

**Minutes of the Regular Meeting
Board of Directors
of The El Camino Healthcare District
Tuesday, January 21, 2014**

1. **Call to Order.** The Open Session meeting of the Board of Directors of El Camino Healthcare District ("Board") was called to order by Chair Patricia A. Einarson, MD at 5:30 pm on Tuesday, January 21, 2014, Conference Rooms A, B and C at El Camino Hospital, 2500 Grant Road, Mountain View, California.
2. **Roll Call.** Roll call was taken. Board members present were Dennis Chiu; Patricia A. Einarson, MD; Julia Miller; David Reeder; and John Zoglin.
3. **Potential Conflict of Interest Disclosures.** Director Einarson asked if any Board member or anyone in the audience believes that a Board member may have a conflict of interest on any of the items on the agenda. No conflict was reported.
4. **Consent Calendar.** Director Chiu made a motion, seconded by Director Reeder and approved by a vote of five Directors in favor (Chiu, Einarson, Miller, Reeder and Zoglin) to approve the following items on the consent calendar: Minutes of the Regular District Board Meeting, October 29, 2013.
5. **FY 2014 Period 5 Stand-Alone ECHD Financials.** Ned Borgstrom, Interim CFO, reported that there is no significant change in the Consolidated Financial Statements from the end of FY 2013 and that El Camino Hospital (the Hospitals) is doing well financially, especially with respect to investment income.

In regards to the District's Stand-Alone statement, Mr. Borgstrom reported that the District recognizes receipt of property tax income pro rata throughout the year, but actually receives payments in unequal, sometimes large, amounts as District residents pay their property taxes. He also noted that, this year, the District is holding community benefit funds for grants on its balance sheet, rather than transferring them to the Hospital to make the grants. Finally, he called attention to the Hospital's receipt of Intergovernmental Transfer funds from the state in an amount almost double the District's (through a transfer from the Hospital to the District then to the state) approximately \$2.4 million contribution.

In response to Director Miller's inquiry, Mr. Borgstrom explained that the Hospital's labor expenses are over budget due to accrued unbudgeted bonuses and to an increased use of patient sitters to decrease the risk of patient falls and related injuries. He also responded that the District's community benefit funds are being held in a low interest bearing account due to government regulations.

Action: Director Reeder made a motion, seconded by Director Miller and approved by a vote of five Directors in favor (Chiu, Einarson, Miller, Reeder and Zoglin) to approve the FY 2014 Period 5 Stand-Alone ECHD Financials.

6. **Approval of Electronically Enabled Patient Centered Transformation (ePaCT).** Director Einarson, Chair of the IT Ad Hoc Committee of the El Camino Hospital Board, reported that at its January 8, 2014 meeting, the Hospital Board authorized the CEO to enter into a multi-year strategic partnership with Epic Systems Corporation. She explained that the partnership will enable the Hospital to respond to its information technology challenges and employ best practices to obtain improved quality, service and affordability.

In response to Director Miller's questions, Tomi Ryba, CEO, reported that ECH will, over the course of and as a component of the strategic partnership, also be partnering with other third parties in the areas of quality, training, process improvement and oversight.

In answer to Director Zoglin's inquiry, Mitchell J. Olejko of Buchalter Nemer explained that, since this matter involves a capital expenditure in excess of \$25 million in a single transaction, this matter is before the District Board as required by Article III, Section 3.12 of the El Camino Hospital Bylaws as a reserved power of the District Board.

Director Chiu commented that many other large healthcare organizations in the region have implemented Epic as well.

Action: Director Einarson made a motion, seconded by Director Reeder and adopted by a vote of four Directors in favor (Chiu, Einarson, Miller and Reeder) one Director opposed (Zoglin) to approve the El Camino Hospital Board of Directors' authorization for the CEO to enter into a multi-year contract, which will include a five year capital cost project which is estimated to be \$73,300,000 and a five year operating cost which is estimated to be \$52,800,000 with Epic Systems Corporation and other third parties for the implementation of the Epic solutions suite.

7. **Enhancing Website to Improve Communication with the Community: Including Description of Board Member Work and Time Commitment.** Brenda Taussig, ECH Government and Community Relations Manager conveyed staff's proposal that the Board authorize staff to provide the community with additional information via the District's website in regards to (1) the District and (2) District Board member work and time commitment. The Board members discussed the proposal and noted that the information is particularly timely in view of the upcoming election in November 2014. Director Chiu asked if the web site could also be enhanced to reflect the expiration dates of the Board members terms and Director Reeder asked staff to investigate whether or not there are links between the Hospital's website and the District's website.

Action: Director Reeder made a motion, seconded by Director Miller and adopted by a vote of five Directors in favor (Chiu, Einarson, Miller, Reeder and Zoglin) to approves staff's proposal to enhance the District's website by adding the information contained in the document "El Camino Healthcare District Organizational Information and Board member Work and Time Commitment" (see Addendum A to these minutes).

Director Chiu requested the motion be amended to include adding the expiration of the Board member terms to the website. Director Reeder accepted the amendment which Director Miller seconded. The motion was adopted by a vote of five Directors in favor (Chiu, Einarson, Miller, Reeder and Zoglin).

8. **Possible District Board Retreat.** Director Einarson proposed that the District Board schedule a retreat to discuss various topics related to District best practices and the intersection of the work of the District and the Hospital. The Directors discussed the date for and length of a retreat as well as the importance of and interest in the suggested topics contained in the Board's materials. The Board directed staff to investigate scheduling a retreat for either two evening sessions or one Saturday session, depending on the availability of the Board members, and to investigate the availability of a facilitator.

No action was taken.

9. **Draft Board Officer Job Descriptions.** The Board members discussed whether approval of the draft proposed Chair and Vice Chair job descriptions would require amendment of the Bylaws. Mr. Olejko advised the Board that, since there is no conflict with the Bylaws, an amendment is not necessary. The Board members directed staff to revise the draft Board Chair job description to clarify (1) that the Committees referred to in item 5 are District Board Committees and (2) that the CEO referred to in the document is the CEO of the Hospital provided to the District under contract relating to services to the District. Director Zoglin suggested that the document also be revised to reflect the District Board Chair's role as the public persona of the District and its media spokesperson. Director Chiu suggested adding a preamble stating that in the event of a conflict, the Bylaws would supersede the job description. The Board also requested that staff develop a draft job description for the Secretary/Treasurer.

No action was taken.

10. **Communication with the CEO (Guidelines).** The Board members reviewed and discussed the proposed guidelines in depth. Director Miller commented that guidelines for communication with the CEO are unnecessary.

Action: Director Zoglin made a motion, seconded by Director to Chiu to adopt the following Guidelines for Communication with the CEO: Board Members Request for Staff Work:

A. If a request for staff work is made to the CEO by a Board member other than the Chair, that Board member shall communicate that request via e-mail to both the CEO and the Board Chair. The CEO will evaluate the staff time required to comply with the request. If the CEO estimates that a request will require more than 2.5 hours of staff work, the CEO will inform the Board Chair prior to beginning the work. The Chair will

either authorize the work or agendaize the topic for the next meeting. Each Board member may make one such request between Board meetings.

B. If a request for staff work on an item is made to the CEO by two or more Board members, those Board members shall communicate that request via email to both the CEO and the Board Chair. The CEO shall evaluate the staff time required to comply with the request. If the CEO estimates that a request will require more than 5 hours of staff work, the CEO will inform the Board Chair prior to beginning the work. The Chair will either authorize the work or agendaize the topic for the next meeting. Each Board member may initiate one such request between Board meetings.

C. The CEO shall not honor requests for staff work from individual or groups of two Board members on matters that the Board has considered and voted not to approve or pursue.

D. The CEO will keep the Board Chair informed in regards to all requests for staff work from Board members other than the Board Chair.

The motion was adopted by a vote of four Directors in favor (Chiu, Einarson, Reeder and Zoglin) and one opposed (Miller).

11. **Pacing Plan.** The Directors discussed the items on the Board's pacing plan for March and June 2014, with particular attention to the pacing of the process for and the actual re-appointment of the ECH Board member whose term expires on June 30, 2014.

Action: Director Miller made a motion, seconded by Director Chiu and adopted by a vote of five Directors in favor (Chiu, Einarson, Miller, Reeder and Zoglin) to approve the 2014 pacing plan as submitted with the following changes:

A. March 2014 - Change "Consider Re-Appointment of ECH Board member with term expiring June 30, 2014" to "Consider **Process** for Re-Appointment of ECH Board members and possibly consider the actual Re-Appointment of ECH Board member with term expiring June 30, 2014".

B. April 2014 - Add a possible meeting to "Consider Re-Appointment of ECH Board member with term expiring June 30, 2014" if not done in March 2014.

C. June 2014 - Delete "Appoint District Board Officers" and delete "Approve Hospital Board Officers."

12. **Public Communication.** Mr. Geoffrey Mangers addressed the Board in regards to El Camino Hospital's charges for Lithotripsy procedures and his request to meet with the District Board Chair.

13. **Board Comments.** Director Miller requested that staff provide information in regards to Brown Act provisions and Hospital Board Advisory Committee candidates. Director Einarson informed the Board that Director Reeder had been awarded the 2013 "Leadership in Governance Award" by the California Hospital Association.

14. **Adjourn to Closed Session.** Director Einarson made a motion, seconded by Director Zoglin and approved by a vote of five Directors in favor (Chiu, Einarson, Miller, Reeder and Zoglin) to adjourn to closed session at 7:19 pm.

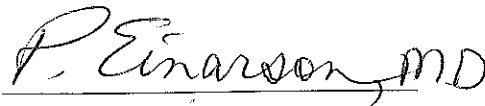
15. **Agenda Item 20 – Reconvene Open Session.** Open Session was reconvened at 8:00 pm. It was reported that during the closed session, the Board approved the closed session minutes of the Regular District Board meeting of October 29, 2013 by a vote of four Directors in favor (Chiu, Einarson, Miller and Zoglin) and one Director abstaining (Reeder). Director Reeder stated that he abstained because he was not present for the closed session meeting on October 29, 2013.

16. **Agenda Item 21 – Review and Discuss LAFCo Process.** Tomi Ryba, CEO, recommended that the Board not pursue the expansion of its sphere of influence or service area boundaries because the current 1% ad valorem tax would not increase and any tax exchange would in fact decrease the amount of taxes paid to other local agencies.

No action was taken.

17. **Agenda Item 22 – Adjournment.** Director Einarson made a motion, seconded by Director Reeder and approved by a vote of five Directors in favor (Chiu, Einarson, Miller, Reeder and Zoglin) to adjourn at 8:06 pm.

Attest as to the approval of the foregoing minutes by the Board of Directors of El Camino Healthcare District:



Patricia A. Einarson, MD
Chair, ECHD Board of Directors



Dennis Chiu
ECHD Board Secretary