we spend the right amount of time on each issue?
5. Was there a significant amount of discussion (vs. presentation)?
6. Were discussions kept at the governance level?
7. Did all members participate fully?
8. Did we hold ourselves accountable to the rules of engagement?