

AGENDA REGULAR MEETING OF THE EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS

Tuesday, March 15, 2022 – 5:30 pm

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

PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1), EI 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: 926-4849-2057#. No participant code. Just press #.

To watch the meeting livestream, please visit: http://www.elcaminohealthcaredistrict.org/meetingstream
Please note that the livestream is for **meeting viewing only** and there is a slight delay; to provide public comment, please use the phone number listed above.

PURPOSE: The purpose of the District shall be (i) to establish, maintain and operate, or provide assistance in the operation of, one or more health facilities (as that term is defined in California Health and Safety Code Section 1250) or health services at any location within or without the territorial limits of the District, for the benefit of the District and the people served by the District; (ii) to acquire, maintain and operate ambulances or ambulance services within or without the District; (iii) to establish, maintain and operate, or provide assistance in the operation of free clinics, diagnostic and testing centers, health education programs, wellness and prevention programs, rehabilitation, aftercare, and such other health care services provider, groups, and organizations that are necessary for the maintenance of good physical and mental health in the communities served by the District; and (iv) to do any and all other acts and things necessary to carry out the provisions of the District's Bylaws and the Local Health District Law.

	AGENDA ITEM	PRESENTED BY		ESTIMATED
1.	CALL TO ORDER/ROLL CALL	Julia Miller, Board Chair		TIMES 5:30 – 5:31pm
2.	SALUTE TO THE FLAG	Julia Miller, Board Chair		5:31 – 5:33pm
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Julia Miller, Board Chair		information 5:33 - 5:34
4.	PUBLIC COMMUNICATION a. Oral Comments 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. b. Written Correspondence	Julia Miller, Board Chair		information 5:34 – 5:37
5.	CONSENT CALENDAR Any Board Member or member of the public may remove an item for discussion before a motion is made.	Julia Miller, Board Chair	public comment	motion required 5:37– 5:40
	 Approval a. Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings b. Minutes of the Open Session of the District Board Meeting (12/01/21) c. Minutes of the Open Session of the District Board Meeting (01/25/22) Information d. FY22 Pacing Plan e. Community Benefit Sponsorships 			
6.	EL CAMINO HEALTHCARE DISTRICT BOARD HEALTH AND SAFETY CODE RESOLUTION: Resolution 2022-02	Julia Miller, Board Chair Mary Rotunno, General Counsel	public comment	motion required 5:40 - 5:50
7.	ENTERPRISE STRATEGY	Dan Wood, Chief Executive Officer	public comment	motion required 5:35 - 5:55
8.	COMPLIANCE ISSUE REVIEW PROCESS POLICY D&O Insurance Coverage	Carlos Bohorquez, Chief Financial Officer		discussion 5:55 - 6:05

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	AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
9.	COMPLIANCE ISSUE REVIEW PROCESS POLICY Reimbursement of Board Member Legal Expenses	Mary Rotunno, General Counsel Allison Bassett, Partner, BBKlaw		discussion 6:05 - 6:20
10.	EL CAMINO HEALTHCARE DISTRICT BOARD MEMBER TRANSITION TO W-2 EMPLOYEES W2 or 1099 Requirement	Mary Rotunno, General Counsel		discussion 6:20 - 6:28
11.	EL CAMINO HEALTHCARE DISTRICT BOARD MEMBER TRANSITION TO W-2 EMPLOYEES Health Benefits Discussion (Verbal)	Greg Souza, Interim Chief Human Resources Officer		discussion 6:28 - 6:38
12.	REVIEW EL CAMINO HEALTH DISTRICT MISSION STATEMENT AND POSSIBLE AD HOC COMMITTEE FORMATION Resolution 2022-04	Julia Miller, Board Chair	public comment	possible motion 6:38- 6:48
13.	COMMUNITY BENEFIT STRATEGIC UPDATE	Jon Cowan, Sr Director, Government Relations & Community Partnerships		information 6:48 - 6:58
14.	ECHD FY22 YTD FINANCIALS	Carlos Bohorquez, Chief Financial Officer	public comment	motion required 6:58 – 7:08
15.	ADJOURN TO CLOSED SESSION	Julia Miller, Board Chair	public comment	motion required 7:08 – 7:09
16.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Julia Miller, Board Chair		information 7:09 - 7:10
17.	CONSENT CALENDAR Any Board Member or member of the public may remove an item for discussion before a motion is made. Approval Gov't Code Section 54957.2: Minutes of the Closed Session of the District Board Meeting (01/25/22)	Julia Miller, Board Chair		motion required 7:10 – 7:13
18.	Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters – Senior Management: EXECUTIVE SESSION	Julia Miller, Board Chair		discussion 7:13 – 7:23
19.	ADJOURN TO OPEN SESSION	Julia Miller, Board Chair		information 7:23 - 7:24
20.	RECONVENE OPEN SESSION / REPORT OUT	Julia Miller, Board Chair		information 7:24 - 7:26
	To report any required disclosures regarding permissible actions taken during Closed Session.			
21.	BOARD COMMENTS	Julia Miller, Board Chair		information 7:26 - 7:29
22.	ADJOURNMENT	Julia Miller, Board Chair	public comment	motion required 7:29 – 7:30pm

Regular Meetings: May 17, 2022; June 14, 2022

Special Meetings: Joint Board & Committee Education - April 27, 2022



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District (ECHD) Board of Directors

From: Mary Rotunno, General Counsel

Date: January 25, 2022

Subject: Continuation of Resolution 2021-10 of the Board of Directors Making Findings and

Determinations Under AB 361 for Teleconference Meetings

Recommendation: To continue the determination made by the Board of Directors at its meeting on October 19, 2021 in Resolution 2021-10 acknowledging that there still exists a state of emergency due to the COVID-19 pandemic and to continue the findings by the Board of Directors to allow continued public participation by teleconference in Board and Advisory Committee meetings in accordance with the recommendation of the Santa Clara County Health Officer.

Summary:

1. <u>Situation</u>: At the October 19, 2021 Board Meeting, the Board of Directors adopted Resolution 2021-10, which made findings to continue holding virtual public meetings under the Ralph M. Brown Act based on the continued state of emergency due to the COVID-19 pandemic and that either (a) the state of emergency continues to directly impact the ability to meet safely in person, or (b) state or local officials continue to impose or recommend measures to promote social distancing.

This Resolution relies on the September 21, 2021 recommendation by the Health Officer of the County of Santa Clara that public bodies continue to meet remotely due to their unique characteristics, such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to fully participate in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other recommendations at such meetings.

2. <u>Authority</u>: On March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Brown Act in order to allow local legislative bodies to conduct meetings telephonically or by other means.

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which placed an end date of September 30, 2021, for agencies to meet remotely.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (2021) ("AB 361") which allows for local legislative and advisory bodies to continue to conduct meetings via teleconferencing if the Board of Directors, by majority vote, make the findings set forth in paragraph 1 above, not later than thirty (30) days after teleconferencing for the first time under the AB 361 rules, and every 30 days thereafter.

3. <u>Background</u>: ECH outside counsel at Best & Krieger, LLP ("BB&K"), reviewed the legislation and prepared Resolution 2021-10.

List of Attachments:

AB 361 - Continuation of Resolution 2021-10 January 25, 2022

1. Resolution 2021-10 - Resolution of the Board of Directors of El Camino Health District Making Findings and Determinations Under AB 361 for Teleconference Meetings

Suggested Board Discussion Questions:

1. None

RESOLUTION 2021-10

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HEALTHCARE DISTRICT MAKING FINDINGS AND DETERMINATIONS UNDER AB 361 FOR TELECONFERENCE MEETINGS

WHEREAS, all meetings of the El Camino Hospital's Board of Directors are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code §§ 54950 – 54963), so that any member of the public may attend, participate, and watch the Board of Directors conduct their business;

WHEREAS, such meetings ordinarily take place on the campus of El Camino Hospital, located at 2500 Grant Road, Mountain View, California, 94040, in the County of Santa Clara;

WHEREAS, ordinarily, the Ralph M. Brown Act imposes certain requirements on local agencies meeting via teleconference;

WHEREAS, the Legislature recently enacted Assembly Bill 361 (AB 361), which amended Government Code section 54953 to allow local agencies to use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) of section 54953 of the Government Code if the legislative body holds a meeting during a proclaimed state of emergency and determines by majority vote that, as a result of the emergency, either (a) meeting in person would present imminent risks to the health and safety of attendees, or (b) state or local official continue to impose or recommend measures to promote social distancing;

WHEREAS, the Governor issued a proclamation declaring a state of emergency on March 4, 2020 due to the COVID-19 pandemic, pursuant to section 8625 of the California Emergency Services Act, and this proclaimed state of emergency currently remains in effect;

WHEREAS, on August 2, 2021, in response to the Delta variant, the Health Officer of the County of Santa Clara ordered all individuals to wear face coverings when inside public spaces;

WHEREAS, on September 21, 2021, the Health Officer of the County of Santa Clara issued a recommendation that public bodies continue to meet remotely due to their unique characteristics, such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to fully participate in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other recommendations at such meetings;

WHEREAS, AB 361 requires compliance with separate procedures for teleconference meetings during a state of emergency, found in subdivision (e) of Government Code section 54953;

WHEREAS, AB 361 requires that the legislative body using the teleconferencing procedures of AB 361 make renewed findings by majority vote, not later than every thirty (30) days, that the legislative body has reconsidered the circumstances of the state of emergency, and that either (a) the state of emergency continues to directly impact the ability of the members to

meet safety in person, or (b) state or local officials continue to impose or recommend measures to promote social distancing;

WHEREAS, the Board of Directors of the District desires to make findings and determinations consistent with AB 361 to utilize the special procedures for teleconferencing provided by AB 361 due to imminent risks to the health and safety of attendees, as well as Hospital staff and patients;

WHEREAS, in response to the COVID-19 pandemic, District staff has set up hybrid inperson/teleconference public meetings, whereby members of the Board of Directors and certain staff that can attend the meeting in-person on the campus of the Hospital can do so, while members of the public have the full ability to observe and comment on the meetings off-campus through the District's virtual meeting platforms;

WHEREAS, the Board of Directors fully supports the public's right to participate in all Board meetings, but acknowledges that it cannot require members of the public who wish to attend meetings in-person to submit proof of vaccination or negative test results; and

WHEREAS, it is important that the Board of Directors ensure that Board members and District staff have a safe workplace and Hospital patients have a safe environment to receive care, to the maximum extent possible; and

WHEREAS, the Board of Directors desires to balance the rights of members of the public to participate in all Board meetings with the rights of the Board of Directors and District staff to conduct the meetings in a safe environment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of El Camino Healthcare District, that:

- 1. The Board of Directors finds and determines that, as a result of the COVID-19 pandemic emergency, meetings in which the public attends in-person on the campus of the Hospital would present imminent risks to the health and safety of the Board of Directors, District staff, members of the public, Hospital staff and patients of the Hospital.
- 2. The Board of Directors finds and determines that conducting meetings in a hybrid in-person/teleconference model provides the safest environment for the Board of Directors and District staff to conduct business, while allowing for maximum public participation.
- 3. The Board of Directors finds and determines that the Health Officer of the County of Santa Clara has recommended measures to promote social distancing as one means to reduce the risk of COVID-19 transmission.
- 4. The Board of Directors shall conduct teleconference meetings under AB 361 in accordance with the requirements of AB 361, found in subdivision (e) of Government Code section 54953.

5. Through the duration of the state of emergency, if the Board of Directors desires to continue utilizing teleconferencing meetings under the special provisions of AB 361, the Board of Directors will make findings by majority vote not later than thirty (30) days after this meeting (or, if there is no meeting within thirty (30) days of this meeting, at the start of the next meeting), and not later than every thirty (30) days thereafter (or, if there is no meeting within thirty (30) days thereafter, at the start of the next meeting), that the Board of Directors has reconsidered the circumstances of the state of emergency and that either (a) the state of emergency continues to directly impact the ability of the public to meet safely in person, or (b) that state or local officials continue to impose or recommend measures to promote social distancing.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of El Camino Healthcare District held on October 19, 2021 by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
ATTEST:	
Docublened by: Julia Miller 2005EDDD0430C4ED	Doousigned by: Carol a. Somerable ASSOCIATATION
El Camino Healthcare District, Chair	El Camino Healthcare District, Secretary



Minutes of the Open Session of the El Camino Healthcare District Board of Directors Wednesday, December 1, 2021

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:

Board Members Present
Peter C. Fung, MD Vice-Chair
Julia E. Miller, Chair
Carol A. Somersille, MD
Secretary/Treasurer
George O. Ting, MD
John Zoglin

Board Members Absent

Members Excused

None

Agenda Item		Comments/Discussion	Approvals/ Action
1.	1. CALL TO ORDER/ ROLL CALL Chair Miller called to order the open session of the Regular Meeting of the El Camino Healthcare District Board of Directors (the "Board") at 7:10 pm and reviewed the logistics for the meeting. A verbal roll call was taken; all Board members were present at roll call, and 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.		Call to Order at 7:10 pm
2.	SALUTE TO THE FLAG	Chair Miller asked Dan Woods, CEO, to lead all present in the Pledge of Allegiance.	
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Miller asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
4.	PUBLIC COMMUNICATION	There was no public communication.	
5.	CONSENT	Chair Miller asked if any member of the Board or the public wished to remove an item from the consent calendar. Motion: To approve the consent calendar to include: the Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings and the Open Session Minutes of the District Board Meeting (10/19/21). Movant: Fung Second: Somersille Ayes: Fung, Miller, Somersille, Ting, Zoglin Noes: None Abstentions: None Recused: None	Consent calendar approved
6.	APPOINTMENT OF FY22 EL CAMINO HOSPITAL BOARD MEMBER ELECTION AD HOC COMMITTEE	Motion: To approve the appointment of the FY22 El Camino Hospital Board Member Election Ad Hoc Committee Member and Advisors to include Julia Miller, John Zoglin, Bob Rebitzer, and Mike Kasperzak. Movant: Fung Second: Somersille	Appointment of FY22 ECHB Hospital Board Member

MEMBERS AND ADVISORS	Ayes: Fung, Miller, Somersille, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None	Election Ad Hoc Committee approved
7. APPOINTMENT OF FY22 EL CAMINO POLICY & BYLAW REVIEW AD HOC COMMITTEE MEMBERS	Chair Miller shared that she had appointed herself as the FY22 El Camino Hospital Board Member Ad Hoc Committee Chair to review all El Camino Health Care District Bylaws and Policies and asked for other Directors to express their interest in serving on the committee. Vice-Chair Fung expressed his interest. Director Zoglin asked for clarification on the agenda and whether it clearly stated the creation of an Ad Hoc Committee and members. Ms. Mary Rotunno, General Counsel, responded that	Appointment of FY22 ECHD Bylaws & Policy Committee Approved
	the agenda and memo met the guidelines for the formation of the Ad Hoc Committee and Members. Director Zoglin responded that it is inappropriate for the Chair to appoint herself as Chair to both Ad Hoc committees as it is a concentration of power, and shows a lack of transparency. There is no one to hold the Chair accountable in-between meetings for not meeting goals.	
	Chair Miller responded that Director Zoglin was entitled to his opinion, and further clarified that General Counsel stated the ByLaws concur the Chair may appoint themselves as Ad Hoc Committee Chair.	
	Motion: To approve the appointment of the FY22 El Camino Policy & Bylaw Review Ad Hoc Committee Members to include Directors Julia Miller and Peter Fung.	
	Movant: Fung Second: Somersille Ayes: Fung, Miller, Somersille, Ting Noes: Zoglin Abstentions: None Absent: None	
	Recused: None	
8. ADJOURN TO CLOSED SESSION	Motion: To approve to adjourn to closed session at 7:22 pm. Movant: Fung Second: Ting Ayes: Fung, Miller, Somersille, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None	Adjourned to closed session at 7:22 pm
9. AGENDA ITEM 12: RECONVENE TO OPEN SESSION/ REPORT OUT	The open session of the El Camino Healthcare District Board of Directors was reconvened at 7:23 pm. The closed session minutes of the 10/19/2021 El Camino Healthcare District Board of Directors were approved.	Open Session reconvened at 7:23 pm
10. AGENDA ITEM 13: BOARD COMMENTS	None were noted.	
11. AGENDA ITEM 14: ADJOURNMENT	Motion: To adjourn at 7:25 pm. Movant: Fung Second: Somersille	Meeting adjourned at 7:57 pm

Ayes: Fung, Miller, Somersille, Ting, Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

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

Julia E. Miller

Chair, ECHD Board

Carol Somersille, MD Secretary/Treasurer, ECHD Board

Prepared by: Stephanie Iljin, Manager of Administration



Minutes of the Open Session of the El Camino Healthcare District Board of Directors Tuesday, January 25, 2022

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:

Board Members Present
Peter C. Fung, MD Vice-Chair**
Julia E. Miller, Chair**
Carol A. Somersille, MD Secretary/Treasurer**
John Zoglin**

Board Members Absent George O. Ting, MD **Members Excused**

None

**via teleconference

Ą	genda Item	Comments/Discussion	Approvals/ Action
1.	CALL TO ORDER/ ROLL CALL	Chair Miller called to order the open session of the Regular Meeting of the El Camino Healthcare District Board of Directors (the "Board") at 5:30 pm and reviewed the logistics for the meeting. A verbal roll call was taken; all Board members were present at the roll call and 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, excluding Director Ting.	Call to Order at 5:30 pm
2.	SALUTE TO THE FLAG	Chair Miller asked Dan Woods, CEO to lead all present in the Pledge of Allegiance.	
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Miller asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
4.	PUBLIC	There was no public communication.	
	COMMUNICATION	Chair Miller asked Vice-Chair Fung to continue on her behalf until she was able to reconnect to the meeting.	
5.	CONSENT CALENDAR	Vice-Chair Fung asked if any member of the Board or the public wished to remove an item from the consent calendar.	The consent calendar was
		Director Zoglin requested to remove 5b – Minutes of the Open Session of the District Board Meeting (12/01/21)	approved
		Motion: To approve the consent calendar excluding item 5b to include:	
		Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings	
		Movant: Zoglin Second: Somersille Ayes: Fung, Miller, Somersille, Zoglin Noes: None Abstentions: None Absent: Ting Recused: None	
		Chair Miller returned and called for discussion regarding agenda item 5b the open session minutes of the 12/1/21 District Board Meeting.	
		Director Zoglin responded that on item number 7 of the 12/01/21 open session minutes, his position was not correctly reflected	

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	and expressed concern that this motion could lead to the potential or real conflict of interest.	
	Motion: To table the approval of 5b until it can be reviewed by Director Zoglin, Director Somersille, and Ms. Iljin.	
	Movant: Somersille Second: Miller Ayes: Fung, Miller, Somersille, Zoglin Noes: None Abstentions: None Absent: Ting Recused: None	
	*Item 5b will be brought back for approval at the 3/15/21 meeting.	
6. COVID-19 TESTING AND VACCINATION PROGRAM REPORT	Omar Chughtai, VP of Operations shared an update regarding the COVID-19 Testing and Vaccination Program and highlighted the following: • 44,798 tests completed through 1/10/22 • 4.8% COVID+ rate as of 1/7/22 • \$1.137K District Funds used as of 10/31/21 • 58,004 total doses delivered by ECH • An order of 15,000 Antigen Test Kits placed in January 2022 is pending delivery and will help supplement the Outpatient Lab Program	
7. COMMUNITY BENEFIT	Chair Miller asked for a motion to approve Resolution 2022-01	Resolution 2022-01
SPOTLIGHT: MOUNTAIN VIEW POLICE DEPARTMENT'S YOUTH SERVICES UNIT DREAMS & FUTURES CAMP Resolution 2022-01	Youth Services Unit Dreams & Futures Camp. Motion: To approve Resolution 2022-01 recognizing Youth Services Unit Dreams & Futures Camp Movant: Fung Second: Somersille Ayes: Fung, Miller, Somersille, Zoglin Noes: None Abstentions: None Absent: Ting Recused: None Chair Miller introduced Jon Cowan, Senior Director, Government Relations & Community Partnerships who introduced Sergeant Scott Thomas from the Mountain View Police department. Sergeant Scott Thomas provided an overview of the Dreams & Futures program and highlighted the following: A brief history of the program What Dreams and Futures is about COVID-19 Impact and Current Trends A look at what they do Chair Miller thanked Sergeant Scott Thomas for joining the meeting and for the service and dedication exhibited by the Mountain View police.	was approved
8. COMMUNITY BENEFIT STRATEGIC UPDATE	Dan Woods, CEO opened the discussion with a summary of what was presented in September 2021 and asked that the board provide feedback regarding the approach for the strategic planning session. Jon Cowen, Senior Director, Government Relations and Community Partnerships presented on the Community Benefit	
	Strategic Assessment and reviewed the following:	
	Timeline for the District Community Benefit	

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	Description of what a Community Benefit Implementation Strategy is Strategic Assessment to Reach Future State Implementation Strategy Framework Example presented: Diabetes & Obesity Health Need A brief discussion ensued. There was consensus and agreement with the direction of the program.	
9. ECHD FY22 YTD FINANCIALS	Carlos Bohorquez, Chief Financial Officer presented the FY22 YTD Financials and highlighted the following: • \$3.299B in total Assets as of November 30, 2021 • \$2.377B in total Fund Balance as of November 30, 2021 • Cash and investments decreased by 69 million dollars due to reallocation to Board Designated • Board Designated Assets increased by 100 million dollars due to Operational Reserve Fund increase and Facilities Replacement Fund Increase • Deferred Revenue decreased by 22 million • Revenue is up 18% YoY attributed to a strong rebound with inpatient and outpatient services • Investment income lower than expected due to volatility of the capital market A brief discussion ensued. Motion: To approve FY22 YTD Financials Movant: Fung Second: Zoglin Ayes: Fung, Miller, Somersille, Zoglin Noes: None Absent: Ting Recused: None	ECHD FY22 YTD Financials were approved
10. EL CAMINO HEALTHCARE DISTRICT BOARD HEALTH AND SAFETY CODE RESOLUTION: Resolution 2022-02	Chair Miller presented on the Health and Safety Code and debriefed the Board on proposed changes that could be made to bring the District into full compliance. Ms. Mary Rotunno, General Counsel, confirmed that the District Board is currently in full compliance with A, B, and C of the California Health and Safety Code and the question is about a 5% increase of compensation for board members and whether to increase the number of meetings. Motion: Motion to officially draft Resolution 2022-02 regarding Health and Safety Code, publish public notices, and conduct a public hearing at the 3/15/21 meeting. Movant: Fung Second: Somersille Ayes: Fung, Miller, Somersille Noes: Zoglin Abstentions: None Absent: Ting Recused: None	Motion to draft Resolution 2022-02 regarding Health and Safety Code, publish public notices, and conduct a public hearing at the 3/15/21 meeting
11. EL CAMINO HEALTHCARE DISTRICT BOARD MEMBERS TRANSITION TO W-2 EMPLOYEES & WORKERS'	Greg Souza, Chief Human Resources Officer, and Mary Rotunno, General Counsel, presented on the El Camino Healthcare District Board Members Transition to W-2 Employees & Workers Compensation Insurance. A discussion ensued. Dr. Somersille suggested adding the word "eligible' which would designate between those receiving stipend and those opting out.	Resolution 2022-03 was approved

COMPENSATION **INSURANCE:** Resolution 2022-03

Ms. Mary Rotunno, General Counsel, confirmed that "edit" was an appropriate revision.

Dr. Fung would like legal confirmation around what steps he needs to take to ensure he complies with the Workers Compensation requirements due to him opting out of the stipend.

Motion: To approve resolution 2022-03 with the requested

revision.

Movant: Somersille Second: Miller

Ayes: Miller, Somersille, Zoglin

Noes: None Abstentions: Fung Absent: Tina Recused: None

*Chair Miller and Vice-Chair Fung asked that the W2 and 1099

Requirement be agendized at the next meeting.

12. FY22 EL CAMINO **HOSPITAL BOARD MEMBER ELECTION AD** HOC COMMITTEE RECOMMENDATION

Chair Miller presented the recommendation made by the Ad-Hoc committee. The Ad-Hoc committee consisted of Director Miller, Director Zoglin, Governance Committee member Mike Kaspernak, and Hospital Board member, Bob Rebitzer. There was a consensus to reappoint Director Jack Po for an additional 3-year term, beginning July 1, 2022.

Motion: To reappoint Director Jack Po for an additional 3-year term on the El Camino Health Hospital Board, beginning July 1, 2022.

Movant: Zoglin Second: Fung

Ayes: Fung, Miller, Somersille, Zoglin

Noes: None Abstentions: None Absent: Ting Recused: None

Motion to reappoint Director Po for an additional 3-year term was approved

13. FY22 EL CAMINO **HEALTHCARE DISTRICT POLICY BYLAW REVIEW** AD HOC COMMITTEE RECOMMENDATIONS

Chair Miller presented the recommendations made by the District Policy Bylaw Review Ad-Hoc Committee as further detailed in the packet materials. A robust discussion ensued and the following revisions were requested:

Bylaws of El Camino Healthcare District

Director Zoglin recommended revising Article VII, Section 1, line 1 as follows: the addition of "by the District Board" after the word "created".

Director Somersille recommended revising Article VIII, Section 1 as follows:

Line 9 - "He or She" shall act as the duly authorized representative" revised to The District Director.

Director Zoglin recommended revising Article IX, Section 2, line 5 amended to end after the statement "to do so by resolution of the District Board".

J.1 District Board Chair - Job Description

Director Somersille recommended J.1 as follows:

Page 3, Item 14; remove "his or her".

Director Somersille also requested revision to the mission statement captured on the District Board Chair Job Description

FY22 El Camino Healthcare District Policy Bylaw **AdHoc Committee** Recommendations **Approved**

and was advised by Chair Miller that the Mission statement could not be altered at this time but would be revisited at the next District Board Meeting.

Motion: To approve the presented changes to the Bylaws and

J.1.

Movant: Miller Second: Fung

Ayes: Fung, Miller, Somersille, Zoglin

Noes: None Abstentions: None Absent: Ting Recused: None

District Board Vice-Chair & Secretary/Treasurer Job

Descriptions

Motion: To delete the District Vice-Chair and

Secretary/Treasurer job descriptions.

Movant: Fung Second: Miller

Ayes: Fung, Miller, Somersille, Zoglin

Noes: None Abstentions: None Absent: Ting Recused: None

J.2 Hospital Board Member Job Description

Director Zoglin requested revising the policy as follows:

Line 1: Attend in-person at least two-thirds of all assigned

meetings, unless telepresence is needed.

Motion: To approve J.2 with requested revision.

Movant: Fung Second: Miller

Ayes: Fung, Miller, Somersille, Zoglin

Noes: None Abstentions: None Absent: Ting Recused: None

P.2 Compliance Issues Review Process

Director Somersille requested clarification regarding the reimbursement to the District Member for out-of-pocket costs during an investigation. A discussion ensued.

Motion: To defer the Compliance Issue Review Process to the next District Meeting and add an Agenda item to discuss the legal protection of a District Board member vs a Hospital Board Member

Movant: Fung Second: Miller

Ayes: Fung, Miller, Somersille

Noes: None Abstentions: Zoglin Absent: Ting Recused: None

P.4 Guidelines for Communication with the CEO and Other

Staff Members

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	Director Zoglin's asked for transparency in regards to the work requested by a District Board member. There was consensus from the Board of Directors to revise section B. #2 as follows:	
	The CEO will evaluate the staff time required to comply with the request. The CEO will either authorize the work or agendize the topic for the next meeting "and keep the full District Board members informed."	
	Motion: To approve P.4 with requested revision.	
	Movant: Fung Second: Miller Ayes: Fung, Miller, Somersille Noes: None Abstentions: Zoglin Absent: Ting Recused: None	
	P.5 Media Guidelines	
	Motion: To approve P.5	
	Movant: Fung Second: Miller Ayes: Fung, Miller, Somersille, Zoglin Noes: None Abstentions: None Absent: Ting Recused: None	
	*O.1 Standards of Conduct, O.2 Conflict of Interest, P.1 Community Benefits Grant, P.6 Re-Election and Election of Non- District Board Members to the El Camino Hospital Board of Directors had no changes.	
14. ADJOURN TO CLOSED SESSION	To adjourn to closed session at 8:18 pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the District Board Meeting (12/1/21), pursuant to Gov't Code Section 54957 for discussion on personnel performance matters, an Executive Session with the CEO.	Adjourned to closed session at 8:18 pm
	Motion: To approve to adjourn to closed session at 8:18 pm.	
	Movant: Zoglin Second: Fung Ayes: Fung, Miller, Somersille, Zoglin Noes: None Abstentions: None Absent: Ting Recused: None	
15. AGENDA ITEM 19: RECONVENE TO OPEN SESSION/ REPORT OUT	The open session of the El Camino Healthcare District Board of Directors was reconvened at 8:32 pm. Agenda items 15-18 were addressed in the closed session.	Open Session reconvened at 8:32 pm
	During the closed session, the Board approved the closed session minutes of the 12/01/2021 El Camino Healthcare District Board of Directors by all Board Members present. (Directors Fung, Miller, Somersille, and Zoglin). Director Ting was absent.	
16. AGENDA ITEM 20: BOARD COMMENTS	None were noted.	
17. AGENDA ITEM 21: ADJOURNMENT	Motion: To adjourn at 8:33 pm. Movant: Zoglin Second: Fung	Meeting adjourned at 8:33 pm
	. •	

January 25, 2022 | Page 7

Ayes: Fung, Miller, Somersille, Zoglin	
Noes: None	
Abstentions: None	
Absent: Ting	
Recused: None	

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

Julia E. Miller Carol Somersille, MD

Chair, ECHD Board Secretary/Treasurer, ECHD Board

Prepared by: Stephanie Iljin, Manager, Administration



EL CAMINO HEALTHCARE DISTRICT BOARD FY22 PACING PLAN

FY22 Q3			
JANUARY 25, 2022	FEBRUARY 10, 2022	MARCH 15, 2022	
 FY22 YTD ECHD Financials Appointment of FY22 El Camino Hospital Board Member Election Ad Hoc Committee Member and Advisors COVID-19 Testing and Vaccination Program Report Development of Patient and Family Residence Policy Updates Review Officer Job Descriptions 	No Meeting	 FY22 YTD ECHD Financials El Camino Hospital Board Member Election Ad Hoc Committee Report Possible Election of El Camino Hospital Board Member COVID-19 Testing and Vaccination Program Report Community Funding Home Testing Kits Development of Patient and Family Residence 	
	FY22 Q4		
APRIL 2022	MAY 17, 2022	JUNE 14, 2022	
No Meeting	 FY23 Community Benefit Plan Study Session Community Benefit Mid-Year Metrics FY23 ECHD Standalone Budget Allocations Preview (CB and Fees) Confirm Process for Board Officer Election Report Covid-19 Testing and Vaccination Program Capital Building Expense Approval Process Spotlight Recognition Development of Higgins Property 	 FY22 YTD ECHD Financials District Capital Outlay Funds Tax Appropriation for FY23 Approval of FY22 Community Benefit Plan Approval of ECH FY23 Budget Approval of ECHD FY23 Budget Appointment of Liaison to the Community Benefit Advisory Council Appoint FY23 Hospital Board Member Election Ad Hoc Committee Approval of FY23 Pacing Plan Resolution – FY23 Regular Meeting Dates Elect District Board Officers 	

1

Revised: 03/07/22

EL CAMINO HEALTHCARE DISTRICT BOARD FY22 PACING PLAN

FY22 Q1			
JULY 2021	AUGUST 12, 2021	SEPTEMBER 2021	
No Meeting Standing Items Approval of Minutes Recognition (as needed) Community Benefit Spotlight Sponsorship Report Pacing Plan	No Meeting	No Meeting	
	FY22 Q2		
OCTOBER 19, 2021	NOVEMBER 2021	DECEMBER 8, 2021	
 FY22 YTD ECHD Financials FY21 Financial Audit Presentation – Consolidated ECH District Financials FY21 Year-End Community Benefit Year-End Report Approve FY21 Hospital Audit Appointment of FY22 El Camino Hospital Board Member Election Ad Hoc Committee Chair FY21 CEO Performance Review Update on COVID-19 Community Testing Program CBAC Policy – Annual Approval 	No Meeting	No Meeting	

2 Revised: 03/07/22



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING COVER MEMO

To: El Camino Healthcare District Board of Directors

From: Jon Cowan, Senior Director Government Relations & Community Partnerships

Date: March 15, 2022

Subject: Community Benefit Sponsorships

Purpose:

To provide the Board with FY22 ECHD Sponsorships from January 2022 – March 2022.

Summary:

- 1. <u>Situation</u>: Community Benefit Staff was asked to keep the Board informed regarding Community Benefit Sponsorships YTD.
- **2.** <u>Authority</u>: Board reviewed and approved \$85,000 for Sponsorships in the FY22 Community Benefit Plan in June 2021.

3. Background:

- Sponsorship information and instructions are available on the District website.
- Requests include sponsorship packets that outline event date, purpose, levels of sponsorship and requirements for sponsor acknowledgment. These requests are reviewed throughout the year as they come in by Community Benefit Staff and the other designated departments that provide community sponsorships (e.g., Marketing & Communications and Government & Community Relations).
- Community Benefit-funded Sponsorships provide general support for health-related agencies improving the well-being of the community.
- Community Benefit Sponsorships from **January 1- March 31, 2022**, totaled **\$3,000** for the following agencies:
 - o Pancreatic Cancer Action Network (this was reported on the last memo as the sponsorship was pledged at that point, the event is on 04/30/22).

4. <u>Assessment</u>: N/A

5. Other Reviews: N/A

6. Outcomes: N/A

List of Attachments: N/A

Suggested Board Discussion Questions: None. This is an informational consent item.



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING COVER MEMO

To: El Camino Healthcare District Board of Directors

From: Julia Miller, Chair Date: March 15, 2022

Subject: Compliance with California Health and Safety Code § 32103

Motion:

To conduct the public hearing to adopt a resolution in accordance with the procedures for being compliant with California Health and Safety Code § 32103(b).

Summary:

- 1. <u>Situation</u>: Effective January 1, 2019, California Health and Safety Code § 32103 was amended to permit, but not require, healthcare districts to increase the number of meetings in a calendar month to a maximum of six, the amount of compensation received by district board members for attending meetings of the board of directors by no more than five percent (5%) annually. The code continues to permit allowed necessary traveling and incidental expenses incurred in the performance of official business of the district as approved by the board
- 2. <u>Authority</u>: The District Board has the obligation to be in compliance with the California Health and Safety Code.
- Background: In accordance with the District's Compensation and Reimbursement Policy, District Board members are currently eligible to receive a stipend in the amount of One Hundred Dollars (\$100) for attendance at District Board and District Board committee meetings for up to five (5) meeting per month. Assembly Bill 2329 (2018) amended California Health and Safety Code § 32103 to allow the Board, by resolution adopted pursuant to the procedure set forth in the Water Code, to increase the stipend by up to five percent (5%) annually. The Water Code procedures require that the Board authorize staff to circulate notice of a public hearing in a newspaper of general circulation once a week for two successive weeks, with at least five (5) days intervening between publication dates. The resolution can be adopted following the newspaper notices and a public hearing and will become effective sixty (60) days after it passes, assuming that the voters have not petitioned for referendum.
- 4. <u>Assessment</u>: Below please find a summary of the steps to be completed if the Board votes to increase compensation or meetings in accordance with the California Health and Safety Code § 32103:
 - The Board reviews a draft resolution and draft notice of public hearing and approves for the notice to be published once a week for two successive weeks in a newspaper of general circulation. If approved, the notice of public hearing is published.

- The public meeting takes place and, if approved, the Board passes the resolution. The resolution (and pay increase) becomes effective sixty (60) days thereafter.
- Within that sixty (60) day period, the voters have the right to petition for a referendum of the resolution. If a petition is presented to the Board prior to the sixtieth (60th) day, the resolution is suspended and the Board will need reconsider it. The Board can either repeal the resolution or submit the resolution to the voters at a regular or special election. The resolution will pass if it receives a majority vote in favor of it.
- The district currently does not compensate its members for more than five meetings in a calendar month. Moving forward, the board of directors shall annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than five meetings per month are necessary for the effective operation of the district.
- 5. Other Reviews: None.
- 6. <u>Outcomes</u>: If the resolution increasing the meeting stipend is adopted and becomes effective as described above, we will ask staff to bring further revisions to the El Camino Healthcare District Board Director Compensation and Reimbursement Policy to a future meeting.

List of Attachments:

 Attachment A – Resolution of the Board of Directors Regarding Increasing Compensation for Members of the Board of Directors

Attachment A

RESOLUTION NO. 2022-02

RESOLUTION OF EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS REGARDING INCREASING COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS

WHEREAS, Health and Safety Code Section 32103(b) authorizes the Board of Directors of El Camino Healthcare District to increase the amount of compensation received for attending meetings of the Board of Directors by no more than five percent (5%) annually by a resolution adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code (Wat. Code, §§ 20200 et seq.); and

WHEREAS, Water Code Section 20200 <u>et seq.</u> sets forth the authority and procedure for establishing compensation for the Board of Directors;

WHEREAS, Water Code Section 20202 authorizes an increase in the amount of compensation that may be received by Directors by no more than five percent (5%) annually following a public hearing;

WHEREAS, Water Code Section 20203 requires that notice of the public hearing be published in a newspaper of general circulation pursuant to Section 6066 of the Government Code;

WHEREAS, Government Code Section 6066 requires that notice of the public hearing be published once a week for two (2) successive weeks, with at least five (5) days intervening between publication dates;

WHEREAS, pursuant to Water Code Section 20204, a resolution adopted pursuant to Chapter 2 of Division 10 of the Water Code shall become effective sixty (60) days from the date of its final passage;

WHEREAS, pursuant to Water Code Section 20204, the voters of El Camino Healthcare District shall have the right, as provided in Chapter 2 of Division 10 of the Water Code, to petition for referendum on any resolution adopted pursuant to such chapter;

WHEREAS, pursuant to Water Code Section 20205, if a petition protesting against the adoption of the resolution is presented to the Board of Directors prior to the effective date of the resolution, the resolution shall be suspended and the Board of Directors shall reconsider the resolution;

WHEREAS, pursuant to Water Code Section 20206, if the Board of Directors does not repeal the resolution against which a petition is filed, the Board of Directors shall submit the resolution to the voters at a regular election or a special election called for the purpose, and the resolution shall not become effective unless and until a majority of the votes cast at the election are cast in favor of it;

WHEREAS, the compensation for the Board of Directors is currently One Hundred Dollars (\$100.00) per day of service for each Director; and

Compliance with Health and Safety Code § 32103 March 15, 2022

WHEREAS, the Board of Directors desires to increase the amount of compensation for Directors by five percent (5%) in accordance with the provisions of the Chapter 2 of Division 10 of the Water Code.

WHEREAS, in accordance with Section 20203 of the Water Code and Section 32103(b) of the Health and Safety Code, a public hearing was held on March 15, 2022 at 5:30 pm via teleconference at: 1-669-900-9128, meeting code: 926-4849-2057#, and a notice of said hearing was duly published in the Los Altos Town Crier, a newspaper of general circulation, once a week for two weeks as follows: on March 2, 2022 and March 9, 2022.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF EL CAMINO HEALTHCARE DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct and are hereby incorporated herein by this reference.

Section 2. The amount of compensation to be received by Directors for each day's attendance at meetings of the Board of Directors, or for each day's service rendered by a Director by request of the Board of Directors, shall be in the amount of One Hundred and Five Dollars (\$105) per day for as many days per month as is lawful.

Section 3. All resolutions, or administrative actions by the Board of Directors, or parts thereof, that are inconsistent with any provision of this resolution are hereby superseded only to the extent of such inconsistency.

<u>Section 4.</u> The Chairperson of the Board of Directors shall sign this resolution and the Secretary of the Board of Directors shall attest thereto, and pursuant to Section 20204 of the Water Code, this resolution shall take effect sixty (60) days from the date of adoption.

PASSED, APPROVED, ANI, 2022, by the Board of Directors of		_ day of
	Julia E. Miller Chairperson of the Board of I El Camino Healthcare Distric	

[Continued on the following page]

Compliance with Health and Safety Code § 32103 March 15, 2022
ATTEST:
Carol A. Somersille, MD, FACOG Secretary/Treasurer of the Board of Directors of El Camino Healthcare District
I, Carol A. Somersille, MD, FACOG, Secretary/Treasurer of the Board of Directors of El Camino Healthcare District, DO HEREBY CERTIFY that the foregoing resolution regarding compensation for members of the Board of Directors of El Camino Healthcare District, was adopted at a regular meeting on March 15, 2022 of said District by the following vote:
AYES: NOES: ABSTAIN: ABSENT:
Secretary/Treasurer
(Seal)



EL CAMINO HEALTH DISTRICT BOARD OF DIRECTORS BOARD MEETING MEMO

To: El Camino Health District Board of Directors

From: Dan Woods, Chief Executive Officer, El Camino Health

Date: March 15, 2022

Subject: El Camino Health Strategic Plan

Recommendation:

To approve the El Camino Health (ECH) five-year Strategic Plan Framework.

Summary:

- 1. <u>Situation</u>: The previous ECH strategic plan was created in 2017. ECH management and the Board have been engaged to update the organizational strategic plan. Management involved a strategic advisor to assist in analysis and high-level strategy development.
- 2. <u>Authority</u>: As the governing body of El Camino Hospital, the Board of Directors approves and oversees the execution of the organization's strategic direction. Ultimately, the El Camino Healthcare District Board of Directors has the authority to approve the overall strategy of the organization.
- 3. <u>Background:</u> The Board has frequently met with management and strategic advisors to discuss and provide feedback on the development of the strategic plan.
- 4. <u>Assessment</u>: Management has executed to the strategic themes outlined in the 2017 strategic Plan High Performing Organization; Consumer, Payer, Employer Alignment; and Physician Integration and the impact has been significant. ECH has made considerable growth and advancement in providing care to our community over the past five years. In 2017, ECH maintained three (3) facilities, and through construction on the Mountain View campus, development of freestanding clinics and Urgent Care Centers, and the integration of the San Jose Medical Group clinics ECH has grown the physical footprint to thirteen.

To sustain continued success at ECH and to adapt to changes in the healthcare industry El Camino Health has updated the Strategic Plan through a robust data analytics and consensus development process. Management garnered feedback and guidance from dozens of clinical leaders and administrative staff, conducted interviews with more than 30 internal and external stakeholders, and organized workgroups comprised of more than 50 total contributors.

5. Outcomes:

EL CAMINO HEALTH VISION 2027

Management has outlined a vision for what ECH should look like in 5 years: El Camino Health will be a network of facilities with capabilities that span the full continuum of care. It will offer a high performing Medical Network with primary care practices and specialty care capacity through multiple physician alignment vehicles.

El Camino Health Strategic Plan Update March 15, 2022

ECH will offer care solutions from a patient-centric point of view with an emerging digital/virtual footprint.

To fulfill this vision, ECH must leverage and address three main strategic priorities: 1) Aligning with Physicians, 2) Leading in Clinical Programs, and 3) Expanding our Geographic Reach. These priorities constitute the Strategic Framework (see Appendix A) to which management will implement over the next 5 years.

PRIORITY 1: ALIGNED PHYSICIANS

ECH will align with existing and new physicians by providing additional vehicles for alignment, tailored to meet the needs of our community physicians. Together, ECH and our aligned physicians will enhance the environment of care and ensure patient access to convenient, personalized care in their communities.

PRIORITY 2: LEADERSHIP IN CLINICAL PROGRAMS

ECH will expand its clinical programs into outpatient sites and network affiliates. ECH will maintain and expand its market leadership in these programs, creating and leveraging the enhanced reputation to enlarge the services offered into adjacent categories.

ECH will also address community needs through Investment programs like ECH's Mental Health and Addiction Services and the Community Partners programs. ECH will work to identify ways to leverage technology, contracting, or other resources to make the programs more sustainable. Additionally, ECH will continue to expand its clinical and innovation portfolio in areas that show potential benefit and alignment with the Health System Strategy.

PRIORITY 3: EXPANDING OUR REACH

ECH will quickly expand ECH's outpatient presence to position ECH to capture the outpatient growth volumes in the market, provide care closer to our patients, and provide physician alignment vehicles to increase physician loyalty to ECH. Over the next 5 years, ECH will increase patient access and convenience to ECH services.

CONCLUSION

El Camino Health has been a successful community asset for more than 60 years and has evolved significantly over that time. Given the current state of risk in the changing healthcare environment, and the future available opportunities, the proposed strategic framework will provide El Camino's management the ability to continue this evolution and ensure ECH's ability to fulfill the organizational mission to "Heal, relieve suffering and advance wellness" to our community for decades to come.



Appendix A – Strategic Framework

El Camino Health Strategic Plan Framework

ECH Mission & Vision

Mission: To Heal, Relieve Suffering, and Advance Wellness

Vision: Provide consumers in the South Bay with a high quality,

locally-oriented health system, across the full care

continuum

Physician Alignment

Leadership in Clinical Programs

Expanding our Reach

Establish an aligned care network in the South Bay, across the care continuum

Focus resources to key programs with coverage and programing across the care continuum

Offer services closer to where our patients live

Patient-Centric Experience — Connected, consumer-focused network, designed to deliver a consistent, superior experience, while leveraging access and convenience



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors

From: Carlos Bohorquez, Chief Financial Officer

Date: March 15, 2022

Subject: Overview of Directors' & Officers' Insurance Policy

Purpose:

The purpose of this memo is to provide the Board with a summary of the current Directors' & Officers' ("D&O") Insurance policy.

Summary:

The following are terms of the D&O Liability Insurance Policy:

• Carrier: Beta Healthcare Group ("Beta")

• Coverage Inception with Beta: 1997

• Policy End Date: 6/30/2022

• Annual Policy Cost: \$534,662.00

 Renewal Process: Management is working with the broker of record to request bids from Beta and other carriers to assess coverage and cost to determine the appropriate course of action for the 7/1/2022 renewal.

Policy Coverage Provisions: D&O Liability and Employment Practices Liability ("EPL")

The policy contains four (4) coverage agreements:

- 1. Coverage (A): Coverage for individual members' liability that a subsidiary is not permitted or required to indemnify. The deductible for this coverage is \$0 per claim.
- 2. Coverage (B): Coverage for individual members' liability that a named member or subsidiary is permitted or required to indemnify. The deductible for this coverage is \$25,000 per claim including defense costs.
- 3. Coverage (C): Liability of the named member or subsidiary. The deductible for this coverage is \$25,000 per claim including defense costs.
- **4.** Coverage (D): Special provisions for employment practices liability claims. The deductible for this coverage is \$150,000 per claim including defense costs.

List of Attachments:

1. None

Suggested Board Discussion Questions:

1. None



Memorandum

ATTORNEY-CLIENT PRIVILEGE

To: Mary Rotunno, General Counsel File No.: 38117.00001

El Camino Healthcare District

From: Alison Bassett and Weiland Chiang

Date: March 15, 2022

Re: Reimbursement of Legal Expenses Related to Board Member Investigations of

Misconduct

QUESTION PRESENTED

Can the El Camino Healthcare District ("District") authorize payment of a District board member's legal fees in an investigation relating to a violation of the District's Standards of Conduct Policy, Conflict of Interest Code and/or misconduct described in the Compliance Issue Review Policy?

SHORT ANSWER

The District can only authorize the reimbursement of legal fees incurred in connection with an investigation into the allegations that a board member violated the District's Standards of Conduct Policy, Conflict of Interest Code and/or engaged in other misconduct described in the Compliance Issue Review Policy if the investigation is part of a *civil action or proceeding* brought by the District to remove, suspend or penalize the board member for such misconduct, and the District (as opposed to the board member) engages outside counsel to defend the board member (Cal Gov't Code §§ 995.4 and 996.).

ANALYSIS

I. Reimbursement of Expenses Under Government Code section 53232.2

Reimbursement of expenses incurred by board members of a local agency is subject to Government Code section 53232.2, which states in part:

(a) When reimbursement is otherwise authorized by statute, a local agency may reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including, but not limited to, activities described in Article 2.4 (commencing with Section 53234).

(Cal. Gov't. Code § 53232.2, subd. (a).). If a local agency chooses to reimburse board members for actual and necessary expenses incurred in the performance of official duties, then the



governing body shall adopt a written policy in a public meeting, specifying the type of occurrences that would qualify an director to receive reimbursement of actual and necessary expenses. (Cal. Gov't Code § 53232.2, subd. (b).).

Here, the District is seeking to legally authorize the payment of reimbursement of legal fees for a board member that is being investigated in connection with a violation or alleged violation of the Code of Conduct or other misconduct described in the District's Compliance Review Policy. However, under Government Code section 53232.2, the District may only reimburse board members for "actually and necessary expenses incurred in the performance of official duties ...". (Cal. Gov't Code § 53232.2, subd. (a) [emphasis added].). Conduct of a board member that violates or alleges to violate the District's Standards of Conduct Policy, Conflict of Interest Code and/or other misconduct described in the Compliance Issue Review Policy, falls outside of the board member's "performance of official duties" and is not reimbursable under Government Code section 53232.2, subdivision (a). However, as discussed below, if the conduct in question is part of a civil action or proceeding brought by the District to remove, suspend or otherwise penalize the board member, the reimbursement of legal fees is permitted under the Tort Claims Act if the District enters into an agreement with outside counsel directly to provide the defense.

II. Reimbursement Authorized By The Tort Claims Act

The Government Code contains a number of provisions that relate to a public entity's obligation to provide its employees and former employees with a defense to actions arising out of acts taken in the course and scope of their employment.¹ The provisions are found in California's Tort Claims Act, which was enacted with the purpose "to provide a comprehensive codification of the law of governmental liability and immunity." (*Los Angeles Police Protective League v. City of Los Angeles* (1994) 27 Cal.App.4th 168, 174.).

A. The District Has No Duty to Provide a Defense for Investigations Under Government Code sections 995 and 996.4

The Tort Claims Act requires a public entity to provide an employee or former employee a defense in a civil action or proceeding brought against him or her, "in his [or her] official or

¹ Under the Tort Claims Act, a member of the Board of Directors of a public entity would fall under the definition of "employee," as such member is subject to the control of the public entity. (See *Briggs v. Lawrence* (1991) 230 Cal. App. 3d 605, 615 [using the test set out by the Restatement Second of Agency to determine whether a public defender falls within the definition of employee under Tort Claims Act].) In addition, the term "employee" encompasses Board Members who waive their compensation, as the term is defined to include an "officer ... employee, or servant, whether or not compensated ..." (Gov't Code § 810.2; 81 Cal. Op. Att'y Gen. 199, 6-2-98, at p. 1 ["members of a board, commission, committee, or similar body established by the Constitution or by statute are employees entitled to defense and indemnification."]).



individual capacity or both, on account of an act or omission in the scope of his [or her] employment as an employee of the public entity." (Cal. Gov't Code § 995.).

If after request a public entity fails or refuses to provide an employee or former employee with a defense against a civil action or proceeding brought against him and the employee retains his own counsel to defend the action or proceeding, he is entitled to recover from the public entity such reasonable attorney's fees, costs and expenses as are necessarily incurred by him in defending the action or proceeding if the action or proceeding arose out of an act or omission in the scope of his employment as an employee of the public entity, but he is not entitled to such reimbursement if the public entity establishes (a) that he acted or failed to act because of actual fraud, corruption or actual malice, or (b) that the action or proceeding is one described in Section 995.4.

(Cal. Gov't Code § 996.4.).

In *Thornton v. California Unemployment Ins. Appeals Bd. (Thorton)* (2012), the California Court of Appeal faced a situation where the plaintiff, an appointed administrative law judge of the California Unemployment Insurance Appeals Board, sought reimbursement for legal expenses the plaintiff incurred from retaining counsel to advise the plaintiff in an investigation by the California Attorney General and the Sacramento District Attorney's Office in whether the hiring of the plaintiff violated any state law concerning conflict of interests. (204 Cal.App.4th 1403, 1409.).

The court held that a public employer's obligation to defend an employee pursuant to Government Code section 995, and the employee's related right to seek reimbursement for costs of defense if the employer fails to provide a defense upon request pursuant to Government Code section 996.4, *does not apply to investigations that do not result in civil judicial proceedings*. (*Id.* at 1417.). The obligation to defend is only limited to the defense of civil judicial proceedings against the employee. (*Id.*). Thus, there is no requirement for the District to provide defense or reimbursement for a defense in an investigation.

B. The Tort Claims Act May Provide a Defense to a Public Employee in Certain Limited Circumstances, such as a Civil Action or Proceeding Brought by the District to Remove, Suspend or Otherwise Penalize the Employee

The Tort Claims Act does not permit a public entity to provide a defense where other sections of the Tort Claims Act prohibit such a defense. (*City of Bell v. Superior Ct.* (*City of Bell*) (2013) 220 Cal.App.4th 236, 259.). For example, the Tort Claims Act prohibits public agencies from providing a defense for *criminal acts* unless: (1) it is in the best interest of the public agency; and (2) the employee acted without malice. (*Id.*; Cal. Gov't Code § 995.8.). In addition, a public



entity may only provide a defense for an employee in an *administrative action or proceeding*² if: (1) the administrative proceeding involves the employees' act or omission in the scope of his or her employment as an employee of the public entity; and (2) the public entity determines that the defense is in the best interest of the public entity, and the employee "acted, or failed to act, in good faith, without actual malice and in the apparent interest of the public entity." (Cal. Gov't Code § 995.6.).

However, a public entity is authorized to provide a defense for an employee in the following *civil actions or proceedings*:

- (a) An action or proceeding brought by the public entity to remove, suspend or otherwise penalize its own employee or former employee, or an appeal to a court from an administrative proceeding by the public entity to remove, suspend or otherwise penalize its own employee or former employee.
- (b) An action or proceeding brought by the public entity against its own employee or former employee as an individual and not in his official capacity, or an appeal therefrom.

(Cal. Gov't Code § 995.4; 62 Cal. Op. Att'y Gen. 611 (1979), at p.2 [finding that Section 995.4 is dispositive in actions or proceedings involving the removal, suspension or penalization of an employee because the statute specifically refers to an action or proceeding brought by a public entity to remove, suspend, or otherwise penalize its own employee].).

For the purposes of Section 995.4, the term "action or proceeding" encompasses investigations that *precede* an action or proceeding to remove, suspend or penalize a public entity's employee. (See *Thornton*, *supra*, 204 Cal.App.4th 1414, 1417 [court agreeing that an administrative proceeding encompasses an investigation by an administrative agency while defining the term "proceeding" in the context of Section 995 to be limited to *formal proceedings of civil nature* in the context of Section 995 because the term "proceeding" is preceded by the term "civil action"]; 62 Cal. Op. Att'y Gen. 611 (1979), at fn.1 [finding that the initial investigative phase in determining whether a charge should be brought against any justice falls within the definition of proceeding in the context of Section 995.4].)

In addition, while a public entity may choose to defend a board member in an action or proceeding involving the removal, suspension or penalization of such board member, the public entity may only expend public funds for the expense of outside counsel retained by the board member if there is an agreement between outside counsel and the public entity as to the terms of

² An administrative proceeding is defined as "[a] hearing, inquiry, investigation, or trial before an administrative agency, [usually] adjudicatory in nature but sometimes quasi-legislative." (Black's Law Dict. (11th ed. 2019); see also *Thornton*, *supra*, 204 Cal.App.4th 1418; see, e.g., *United States v. Schwartz* (2d Cir. 1991) 924 F.2d 410, 425; *United States v. Browning, Inc.* (10th Cir.1978) 572 F.2d 720, 723-724.)



the employment. (62 Cal. Op. Att'y Gen. 611 (1979), at p.3; Cal. Gov't Code § 996; see also *Tracy v. Fresno Cty* (1954) 125 Cal.App.2d 52, 59 [finding that a county sheriff being charged for willful misconduct by a grand jury may only employ outside counsel for his defense if the Board of Supervisors had previously, by contract or otherwise, made a provision for the employment of counsel].). Thus, the public agency (as opposed to the board member) has to engage outside counsel for the defense. Government Code section 996 provides that:

A public entity may provide for a defense pursuant to this part by its own attorney or by *employing other counsel* for this purpose or by purchasing insurance which requires that the insurer provide the defense. All of the expenses of providing a defense pursuant to this part are proper charges against a public entity. A public entity has no right to recover such expenses from the employee or former employee defended.

(Cal. Gov't Code § 996 [emphasis added].)

Here, the District is seeking to amend its Compliance Issue Review Policy to provide external resources, including outside legal counsel, for a board member who is being investigated by an appointed Ad Hoc Committee for acting "contrary to law, contrary to the duties of a Director, the District Bylaws or the District Conflict of Interest Code or contrary to other similar requirements." (Compliance Issue Review Process § II, p.1.). After the investigation, the Ad Hoc Committee may recommend taking specific actions. (Compliance Issue Review Process § III, p.2.).

If such recommended action involves removing, suspending or penalizing a board member for misconduct, and such action is approved by the Board, then the District is authorized, but not required to, provide external resources, including outside legal counsel, to the board member being investigated. *However*, the District may only retain outside counsel for the defense of a board member if the District has an agreement with outside counsel as to the terms of the employment in defending the board member. (Cal. Gov't Code §§ 995.4 and 996.).

On the other hand, if such recommended action or proceeding is an administrative proceeding that does not involve the removal, suspension or penalization of a board member, and such action is approved by the Board, then the District is authorized to provide outside counsel to the board member only if: (1) the administrative proceeding involves the board member's act or omission in the scope of his or her employment as an employee of the District; and (2) the District determines that the defense is in the best interest of the District, and the board member "acted, or failed to act, in good faith, without actual malice and in the apparent interest of the public entity." (Cal. Gov't Code § 995.6.)

* * *



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors

From: Mary Rotunno, General Counsel

Date: March 15, 2022

Subject: Declination of Compensation by District Board Member

Purpose:

To respond to questions from a District Board member at the January 25, 2022 meeting related to IRS forms and workers' compensation requirements for a District Board member who declines compensation.

Summary:

1. <u>Situation</u>: District Board Members are treated as W-2 employees for IRS purposes of withholding income tax from stipends paid to District Board members. The question was raised as to whether a Board member would receive a W-2 and workers' compensation coverage if they decline their stipend.

2. Assessment:

- Outside counsel confirmed that a W-2 employee who declines compensation, including a District Board member who declines meeting stipends, would be considered a volunteer for tax purposes and would not receive a W-2 form.
- Labor Code section 3352(a)(9) specifically excludes volunteers from being deemed employees of an agency – thereby excluding them from receiving workers' compensation benefits.
- Outside counsel confirmed that the value of workers' compensation insurance would not be reported or taxable on W-2.
- Other Reviews: N/A

Outcomes:

 District Board members who decline compensation are considered volunteers for tax purposes, thus a W-2 is not issued and workers' compensation coverage is not required. Accordingly, W-9 and I-9 forms are not required to be submitted by a District Board member who declines compensation.



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board (ECHD) of Directors

From: Julia E. Miller, Chair Date: March 15, 2022

Subject: Appointment of FY21 El Camino Healthcare District ("ECHD") Ad Hoc Committee

<u>Purpose</u>: To inform the Board of the appointment of Director Carol Somersille as the FY22 El Camino Hospital Board Member Ad Hoc Committee Chair to review all El Camino Health Care District Mission & Purpose.

<u>Possible Motion</u>: To approve the appointment of the one additional ECHD Board Member to the Ad Hoc Committee

Summary:

- 1. Situation: The El Camino Health Care District Board is reviewing its mission & purpose.
- 2. <u>Authority</u>: Article VII, Section 1 of our Bylaws gives the Board Chair the authority to appoint the Chair of Special Board Committees.
- 3. <u>Background</u>: Provided below is the ECHD mission & purpose and its foundational elements derived from California Health District Law.
 - El Camino Healthcare District (ECHD) Mission & Purpose: The purpose of the District shall
 be to establish, maintain and operate, or provide assistance in the operation of one or more
 health facilities (as that term is defined in the California Health and Safety Code Section
 1250) or health services at any location within or without the territorial limits of the District,
 for the benefit of the District and the people served by the District, and to do any and all
 other acts and things necessary to carry out the provisions of the District's Bylaws and the
 Local Health Care District Law.
 - El Camino Healthcare District's (ECHD) Mission & Purpose is derived from the definition of powers of the Board of Directors as defined in Chapter 2 Article 2 of <u>California Health Care</u> <u>District Law – California Health and Safety Code</u>. This definition of the powers of a health care district is based on language from section 32121.j of California Health Care District Law. This section states as follows:
 - "To establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district. "Health care facilities," as used in this subdivision, means those facilities defined in subdivision (b) of Section 32000.1 and specifically includes freestanding chemical dependency recovery units. "Health facilities," as used in this subdivision, may also include those facilities defined in subdivision (d) of Section 15432 of the Government Code."
- **4.** <u>Assessment</u>: None

Ad Hoc Committee Appointment March 15, 2022

- 5. Other Reviews: None
- **6.** Outcomes: Appointment of an Ad Hoc Committee led by Dr. Carol Somersille, consisting of one additional District Board member.

List of Attachments:

1. Resolution 2002-04

Suggested Board Discussion Questions:

1. None

EL CAMINO HEALTHCARE DISTRICT RESOLUTION 2022-04 APPOINTMENT OF SPECIAL ADVISORY COMMITTEE FOR LIMITED PURPOSE AND LIMITED DURATION

WHEREAS, the Board of Directors has determined it is necessary to carefully review and revise El Camino Healthcare District Bylaws and Policies,

WHEREAS, such work can be undertaken by a special advisory committee for presentation to and consideration by the Board of Directors at a future meeting; now, therefore, be it

RESOLVED, that a temporary advisory special committee (the "El Camino Healthcare District Mission Review Ad Hoc Committee"), consisting of two members is hereby established pursuant to Article VII, Section 1 of the Bylaws of the El Camino Healthcare District, to carefully review and revise El Camino Healthcare District Mission and Purpose.

RESOLVED, that the Director Carol Somersille of the temporary advisory special committee shall determine the time, place, date, and frequency of such committee meetings; be it further

further	
RESOLVED , that special committee; be it f	
DULY PASSED following votes:	AND ADOPTED at a meeting held on March 15, 2022, by the
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	

Carol Somersille, MD, Secretary/Treasurer ECHD Board of Directors



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING MEMO

To: El Camino Healthcare District Board of Directors

From: Jon Cowan, Senior Director Government Relations and Community Partnerships

Date: March 15, 2022

Subject: FY22 Community Benefit Strategic Assessment

Purpose:

To update the Board on the strategic assessment actions that were shared at the September 14, 2021 study session and at the January 25, 2022, District Board meeting. To provide an opportunity for the Board to provide any additional policy feedback as management and staff finalize the strategic assessment.

Summary:

1. <u>Situation</u>: Management and staff pledged to return to the Board on March 15, 2022, with an update of the in-progress strategic assessment. This was shared at the September 14, 2021 study session and January 25, 2022, District Board meeting as necessary to guide the future direction of the program.

2. Background:

- Strategy activities were shared at the September 14, 2021 study session and were divided between interim state activities that would happen in 1Q and 2Q FY2022 and future state activities that would begin in 3Q FY2022
- In October 2021, the District Board approved "Guiding Principles" and "Ranked and Prioritized Health Needs" to implement changes in FY2022 to inform the FY2023 grant allocations
- The strategic assessment which began in 3Q FY2022 includes a more robust community benefit implementation strategy that connects the strategy to goals, initiatives, and measurement
- The strategic assessment scope, rationale, and framework were shared at January 25, 2022, District Board meeting
- The IRS requires a hospital organization to conduct a community health needs assessment (CHNA) every three years and to adopt an implementation strategy to meet the community health needs identified through the CHNA
- A community benefit implementation strategy is defined as a written plan which describes how the organization plans to address the selected health needs and the anticipated impact of these actions
- The five health needs selected to focus on are Healthcare Access & Delivery (including oral health), Behavioral Health (including domestic violence trauma), Diabetes & Obesity, Economic Stability (including food insecurity, housing & homelessness), and Chronic Conditions (other than Diabetes & Obesity)
- The other component of the strategic assessment is to define a comparison set of health systems and healthcare districts for reference purposes for the community benefit program

3. Assessment:

- The draft implementation strategy attached slides include samples from the Diabetes & Obesity, Behavioral Health, as well as Healthcare Access & Delivery Health Needs
- A more robust community benefit implementation strategy that links the strategy to goals, initiatives, and measurement can allow for greater clarity of the program's focus and an understanding of outcomes
- Using a framework for year-over-year comparisons for each initiative can inform what is more impactful in how the program is addressing each health need
- Having a comparison set of health systems and healthcare districts can help stay current on best practices and innovations within community benefit and community health

4. Outcomes:

- Management and staff will finish executing the strategic assessment after incorporating any policy direction or feedback from the Board
- The full implementation strategy will accompany the recommended annual community benefit plan that is shared with the District Board for the June 14 District Board meeting

Suggested Board Discussion Questions:

- 1. Does the Board have any additional policy feedback on the implementation framework strategy presented in the slides?
- 2. Is there any policy feedback on the current comparison set of health systems and healthcare districts selected for reference purposes?
- 3. Are there any other critical items the Board would like us to consider as management and staff finalize the implementation strategy?



Dedicated to improving the health and well-being of the people in our community.

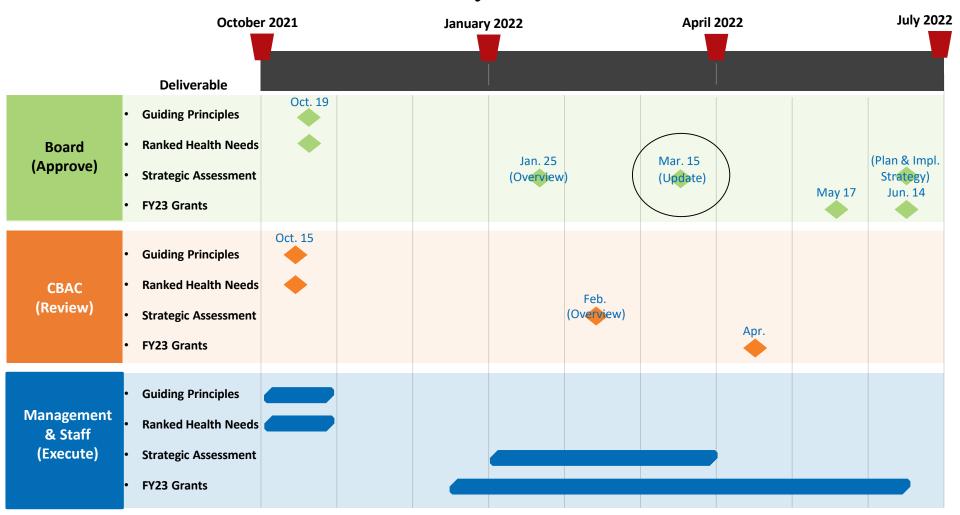
Community Benefit Strategic Assessment

March 15, 2022

Jon Cowan

Senior Director, Government Relations & Community Partnerships

Timeline for District Community Benefit





Suggested Discussion Questions

- 1. Is there additional policy feedback on the implementation strategy framework presented in the subsequent slides?
- 2. Is there any policy feedback on the current comparison set of health systems and healthcare districts selected for reference purposes?
- 3. Are there any other critical items the District Board would encourage us to consider as management and staff finalize the strategic assessment?



Agenda

- 1. Scope of Strategic Assessment Reminder
- 2. Implementation Strategy: Illustrative Samples of Diabetes & Obesity, Behavioral Health, and Healthcare Access & Delivery Health Needs
- 3. Current Comparison Set of Health Systems and Healthcare Districts



Strategic Assessment to Reach Future State

- 1. More Robust Community Benefit Implementation Strategy
 - a. To conduct research to inform an effective implementation strategy
 - b. To use a framework that connects the strategy to goals, initiatives, and measurement
 - c. To use the framework for year-over-year comparisons for each initiative
- 2. Defined Comparison Set of Health Systems and Healthcare Districts
 - a. For reference purposes as ECHD and ECH don't exactly have "peers"
 - b. For staying current on best practice and innovations within community benefit and community health



Robust Implementation Strategy (for each health need)



Strategy

- Narrative of what we're trying to do to impact each health need
- Explanation of why the goals were chosen, why they are meaningful, and why they will lead to positive impact



 Explains what impact(s) we expect to see from each initiative

_2

Goals

- 2-5 per health need
- Allows for focus areas within each health need



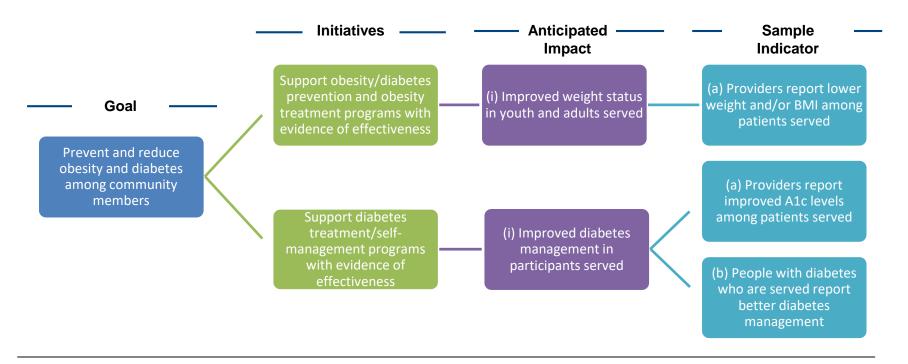
 Sample impact indicators that can be shared with our grant partners to measure the impact of an initiative

- Initiatives

- 1-4 per goal
- Explains "how" the Community Benefit program will attempt to achieve the goal



Illustrative Draft Sample: Diabetes & Obesity Health Need

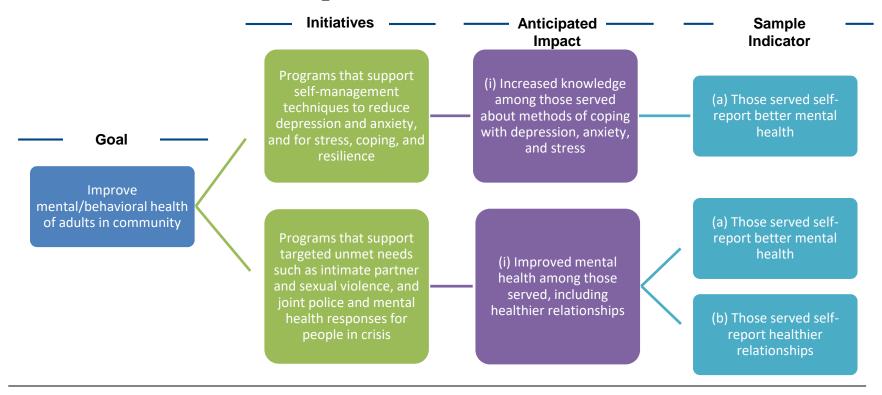


Additional Draft Identified Goals

- Reduce food insecurity and increase healthy food access for low-income community members
- · Increase physical activity among community members



Illustrative Draft Sample: Behavioral Health Need

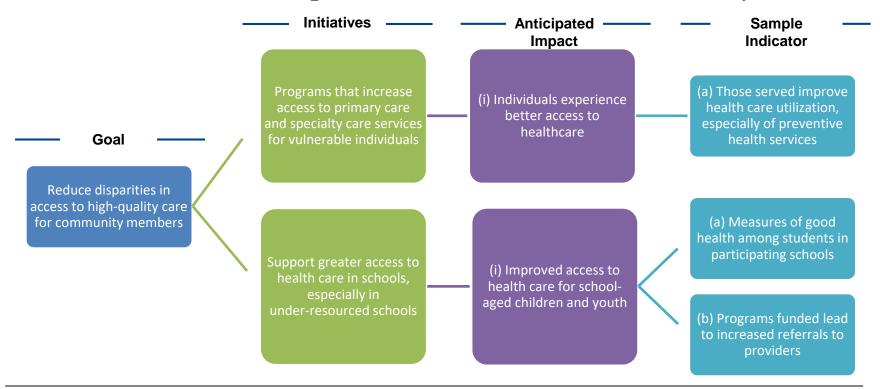


Additional Draft Identified Goals

- · Improve mental/behavioral health care access for community members
- · Improve mental/behavioral health of youth in community



Illustrative Draft Sample: Healthcare Access & Delivery Health Need



Additional Draft Identified Goals

- · Reduce disparities and inequitable access to maternal/infant health care for community members
- Increase access to oral health care for underserved community members
- Provide and expand workforce training in cultural competence and compassionate and respectful care delivery



Feedback from CBAC on Implementation Strategy Framework

- 1. Realistically understand that we are contributing to health solutions but we will rarely be able to claim that a change in a health goal is purely a tribute to our investment
- 2. Have realistic metric expectations from grantees based on the amount requested/size of the grant
- 3. Behavioral health access challenges aren't limited to those who are low income since access is also a challenge for the middle class
- 4. The framework helps with transparency for applicants, staff, CBAC, and the Board
- 5. Clinical organizations can provide more robust measures than non-clinical community organizations. Get these robust measures from the clinical organizations
- 6. Consider taking a collaborative/coordination approach to pair organizations in our portfolio who may be able to work together to get better metrics
- 7. Have an open dialogue with partners to identify what they are already tracking to avoid adding "extra work." Don't dictate to them an exact metric to measure
- 8. For Behavioral Health, consider measures that are more objective such as social support, feeling that there is something meaningful to do during the day, etc.



Set of Health Systems and Healthcare Districts To Reference for Best Practice and Innovations

Name	Reason Selected	Location
Stanford Health Care	Geographic proximity, similar mainly suburban service areas	Bay Area
Sharp Healthcare	Viewed as a leading program by CHA	San Diego
ProMedica	Viewed as a leading program by AHA	Ohio and Michigan
Sequoia Hospital	Geographic proximity, Dignity Health programs viewed as impactful by CHA	Bay Area
Providence Health & Services - Portland	Recommended as a health system operating in a region with similar characteristics to the Bay Area	Portland, Oregon
Sequoia Healthcare District	Geographic proximity, similar mainly suburban service areas	San Mateo County
Desert Healthcare District	Related grant funding strategic areas, well-regarded by ACHD	Coachella Valley



Appendix



Terminology

- 1. At a high-level, what is a Community Benefit Implementation Strategy?
 - a. The IRS requires a hospital organization to conduct a community health needs assessment (CHNA) every three years and to adopt an implementation strategy to meet the community health needs identified through the CHNA
 - b. An implementation strategy must be a written plan which describes how the organization plans to address the health needs and the anticipated impact of these actions

Important Note: Each three-year cycle there is a gap between completion of the full CHNA report / implementation strategy and the ECHD/ECH grant proposal evaluation timeline. This means that the new implementation strategy will more heavily impact the FY24 and FY25 grants.





Dedicated to improving the health and well being of the people in our community.

Board Finance Presentation Fiscal Year 2022 7/1/2021-1/31/2022

> Carlos Bohorquez, CFO El Camino Healthcare District Board of Directors Meeting March 15, 2022

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NOTE: Accounting standards require that audited financial statements for El Camino Healthcare District be presented in consolidated format, including El Camino Hospital and its controlled affiliates. In an effort to help ensure public accountability and further ensure the transparency of the District's operations, the District also prepares internal, "Stand-Alone" financial statements which present information for the District by itself.



Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

		June 30, 2021			June 30, 2021
	Jan 31, 2022	Audited w/o Eliminations		Jan 31, 2022	Audited w/o Eliminations
<u>ASSETS</u>			LIABILITIES & FUND BALANCE		
Current Assets			Current Liabilities		
Cash & Investments	\$381	\$457	Accounts Payable & Accrued Exp (5)	\$129	\$154
Patient Accounts Receivable, net	182	166	Bonds Payable - Current	16	14
Other Accounts and Notes Receivable	20	28	Bond Interest Payable	2	10
Inventories and Prepaids	31_	23	Other Liabilities	13	19
Total Current Assets	613	674	Total Current Liabilities	159	198
			Deferred Revenue	37	67
Board Designated Assets					
Foundation Reserves	23	21	Deferred Revenue Inflow of Resources	46	46
Community Benefit Fund	23	21			
Operational Reserve Fund (1)	184	125	Long Term Liabilities		
Workers Comp, Health & PTO Reserves	80	80	Bond Payable	578	595
Facilities Replacement Fund (2)	364	313	Benefit Obligations	48	48
Catastrophic & Malpractice Reserve (3)	29	27	Other Long-term Obligations	6	6
Total Board Designated Assets	703	587	Total Long Term Liabilities	632	649
Non-Designated Assets					
Funds Held By Trustee (4)	32	37	Fund Balance		
Long Term Investments	538	603	Unrestricted	2,226	2,157
Other Investments	36	35	Board Designated & Restricted	169	147
Net Property Plant & Equipment	1,184	1,160	Capital & Retained Earnings	0	0
Deferred Outflows of Resources	19	20			
Other Assets	145	148	Total Fund Balance	2,395	2,304
Total Non-Designated Assets	1,953	2,003			
TOTAL ASSETS	\$3,269	\$3,264	TOTAL LIAB. & FUND BAL.	\$3,269	\$3,264



Consolidated Comparative Statement of Revenues & Expenses (\$ Millions)

Year-to-Date through January 31, 2022

(Includes El Camino Hospital)

	<u>Actual</u>	Budget	Fav (Unfav) <u>Variance</u>	Prior YTD FY <u>Actual</u>
Net Patient Revenue (6)	747	667	81	623
Other Operating Revenues	26	27	-1	28
Total Operating Revenues	773	694	79	651
Wages and Benefits	386	365	-21	341
Supplies	106	102	-4	98
Purchased Services	103	102	-1	100
Other	26	30	4	27
Depreciation	42	39	-3	40
Interest	10	10	0	10
Total Operating Expense (7)	673	647	(25)	615
Operating Income	100	46	54	35
Non-Operating Income (8)	(10)	65	(75)	151_
Net Income	90	111	(21)	186_



Notes to Consolidated Financial Statements

Current FY2022 Actual to Budget

(Includes El Camino Hospital)

- 1) A 60 day reserve of expenses based on the current fiscal year's Hospital budget.
- 2) The current period Facilities Replacement Fund is comprised of (\$ Millions):

ECH Capital Replacement Fund (i.e. Funded Depr.)	\$307
ECHD Appropriation Fund (fka: Capital Outlay)	18
ECH Women's Hospital Expansion	39
_	\$364

3) The current period Catastrophic & Malpractice Fund is comprised of (\$ Millions):

ECH Catastrophic Fund (aka: Earthquake Fund)	\$27
ECH Malpractice Reserve	2
=	\$29

- 4) The decrease is due to the Bond Project Fund final disbursements for the IMOB and BHS construction, and most recently the Women's Hospital Expansion. This amount now reflects the GO Funds only.
- 5) The decrease is primarily due to construction retentions accrued at fiscal year end for the Behavioral Health and the IMOB buildings that have been subsequently paid down.
- 6) Strong volumes recovery from COVID-19 continues to be the primary driver to such a favorable performance to budget.
- 7) Higher operating expenses are due to the increased volumes and expenses associated with the COVID-19 pandemic.
- 8) The variance is due to decreased investment returns.



Stand-Alone Comparative Balance Sheet (\$ Thousands)

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

· ·			1 1	00	
	January 31,	June 30,		January 31,	June 30,
	2022	2021		2022	2021
<u>ASSETS</u>			LIABILITIES & FUND BALANCE		
Cash & cash equiv ⁽¹⁾	\$14,322	\$8,662	Accounts payable	\$0	\$2
Short term investments (1)	2,630	12,042	Current portion of bonds	5,760	5,050
Due fm Retiree Health Plan ⁽²⁾	36	21	Bond interest payable (10)	1,577	1,419
S.C. M&O Taxes Receivable (3)	418	0	Other Liabilities	342	1,871
Other current assets (3a)	73	3061			
Total current assets	\$17,479	\$23,786	Total current liabilities	\$7,679	\$8,342
Operational Reserve Fund (4)	1,500	1,500			
Capital Appropriation Fund (5)	17,500	18,657			
Capital Replacement Fund (6)	5,385	5,646	Deferred income	(9)	51
Community Benefit Fund (7)	4,576	3,030	Bonds payable - long term	105,662	111,422
Total Board designated funds	\$28,961	\$28,834	Total liabilities	\$113,332	\$119,815
Funds held by trustee (8)	\$31,538	\$31,245	Fund balance		
Capital assets, net ⁽⁹⁾	\$10,650	\$10,657	Unrestricted fund balance	\$56,827	\$61,513
•	<u> </u>	· , ,	Restricted fund balance (11)	(81,531)	(86,806)
			Total fund balance	(\$24,704)	(\$25,293)
				(+2 1)/0 1)	(+15)2557
TOTAL ASSETS	\$88,628	\$94,522	TOTAL LIAB & FUND BALANCE	\$88,628	\$94,522
IOIAL ASSETS	300,020	₹794,322	TOTAL LIAD & FUND DALANCE	300,020	<i>₹₹</i> ,322



YTD Stand-Alone Stmt of Revenue and Expenses (\$ Thousands) Comparative Year-to-Date January 31, 2022

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

		Actual	 ent Year Budget	V	ariance	r Full Year Actual
REVENUES						
(A) Ground Lease Revenue (12)	\$	60	59	\$	1	\$ 101
(B) Redevelopment Taxes (13)		212	150		62	310
(B) Unrestricted M&O Property Taxes (13)		7,626	7,626		-	9,221
(B) Restricted M&O Property Taxes (13)		5,085	5,085		-	11,129
(B) G.O. Taxes Levied for Debt Service (13)		7,037	5,950		1,087	11,803
(B) IGT/PRIME Medi-Cal Program (14)		(1,363)	(2,012)		649	(4,460)
(B) Investment Income (net)		(384)	483		(867)	(23)
(B) Other income		-	190		(190)	0
TOTAL NET REVENUE		18,273	17,531		742	28,081
<u>EXPENSES</u>						_
(A) Wages & Benefits (15)		-	_		-	0
(A) Professional Fees & Purchased Svcs (16)		258	317		59	849
(A) Supplies & Other Expenses (17)		7	19		12	82
(B) G.O. Bond Interest Expense (net) (18)		1,763	1,729		(34)	3,082
(B) Community Benefit Expenditures (19)		7,102	4,894		(2,208)	7,196
(A) Depreciation / Amortization		8	8		-	53
TOTAL EXPENSES	-	9,138	6,967		(2,171)	11,262
NET INCOME	\$	9,134	\$ 10,563	\$	(1,430)	\$ 16,820

- (A) Operating Revenues & Expenses
- (B) Non-operating Revenues & Expenses

RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses \$ (213)

(B) Net Non-Operating Revenues & Expenses 9,347

NET INCOME \$ 9,134



Comparative YTD Stand-Alone Stmt of Fund Balance Activity (\$ Thousands)

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

	January 31, 2022			June 30, 2021		
Fiscal year beginning balance	\$	(25,293)	\$	(38,734)		
Net income year-to-date	\$ 9,134		\$	16,820		
Transfers (to)/from ECH:						
IGT/PRIME Funding (20)	\$	434	\$	4,460		
Capital Appropriation projects (21)	\$	(8,979)		(7,839)		
Fiscal year ending balance	\$	(24,704)	\$	(25,293)		



Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- (1) Cash & Short Term Investments The decrease is due to transfer to Community Benefit Fund for 2022.
- (2) Due from Retiree Health Plan The monies due from Trustee for District's Retiree Healthcare Plan.
- (3) S.C. M&O Taxes Receivable The increase is due to the accruals for the current year's Unrestricted (Gann Limit) and Restricted (Capital Appropriation) Funds, actual cash receipts normally begin in December and the following months.
- (3a) Other Current Assets This decrease is due to Healthcare District paying for IGT refund to the State that was to be paid by the Hospital.
- (4) Operational Reserve Fund Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (5) Capital Appropriation Fund Commitment to the Women's Hospital renovation project or others.
- (6) Capital Replacement Fund Formerly known as the Plant Facilities Fund (AKA Funded Depreciation) which reserves monies for the major renovation or replacement of the portion of the YMCA (Park Pavilion) owned by the District.
- (7) Community Benefit Fund This fund retains unrestricted (Gann Limit) funds to support the District's operations and primarily to support its Community Benefit Programs
- (8) Funds Held by Trustee Funds from General Obligation tax monies, being held to make the debt payments when due.
- (9) Capital Net Assets The land on which the Mountain View Hospital resides, a portion of the YMCA building, property at the end of South Drive (currently for the Road Runners operations), and a vacant lot located at El Camino Real and Phyllis.
- (10) Bond Interest Payable The increase is due to the 2/1/22 payment due February 1.
- (11) Fund Balance The negative fund balance is a result of the General Obligation bonds which assisted in funding the replacement hospital facility in Mountain View. Accounting rules required the District to recognize the obligation in full at the time the bonds were issued; receipts from taxpayers will be recognized in the year they are levied, slowly reducing the negative fund balance over the next 15 years.



Notes to Stand-Alone Financial Statements

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

- (12) Other Operating Revenue Lease income from El Camino Hospital for its ground lease with the District.
- (13) Taxes: Redevelopment, M&O, G.O. Tax receipts (either received or to be received) during the period. Note amount for the G.O. Taxed Levied for Debt will come in less than prior year mostly due to the March 2017 G.O. Refunding that the District did that reduced the previously \$12.90 of assessed property valuation per \$100,000 to a current \$10.00 per \$100,000.
- (14) IGT/PRIME Expense Payments in support of the PRIME or IGT programs.
- (15) Wages & Benefits The District employs no employees. Employees are based at the Hospital, CONCERN, or SVMD entities. The District does contract with the Hospital and outside professional and general services organizations (see item 17).
- (16) Professional Fees & Services Actual detailed below:

•	Community Benefit Support from ECH	\$ 222
	(54% of SW&B)	
•	Legal Fees	26
•	Miscellaneous	10
		\$ 258
en	ses – Actual detailed below:	

(17) Supplies & Other Expenses – Actual detailed below:

•	Marketing / Advertising	\$ 5
•	Board Stipends	2
		\$ 7

- (18) G.O. Bond Interest Expense It is to be noted that on March 22, 2017 the District refunded \$99M of its remaining \$132M 2006 G.O. bond issue. Refunding of the 2006 G.O. debt, given current interest rates, caused a net present value savings of \$7M.
- (19) Community Benefit Expenditures Starting in FY2014, the District is directly operating its Community Benefit Program at the District level. This represents amounts expended to grantees and sponsorships thus far in this fiscal year. Note the major payments to recipients are made in August & January of the fiscal year.
- (20) IGT/PRIME Funding Transfers from ECH for participation in the PRIME or IGT program thus far in FY 2022.
- (21) Capital Appropriation Projects Transfer This years transfer is in support of MV Hospital's Campus Completion Project.



Sources & Uses of Tax Receipts (\$Thousands)

These financial statements exclude the District's El Camino Hospital Corporation and its controlled affiliates

J	issi ters Er Cammo Hospital Corporation and its comforted agricultures				
Sources of District Taxes 01/					
(1) Maintenance and Operation and Government Obligation Taxes					
(2) Redevelopment Agency Taxes					
Total District Tax Receipts					
<u>Uses Required Obligations / Operations</u>					
(3) Government Obligation Bond					
Total Cash Available for Operations, CB Programs, & Capital Appropriations					
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted*					
Subtotal					
(5) Operating Expenses (Net)					
Subtotal					
(6) Capital Replacement Fund (Park Pavilion)					
Funds Available for Community Benefit Programs \$					
*Gann Limit Calculation for FY2022		\$9,804			
(1) M&O and G.O. Taxes	Cash receipts from the 1% ad valorem property taxes and Measure D taxes.	S			
(2) Redevelopment Agency Taxes	Cash receipts from dissolution of redevelopment agencies				
(3) Government Obligation Bond	Levied for debt service				
(4) Capital Appropriation Fund	Excess amounts over the Gann Limit are restricted for use as capital				
(5) Operating Expenses	Expenses incurred in carrying out the District's day-to-day activities				
(6) Capital Replacement Fund	 Fund to ensure that the District has adequate resources to fund repair and replacement of its capital assets (Park Pavilion) 				



Appendix: Major Budget Assumptions for FY2022

- 1. Pages 13 and 14: Are the pages 6 and 7 of the FY22 ECHD Stand-Alone Budget presented to the ECHD Board and approved on June 29, 2021.
- 2. Page 15: Additional detail about Community Benefit SW&B allocation process

Appendix: General Obligation Bond of the District

1. Pages 16 and 17: Description of the Bonds and annual debt service requirements grid.



Major Budget Assumptions – El Camino Healthcare District

Excludes El Camino Hospital & its affiliates

- Other Operating Revenue is based on the existing ground lease agreement.
- The Unrestricted M&O Property Taxes are budgeted at the FY2022 Gann Limit calculation as directed by the Finance Department of the State of California.
- This year the Redevelopment Agency revenues were once again budgeted as they continue to be distributed by the County without any lapse in payments in the past years. The decrease in these expenses is attributable, in a large part, that in fiscal year 2021 it had a projected budget of \$250,000 for the November 2020 District Board election.
- Operating Expenses are based on historical payment information with adjustments made for non-recurring expenses.
- Community Benefit Support fee based on the cost of services as follows:

Community Benefit Staff FY2022	Total Paid FTEs			
VP Corp Comm Hith Svcs	0.25			
Director Community Benefit	0.75			
Administrative Assistant	1.00			
Sr Community Benefit Spec	2.00			
Business Coordinator	0.20			
Total	4.20			
Total Salaries, Wages & Benefits	\$ 705,558			
Estimated allocation of time at 54% =	\$ 381,001			

- Supplies and Other Expenses includes modest increases for Direct Mail material, website development, advertising and postage. The District's budgeted dues are expected to remain a constant of LAFCO at an amount of \$18,000 and \$7,000 for California Special Districts Association.
- Expenses related to the G.O. bonds are based on the 2017 G.O. Refunding outcomes and required payment schedules.
- Investment income is based on the expected return rate provided by our Investment Consultant of on an average cash balance of \$40M.
- Community Benefit expenditures are based on the Community Benefit plan.
- IGT Medi-Cal (PRIME) program It is expected that the District/Hospital will participate in the program again this year.



El Camino Healthcare District FY2022 Budget

Information excludes El Camino Hospital & its affiliates (\$000s)

Change	
Favorable	/

	Revenues	FY2020 Actual	FY2021 Actual	FY 2022 Budget	(Unfavorable)	% Change
(A)	Other Operating Revenue	91	101	102	1	1.0%
(B)	Unrestricted M&O Property Taxes	8,845	9,221	9,804	583	6.3%
(B)	Restricted M&O Taxes	9,706	11,129	8,717	(2,412)	-21.7%
(B)	Taxes Levied for Debt Service	10,493	11,803	10,200	(1,603)	-13.6%
(B)	Investment Income (net)	1,444	(23)	848	871	3587.0%
(B)	Other - Redevelopment Agency	325	310	300	(10)	-3.2%
	Total Net Revenue	30,904	32,541	29,971	(2,570)	-7.9%
	Expenses					
(A)	Community Benefit Support	397	416	381	35	-8.4%
(A)	Fees & Purchased Services	156	432	162	270	166.7%
(A)	Supplies & Other Expenses	90	82	32	50	156.3%
(A)	Depreciation/Amortization/Interest Expense	57	53	9	44	488.9%
(B)	G.O. Interest Expense (net)	2,474	3,082	2,656	426	16.0%
(B)	Community Benefit Program	7,544	7,196	7,665	(469)	-6.1%
(B)	IGT Medi-Cal Program Expense	4,048	4,460	4,000	460	11.5%
	Total Expenses	14,766	15,721	14,905	816	5.5%
	NET INCOME	16,138	16,820	15,066	(1,754)	-10.4%

FY22 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	(482)
(B) Net Non-Operating Revenues & Expenses	15,548
NET INCOME	15,066



FY2022 Budget - Community Benefit SW&B Allocation

- Community Benefit staff are El Camino Hospital (ECH) employees who provide services to the District and to the Hospital Corporation.
- Pursuant to a Statement of Work (SOW) between El Camino Hospital and the District, Community Benefit Staff SW&B are allocated between the Hospital and the District.
- Per the SOW, the allocation is to be negotiated between the District Board Chair and the ECH Controller each spring for the coming fiscal year.
- For FY21, the total SW&B for the Community Benefit staff is budgeted at \$771,414 with 54% (\$416,564) allocated to the District. The Board Chair Gary Kalbach reviewed this allocation with Controller, Michael Walsh, and approved the allocation.
- For FY22, the total SW&B for the Community Benefit staff came in lower than FY21 at \$705,558 with no change in the allocation percentage of 54%. Thus the allocation for FY22 will be a reduced amount of \$381,001.



El Camino Healthcare District General Obligation Bonds of the District

- 2006 General Obligation Bonds Upon voter approval, in November 2003, the District issued in 2006, \$148,000,000 principle amount of 2006 General Obligation Bonds, which consists of \$115,665,000 of Current Interest Bonds. Interest on the Current Interest Bonds is payable semiannually at rates ranging from 4% to 5% and principal maturities ranging from \$2,065,000 in 2016 to \$18,050,000 in 2036 are due annually on August 1. Interest at rates ranging from 4.38% to 4.48% and principal of the Capital Appreciation Bonds are payable only at maturity. In March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the 2017 General Obligation Refunding Bonds.
- The Bonds are general obligations of the District payable from ad valorem taxes. Payment of principal, interest and maturity value of the Bonds, when due, is insured by a municipal bond insurance policy.
- 2017 General Obligation Bonds Upon Board approval, in March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the \$99,035,000 2017 General Obligation Refunding Bonds, which consists of \$115,665,000 of Current Interest Bonds, and \$32,335,000 of Capital Appreciation Bonds. Interest on the 2017 General Obligation Refunding Bonds is payable semiannually at rates ranging from 2% to 5% and principal maturities ranging from \$3,570,000 in 2017 to \$17,480,000 in 2036 are due annually on August 1. This refinancing resulted in a reduction of future interest payments with a present value of approximately \$7,000,000.



Annual Debt Service Requirements

As of August 1, 2021

As of August 1, 2021							
	2017 G.O Refunding Bonds Series 2006 Capital Appreciation Bonds (1)			Aggregate Annual			
							Debt Service on all
Year							general
Ending			Total Debt		Accreted	Total Debt	obligation
(August 1)) Principal	Interest	Service	Principal	Interest	Service	bonds
2017	\$ 3,570,000	\$ 1,428,675	\$ 4,998,675				\$ 4,998,675
2018	3,310,000	3,915,600	7,225,600				7,225,600
2019	3,800,000	3,816,300	7,616,300				7,616,300
2020	4,400,000	3,626,300	8,026,300				8,026,300
2021	5,050,000	3,406,300	8,456,300				8,456,300
2022	5,760,000	3,153,800	8,913,800				8,913,800
2023		2,865,800	2,865,800	3,293,063	3,476,937	6,770,000	9,635,800
2024		2,865,800	2,865,800	3,397,871	3,922,129	7,320,000	10,185,800
2025		2,865,800	2,865,800	3,411,361	4,278,639	7,690,000	10,555,800
2026		2,865,800	2,865,800	3,551,505	4,843,495	8,395,000	11,260,800
2027		2,865,800	2,865,800	3,598,421	5,306,579	8,905,000	11,770,800
2028		2,865,800	2,865,800	3,673,863	5,846,137	9,520,000	12,385,800
2029		2,865,800	2,865,800	3,741,914	6,413,086	10,155,000	13,020,800
2030		2,865,800	2,865,800	3,802,634	7,007,366	10,810,000	13,675,800
2031		2,865,800	2,865,800	3,864,367	7,645,633	11,510,000	14,375,800
2032	12,000,000	2,865,800	14,865,800				14,865,800
2033	13,190,000	2,445,800	15,635,800				15,635,800
2034	14,525,000	1,918,200	16,443,200				16,443,200
2035	15,950,000	1,337,200	17,287,200				17,287,200
2036	17,480,000	699,200	18,179,200				18,179,200
Total	\$ 99,035,000	\$ 54,405,375	\$ 153,440,375	\$ 32,335,000	\$ 48,740,000	\$ 81,075,000	\$ 234,515,375

Blue highlighted items are paid down

2017 Outstanding Principle \$78,905,000. 2006 Outstanding Principle \$32,335,000.

(1) The Series 2006 Capital Appreciation Bonds are payable only at maturity on August 1 of each year, and interest on the series 2006 Capital Appreciation Bonds is compounded semiannually on each February 1 and August 1

