

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

Tuesday, June 18, 2019 – 5:15pm

El Camino Hospital | Conference Rooms EF&G (ground floor) 2500 Grant Road Mountain View, CA 94040

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 TIMES
1.	CALL TO ORDER/ROLL CALL	Peter C. Fung, MD, Board Chair		5:15 – 5:17pm
2.	SALUTE TO THE FLAG	Peter C. Fung, MD, Board Chair		5:17 – 5:19pm
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter C. Fung, MD, Board Chair		5:19 – 5:20
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	Peter C. Fung, MD, Board Chair		information 5:20 – 5:23
5.	CONSENT CALENDAR Any Board Member or member of the public may remove an item for discussion before a motion is made. Approval a. Minutes of the Open Session of the District Board Meeting (5/20/2019) b. Minutes of the Open Session of the District Board Meeting (5/21/2019)	Peter C. Fung, MD, Board Chair	public comment	motion required 5:23 – 5:25
6.	COMMUNITY BENEFIT SPOTLIGHT: CRISTO REY Resolution 2019-05 ATTACHMENT 6	Barbara Avery, Director, Community Benefit	public comment	motion required 5:25 – 5:35
7.	RESOLUTION 2019-06: Establishing Tax Appropriation Limit for FY20 (Gann Limit) ATTACHMENT 7	Michael Walsh, Controller	public comment	motion required 5:35 – 5:45
8.	PROPOSED FY20 COMMUNITY BENEFIT PLAN ATTACHMENT 8	Barbara Avery, Director, Community Benefit	public comment	possible motion 5:45 – 6:00

Agenda: El Camino Healthcare District June 18, 2019 | Page 2

	AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
9.	FINANCIAL REPORT a. ECHD FY19 Period 10 Financials b. FY20 ECH Capital and Operating Budget c. FY20 ECHD Consolidated & Standalone Budget d. Allocation of Capital Outlay Funds	Iftikhar Hussain, CFO Ken King, CASO	public comment	possible motion(s) 6:00 – 6:25
10.	APPOINTMENT OF LIAISON TO COMMUNITY BENEFIT ADVISORY COUNCIL (CBAC) ATTACHMENT 10	Peter C. Fung, MD, Board Chair	public comment	possible motion 6:25 – 6:30
11.	BOARD OFFICER ELECTIONS a. Board Chair b. Vice Chair c. Secretary/Treasurer ATTACHMENT 11	Peter C. Fung, MD, Board Chair	public comment	possible motion 6:30 – 6:45
12.	RESOLUTION 2019-07: Appointment of FY20 El Camino Hospital Board Member Election Ad Hoc Committee Chair, Member, and Advisors ATTACHMENT 12	Peter C. Fung, MD, Board Chair	public comment	possible motion 6:45 – 6:55
13.	RESOLUTION 2019-08: Setting Meeting Dates for Fiscal Year 2020 ATTACHMENT 13	Cindy Murphy, Director of Governance Services	public comment	possible motion 6:55 – 7:00
14.	PROPOSED FY20 PACING PLAN ATTACHMENT 14	Peter C. Fung, MD, Board Chair	public comment	possible motion 7:00 – 7:05
15.	ADJOURN TO CLOSED SESSION	Peter C. Fung, MD, Board Chair	public comment	motion required 7:05 – 7:06
16.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter C. Fung, MD, Board Chair		information 7:06 – 7:07
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: a. Minutes of the Closed Session of the District Board Meeting (5/21/2019)	Peter C. Fung, MD, Board Chair		motion required 7:07 – 7:08
18.	Report involving <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: - Executive Session	Peter C. Fung, MD, Board Chair		discussion 7:08 – 7:13
19.	ADJOURN TO OPEN SESSION	Peter C. Fung, MD, Board Chair		motion required 7:13 – 7:14
20.	RECONVENE OPEN SESSION/ REPORT OUT	Peter C. Fung, MD, Board Chair		information 7:14 – 7:15
	To report any required disclosures regarding permissible actions taken during Closed Session.			

Agenda: El Camino Healthcare District

June 18, 2019 | Page 3

	AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
21.	BOARD COMMENTS	Peter C. Fung, MD, Board Chair		discussion 7:15 – 7:19pm
22.	ADJOURNMENT	Peter C. Fung, MD, Board Chair	public comment	motion required 7:19 – 7:20pm

Upcoming Meetings: October 22, 2019; (pending Board approval): January 28, 2020; March 17, 2020; June 16, 2020



Minutes of the Open Session of the **Special Meeting of the** El Camino Healthcare District Board of Directors Monday, May 20, 2019

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040 Conference Rooms E&F (ground floor)

Board Members Present Peter C. Fung, MD, Chair Gary Kalbach **Board Members Absent**

Members Excused

None

Gary Kaidacii
Julia E. Miller, Vice Chair
George O. Ting, MD
John Zoglin, Secretary/Treasurer

Agenda Item		Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL		The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 5:31pm by Chair Fung. A silent roll call was taken. All Board members were present.	
2.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Fung asked if any Board members may have a conflict of interest with any of the items on the agenda. No conflicts were noted.	
3.	PUBLIC COMMUNICATION	None.	
4.	ECH BOARD MEMBER ELECTION AD HOC COMMITTEE CHAIR REPORT	Director Miller, Chair of the ECH Board Member Election Ad Hoc Committee, discussed the activities of the Ad Hoc Committee, its consideration of Jeffrey Davis, MD for reappointment, and its unanimous recommendation not to reappoint Dr. Davis. She commented that overturning the Ad Hoc Committee's process would establish a bad precedent and suggested that Dr. Davis complete an application and interview with the Ad Hoc Committee to maintain equity with the other candidates. Director Zoglin commented that he had repeatedly conveyed to the Ad Hoc	
		Committee that Dr. Davis continued to express interest in reappointment. The Board discussed Dr. Davis' involvement in the reappointment and application processes, the role of the Ad Hoc Committee, the District Standards of Conduct, and putting the best candidates forward for the organization.	
5.	PROPOSAL TO CONSIDER JEFFREY DAVIS, MD AS A CANDIDATE TO BE INTERVIEWED FOR THE ECH BOARD OF DIRECTORS	Motion: To include Dr. Davis among the other candidates tomorrow night for the two open positions and that he be considered the same as the other candidates presented before the Board. Movant: Zoglin Second: Ting The Board discussed Dr. Davis' qualifications and his inclusion in the pool of candidates, the tools for evaluating competencies, and further discussed the reappointment process and Ad Hoc Committee operations. Ayes: Kalbach, Ting, Zoglin Noes: Fung, Miller Abstentions: None Absent: None Recused: None Motion: To have Dr. Davis be interviewed by the Ad Hoc Committee and	Dr. Davis to be included as a candidate to be interviewed on May 21, 2019

Minutes: El Camino Healthcare District Board

May 20, 2019 | Page 2

go through the process.

Movant: Miller Second: Ting

Director Zoglin expressed concerns having Dr. Davis interview with the Ad Hoc Committee again. Director Miller commented that Dr. Davis could be considered for an upcoming vacancy, rather than the seats up for consideration at the May 21, 2019 District Board meeting.

Director Ting expressed concerns about why Dr. Davis had not submitted an application.

Mary Rotunno, General Counsel, advised that this motion was not on the agenda.

There was no vote on the motion.

6. ECH BOARD MEMBER ELECTION AD HOC COMMITTEE COMPOSITION

Director Miller requested the appointment of a new Ad Hoc Committee member.

Motion: To replace Director Zoglin with another member on the Ad Hoc Committee.

Cindy Murphy, Director of Governance Services, explained that staff have coordinated with Dr. Davis regarding his availability and that he is available to interview at the May 21, 2019 District Board meeting.

Movant: Miller **Second**: Fung

Director Fung noted that there are two parts to the motion: A) asking Dr. Davis complete an application and interview with the Ad Hoc Committee before his consideration tomorrow night and B) considering the Ad Hoc Committee composition.

Ms. Rotunno advised that there was only one motion on the agenda.

Chair Fung restated the motion on the table:

Restated Motion: A) To ask that Dr. Davis complete an application and interview with the Ad Hoc Committee first like all other candidates and B) to consider changing the composition of the Ad Hoc Committee and to discuss the specifics of the change subsequent to the motion.

In response to Director Ting's question, Director Fung noted that Dr. Davis should submit an application and interview with the Ad Hoc Committee before the May 21, 2019 District Board meeting.

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

Director Ting commented that asking Dr. Davis to submit an application and interview with the Ad Hoc Committee is cumbersome but fair.

The Board discussed scheduling an interview with Dr. Davis and the Ad Hoc Committee before the District Board meeting the following day.

The Board discussed the Ad Hoc Committee composition.

Motion: To replace Director Zoglin for tomorrow.

Movant: Miller

Minutes: El Camino Healthcare District Board

May 20, 2019 | Page 3

May 20, 2019 Page 3		
	Second: Fung	
	Director Zoglin suggested either changing the entire Committee composition (to Directors Kalbach and Ting) or to keep the same composition as before.	
	Ayes: Fung Noes: Kalbach, Zoglin Abstentions: Miller, Ting Absent: None Recused: None	
	No changes were made to the Ad Hoc Committee's composition, including for the interview with Dr. Davis.	
7. ADJOURNMENT	Motion: To adjourn at 6:32pm. Movant: Ting Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None	Meeting adjourned at 6:32pm
1	Recused : None	

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

Peter C. Fung, MD Chair, ECHD Board John Zoglin

Secretary, ECHD Board

Prepared by: Cindy Murphy, Director of Governance Services

Sarah Rosenberg, Contracts & Board Services Coordinator



Minutes of the Open Session of the Meeting of the El Camino Healthcare District Board of Directors Tuesday, May 21, 2019

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040 Conference Rooms F&G (ground floor)

Board Members Present
Peter C. Fung, MD, Chair
Gary Kalbach
Julia E. Miller, Vice Chair
George O. Ting, MD
John Zoglin, Secretary/Treasurer

Board Members Absent Members Excused

None

Agenda Item		Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL		The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 5:33pm by Chair Fung. A silent roll call was taken. All Board members were present.	
2.	SALUTE TO THE FLAG	Director Kalbach led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES		Chair Fung asked if any Board members may have a conflict of interest with any of the items on the agenda. Chair Fung noted that he and Director Ting participate on the community advisory board of the Chinese Health Initiative. Director Fung also noted that he is involved with the Hypertension Initiative.	
4.	PUBLIC COMMUNICATION	None.	
	CONSENT CALENDAR	Chair Fung asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed. Motion: To approve the consent calendar: Minutes of the Open Session of the District Board Meeting (March 19, 2019); and for information: FY19 Community Benefit Mid-Year Metrics. Movant: Kalbach Second: Ting Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Recused: None	Consent calendar approved
6.	ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT	Director Miller, Ad Hoc Committee Chair, reported that 1) Mike Kasperzak has withdrawn his name for consideration and 2) Jeffrey Davis, MD participated in a call with the Ad Hoc Committee the previous evening and will be interviewing with the pool of candidates at this meeting. She explained that there are two vacancies, one vacancy starting July 1, 2019 and expiring June 30, 2022, and one to be filled immediately with a term expiring December 4, 2020. She described the process for how the written votes would be cast, collected, and reported. The Board interviewed four candidates: Jyoti Challi-Robinson, Jeffrey Davis, MD, MPH; Andreas M. Kogelnik, MD, PhD; Jack Po, MD, PhD; and Don C. Watters. Each candidate gave a presentation and answered questions	

Minutes: El Camino Healthcare District Board May 21, 2019 | Page 2

	from the Board about their experience and their interest in the role.	
7. PROPOSED RESOLUTION 2019- 03 and 2019-04:	For Candidate 1 (the 3-year seat), Round 1, the Directors cast the following votes by written ballot, which were immediately reported by staff, attributing each vote to each Director:	
ELECTING EL CAMINO HOSPITAL BOARD MEMBERS	Director Fung: Po Director Kalbach: Po Director Miller: Po Director Ting: Po Director Zoglin: Po	
	Dr. Po achieved a majority of votes in Round 1.	
	For Candidate 2 (the short-term seat), Round 1, the Directors cast the following votes by written ballot, which were immediately reported by staff, attributing each vote to each Director:	
	Director Fung: Watters Director Kalbach: Davis Director Miller: Watters Director Ting: Watters Director Zoglin: Davis	
	Mr. Watters achieved a majority of votes in Round 1.	
	Motion : To approve Resolution 2019-03 electing Jack Po, MD, PhD to the El Camino Hospital Board of Directors for a term effective July 1 2019 through June 30, 2020 and Resolution 2019-04 electing Don C. Watters to the El Camino Hospital Board of Directors for a term effective May 21, 2019 through December 4, 2020.	
	Movant: Miller Second: Kalbach Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None	
8. DRAFT FY20 COMMUNITY BENEFIT PLAN	Ms. Avery reported that ECHD received 59 proposals, with a total of \$8,779,142 in requested funding. She described the largest proposals (of \$200,000 or more), which include safety net clinics, school nurse and mental health counseling, and hospital-operated community programs.	
	Ms. Avery provided an overview of the grant application process and evaluation of grants (release of application, submission, review by staff, the CBAC, and District Board approval). She also described the online platform used for grant submissions and the FY20 grant guidebook. She highlighted the expertise of the members of the Community Benefit Advisory Council (CBAC).	
	In response to Director Fung's and Director Miller's questions, Ms. Avery described the work with the Controller to develop the amount of total funding that can be allocated to Community Benefit in each fiscal year, including the Gann limit, District expenses, and funds held in reserve.	
	Director Miller expressed concerns about funding hospital-based programs (health resource library and Roadrunners) with District community benefit funds. Ms. Avery and the Board discussed the use and funding of these programs; Ms. Avery noted that each ride with Roadrunners costs approximately \$25 and Directors Fung and Ting described their use of the	

May 21, 2019 Page 3		
	library in their medical practice. Director Miller suggested sharing the costs between the District and the Hospital.	
	In response to Director Zoglin's question, Ms. Avery described the approach to provide healthcare services and address social issues affecting health outcomes like food insecurity and housing instability. Director Zoglin suggested that the community benefit grant program should have a more narrow focus on services, education, and training specifically for healthcare.	
	Director Zoglin requested additional information about why less funding is available this year.	
	The Board commended staff for their work.	
	Chair Fung noted that the FY19 Community Benefit Plan will be a motion item at the June 18, 2019 District Board meeting.	
9. FY19 PACING PLAN	Director Fung noted that the appointment items were handled at this May meeting.	
	The Board discussed the process for Board officer elections. Director Zoglin suggested a more formal process of declaring interest in the Board Chair position.	
10. ADJOURN TO CLOSED SESSION	Motion: To adjourn to closed session at 8:08pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of Minutes of the Closed Session of the District Board Meeting (March 19, 2019); pursuant to <i>Health & Safety Code Section 32106(b)</i> for a report and discussion involving health care facility trade secrets: Real Estate Update; pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters – Senior Management: Executive Session.	Adjourned to closed session at 8:08pm
	Movant: Kalbach Second: Miller Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None Absent: None Recused: None	
11. AGENDA ITEM 16: RECONVENE OPEN SESSION/REPORT OUT	Open session was reconvened at 8:55pm. Agenda items 11-15 were addressed in closed session. During the closed session, the Board approved the Minutes of the Closed Session of the District Board Meeting (March 19, 2019) by a unanimous vote in favor of all members present (Directors Fung, Miller, Kalbach, Ting, and Zoglin).	
12. AGENDA ITEM 17: CEO REPORT	Mr. Woods reported on the successful Spring Forward event, which honored donors Diane and Tad Taube & Mary and Doug Scrivener and raised funds for the new Mental Health & Addiction Services building.	
13. AGENDA ITEM 18: BOARD COMMENTS	Director Kalbach noted that the interview process earlier in the meeting went well. Chair Fung thanked the Ad Hoc Committee for their recruitment efforts.	
14. AGENDA ITEM 19: ADJOURNMENT	Motion: To adjourn at 8:59pm. Movant: Kalbach Second: Zoglin Ayes: Fung, Kalbach, Miller, Ting, Zoglin Noes: None Abstentions: None	Meeting adjourned at 8:59pm.

May 21, 2019 | Page 4

Absent: None	
Recused: None	

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

Peter C. Fung, MD John Zoglin

Chair, ECHD Board Secretary, ECHD Board

Prepared by:

Cindy Murphy, Director of Governance Services Sarah Rosenberg, Contracts & Board Services Coordinator



EL CAMINO HEALTHCARE DISTRICT

RESOLUTION 2019-05

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HEALTHCARE DISTRICT REGARDING RECOGNITION OF SERVICE TO THE COMMUNITY

WHEREAS, the Board of Directors of the El Camino Healthcare District values and wishes to recognize the contribution of individuals who serve the District's community as well as individuals who exemplify the El Camino Healthcare District's mission and values.

WHEREAS, the Board wishes to honor and recognize Cristo Rey San Jose Jesuit High School, a chapter of the Cristo Rey Network, for partnering with El Camino Hospital to implement the school's Health and Wellness Program.

El Camino Hospital and Cristo Rey San Jose Jesuit High School began a partnership in Fiscal Year 2017 to support and help develop the school's health and wellness initiative for over 100 high school students. The school's program encourages physical activity and empowers students to make nutritious food choices in school and at home. The program also teaches students how to monitor personal health data to promote lifelong health.

WHEREAS, the Board would like to acknowledge Cristo Rey San Jose Jesuit High School for its partnership with El Camino Hospital to promote the health and wellbeing of local students.

NOW THEREFORE BE IT RESOLVED that the Board does formally and unanimously pay tribute to:

Cristo Rey San Jose Jesuit High School

IN WITNESS THEREOF, I have here unto set my hand this 18TH DAY OF JUNE, 2019.

EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS:

Peter C. Fung, MD • Gary Kalbach • Julia E. Miller • George O. Ting, MD • John Zoglin

JOHN ZOGLIN SECRETARY/TREASURER EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS





EL CAMINO HEALTHCARE DISTRICT BOARD MEETING COVER MEMO

To: El Camino Healthcare District Board of Directors

From: Michael Walsh, Controller

Date: June 18, 2019

Subject: Resolution 2019-06 Establishing Tax Appropriation Limit for FY20 (Gann Limit)

Recommendation(s): To Approve Resolution 2019-06.

Summary:

- 1. <u>Situation</u>: Annually, the District Board must set the Tax Appropriation Limit (Gann Limit) for the following fiscal year.
- **2.** Authority: See above.
- Background: Every May 1st, the Department of Finance of the State of California sends a letter to all Fiscal officers regarding "Price and Population Information." Since FY 08/09 we have been required to use the following website link which provides the variables for cost-of-living factors and population changes from the prior year from which we select to calculate the Prop 13 Tax Appropriation Limit. Our selections are made to maximize the funds available for Community Benefit Programs and the operational expenses of the District.

A. Cost of Living Category:

- The change in California per capita personal income from the preceding year was a positive 3.85%
- The percentage change in local assessment due to nonresidential new construction from the previous year. This change is no longer provided.

We selected the % change in per capita personal income of a positive 3.85% (1.0385)

B. Change in Population:

- The population change within the District was a positive 0.0104%
- The population change within the County was a positive 0.0033%

We selected the District: 0.0104% (1.0104)

C. Calculation:

- Change in Per Capita Income of 1.0385 x Change in District Population of 1.0104 = 1.0493 (multiplier); Last Year's Limit of \$8,429,113 x multiplier of 1.0493 = FY20 Appropriation Limit of \$8,844,668.27.
- 4. <u>Assessment</u>: N/A
- **5.** Other Reviews: None.
- 6. Outcomes: N/A

Resolution 2019-06 June 18, 2019

List of Attachments:

1. Draft Resolution 2019-06

Suggested Board Discussion Questions: None.

ECHD RESOLUTION 2019-06

RESOLUTION OF THE BOARD OF DIRECTORS OF EL CAMINO HEALTHCARE DISTRICT ESTABLISHING THE APPPROPRIATIONS LIMIT FOR FISCAL YEAR 2019 -20 IN ACCORDANCE WITH ARTICLE XIIIB OF THE CONSTITUTION OF THE STATE OF CALIFORNIA

WHEREAS, El Camino Healthcare District ("District") has completed its budget analysis and preparation for fiscal year 2020 (July 1, 2019 – June 30, 2020) and, pursuant to Article XIIIB of the California Constitution and SS7900 et seq of the California Government Code, has computed its appropriations limit for such fiscal year; and

WHEREAS, S7910 requires the District to establish by resolution its appropriations limit for the upcoming fiscal year; and

WHEREAS, Article XIIIB S8 (e)(2) directs the District to select its change in the cost of living annually by using either of the following two measurements and to record the vote of the District Board in making this choice:

- a) the percentage change in California per capita personal income from the preceding year, or
- b) the percentage change in the local assessment roll from the preceding year for the District due to the addition of local nonresidential new construction; and

WHEREAS, Article XIII S8 (f) and S790 (b) directs the District to select its change in the population annually by using either of the following two measurement(s) and to record the vote of the District Board in making this choice:

- a) change in population within the District, or
- b) change in population within Santa Clara County

NOW, THEREFORE BE IT RESOLVED that:

1. For fiscal year 2020, the District hereby elects to use the following measurement to calculate the District's change in the cost of living:

The percentage change in the California per capita personal income from the preceding year (3.85%).

2. For fiscal year 2020, the District hereby elects to use the following measurement to calculate the change in population:

The change in population within the District of 1.0104%.

- 3. The Secretary of the District is hereby directed to include in the minutes a record of the vote of each member of the District Board as to the choices set forth in paragraphs 1 and 2.
- 4. For fiscal year 2020, the District's total annual appropriations subject to limitation are \$8,844,668.00 calculated as follows.

```
a. 1.0385 x 1.0104 = 1.0493 (multiplier)
b. 1.0493 x $8,429,113(FY 2019 limit) = $8,844,668.27
```

5. As required by Article XIIIB S1, the District's total annual appropriations subject to limitation for fiscal year 2018-19 should not exceed the District's appropriations limit for fiscal year 2020.

DULY PASSED AND ADOPTED at a Regular Meeting held on the 18^{th} day of June 2019 by the following votes:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	

John Zoglin, Secretary El Camino Healthcare District Board of Directors



EL CAMINO HEALTHCARE DISTRICT BOARD MEETING COVER MEMO

To: El Camino Healthcare District Board of Directors

From: Cecile Currier, VP Corporate and Community Health Services and President

CONCERN, EAP - Barbara Avery, Director Community Benefit

Date: June 18, 2019

Subject: FY20 Community Benefit Plan

Recommendation(s):

To approve the FY20 El Camino Healthcare District Community Benefit Plan

Summary:

1. <u>Situation</u>: The FY20 Community Benefit Plan proposes to fund grants (54), sponsorships and placeholder, totaling \$7,799,739.

2. <u>Authority</u>: Board to review and approve FY20 Community Benefit Plan recommended at \$7,799,739.

3. Background:

• FY20 Grant Proposal Overview:

- o Grant applications received: 59
- o Grant applications recommended for funding by CBAC: 54
- o Requested funding: \$9,279,142
- o Grant funds available/recommended: \$7,399,739
- o Variance between requested and available/recommended funding: \$1,879,403
- El Camino Hospital and El Camino Healthcare District received 120 proposals totaling nearly \$14.4M

• The Proposed Community Benefit Plan includes:

- O Summary of all grant proposals categorized by the three health priority areas.
- The full grant summary sheet for MayView Community Health Center is included due to an additional request of \$500,000 submitted in May and not presented to the Board on May 21st. The CBAC met by teleconference on Monday June 3rd and unanimously voted to recommend increasing the proposed funding amount from \$1.2 million to \$1.7 million. This additional funding, if approved, will be taken from the District's Community Benefit Reserve Fund. MayView Community Health Center is the essential safety net primary care provider within the El Camino Hospital District. MayView is comprised of three clinic sites which serve over 9,000 vulnerable community members including 30-40 El Camino Hospital discharge patient's each month. They provide about 32,000 patient encounters per year. MayView is also the primary care partner for the important El Camino PRIME Medi-Cal program. MayView has requested additional funding as they execute a complex transition to new Federal, State, and County reimbursement levels, new regulations, and increasing numbers of uninsured.
- o Financial summary

FY20 Community Benefit Plan Approval June 18, 2019

- 4. Assessment: N/A
- 5. Other Reviews: In April, the Community Benefit Advisory Council (CBAC) was provided with summaries of all FY20 grant proposals. Per the process, the Council met to review, discuss and reach consensus on recommended funding. This consensus was reflected in the proposal summaries provided to the District Board prior to the May 21 Study Session. During the Study Session, the District Board had the opportunity to ask questions and discuss the proposals.
- **6.** Outcomes: Board approval of the FY20 Community Benefit Plan.

List of Attachments:

1. FY20 Community Benefit Plan

Suggested Board Discussion Questions:

N/A



Fiscal Year 2020 Community Benefit Plan



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

Table of Contents



Introduction

El Camino Healthcare District utilizes El Camino Hospital's Community Health Needs Assessment (CHNA) as a framework for Community Benefit funding. The CHNA is developed in compliance with IRS requirements. The District invests in programs addressing the identified health needs for community members who live, work or go to school in the District's boundaries.

ABOUT EL CAMINO HEALTHCARE DISTRICT

El Camino Healthcare District was formed to provide healthcare services that foster good physical and mental health. The District is governed by a five-member publicly elected Board and provides oversight of El Camino Hospital, a nonprofit community hospital. The District also administers a Community Benefit Program, which addresses unmet health needs through grants and collaborations with local schools, nonprofits and social and health service providers.

COMMUNITY BENEFIT PLAN & IMPLEMENTATION STRATEGY

Per state and federal law, a Community Health Needs Assessment must be conducted every three years by nonprofit hospitals. In 2019, El Camino Hospital Community Benefit staff conducted a Community Health Needs Assessment (CHNA) in collaboration with the Santa Clara County Community Benefit Coalition. This assessment resulted in the identification of community health needs. The 2019 CHNA serves as a tool for guiding policy and program planning efforts and is available to the public. For a copy of the full CHNA, see https://www.elcaminohealth.org/community-benefit.

The documented needs in the 2019 CHNA served El Camino Healthcare District in developing this Community Benefit Plan for establishing Implementation Strategies pursuant to the Affordable Care Act of 2010 and California State Senate Bill 697. This plan outlines El Camino Hospital's funding for fiscal year 2020.

The main steps of this planning process are:

- 1. Conduct a countywide Community Health Needs Assessment (CHNA)
- 2. Select health needs and establish health priority areas
- 3. Grants process; Development of Annual Plan and Implementation Strategy

These steps are further described below.

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

Step 1: Conduct a Countywide Community Health Needs Assessment El Camino Hospital is a member of the Santa Clara County Community Benefit Coalition ("the Coalition"), a group of organizations that includes seven nonprofit hospitals, the Hospital Council of Northern and Central California, a nonprofit multispecialty medical group, and the Santa Clara County Public Health Department. The Coalition began the 2019 CHNA planning process in Summer 2017. The Coalition's goal for the CHNA was to collectively gather community feedback and existing data about health status to inform the member hospitals' respective community health needs prioritization and selection. Since its formation in 1995, the Coalition has worked together to conduct regular, extensive Community Health Needs Assessments (CHNA) to identify and

address critical health needs of the community. The 2019 CHNA builds upon those earlier assessments.

The Coalition began the 2019 CHNA process in the fall of 2017. The collective goal for the assessment was to gather community feedback and existing data about local health needs to inform how each member hospital prioritizes and selects specific issues to

address with community benefits in its service area. The Coalition engaged Actionable Insights, a local consulting firm with expertise in community health needs assessments.

Between January and May 2018, community feedback was gathered through interviews with eight local experts and discussions with eight focus groups. The experts were individually asked to: identify and discuss the top needs of their constituencies, including barriers to health; give their perceptions of access to healthcare and mental health needs; and share which solutions may improve health (such as services and policies).

The focus group discussions centered around five questions, which were modified appropriately for each audience:

 What are the most important health needs that you see in Santa Clara County? Which are the most pressing among the community? How are the needs changing?

DEFINITIONS

Health condition: A disease, impairment, or other state of physical or mental health that contributes to a poor health outcome.

Health driver: A behavioral, clinical, environmental, social, or economic factor that impacts health outcomes.

Health indicator: A characteristic of an individual, population, or environment that is subject to measurement (directly or indirectly) and can be used to describe one or more aspects of the health of an individual or population.

Health need: A poor health outcome and its health driver, or a health driver associated with a poor health outcome that has not yet arisen as a need.

Health outcome: The measurable impact — morbidity (quality of life) and mortality (death) — of a disease within a community.

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

- What drivers or barriers are impacting the top health needs?
- To what extent is healthcare access a need in the community? If certain groups are identified as having less access than others, what are the barriers for them?
- To what extent is mental health a need in the community? How do mental health challenges affect physical health?
- What policies or resources are needed to impact health needs?

The focus groups comprised local residents and people who serve them. Participants represented low-income, minority, and/or medically underserved populations in the community.

Secondary data were obtained from a variety of sources, including the Community Commons public data platform and the Santa Clara County Public Health Department.

Health needs described in this report fall into three categories, as described in the Definitions box on the previous page:

- Health condition
- Health driver
- Health outcome

El Camino Health generated a list of health needs reflecting the priorities in its service area based on community input and secondary data, which were filtered using the following criteria:

- 1. Must fit the definition of a "health need" (See Definitions box, page 7.)
- 2. Is suggested or confirmed by more than one source of secondary and/or primary data
- 3. Meets qualitative threshold:
 - (a) Two of eight key informants identified the need, or
 - (b) The community prioritized it over other health issues in at least two of eight focus groups

In addition, available statistical data for some health needs failed benchmarks by 5 percent or more. The benchmarks used for comparison came from Healthy People 2020 or, when unavailable, the California state average.

Step 2: Select health needs and establish Health Priority Areas El Camino Hospital selected nine health needs, including all identified health needs from the work of the Coalition and will continue to address chronic conditions and violence/injury prevention health needs. These needs were mapped to the following priority areas: Healthy Body, Healthy Mind and Healthy Community.



- Diabetes & Obesity
- Chronic Conditions (other than Diabetes & Obesity)
- Healthcare Access & Delivery
- Oral Health



- Behavioral Health
- Cognitive Decline



- Violence & Injury Prevention
- Economic Stability
- Housing & Homelessness

Step 3: Grants process; Development of Annual Plan and Implementation Strategy El Camino Hospital released the 2019 – 2020 grant application with the requirement for proposals to address needs in the three health priority areas. Staff provided a comprehensive summary of each proposal received to the Community Benefit Advisory Council (CBAC), which met twice in April 2019 to discuss grant proposals. The CBAC is comprised of an El Camino Hospital Board Liaison and representatives from the community who have knowledge about local disparate health needs. The Council provided funding recommendations, which are described for each proposal in the hospital's Community Benefit Plan & Implementation Strategy. The Plan also describes the health

needs identified through the Coalition's CHNA process and how the hospital plans to address these health needs. Findings from the CHNA are provided to illustrate the status of health needs and related disparities in Santa Clara County. El Camino Hospital used comparisons to Healthy People 2020 objectives (HP2020) where available, and state data where they were not.

Overview & Acknowledgement

Overview

Grant Proposals Received: 59

Programs new to Community Benefit: 8 Grant Proposals Recommended for Funding: 54 Total Requested Grant Funding: \$9,279,142 Total Recommended Grant Funding: \$7,399,739

Recommended Plan Total (including Placeholder and Sponsorships): \$7,799,739

Acknowledgement

El Camino Healthcare District especially recognizes the critical contribution of the Community Benefit Advisory Council (CBAC) for its guidance with the FY20 Plan. The CBAC is comprised of an El Camino Hospital Board Liaison and representatives from the community who have knowledge about local disparate health needs.



To improve health and prevent the onset of disease in the community through enhanced access to primary care, chronic disease management, and oral health.

The maintenance of healthy bodies is affected by a variety of factors including the environment in which we live, social and economic factors, and personal choices and health behaviors. Poor health can be experienced as diseases and conditions such as stroke or diabetes, and their related drivers such as hypertension or lack of adequate nutrition. Access to comprehensive, quality healthcare services is important for the achievement of health equity, to improve health, and to enhance quality of life for all. Healthcare access requires gaining entry into the healthcare system, accessing a healthcare location where needed services are provided, and finding a medical provider with whom the patient can communicate and trust.

2019 CHNA DATA FINDINGS: DIABETES / OBESITY

Rates are per 100,000 unless otherwise specified.

- Diabetes/Obesity was identified as a top health need in half of key informant interviews and one-third of focus groups.
- The community discussed factors that contribute to diabetes and obesity, such as the built environment, stress and poverty.
- The county has a significantly higher proportion of fast-food restaurants (86.7 per 100,000) than California overall (78.7).
- Santa Clara County has lower proportions of grocery and WIC-authorized¹ stores to residents than state benchmarks. For example, there are 9.5 WIC-authorized stores per 100,000 residents in the county compared to 15.8 in the state overall.
- Diabetes prevalence is higher in Santa Clara County (9.8 percent) than in California overall (9.1 percent) and trending up both locally and statewide.
- A significant number of LGBTQ survey respondents report being overweight or obese.
- 28 percent of youth are physically inactive.

¹The Women, Infants and Children (WIC) Program is a federally funded health and nutrition program that provides assistance to pregnant women, new mothers, and children aged 0–5. The California Department of Public Health approves the grocers and other vendors statewide who accept program vouchers. https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/Program-Landing1.aspx

- Disparities in Santa Clara County include:
 - Males are almost twice as likely as females to be obese (18 percent compared to 10 percent).
 - Although obesity rates overall do not fail benchmarks, the overweight and obesity rates among Latinx youth (about 20 percent each) are significantly higher than state averages (about 17 percent), possibly driven by physical inactivity (42 percent).
 - Being overweight or obese is also a problem among youth who identify as Pacific Islanders (about 25 percent each).
 - African ancestry² youth have higher rates of physical inactivity (33 percent) and inadequate fruit and vegetable consumption (73 percent) than the state benchmarks (38 percent and 47 percent, respectively).

2019 CHNA DATA FINDINGS: CHRONIC CONDITIONS (OTHER THAN DIABETES/OBESITY)

Rates are per 100,000 unless otherwise specified.

- Health conditions such as cardiovascular disease, cancer and respiratory problems are among the top 10 causes of death in the service area.
- The proportion of hospitalization discharges due to asthma for children, youth and older adults are all higher than the state.
- The county's prostate cancer incidence rate (127.3) is significantly higher than that of the state (109.2).
- Disparities in chronic conditions in Santa Clara County include:
 - Cancer incidence and mortality rates for various cancer sites are higher for African ancestry and White residents than for those of other ethnicities. For example, overall incidence of cancer is 22 percent higher for African ancestry residents than the county overall, and 51 percent higher than Asian residents. Also, overall cancer mortality for African ancestry residents is 71 percent higher than in than the county overall, and 67 percent higher than Asian residents.
 - African ancestry residents are hospitalized for asthma at a rate (1.7 percent) that is disproportionately higher than the rates for residents of other ethnicities (all of which are below 1 percent, such as 0.7 percent for White residents).

² African ancestry refers to all people of African descent, whether they are recent immigrants or have been in the U.S. for generations. This term is in keeping with a 2015 report by the Black Leadership Kitchen Cabinet of Silicon Valley, in conjunction with the Santa Clara Public Health Department. See http://blkc.org for the full report. Many original data sources alternately use the category Black/African-American or African-American.

2019 CHNA DATA FINDINGS: HEALTHCARE ACCESS & DELIVERY

Rates are per 100,000 unless otherwise specified.

- Healthcare access and delivery was identified as a top health need by half of focus groups and key informants.
- The community expressed concern that healthcare is unaffordable, especially for people who do not receive health insurance subsidies, such as undocumented immigrants.
- Approximately one in every 13 people (8 percent) is uninsured countywide.³
- The community expressed concern about the ability of older adults to pay for healthcare (including long-term care) if they are not eligible for Medi-Cal.
- Meets quantitative threshold. (See #3 on page 8 of 2019 CHNA)
- Two in 10 Santa Clara County residents speaks limited English, which can restrict healthcare access.
- The county's rate of Federally Qualified Health Centers and access to mental-health care fall below state averages.
- Health clinic professionals expressed concern about attracting and retaining talent (especially bilingual staff) in the healthcare sector due to the high cost of living in the Bay Area.

2019 CHNA DATA FINDINGS: ORAL HEALTH

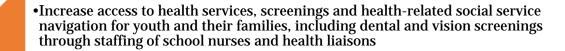
Rates are per 100,000 unless otherwise specified.

- Oral Health was identified as a top health need in two interviews and one focus group.
- There is a perceived lack of access to dental insurance in the community.
- More than one-third of adults in Santa Clara County do not have dental insurance.
- Nearly one-third (30 percent) of county children aged 2–11 have not had a recent dental exam, which is 61 percent worse than the state. The rates were the worst among White (31 percent) and Latinx (52 percent) children.
- More than half of residents of African, Asian and Latinx ancestry have had dental decay or gum disease, which is worse than the county overall (45 percent).

10

³ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012–2016.

STRATEGIES TO IMPROVE HEALTHY BODIES



- •Increase youth health through physical activity programs, nutrition education, food security and healthy living initiatives
- •Increase access to medical and oral health services and related resources such as a medical home, affordable or free medications, culturally relevant and health-related social services for vulnerable community members (homeless, at-risk, low-income, uninsured)
- •Address diabetes and obesity epidemics through prevention, disease management and intervention for adults and youth
- •Provide systemic support to safety net clinics for primary care, preventive services and chronic disease prevention and management

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

HEALTHY BODY PROPOSAL RECOMMENDATIONS

Healthy Body Agency/Program	New	Do not fund (DNF)	Dual Funding	Requested/ CBAC Recommendation	FY19 Board Approved
Canopy	Х	Х		\$77,085/DNF	N/A
Community Services Agency – Senior Intensive Case Management				\$237,760/\$235,000	\$200,000
Cupertino Union School District - School Nurse			х	\$81,921/\$81,921	\$87,842
Fresh Approach				\$115,812/\$93,000	\$92,704
GoNoodle			х	\$36,000/\$36,000	\$36,000
Health Mobile Dental Services				\$150,000/\$150,000	\$150,000
Healthier Kids Foundation - DentalFirst and Hearing First			Х	\$45,000/\$40,000	\$40,000
Living Classroom			Х	\$100,000/\$78,000	\$88,000
Magical Bridge Foundation				\$50,000/\$20,000	\$150,000
MayView Community Health Center				\$1,795,656/\$1,700,000	\$1,007,000
Medical Respite			Х	\$80,000/\$80,000	\$80,000
Mountain View Whisman School District - School Nurse				\$309,777/\$240,000	\$206,777
New Directions				\$180,038/\$180,000	\$180,038
Pathways Home Health & Hospice				\$70,000/\$60,000	\$55,000
Planned Parenthood Mar Monte				\$225,000/\$225,000	\$125,000
Playworks, Education Energized			Х	\$216,034/\$216,034	\$242,500
Santa Clara Valley Medical Center - Homeless Health Van & Adult Dental				\$1,538,198/\$700,000	\$1,075,000
Silicon Valley Bicycle Coalition	Х			\$30,000/\$25,000	N/A
Sunnyvale School District				\$287,000/\$282,000	\$287,000
Teen Health Van				\$118,098/\$95,000	\$95,000
Vista Center for the Blind and Visually Impaired Healthy Body Priority Area CBAC Re			X	\$40,642/\$30,000	\$24,921

FY20 Healthy Body Proposal Summary



MayView Community Health

Program	Title	and
Requested	l Am	ount

Uninsured Primary Health Care & Affordable Access for Low to Moderate Income Families / \$1,795,656

Grant Goal

MayView is requesting \$1,795,656 to support direct costs related to providing affordable, culturally competent, general medical care, prenatal care, pediatric care, chronic disease case management, cancer screening, family planning, and other preventive services to uninsured and underserved residents of the target service area. MayView's services are offered in a patient-centered manner by a team of health care professionals that are responsive to patient needs and health care preferences. MayView strives to deliver care in a coordinated and efficient manner to ensure that all health and behavioral health care needs of patients are met through high quality care. This grant will decrease the number of uninsured individuals with unmet health needs, particularly related to management of chronic disease including hypertension, diabetes, cardiovascular disease, and obesity. Through the provision of primary care services, MayView will significantly reduce the suffering of patients, minimize the risk for disabilities and chronic conditions, and support their ability to gain or maintain their livelihood and productivity. MayView seeks to engage these patients in meeting their primary care preventive health care needs and to connect them with insurance enrollment counselors who can assist them in reviewing health care options and working to enroll them in affordable health care coverage.

Poor access to health care compromises the physical and financial health of families. For our primary service population, major barriers include lack of health coverage, under-insurance, socioeconomic status, lack of proficiency in English, lack of documentation or immigration status, disability and homelessness. These factors exert powerful influences on health and health outcomes, as described in the ECHD 2016 Community Health Needs Assessment.

Within MayView's target service area there are approximately 47,448 low-income (below 200%) FPL) individuals representing about 14.2% of the area's population Up to 200% FPL would include a family of four making up to \$50,000. In the Bay Area the cost of living often put basic needs out of reach for families. The threshold for "low income" income to qualify for HUD housing assistance programs in Santa Clara County is \$94,450 to accommodate this high cost of living (U.S. Department of Housing and Urban Development). Approximately 42% of the uninsured have incomes between 138%-400% of FPL and in some census tracts the uninsured population with incomes in this range comprise 64% all uninsured residents ¹. Within MayView's service area, which includes Cupertino, Los Altos, Los Altos Hills, Mountain View, and Sunnyvale, there are approximately 7,000 uninsured individuals not currently being served by health centers, representing additional need in the community 2. MayView is experiencing growing demand for affordable health care services as evidenced by the growth in total patients served. Between 2015 and 2017 the number of patients served increased from 5,534 to 6,286 (an increase of 13.5%). The past year has seen significant growth for MayView that serves to surpass annual increases seen in recent years. Nearly one-third (30.6%) of patients served were uninsured ³. Chronic disease impacts many patients served at MayView; among patients served in 2017 28.5%

Community Need

Lack of access to primary care and integrated behavioral health care contributes to poor health outcomes, including increased incidence of chronic disease, higher rates of hospitalization, and premature mortality. Lack of access to primary care also can lead to increased utilization of costly

have a diagnosis of hypertension, which is higher than the rate for the county overall at 25.5%. Approximately 15.6% of MayView patients have a diagnosis of Diabetes as compared to 7.6%

overall in Santa Clara County³.

FY20 Healthy Body Proposal Summary



emergency department services. ⁴Income level is a significant factor impacting health and health care access. Individuals living below the poverty level in the target service area are more likely to report poor health status than individuals with incomes at 300% or above poverty level. Individuals living below poverty level are also more likely to report that they do not have a usual source of care as compared to individuals with higher incomes. Within the service area low-income individuals are more likely to use the Emergency Department to access care due to barriers to access. With our team of bilingual clinic support staff who speak a variety of languages fluently (e.g. Spanish, Farsi, Hindi, and Russian) and through the utilization of language access services, MayView mitigates potential linguistic and/or cultural barriers to care for our diverse patients and community members. MayView's leadership formally adopted as policy the federal guidelines for culturally and linguistically appropriate services. We address the linguistic and cultural needs of prospective and new patients; which almost immediately eliminates a critical barrier to care. MayView establishes clinical standards of care for our providers that are based on current and evidence-based national clinical guidelines.

Sources:

- 1. American Community Survey, 2012-2016; https://factfinder.census.gov
- 2. UDS Mapper data, 2017; udsmapper.org
- Uniform Data System, 2017; https://bphc.hrsa.gov/uds; County Data Source: California Health Interview Survey, 2017; https://ask.chis.ucla.edu
- 4. California Health Interview Survey, 2017; https://ask.chis.ucla.edu

270 Grant Avenue, Palo Alto

http://www.mayview.org/

Agency Description & Address

Founded in 1972, MayView's three clinics care for patients in need in our communities. MayView's mission is to provide high quality primary healthcare to low-income individuals and families from all cultural and ethnic backgrounds, regardless of their ability to pay. MayView offers affordable access to health care services to vulnerable communities in northern Santa Clara County which includes culturally and linguistically responsive primary medical care, behavioral health, and dental care for patients. Primary medical care services include preventive care, prenatal care, chronic disease care management, women's health, integrated behavioral health, and pediatrics.

Program Delivery Site(s)

MayView Clinic sites

Services include:

- Routine primary care screenings and services
- Integrated behavioral health care services and depression screening
- Child well checks and immunizations

Services Funded By Grant/How Funds Will Be Spent

- Chronic disease care management services for patients with diabetes and hypertension and other conditions
- Health coverage and insurance counseling
- At least 3,200 qualified visits (Medical and Integrated Behavioral Health) to uninsured nationts

Fully funded request would support salaries and benefits for: 1FTE physician, 2 FTEs nurse practitioner, 3 FTEs medical assistant and 3 FTEs scribe. Funds would also support costs for visits of uninsured patients at 200-400% FPL.



FY20 Healthy Body Proposal Summary



FY20 Funding	FY20 funding requested:	\$1	,795,656	FY20 funding	rec	ommended:	\$1,700,000
	FY19			FY18	FY17		
Funding History and Metric Performance	FY19 Requested: \$1,184,644 FY19 Approved: \$1,007,000 FY19 6-month metrics met: 86%				FY17 Approved: \$700,000 FY17 Spent: \$700,000 FY17 6-month metrics met: 86% FY17 annual metrics met: 100%		
Metrics			6-month Target	Annual Target			
FY20 Proposed Metrics	illulvidudis served			1,260	2,520		
				2,681	5,362		
	Insurance Eligibility Counseling Visits			900	1,800		
	Patients age 50-75 with appropriate Breast Cancer Screening			44%	48%		
	Diabetic patients with HbA1c levels <9%		67%	69%			
	Hypertension patients whose blood pressure is under control (<140/90)			76%	78%		
	Patients Age 51-75 with appropriate colorectal cancer screening			35%	40%		



To improve the mental health and wellbeing of the community by providing services and increasing access to services that address serious mental illness, depression, and anxiety related to issues such as dementia, domestic violence, substance use, and bullying.

Healthy minds are essential to a person's wellbeing, family functioning, and interpersonal relationships. Good brain function and mental health directly impact the ability to live a full and productive life. People of all ages with untreated mental health disorders are at high risk for many unhealthy and unsafe behaviors, including alcohol or drug abuse, violent or self-destructive behavior, and suicide. Those affected by dementia experience a decline in mental ability, which affects memory, problem-solving, and perception. The resulting confusion often also leads to depression, aggression, and other mental health issues. ⁴ Caregivers of those with dementia also experience depression. ⁵ Mental health disorders can also impact physical health and are associated with the prevalence, progression, and onset of chronic diseases, including diabetes, heart disease, and cancer.

2019 CHNA DATA FINDINGS: BEHAVIORAL HEALTH

Rates are per 100,000 unless otherwise specified.

- Behavioral Health ranked high as a health need, with the community prioritizing it in more than two-thirds of discussions.
- The co-occurrence of mental health and substance use emerged as a common theme.
- The community expressed concern about a lack of services for behavioral health, including preventive mental-health care and detox centers.
- Professionals who work in behavioral health described experiencing challenges with health systems that were established to serve people with these conditions.
- LGBTQ residents expressed a need for mental health and suicide prevention assistance.

 $^{^4}$ Alzheimer's Association. https://www.alz.org/care/alzheimers-dementia-depression.asp.

⁵ Alzheimer's Association. https://www.alz.org/care/alzheimers-dementia-caregiver-depression.asp

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

- Meets quantitative threshold. (See #3 on page 8 of 2019 CHNA.)
- Disparities in Santa Clara County include:
 - Hospitalization rates for attempted suicide are 73 percent higher among females than males, whereas men nationwide are 3.5 times more likely than women to commit suicide.
 - Adult men are more likely to binge drink than women, but adolescent females are more likely to binge drink (15 percent) than adolescent males (13 percent).
 - 21 percent of Latinx adults binge drink, compared to 15 percent of Whites and 8 percent of other ethnic groups.
 - Adults of White or Latinx ancestry are most likely to use marijuana (12 percent and 13 percent, respectively).

2019 CHNA DATA FINDINGS: COGNITIVE DECLINE

- Cognitive decline was mentioned in half of focus groups and two interviews with experts.
- One in nine Californians is experiencing subjective cognitive decline.
- The median age in Santa Clara County (36.8 years) is higher than the median age of California (35.8).
- The county death rate due to Alzheimer's disease (35.9 per 100,000) is nineteen percent higher than the state's rate (30.1).
- Community said that serving individuals who are cognitively impaired is difficult for providers.
- Professionals who serve people experiencing chronic homelessness and abusing substances report cases of early dementia and increased difficulty with treating and housing people with these impairments.
- Community expressed concern about the ability of older adults to pay for healthcare, including long-term care, if not Medi-Cal eligible.

Professionals rely on family members to coordinate care for their loved ones, which can affect the health, well-being, and economic stability of those family members.

STRATEGIES TO IMPROVE HEALTHY MINDS



- •Increase access to individual/group counseling, crisis intervention and addiction prevention education for youth through staffing of school-based services
- •Promote Social Emotional Learning, developmental assets and resiliency skill-building for youth
- •Increase access to programs and services for patients and families coping with cognitive decline, Alzheimer's disease and dementia, such as respite care and culturally relevant efforts to mitigate stigma and encourage early diagnosis
- •Reduce isolation and depression amongst seniors

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

HEALTHY MIND PROPOSAL RECOMMENDATIONS

Healthy Mind Agency/Program	New	Do not fund (DNF)	Dual Funding	Requested/ CBAC Recommendation	FY19 Board Approved		
Acknowledge Alliance				\$60,000/\$50,000	\$50,000		
Avenidas				\$52,000/\$52,000	\$50,000		
CHAC (Community Health Awareness Council)				\$285,755/\$280,000	\$280,000		
Law Foundation of Silicon Valley				\$70,000/\$60,000	\$65,000		
Los Altos School District - School Mental Health Counseling				\$150,000/\$100,000	\$100,000		
Mission Be, Inc.				\$40,000/\$25,000	\$25,000		
Momentum for Mental Health			Х	\$268,140/\$268,140	\$268,000		
Mountain View Los Altos High School District - Mental Health Counseling				\$160,000/\$160,000	\$160,000		
NAMI Santa Clara County				\$100,000/\$75,000	\$90,000		
National Center for Equine Facilitated Therapy	Х	х		\$40,000/DNF	N/A		
YWCA Silicon Valley	Х			\$75,000/\$65,000	N/A		
Healthy Mind Priority Area Recommendation CBAC Total: \$1,135,140							



To improve the overall health of the community by providing services and increasing access to services that improve safety, provide transportation, and educate the community about health and wellbeing.

A healthy community can impact health positively by providing safe places to live, work, and be educated. When a community lacks affordable and sufficient transportation, lacks awareness of health issues and risk for chronic diseases, and is not able to access culturally competent services, its residents experience poor health.

2019 CHNA DATA FINDINGS: VIOLENCE & INJURY PREVENTION

Rates are per 100,000 unless otherwise specified.

- Violence is a major driver of poor behavioral health. Preventing violence in the service area will affect behavioral health.
- The rate of rape (22.8 per 100,000 people) in Santa Clara County is 8.5 percent higher than the state rate (21.0).
- Preventable unintentional injuries are a leading cause of death in the county (5 percent of all deaths) and the state (4 percent).
- 67 percent of all unintentional injury deaths are due to senior falls. This is higher compared to deaths due to accidental falls among the total population (31 percent).
- Disparities in violence and injury in the county include:
 - The mortality rate (43.0 deaths per 100,000 people) from all unintentional injuries is highest for African ancestry residents.
 - Community safety data including homicides, violent assault, youth assault and self-harm, and school suspensions and expulsions are all higher for Latinxs and African ancestry residents than for those of other ethnicities.

2019 CHNA DATA FINDINGS: ECONOMIC STABILITY

Rates are per 100,000 unless otherwise specified.

- Economic security was identified as a top health need by one-third of focus groups and key informants.
- Meets quantitative threshold (see #3 on page 8).

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

- The very high cost of living in Santa Clara County and concern about the lowincome population emerged as common themes of community input.
- The 2018 Self-Sufficiency Standard for a family of two adults, one infant, and one preschool-aged child is over \$120,600, which is more than four times higher than the 2018 Federal Poverty Level (\$25,100).
- Almost four in 10 people in Santa Clara County experiencing food insecurity do not qualify for federal food assistance because of their household incomes. (This includes 46 percent of all food-insecure children.)
- The cost of long-term care for older adults with fixed incomes who are ineligible for Medi-Cal is a concern of the community.
- Cost of mental health care is also difficult for middle-income parents according to focus group participants.
- Economic security is crucial to stable housing. (See Housing and Homelessness health need description).
- Disparities in Santa Clara County include:
 - The rates of poverty among residents of African ancestry and Other⁶ races fail benchmarks.
 - One in four Latinx households and more than one in 10 African ancestry households received food from a food bank in recent years.
 - More than nine in 10 (93 percent) White high school students graduate, while only seven in 10 Latinx and Native American students graduate. Almost eight in 10 African ancestry students graduate.
 - Fourth-grade reading proficiency is a predictor of high school graduation. About 27 percent of White fourth-grade students are reading below proficiency. This proportion is significantly worse for other children: African ancestry (60 percent), Latinx (67 percent), Pacific Islander (61 percent) and Native American ancestry (58 percent)

2019 CHNA DATA FINDINGS: HOUSING & HOMELESSNESS

Rates are per 100,000 unless otherwise specified.

 Housing and Homelessness was identified as a top health need by more than half of focus groups and key informants.

 The community described stress about the high costs of housing and the lack of affordable rent as a major priority.

⁶ "Other" is a U.S. Census category for ethnicities not specifically called out in data sets.

⁷ The Campaign for Grade-Level Reading (https://gradelevelreading.net) and Reading Partners (https://readingpartners.org/blog/why-reading-by-fourth-grade-matters-for-student-success/)

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

- Professionals who serve families report an increase in families seeking help from food banks and making difficult choices about how to spend remaining funds (healthy food, medicine, doctor visits, therapeutic services).
- The community reports that families often move to a different home or leave the area due to the increased cost of living.
- The 2018 Santa Clara County Self-Sufficiency Standard indicates that a family of two adults, one infant, and one preschool-aged child requires \$120,600 in annual income to be self-sufficient.
- There are approximately 7,400 people experiencing homelessness in the county (15 percent of whom are aged 0–17), which is the highest number since 2013.
- In Mountain View, the number of people experiencing homelessness (416) increased 51 percent since 2015.

STRATEGIES TO IMPROVE HEALTHY COMMUNITIES

- Increase self-sufficiency amongst vulnerable families and older adults through social work case management
- Reduce incidence of chronic diseases such as heart disease, hypertension and diabetes through culturally relevant programs, screenings and expanded access to medical devices
- Address social determinants of health such as homelessness, housing instability and food insecurity
- Support injury prevention, including falls prevention among older adults
- Provide domestic and intimate partner violence survivor services
- · Promote physical activity and healthy lifestyles
- Promote access to medical searches and improve health literacy

FY20 Community Benefit Plan & Implementation Strategy El Camino Hospital

HEALTHY COMMUNITY PROPOSAL RECOMMENDATIONS

Healthy Community Agency/Program	New	Do not fund (DNF)	Dual Funding	Requested/ CBAC Recommendation	FY19 Board Approved
American Heart Association - Hypertension Initiative				\$161,251/\$110,000	\$103,000
Caminar				\$50,000/\$50,000	\$50,000
Chinese Health Initiative			Х	\$294,132/\$235,000	\$250,000
Farewell to Falls			X	\$31,800/\$31,800	\$26,600
Health Library & Resource Center, Mountain View			х	\$270,000/\$210,000	\$250,000
Maitri - Domestic Violence Victim Support				\$60,000/\$50,000	\$50,000
Next Door Solutions to Domestic Violence	Х	х	Х	\$25,000/DNF	N/A
Rebuilding Together Peninsula				\$100,000/\$78,000	\$75,000
RoadRunners Transportation				\$275,000/\$230,000	\$250,353
South Asian Heart Center			х	\$200,000/\$140,000	\$180,000
Sunnyvale Community Services - Social Work Case Management				\$87,100/\$85,400	\$85,400
Sunnyvale Community Services - Comprehensive Safety Net Services				\$100,000/\$65,000	\$100,000
Sunnyvale Community Services - Coordinated Services for Homebound Clients	х			\$67,944/\$67,944	N/A
The Health Trust				\$120,000/\$60,000	\$78,000
YMCA of Silicon Valley				\$75,000/\$70,000	\$75,000
Healthy Community Priority Area CBAC R	ecomme	ndation T	otal: \$1,483	3,144	

Support Grants

The purpose of the Support Grants Program is to support small- to mid-size nonprofit organizations that provide vital health services to individuals who live, work, or go to school in the District. Grants of up to \$25,000 will be awarded with fewer reporting requirements. Grant funds may be used for programmatic and operational needs.

Priority Area	Healthy Community Agency/Program	New	Do not fund (DNF)	Dual Funding	Requested/ CBAC Recommendation	FY19 Board Approved
НВ	5210 Health Awareness Program			Х	\$25,000/\$25,000	\$15,000
НВ	Bay Area Women's Sports Initiative - BAWSI Girls			х	\$21,000/\$19,500	\$19,000
НВ	Bay Area Women's Sports Initiative - BAWSI Rollers			Х	\$19,000/\$15,000	\$17,500
НВ	Breathe California of the Bay Area - Seniors Breathe Easy			х	\$25,000/\$20,000	\$25,000
НВ	Columbia Neighborhood Center	Х			\$24,945/\$24,500	N/A
НВ	Day Worker Center of Mountain View				\$25,000/\$25,000	\$25,000
НВ	Hope's Corner				\$25,000/\$25,000	\$25,000
НВ	Parkinson's Institute and Clinical Center	Х	Х		\$25,000/DNF	N/A
НМ	Eating Disorders Resource Center				\$20,000/\$20,000	\$20,000
нс	Friends for Youth	_	Х		\$25,000/DNF	\$20,000
НС	Matter of Balance				\$17,054/\$15,500	\$14,330
нс	Mountain View Police Department Youth Services Unit				\$25,000/\$25,000	\$25,000
	Department Youth Services Unit Grant CBAC Recommendation Total:	\$214,50	00		<i>723,000,723,000</i>	723,00

Financial Summary

Requested Grant Funding: \$9,279,142

Sponsorship funding: \$200,000

Placeholder: \$200,000

Total: \$9,679,142

Recommended Grant Funding: \$7,399,739

Sponsorship funding: \$200,000

Placeholder: \$200,000

Total: \$7,799,739

Conclusion

El Camino Hospital's CHNA identified health needs based on community input, secondary data and other qualitative thresholds. The nine health needs mapped to three priority areas overlap with one another, in that community members having one of these health needs are likely to face challenges in another. El Camino Healthcare's Community Benefit grant portfolio encompasses programs addressing the needs in and across each of the three health priority areas for community members who live, work or go to school in the District's boundaries.

The grants proposed in this plan have been carefully assessed based on their ability to impact at least one of the three priority areas. The Board of Directors' approval of this Community Benefit Plan will allow El Camino Healthcare District to continue responding to the most pressing needs faced by vulnerable residents in our community.

The premise — and the promise — of community benefit investments is the chance to extend the reach of hospital resources beyond the patient community, and address the suffering of underserved, at-risk community members. These annual community grants provide direct and preventive services throughout the service area. Community Benefit support addresses gaps by funding critical, innovative services that would otherwise not likely be supported. The Community Benefit Plan aims to improve the health and wellness of the entire community, far beyond hospital walls.



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

Board Finance Presentation Fiscal Year 2019 7/1/2018- 04/30/2019

Iftikhar Hussain, CFO El Camino Healthcare District Board of Directors Meeting June 18, 2019

Contents

ECHD Consolidated Financial Statements (Includes El Camino Hospital)

Comparative Balance Sheet as of April 30, 2019	Page 3
Statement of Revenues & Expenses Year to Date thru April 30, 2019	Page 4
Notes to Financial Statements	Page 5
ECHD Stand-Alone Financial Statements	
Comparative Balance Sheet as of April 30, 2019	Page 6
Statement of Revenues & Expenses Year to Date thru April 30, 2019	Page 7
Statement of Fund Balance Activity as of April 30, 2019	Page 8
Notes to Financial Statements	Pages 9-10
Sources & Uses of Property Taxes	Page 11

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)

	Apr 30, 2019	June 30, 2018 Audited w/o Eliminations		Apr 30, 2019	June 30, 2018 Audited w/o Eliminations
<u>ASSETS</u>			LIABILITIES & FUND BALANCE		
Current Assets			Current Liabilities		
Cash & Investments	\$327	\$296	Accounts Payable & Accrued Exp (5)	\$108	\$119
Patient Accounts Receivable, net	\$134	\$125	Bonds Payable - Current	12	7
Other Accounts and Notes Receivable	\$7	\$6	Bond Interest Payable	8	16
Inventories and Prepaids	\$83	\$76	Other Liabilities	10	9
Total Current Assets	551	503	Total Current Liabilities	138	151
			Deferred Revenue	1	1
Board Designated Assets					
Foundation Reserves	17	16	Deferred Revenue Inflow of Resources	26	26
Community Benefit Fund	20	21			
Operational Reserve Fund ⁽¹⁾	141	129	Long Term Liabilities		
Workers Comp, Health & PTO Reserves	78	74	Bond Payable	632	643
Facilities Replacement Fund (2)	202	189	Benefit Obligations	49	47
Catastrophic & Malpractice Reserve (3)	22	20	Other Long-term Obligations	4	4
Total Board Designated Assets	479	450	Total Long Term Liabilities	685	695
Non-Designated Assets					
Funds Held By Trustee (4)	118	218	Fund Balance		
Long Term Investments	348	346	Unrestricted	1,377	1,268
Other Investments	39	35	Board Designated & Restricted	397	359
Net Property Plant & Equipment	1,059	920	Capital & Retained Earnings	17	16
Deferred Outflows of Resources	21	21			
Other Assets	27	23	Total Fund Balance	1,791	1,643
Total Non-Designated Assets	1,612	1,563			
TOTAL ASSETS	\$2,642	\$2,516	TOTAL LIAB. & FUND BAL.	\$2,642	\$2,516



Consolidated Comparative Statement of Revenues & Expenses (\$ Millions) Year-to-Date through April 30, 2019

(Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	Fav (Unfav) <u>Variance</u>	Prior YTD FY <u>Actual</u>
Net Patient Revenue (6)	773	756	18	738
Other Operating Revenues (7)	22	29	-7	24
Total Operating Revenues	795	785	11	762
Wages and Benefits	419	423	4	392
Supplies	112	115	3	105
Purchased Services	90	88	-1	85
Other	24	24	0	23
Depreciation	43	44	1	41
Interest	4	5	1	5
Total Operating Expense (8)	691	699	8	651
Operating Income	105	86	19	111
Non-Operating Income (9)	23	4	19	43_
Net Income	128	90	38_	154



El Camino Healthcare District Notes to Consolidated Financial Statements

Current FY 2019 Actual to Budget

(Includes El Camino Hospital)

- 1) The increase is due to the annual resetting of 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.)	\$152
ECHD Appropriation Fund (fka: Capital Outlay)	15
ECH Women's Hospital Expansion	15
ECH BHS Replacement Building Fund	14
ECHD Capital Replacement Fund (i.e. Funded Depr.)_	6
	\$202

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

ECH Catastrophic Fund (aka: Earthquake Fund)	\$20
ECH Malpractice Reserve	2
	\$22

- 4) The decrease is due to the Bond Project Fund disbursements for the IMOB and BHS construction.
- 5) The decrease is due to the significant construction and facilities accruals booked at year end and subsequently paid during July and August of the new fiscal year.
- 6) The increase in Net Patient Revenue was driven by outpatient volumes exceeding budgets in the O/P Operating Room, CT Imaging, the Emergency Department, and Pharmacy and Interventional Services.
- 7) Primarily the negative variance is due to the slow start up of the OP Pharmacy program that just began in early fiscal 2019.
- 8) The positive variance in expenses is primarily driven by productive salaries for management and technical salaries being less than budget and for medical drug expense being under budget as the Infusion Center at Los Gatos will not open until FY2020 and the slow start up of the O/P Pharmacy at Mountain View in FY2019.
- 9) The very positive variance is primarily due to strong performance in our investment returns thus far this year.



Stand-Alone Comparative Balance Sheet (\$ Thousands)

	April 30, 2019	June 30, 2018		April 30, 2019	June 30, 2018
<u>ASSETS</u>			LIABILITIES & FUND BALANCE		
Cash & cash equiv	\$1,950	\$4,306	Accounts payable ⁽⁸⁾	\$0	\$0
Short term investments	16,405	2,377	Current portion of bonds	3,800	3,310
Due fm Retiree Health Plan ⁽¹⁾	30	10	Bond interest payable ⁽⁹⁾	1,380	2,603
S.C. M&O Taxes Receivable	0	0	Other Liabilities	115	106
Other current assets	0	21			
Total current assets	\$18,385	\$6,714	Total current liabilities	\$5,295	\$6,019
Operational Reserve Fund ⁽²⁾ Capital Appropriation Fund ⁽³⁾	1,500 14,789	1,500 20,964			
Capital Replacement Fund (4)	5,545	5,298	Deferred income	65	47
Community Benefit Fund ⁽⁵⁾	1,907	5,596	Bonds payable - long term	121,887	125,687
Total Board designated funds	\$23,741	\$33,358	Total liabilities	\$127,247	\$131,753
Funds held by trustee ⁽⁶⁾	\$22,326	\$20,837	Fund balance		
Capital assets, net ⁽⁷⁾	\$10,789	\$10,978	Unrestricted fund balance	\$52,735	\$50,692
•			Restricted fund balance (10)	(104,741)	(110,558)
			Total fund balance	(\$52,006)	(\$59,866)
TOTAL ASSETS	\$75,241	\$71,888	TOTAL LIAB & FUND BALANCE	\$75,241	\$71,888



YTD Stand-Alone Stmt of Revenue and Expenses (\$ Thousands) Comparative Year-to-Date April 30, 2019

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

		Cur	rent Year			Prio	r Full Year
	 Actual		Budget	Va	riance		Actual
REVENUES							
(A) Ground Lease Revenue (11)	\$ 79	\$	80	\$	(1)	\$	92
(B) Redevelopment Taxes (12)	164		130		34		256
(B) Unrestricted M&O Property Taxes (12)	8,429		8,429		-		8,025
(B) Restricted M&O Property Taxes (12)	6,658		6,917		(259)		7,831
(B) G.O. Taxes Levied for Debt Service (12)	8,364		8,500		(136)		9,266
(B) IGT/PRIME Medi-Cal Program (13)	(2,473)		(2,351)		(122)		(6,469)
(B) Investment Income (net)	672		237		435		29
(B) Other income	 -		-		-		О
TOTAL NET REVENUE	21,893		21,942		(49)		19,030
<u>EXPENSES</u>							
(A) Wages & Benefits (14)	-		-		-		0
(A) Professional Fees & Purchased Svcs (15)	547		488		(59)		439
(A) Supplies & Other Expenses	42		-		(42)		153
(B) G.O. Bond Interest Expense (net) (16)	2,353		2,577		224		3,037
(B) Donations to Outside Organizations (17)	7,200		6,860		(340)		6,847
(A) Depreciation / Amortization	189		189		-		231
TOTAL EXPENSES	10,331		10,114		(217)		10,707
NET INCOME	\$ 11,562	\$	11,828	\$	(266)	\$	8,323

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

RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses\$ (699)(B) Net Non-Operating Revenues & Expenses12,262NET INCOME\$ 11,563



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

	April 30, 2019			June 30, 2018		
Fiscal year beginning balance	\$	(59,866)	\$	(74,657)		
Net income year-to-date	\$	11,563	\$	8,323		
Transfers (to)/from ECH:						
IGT/PRIME Funding (18)	\$	2,473	\$	6,469		
Capital Appropriation projects (19)	\$	(6,176)		-		
Fiscal year ending balance	\$	(52,006)	\$	(59,866)		



El Camino Healthcare District Notes to Stand-Alone Financial Statements

- (1) Due from Retiree Health Plan The monies due from Trustee for District's Retiree Healthcare Plan.
- (2) Operational Reserve Fund Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) Capital Appropriation Fund Decrease is due to funding of the committed \$6.2M of the Women's Hospital renovation project to commence after the IMOB is completed.
- (4) 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.
- (5) Community Benefit Fund Newly established fund at the District in FY 2014, as the District retains its unrestricted M&O property taxes to pay for its operations and support its Community Benefit Program.
- (6) Funds Held by Trustee Funds from General Obligation tax monies, being held to make the debt payments when due.
- (7) 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.
- (8) Accounts Payable and Accrued Expenses Expenses due which have not yet been paid.
- (9) Bond Interest Payable The decrease is due to the semi-annual payment to G.O. bondholders made in August & January.
- (10) 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 17 years.



El Camino Healthcare District Notes to Stand-Alone Financial Statements

- (11) Other Operating Revenue Lease income from El Camino Hospital for its ground lease with the District.
- (12) 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.
- (13) IGT/PRIME Expense A payment in support of the PRIME program, will provide a return at two (2) times this amount.
- (14) 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 15).
- (15) Professional Fees & Services Detailed below:

•	Community Benefit Support from ECH	\$ 331
•	Registrar of Voters	17
•	Legal	25
•	Other	 14
		 547

- (16) 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.
- (17) Donations to Outside Organizations Starting in FY 2014, 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 and February of the fiscal year.
- (18) IGT/PRIME Funding Transfers from ECH for participation in the PRIME program thus far in FY 2019.
- (19) Capital Appropriation Projects Transfer This amount for FY2019 was the approved amount at the Board's June 2018 meeting to be transferred to the Hospital during FY2019 for the future renovation of the Women's Hospital after the IMOB is completed in the Fall 2019.



El Camino Healthcare District Sources & Uses of Tax Receipts (\$Thousands)

	1 1		
Sources of District Taxes	04/30/2019		
(1) Maintenance and Operation and Government Obligation Taxes \$2			
(2) Redevelopment Agency Taxes	164		
Total District Tax Receipts	\$23,615		
<u>Uses Required Obligations / Operations</u>			
(3) Government Obligation Bond	8,364		
Total Cash Available for Operations, CB Programs, & Cap			
(4) Capital Appropriation Fund – Excess Gann Initiative Re	8,593		
Subtotal			
(5) Operating Expenses	589		
Subtotal	8,004		
(6) Capital Replacement Fund (Park Pavilion)			
Funds Available for Community Benefit Programs	\$7,758		
*Gann Limit Calculation for FY2019	\$8,429		
(1) M&O and G.O. Taxes	Cash receipts from the 1% ad valorem property taxes and Measure D taxes		
(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) 		





El Camino Hospital and Affiliates FY2020 Operating & Capital Budget

El Camino Hospital Board

June 12, 2019
Dan Woods, CEO
Iftikhar Hussain, CFO
Jim Griffith, COO

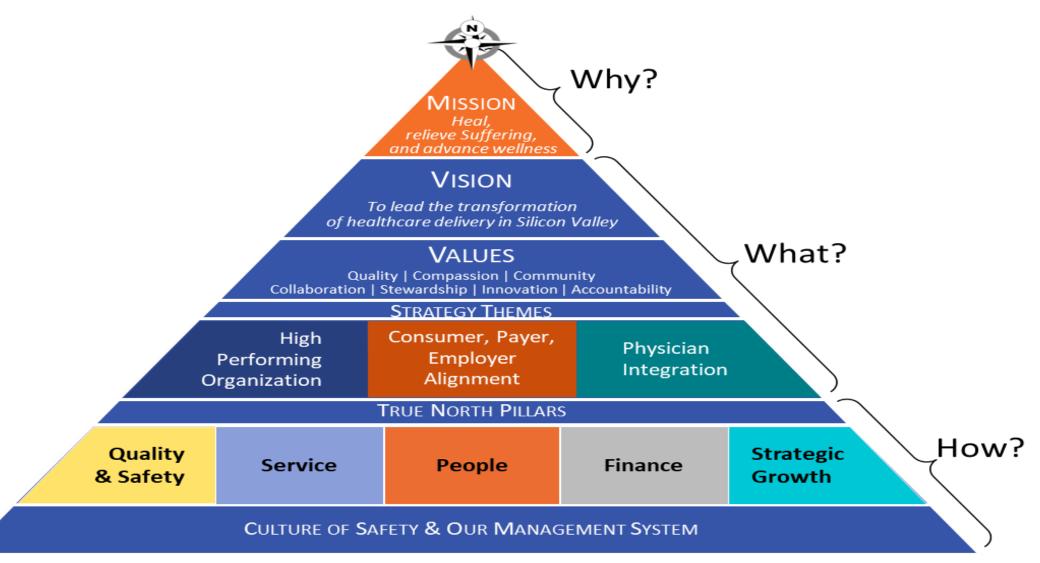
Contents

- Strategic Guidance
- Operating Budget
 - Investments with significant financial impact
 - Key drivers & assumptions
 - Volume
 - Consolidated hospital and affiliates
 - Hospital
 - Board Designated Community Benefit Endowment Fund
- Capital Budget
- Appendix
 - Affiliates
 - Capital budget detail



Strategy to Guide the Budget

Aligning Effort to Achieve ECH's Vision





FY20 Operating Budget



FY2020 Investments with Significant Financial Impacts

Investments	Description	Comments		
Program Changes	Sobrato Pavilion	Expected opening Dec 1, 2019 Activation costs, additional depreciation		
	Behavioral Health Building	 Expected opening Oct 1, 2019. Increased inpatient psychiatry capacity. Activation costs, additional depreciation. 		
Growth/Volume Driven	LG Outpatient Infusion Center	Expected Oct 1, 2019		
	Service Line Growth	 MV Oncology Ortho/Spine Rehab Services HVI Lung Nodule Program Interventional Gastro Robotic Bronchoscopy Thoracic Oncology 		
Strategic/ Innovation	Quality	 Additional focus on sepsis program to improve diagnosis capabilities and reduce LOS Invest in HRO Culture of Safety Develop pre anesthesia clinic 		
	Patient Flow/Capacity Management	Capacity Management CenterExpansion of centralized monitoring		



FY2020 Budget Drivers and Assumptions

Category	Item Description	Assumptions	Comments	
Growth	Service Line Growth	3.8%5.2%	Based on service line plans & strategic programs	
Revenue	Reimbursement increase	Overall 2.6%	Affordability - to remain mid- market and promote volume growth	
Inflation	Wages and benefits	3.0%	Based on CPI of 1.9% and high local cost of living	
	Pharmacy	4.0%	From our GPO Premier. Includes inflation and utilization of lower cost alternatives	
	Supplies	3.0%	Expected inflation from Premier	
Investments	Return on investment portfolio	4%	Target based on asset allocation	
ALOS	Reduce Medicare loss by reducing ALOS	Maintain Milliman Well- Managed benchmark	Key lever in managing Medicare loss	



FY2020 Volume Summary – Inpatient

- Overall +745 cases or 3.8% growth
- Service Line Growth
 - Opening of Taube Pavilion Mental Health & Addiction Services Building
 - +281 admissions, 25% increase
 - Orthopedics
 - +107 cases, 6.6% increase
 - Orthopedic Robot in Mountain View and increased volume from identified surgeons
 - Acute Rehabilitation Services at Los Gatos
 - +96 admissions, 19.6% increase
 - Spine Surgery
 - +45 cases, 14.2% increase
 - Ramp up of identified surgeons
 - Maternal Child Health (MCH)
 - +46 additional deliveries and associated volumes



FY2020 Volume Summary - Outpatient

- Overall +7,812 visits or 5.2% growth
- Service Line Growth
 - Oncology +4,712 visits, 23.2% increase
 - Opening of Los Gatos Infusion Center in October 2019, +3,052 visits.
 - Mountain View increase in hours of operation & MD recruitment, +1,660 visits.
 - Behavioral Health +372 visits, 13.3% increase
 - Enhanced MD coverage and additional partial hospitalizations
 - Add Addiction track for adolescents to existing Aspire program
 - Addiction Program extension to 40 weeks
 - General Medicine procedural volume, +538 cases, 7.4% increase
 - Additional endoscopies at Mountain View & Los Gatos
 - Additional pulmonary function and bronchoscopy volume from lung program
 - Additional Interventional Gastroenterology volume from new program at Los Gatos
 - Imaging Services +260 visits, 1.3% increase
 - New MRI at Los Gatos and additional volume from lung nodule program, electrophysiology (EP) studies, and gastroenterology.
 - Maternal Child Health +194 visits, 3.6% increase
 - Outpatient volumes generated from additional deliveries



FY2020 - Proposed Hospital & Affiliate Consolidated Budget P&L

\$000 s	2016	2017	2018	2019Ann	2020 Bud	Percent Change
OPERATING REVENUE						
Gross Revenue	2,755,722,169	3,020,407,891	3,298,115,282	3,489,070,086	3,858,733,551	10.6%
Deductions	(1,983,548,835)	(2,187,761,179)	(2,404,362,165)	(2,567,475,047)	(2,845,880,772)	10.8%
Net Patient Revenue	772,173,333	832,646,712	893,753,117	921,595,040	1,012,852,779	9.9%
Other Operating Revenue	39,406,784	42,909,648	45,060,246	40,759,294	45,320,459	11.2%
Total Operating Revenue	811,580,117	875,556,360	938,813,363	962,354,333	1,058,173,238	10.0%
	28.0%	27.6%	27.1%	26.4%	26.2%	
OPERATING EXPENSE						
Salaries & Wages	443,258,272	453,364,844	472,748,025	507,873,416	557,623,143	9.8%
Supplies	118,183,227	121,980,344	128,106,815	133,511,459	146,762,816	9.9%
Fees & Purchased Services	82,065,587	88,723,794	90,789,148	94,984,770	127,162,754	33.9%
Other Operating Expense	61,207,687	51,799,644	59,802,284	61,753,442	76,428,694	23.8%
Interest	7,193,382	1,709,428	5,227,159	4,720,770	11,939,128	152.9%
Depreciation	48,803,363	47,969,821	49,711,649	51,956,931	59,462,720	14.4%
Total Operating Expense	760,711,517	765,547,875	806,385,079	854,800,788	979,379,255	14.6%
Net Operating Income/(Loss)	50,868,600	110,008,485	132,428,284	107,555,545	/8,/93,984	-26.7%
Non Operating Income	(5,146,989)	63,647,753	64,663,611	34,095,343	38,195,902	12.0%
Net Income(Loss)	45,721,611	173,656,238	197,091,895	141,648,888	116,989,884	-17.4%
EBITDA	13.2%	18.2%	20.0%	17.1%	14.2%	
Operating Margin	6.3%	12.6%	14.1%	11.2%	7.4%	
Net Margin	5.6%	19.8%	21.0%	14.7%	11.1%	

Change in Operating Margin from FY2019 to FY2020:

2019 Operating Income

\$107.6M

Hospital

(8.1M) \$13M Depreciation and Interest expense offset by growth

SVMD

(18.2M) Ambulatory Expansion

Concern

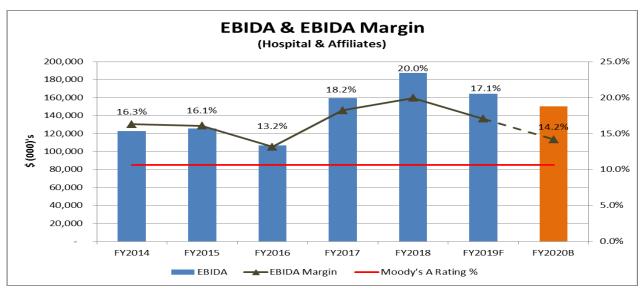
(1.7M) Loss of major account

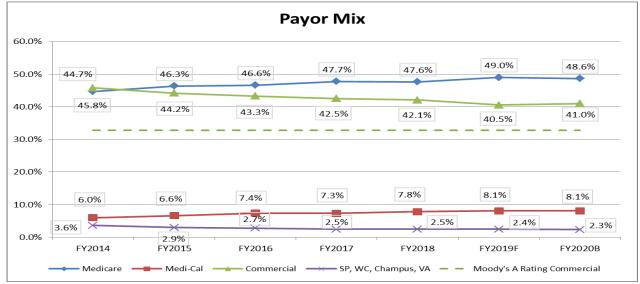
Other

(0.8M)



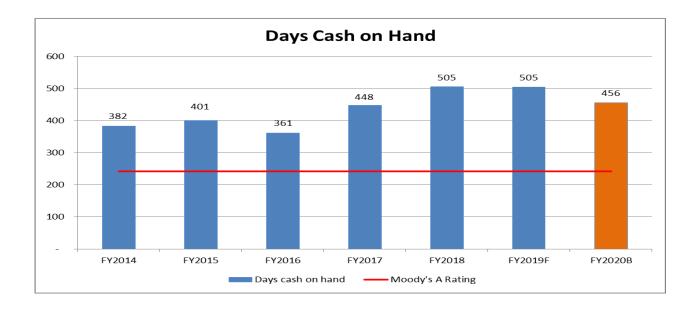
Key Financial Metrics

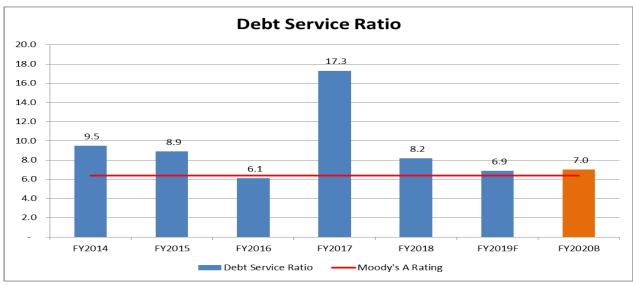


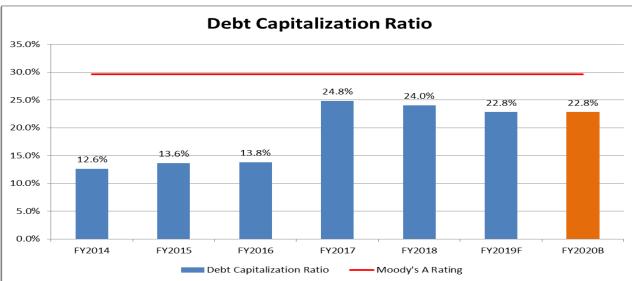


Key Financial Metrics

- Payer mix trend shows growth in Medicare and Medi-Cal
- FY 20 growth plans to provide the commercial volume to stabilize the payer mix

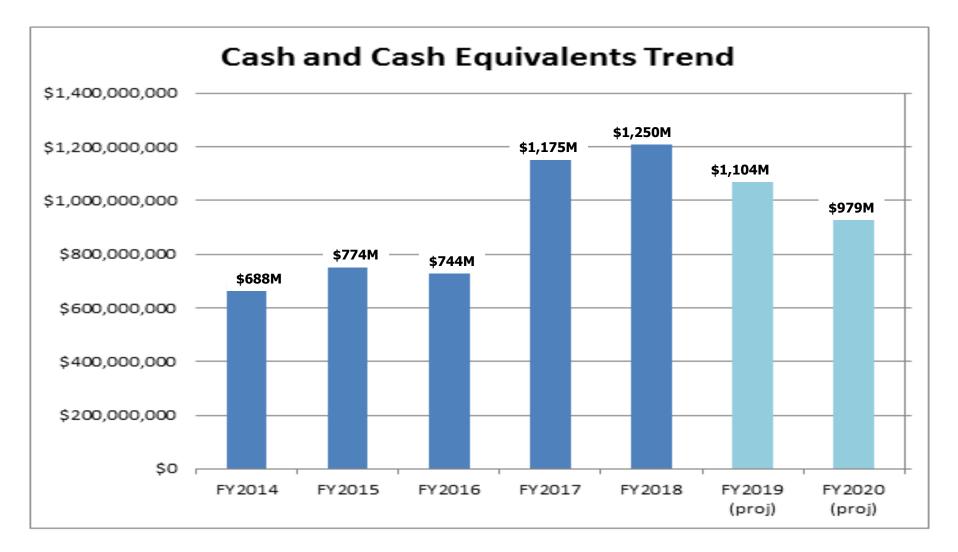








FY 2020 Budget





FY 2020 Budget

Sources and Uses Statement - FY 2020 Forecast (000s)

EL Camino Health (Excl. District)

Ending Cash and Cash Equivalents

Sources of Cash	
Cash From Operations:	
Mountain View Hospital	137,299
Los Gatos Hospital	29,832
SVMD	(26,142)
Other	(20,142)
Cash from Non-Ops	38,196
TOTAL SOURCES OF CASH	176,453
	170,433
Uses of Cash	
Facility Capital	268,937

Uses of Cash	
Facility Capital	268,937
Other Capital	24,000
Bond Principal	8,630
TOTAL USES OF CASH	301,567
Beginning Cash and Cash Equivalents	1,104,004
Total Sources of Cash	176,453
Total Uses of Cash	(301,567)



978,890

Hospital P&L – Revenue Highlights

- Revenue
 - Net Patient Revenue increasing <u>4.7%</u> or <u>\$42.8M</u>
 - 2.2% or \$19.9M due to effective increase from rate change
 - 2.5% or \$23.6M due to growth/volume
 - MV and LG Infusion \$8.7M
 - Surgery \$7.9M
 - IP Rehab \$3.5M
 - IP Psych \$2.4M



Hospital P&L – Expense Highlights

- Expense
 - Operating Expense increasing <u>6.2%</u> or <u>\$51.1M</u>
 - Salaries & Wages up <u>4.8%</u> or <u>\$24.0M</u>
 - \$14.7M driven by wage rate increases
 - \$4.6M driven by growth/volume increases
 - \$4.8M driven by Strategic/Innovation programs
 - \$2.2M driven by support of new programs
 - (\$1.1M) driven by reduction in Outside Labor costs
 - (\$1.2M) from identified savings
 - Supplies up <u>6.9%</u> or <u>\$9.1M</u>
 - \$5.6M driven by drugs related to LG Infusion (New Program) and MV Infusion growth
 - \$3.5M driven by inflation
 - \$2.6M driven by growth/volume increases
 - (\$2.6M) from identified savings
 - Other Operating Expenses up 6.9% or \$4.1M
 - Primarily due to activation and operational costs associated with new building openings
 - Depreciation expense up <u>11.2%</u> or <u>\$5.8M</u>
 - Primarily due to iMOB and Mental Health & Addiction Services buildings opening in 2020
 - Interest Expense up 152.9% or \$7.2M due to end of capitalizing interest on completed projects

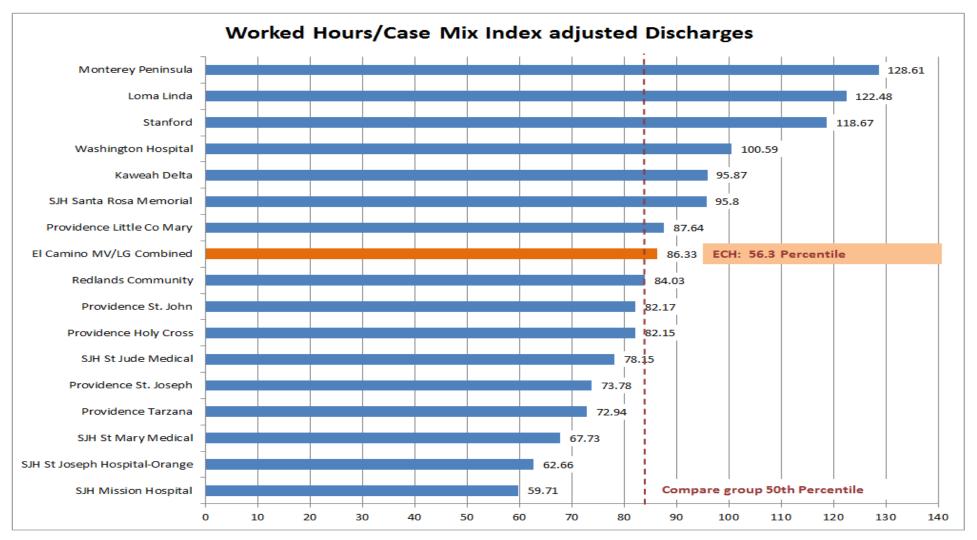


Reconciliation FY2019 to Hospital Budget FY2020 (000's)

	FY 2019 Projected/ Actual	Growth/ Volume Driven	Growth Support Services (BHS & iMOB)	Inflation	Strategic/ Innovation	Operations Improvement	Other	Increase / (Decrease)	FY 2020 Budget
NET PATIENT REVENUE	917,652	23,605		19,890			-672	42,823	960,475
Yield	26.4%							<i>-0.7%</i>	25.7%
OTHER OPERATING REVENUE	27,116						172	172	27,288
TOTAL NET OPERATING REVENUE	944,768	23,605		19,890			-501	42,994	987,763
SALARIES & WAGES	500,238	4,626	2,269	14,624	4,780	-1,200	-1,064	24,036	524,274
SUPPLIES	132,868	8,328		3,480		-2,650	-34	9,123	141,991
FEES & PURCHASED SERVICES	78,181				2,240	-600	-843	797	78,979
OTHER OPERATING EXPENSE	59,330	800	2,750		718		-149	4,119	63,449
INTEREST	4,721						7,218	7,218	11,939
DEPRECIATION	51,381						5,777	5,777	57,158
TOTAL OPERATING EXPENSE	826,718	13,753	5,019	18,104	7,738	-4,450	10,906	51,071	877,790
OPERATING MARGIN	118,050	9,852	-5,019	1,786	-7,738	4,450	-11,407	-8,077	109,973



Workforce Productivity Hospital Comparison



- Based on FY 2018 Truven/Action OI benchmarking Analysis
- Lower value equates to better productivity

FY2020 Hospital Budget Detail of Full Time Equivalent (FTE) Change

Paid FTEs	FY19 Projected	Change	FY20 Budget
TOTAL	2,648	+137	2,784
Patient Care/Volume/Growth		+67.3	
Growth: Support Services (BHS & iMOB)		+15.9	
Ambulatory Support		+31.0	Offset by SVMD Purchased Service
Strategic Initiatives		+14.2	
Regulatory/Compliance • Sterile Processing		+3.8	
 Quality Sepsis Program Manager & Analyst Program Manager Continuous Improvement 		+2.6	
Other		+2.2	

FY2020 Budget: Savings Initiatives

\$ Opportunity	Type of Spend	Initiative
\$500K	Purchased Service	OSL vendor – Use Premier vendor (AMN parent of BE Smith), bid or negotiate savings from RightSource. Estimated savings \$900K based on \$9 million annual spend.
\$500K	Health Benefits	(Medical/Dental), \$40M annual expense. Health Net quote with \$1.6M savings for 2020 calendar year.
\$600K	Other Spending	Professional Services: \$6M annual expense
\$200K		Premium time incidental overtime
\$350K		Pharmaceuticals
\$2.3M		Supply initiatives
\$4.45M		TOTAL



FY2020 - Proposed Hospital Budget P&L (Mountain View & Los Gatos)

\$000s	2016	2017	2018	2019Ann	2020 Bud	Percent Change
OPERATING REVENUE						
Gross Revenue	2,755,387,126	3,019,082,917	3,297,555,552	3,477,345,850	3,739,385,548	7.5%
Deductions	(1,983,366,755)	(2,186,820,126)	(2,403,957,321)	(2,559,693,853)	(2,778,910,637)	8.6%
Net Patient Revenue	772,020,371	832,262,791	893,598,231	917,651,998	960,474,911	4.7%
Other Operating Revenue	23,636,455	26,084,597	29,717,640	27,116,151	27,287,665	0.6%
Total Operating Revenue	795,656,826	858,347,388	923,315,871	944,768,149	987,762,576	4.6%
OPERATING EXPENSE						
Salaries & Wages	435,988,262	446,084,705	465,264,794	500,238,034	524,273,701	4.8%
Supplies	117,987,515	121,826,016	127,894,777	132,868,018	141,991,342	6.9%
Fees & Purchased Services	72,882,133	77,835,086	79,203,145	78,181,198	78,978,640	1.0%
Other Operating Expense	60,245,252	50,790,881	58,387,075	59,329,583	63,449,060	6.9%
Interest	7,193,382	1,709,428	5,227,159	4,720,770	11,939,128	152.9%
Depreciation	48,747,598	47,924,823	49,477,262	51,380,866	57,157,678	11.2%
Total Operating Expense	743,044,142	746,170,940	785,454,213	826,718,469	877,789,549	6.2%
Net Operating Income/(Loss)	52,612,685	112,176,448	137,861,659	118.049.681	109.973.026	-6.8%
Non Operating Income	(9,570,053)	57,399,730	55,774,765	13,794,983	32,938,932	138.8%
Net Income(Loss)	43,042,632	169,576,178	193,636,424	131,844,664	142,911,959	8.4%
EBITDA	13.6%	18.9%	20.9%	18.4%	18.1%	
Operating Margin	6.6%	13.1%	14.9%	12.5%	11.1%	
Net Margin	5.4%	19.8%	21.0%	14.0%	14.5%	



Board Designated Community Benefit Endowment Fund

- In FY16, the Board established an endowment to provide investment income to fund community benefit.
- We agreed to evaluate whether the fund should be increased during the annual budget cycle.
- Recommendation
 - Endowment funding earnings available for FY 20 community is \$320,000. Total Hospital community benefit for FY 20 is \$3.7 million
 - Endowment fund balance to remain \$15 million since FY 20 capital plan exceeds EBITDA by \$114 million



FY20 Capital Budget



Capital Summary

	Actual	Actual	Actual	Projected	Budget
Capital Spending (in 000's)	FY2016	FY2017	FY2018	FY2019	2020
EPIC	20,798	2,755	1,114	-	-
IT Hardware / Software Equipment	6,483	2,659	1,108	6,000	6,000
Medical / Non Medical Equipment	17,133	9,556	15,780	18,000	18,000
Non CIP Land, Land I, BLDG, Additions	4,189	-	2,070	-	-
Facilities	48,137	82,953	137,364	205,451	268,937
GRAND TOTAL	96,740	97,923	157,435	229,451	292,937
*Includes \$5M unallocated amount					



FY 2020 Facilities Capital Budget Breakdown \$ in 000's

	Estimated Total	Total Committed	FY-20	FY -20
	Project Cost	\$\$ To Date	REQUEST FOR	SPEND
	May 2019		APPROVAL	
Approved Funded Projects - In Process	\$504,881	\$487,481	\$11,200	\$123,586
Planned Projects - Pending Approval	204,240	18,100	178,040	72,254
Placeholder Projects - To Be Evaluated.	242,700	500	157,200	73,097
TOTALS	\$951,821	\$506,081	\$346,440	\$268,937



FY 2020 Facilities Capital Detail Approved Funded Projects – In Process

	Estimated Total	Total Committed	FY 20 BUDGET	FY -20 Spend
	Project Cost	\$\$To Date	\$\$	
Approved Funded Projects - In Process	May 2019	·	(A)	
BHS Replacement	96,100,000	96,100,000		12,799,752
North Dr Parking Structure Expansion	24,500,000	24,500,000		
Integrated Medical Office Building	302,100,000	302,100,000		64,489,474
CUP Upgrades	9,000,000	9,000,000		
LG Campus Planning	250,000	250,000		122,777
Imaging Equipment Replacement (Imaging Dept. Only)	21,700,000	16,900,000	4,800,000	11,700,000
IR / Cath Lab Equipment Replacement (5 or 6 Rooms)	19,400,000	13,000,000	6,400,000	9,500,000
Willow Surgery Center Improvements	6,200,000			6,200,000
MV SPD Ultrasconic Cleaner Installation	175,520	175,520		
MV Infrastructure Upgrades Misc	360,000	360,000		260,000
Lab Equipment & Security Upgrades	240,000	240,000		160,000
Emergency Sanitary & Water Storage	3,900,000	3,900,000		3,489,645
CT Equipment Replacement @ Radiation Oncology	993,302	993,302		814,095
Herman Miller Inventory (Partial Replacement)	210,000	210,000		150,000
MOB Upgrades (MV Campus) FY-19	250,000	250,000		220,000
LG Infrastructure Upgrades Misc.	240,000	240,000		146,185
LG Modular MRI & Awning	3,900,000	3,900,000		3,386,809
LG Cancer Center	6,400,000	6,400,000		3,063,525
LG MOB Improvements FY-19	498,300	498,300		340,140
Primary Care Clinic (TI's Only) FY 19 (237 @ N. 1st)	8,000,000	8,000,000		6,743,808
SVMD - Administrative Office	359,000	359,000		
SVMD - OB/GYN Clinic - 2204 Grant Rd.	105,000	105,000		
Subtotal Approved Project	s 504,881,122	487,481,122	11,200,000	123,586,210

⁽A) Projects > \$1M will come to Finance Committee for approval



FY 2020 Facilities Capital Detail Planned Projects — Pending Approval

	Estimated Total	Total Committed		FY -20 Spend
Planned Projects - Pending Approval	Project Cost May 2019	\$\$To Date	\$\$ (a)	
			(A)	
Women's Hosp Expansion	111,000,000	16,000,000	95,000,000	33,000,000
Demo Old Main & Related Site Work	70,000,000	1,000,000	69,000,000	20,000,000
ED Remodel Triage / Psych Observation	6,750,000	250,000		6,339,525
Site Signage & Other Improvements	2,250,000	250,000		2,031,900
Nurse Call System Upgrade (Overlay Only)	800,000			700,000
Various Relocation Projects	800,000			700,000
Flooring Replacement	1,600,000	600,000	1,000,000	1,182,827
MV Wireless Infrastructure Upgrade	1,600,000		1,600,000	1,000,000
MV Physician Dining Room	1,200,000		1,200,000	1,200,000
Other Undefined	2,000,000		2,000,000	500,000
LG Nurse Call System Replacement	2,400,000		2,400,000	1,800,000
LG Security System	460,000		460,000	420,000
LG Rehab Finish Upgrades	400,000		400,000	400,000
LG Campus Signage	500,000		500,000	500,000
LG Wireless Infrastructure Upgrades	480,000		480,000	480,000
LG Paving Upgrades	800,000		800,000	800,000
LG Decontamination in OR	600,000		600,000	600,000
LG Pharmacy USP 797 & 800 Upgrades	600,000		600,000	600,000
Subtotal Planned Projects	204,240,000	18,100,000	178,040,000	72,254,252

(A) Projects > \$1M will come to Finance Committee for approval



FY 2020 Facilities Capital Detail Placeholder Projects — To Be Evaluated

	Estimated Total	Total Committed	FY 20 BUDGET	FY -20 Spend
	Project Cost	\$\$To Date	\$\$	
Placeholder Projects - To Be Evaluated.	May 2019		(A)	
New 28k MOB (Courthouse Prop)	22,400,000		22,400,000	12,400,000
LG Upgrades	0		30,000,000	12,000,000
Willow Pavilion FA Sys and Equip Upgrades	1,400,000		1,400,000	1,400,000
Patient Family Residence	20,000,000	500,000	19,500,000	596,729
Nurse Call / RTLS (PT. Rm of Future) Main Hospital Only	5,000,000		5,000,000	250,000
Radiation Oncology Equipment Replacement	12,000,000		12,000,000	10,000,000
MV MOB Upgrades FY 20	1,000,000		1,000,000	500,000
MV Facilities Planning Allowance FY 20	600,000		600,000	600,000
MV Equipment & Infrastructure Upgrades FY 20	900,000		900,000	900,000
MV Cancer Center Expansion	2,400,000		2,400,000	1,200,000
MV Undefined Annual	56,000,000			
LG IR Upgrades	1,500,000		1,500,000	250,000
LG MOB Upgrades FY 20	500,000		500,000	500,000
LG Facilities Planning Allowance FY 20	500,000		500,000	500,000
LG Equipment & Infrastructure Upgrades FY 20	600,000		600,000	600,000
LG Undefined Annual	14,000,000			
SVMD - Facilities Future Years	15,000,000			
SVMD - Clinic / Admin Office Building (New Construction)	25,000,000		25,000,000	3,000,000
SVMD - MeKee Clinic Relocation (Assumes 12,000 SF, TI's)	6,300,000		6,300,000	2,000,000
SVMD - Planning & Upgrades Allowance	1,600,000		1,600,000	400,000
Property Acquisitions	56,000,000		26,000,000	26,000,000
Subtotal Placeholder Projects	242,700,000	500,000	157,200,000	73,096,729

(A) Projects > \$1M will come to Finance Committee for approval



Physician Recruitment Budget*

- \$4.5 million practice start up investment for a target of 26 Silicon Valley Medical Development and San Jose Medical Group physicians
- \$2.5 million start up investment for a target of 8
 physicians in community practices for specialties with
 physician manpower shortages (income guarantee
 reserve)

FY2020 Hospital Physician Needs					
Physician Recruitment Needs	15				
Less SVMD & SJMG	-7				
Expected Community Recruitment	8				

FY2020 SVMD & SJMG Provider Recruitment Plan					
New Recruitment					
OB/Gyn (Physicians + APP)	5				
PCP	5				
Medical Oncology	2				
Ophthamology	1				
Ortho PA	2				
General Surgeon (Breast)	1				
New Recruit Subtotal	16				
Replacement					
Endocrinology	1				
ENT	1				
OB/Gyn	1				
Orthopedics	1				
Gastroenterology	1				
PCP	1				
Urgent Care (APP)	2				
Hospitalists	2				
Replacement Subtotal	10				
Total	26				

^{*} A complete hospital/SVMD/SJMG physician recruitment plan will be submitted to the board in August



FY2020 Budget - Risks

Volume Drivers

- Delayed physician recruitment
- Unplanned physician leaves of absence
- Opening of Stanford's new hospital
 - The impact may reach \$3M should Stanford increase it's market share by 10% across El Camino's northern primary market
- Facility approval or equipment delays medical oncology

Profitability Drivers

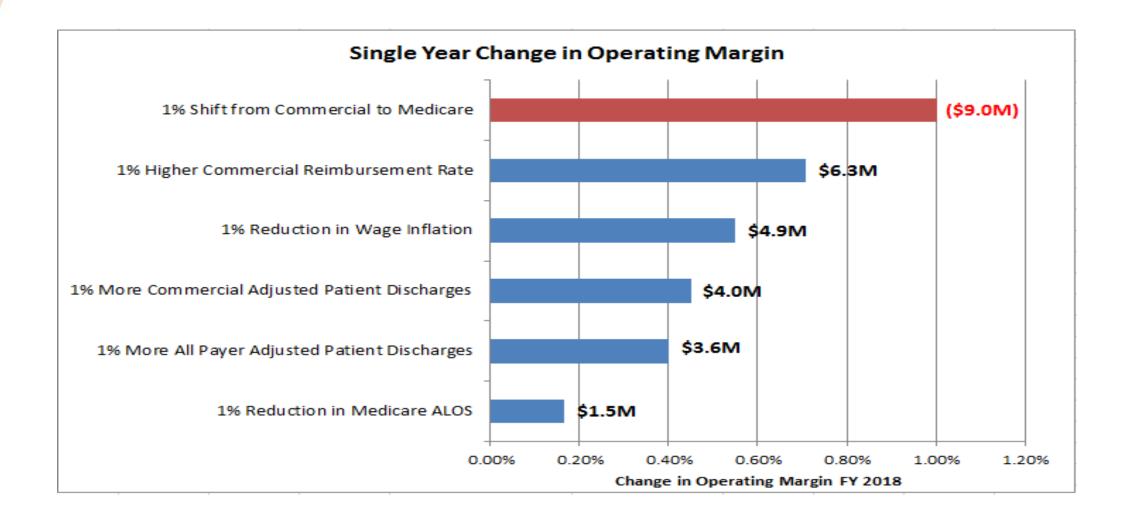
- Payer mix shift (due to competition or outpatient shift)
- Labor contract / wage rate increase
- Commercial contract negotiation and/or narrow network development

New Program Risks

SVMD / SJMG integration



Sensitivity Analysis







APPENDIX



CONCERN Highlights

Revenue Changes

- Loss of large customer with 70,000 employees
- PEPM revenue reduce by \$ 2M
- Major onsite counseling program terminated 3/31/2019 reduce by \$ 2M
- Enhanced Support reduce by \$110,000; no customer will be using this service
- Training/OD reduce by \$100,000 anticipated larger customers will use less

Expense Changes

- Labor down 5 FTEs Budget 19 to Budget 20
- Provider costs/claims reduced by \$2.3M
- Other Purchased Services reduced by \$270,000
- After hours call service reduced by \$100,000



FY2020 Budget – Concern P&L

						2020B/2019Ann
\$000s	2016 20	2017	2018	2019Ann	2020 Bud	Change
OPERATING REVENUE						
Total Operating Revenue	15,755,428	16,825,052	15,295,322	13,575,165	9,146,949	(4,428,216)
OPERATING EXPENSE						
Salaries & Wages	5,754,050	5,308,632	5,278,000	4,573,830	4,405,500	(168,330)
Supplies	130,342	74,622	58,935	48,110	62,503	14,393
Fees & Purchased Services	7,810,983	9,224,465	8,272,291	6,017,183	3,521,507	(2,495,676)
Other Operating Expense	744,832	725,248	696,530	623,616	523,725	(99,891)
Interest	-	-	-	-	-	_
Depreciation	42,449	29,617	35,413	27,458	15,901	(11,557
Total Operating Expense	14,482,656	15,362,584	14,341,170	11,290,197	8,529,135	(2,761,062)
Net Operating Income/(Loss)	1,272,772	1,462,468	954,152	2,284,968	617,814	(1,667,154)
EBITDA	8.3%	8.9%	6.5%	17.0%	6.9%	
Operating Margin	8.1%	8.7%	6.2%	16.8%	6.8%	

- Revenue adjusted to reflect large customer termination with major onsite counseling program effective 3/31/2019
- Salaries reduced reflecting reduction in staff that supported large customer.
- Purchased Services reduction due to loss of large customer fewer crisis intervention and activity and counseling visits.



Foundation Budget Highlights – 1/2

COMPUTER SOFTWARE: Budget increase of \$5,000

- Most of our software will remain the same except for the addition of two new software packages to better support our fundraising events
- Greater Giving Will streamline event management and deliver a smooth volunteer and guest experience for registration, auction bidding, and other transaction processing.
- Social Tables Provides event diagraming, seating, and check-in services. This will enable the events team to collaborate and communicate with donors and vendors. The software will save time and improve the event planning process.

FUNDRAISING EVENTS: Budget decrease of \$200,000

- Spring Gala The FY19 expense budget was based on the previous event structure under Sapphire Soiree. Last year, the Foundation had redesigned the event, introducing a new format and beneficiary. Heading into FY20, the Foundation is continuing with this new format and reducing the event budget to reflect that.
- Other events expected retain the same budget



Foundation Budget Highlights - 2/2

- STEWARDSHIP EVENTS: Budget neutral
- Ribbon-cutting Ceremonies
- With the opening of the Taube Pavilion and Sobrato Pavilion, the Foundation will be allocating a portion of its major gift cultivation/salon budget for a special donor events around the opening
- ANNUAL GIVING: Budget neutral
- Focus on personalized message to support mid-level donor program
- Proactive rounding on prospects while they are in the hospital to better support the Circle of Caring grateful patient program
- More segmentation by clinical program for targeted message to acquire new donors/grateful patients



Foundation – FY2020 Fundraising Detail

FY20 ECH Foundation		FY20 Goals	Unrestricted	Restricted	Gift Focus
Major &	Planned Gifts	\$5,500,000	\$1,500,000	\$4,000,000	Restricted outright gifts; restricted irrevocable planned gift commitments; unrestricted gifts from matured estates; APS sponsorships
Spring Forward		\$350,000	\$240,000	\$110,000	Event Expense; beneficiary: TBD
Even	Golf	\$325,000	\$280,000	\$45,000	Event Expense; beneficiary: Peter C. Fund, MD Stroke Center
Special Events	SAHC	\$200,000	\$125,000	\$75,000	9858 SAHC Event then transfer proceeds to SAHC Restricted Fund
\overline{\sigma}	NLL	\$200,000	\$200,000	\$0	9860 Special Events Expense then transfer net proceeds to determined beneficiary
Annual	Giving	\$600,000	\$240,000	\$360,000	El Camino Fund (unrestricted gifts) and restricted gifts for specific service line/departmental needs
Investm	ent Income	\$500,000	\$500,000	\$0	El Camino Fund (unrestricted)
	TOTAL	\$7,675,000	\$3,085,000	\$4,590,000	



Foundation - Fundraising Trend

ECH FOUNDATION		FY20 Goal	FY19 as of 3/31	FY18 Actual	FY17 Actual	FY16 Actual
Major & Planned Gifts		5,500,000	15,668,021	3,232,425	4,213,319	4,059,779
Special Events	Spring Forward	350,000	500	360,650	788,360	936,240
	Golf Tournament	325,000	338,080	353,650	273,100	326,205
	Scarlet Ball	200,000	124,186	349,209	315,295	292,180
	Norma's Luncheon	200,000	131,505	284,380	153,300	245,106
Annual	Giving	600,000	561,708	658,005	587,582	507,745
Grants						64,833
Investment Income		500,000	1,406,426	911,273	1,138,296	1,319,905
TOTAL			18,230,426	6,149,592	7,469,252	7,751,993
Annual	Goal by FY	7,675,000	6,175,000	6,150,000	6,170,000	7,300,000



FY2020 Budget – Foundation P&L

						2020B/2019Ann
\$000s	2016 2017	2017	2018	2019Ann	2020 Bud	Change
OPERATING REVENUE						
Total Operating Revenue	-	-	-	-	-	-
OPERATING EXPENSE						
Salaries & Wages	1,430,420	1,570,419	1,436,670	1,480,170	1,831,365	351,195
Supplies	45,092	60,233	57,340	96,838	88,364	(8,474)
Fees & Purchased Services	1,204,088	1,111,546	729,834	685,956	1,105,004	419,048
Other Operating Expense	240,132	221,645	214,288	259,026	340,960	81,933
Interest	-	-	-	-	-	-
Depreciation	13,316	13,316	13,316	13,316	13,316	0
Total Operating Expense	2,933,047	2,977,159	2,451,448	2,535,305	3,379,008	843,703
Net Operating Income/(Loss)	(2,933,047)	(2,977,159)	(2,451,448)	(2,535,305)	(3,379,008)	(843,703)
Non Operating Income	3,914,780	5,397,358	4,394,594	5,097,308	4,875,703	(221,605)
Net Income(Loss)	981,733	2,420,199	1,943,146	2,562,002	1,496,694	(1,065,308)

- Salaries increasing due to vacant/partial year positions (Philanthropy Officer, Admin Assistant and Database Coordinator
- Purchased Services higher due to major event expenses in FY19 have yet to be posed to actuals (South Asian Heart center & Gala)
- Other Operating Expense higher due to donor events for openings of Sobrato & Taube Pavilions.



Capital Equipment IT & Routine Capital Detail



FY 2020 Capital Request Detail Information Technology

Sum of Bu	dget I					
Facility	▼ Cost Center	-	Cost Center Desc	*	Request Name	↓ Total
	1	8480	■ INFO SVS AND TELECOMM		IS Baseline: Server - Baseline Replacement & Maintenance Parts	1,100,000
					IS Baseline: Storage - Baseline Primary & Backup Storage Growth	875,000
					IS Baseline: Network - Baseline Replacement & Maintanance Parts	750,000
					IS Baseline: Software Upgrades: Existing Software	400,000
					IS Baseline: Devices - Baseline Cart Replacement & Growth and eTime Badge Reader Repl	a 290,000
					IS Baseline: Telecom - Baseline Replacement, Growth & Maintanance Parts	150,000
		8485	■ IS SECURITY		IS Security Program	758,000
					IS Security Program: Disaster Recovery Phase 2 - VRP Implementation	450,000
		8486	■ICARE		Epic Program: Licenses, Hardware, and Implementation	727,000
					Epic Program (MyChart/ MyChart Bedside)	500,000
1 Total						6,000,000
Grand Tota	al					6,000,000



FY 2020 Capital Request Detail Medical/Non-Medical Equipment Items > \$100K Mountain View

Sum of Bu	-				
Facility	Cost Center	₹	Cost Center Desc	Request Name	→ Total
	■1	= 6070	■NICU	Timeless Medical System for Breast Milk, Donor Milk and Infant Formula tracking	166,000
		= 6177	■ MED SURG ONC 4B; MED SURG 1	Accutor Vital Signs Monitor	159,840
		= 6900	■ PRE-OP SHORT STAY; OPS	Centralized Monitoring 2B Pre-Op-Short Stay	224,778
		= 7400	■LABOR DELIVERY	Auto populate Vital Signs into the EMR	200,000
		= 7420	■ OPERATING ROOM	Liva Nova Heart-Lung Machine	328,290
				EPIQ CVx Ultrasound system	240,629
				System 8 Precision Saw	161,347
				Instruments for the Stryker System 8 Precision Saw	128,653
		= 7501	■LABORATORY	Chemistry Automation Line	1,064,880
				Urinalysis Instrument	161,347
		■ 7520	■ ANATOMIC PATHOLOGY	Leica Bond IHC Stainer	125,000
		■ 7560	■ ECHOCARDIOGRAPHY	Replacement of two older-style Echo units with Philips Epiq CVx	196,283
	■7	■ 7570	■INTERVENTIONAL SERVICES	EnSite Precisionâ,,¢ Cardiac Mapping System	247,900
				SonoSite S II Ultrasound System	146,588
				Excimer Laser System The CVX-300	142,543
		= 7720	■ RESPIRATORY CARE SVCS	Olypus Tower and Cart	218,000
		= 7761	■ENDOSCOPY	Arietta 850 EUS Processor	238,650
		= 7770	■THERAPY SERVICES - IP	Fiberoptic Endoscopic Evaluation of Swallowing (FEES)	124,282
		■8380	■ STERILE PROCESSING	Vision 1300 series Cart Washer / Disinfector	276,618
				Sterrad ALLCLEAR 1-DR DUO	209,067
				AMSCO 400 SERIES 60‶Medium Steam Sterilizer	152,800
				Reliance Vision Single-chamber Washer/Disinfector	100,918
		■ 8660	■ EMP WELLNESS AND HEALTH SVCS	Fitness Court	100,000
		■ 8794	■ HEART AND VASCULAR INST	ECMO Equipment	130,000
1 Total					5,244,413

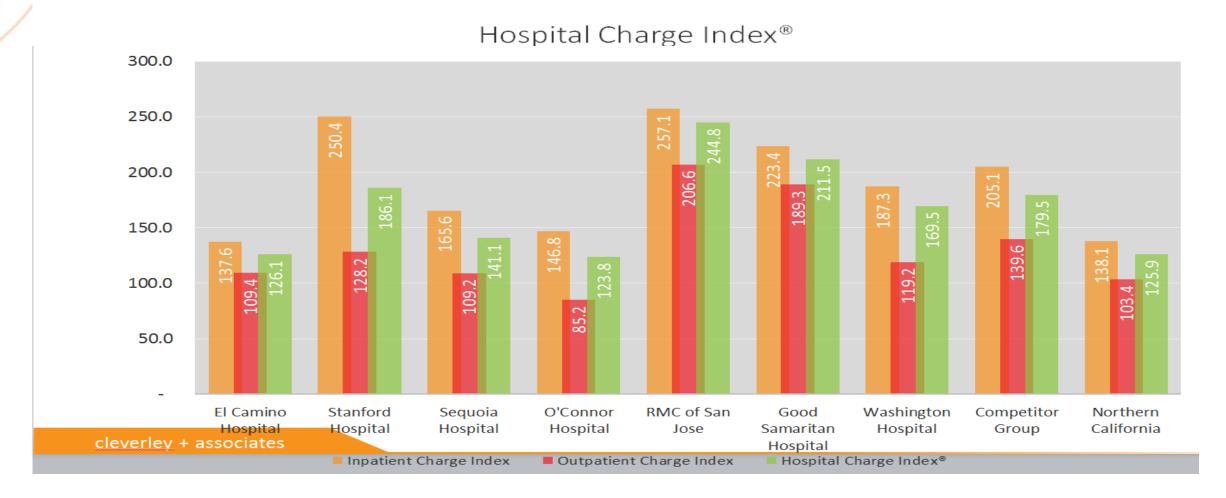


FY 2020 Capital Request Detail Medical/Non-Medical Equipment Items > \$100K Los Gatos & Total

Sum of B	udgetl				
Facility	Cost Center	₩	Cost Center Desc	™ Request Name	<u></u> Total
	□ 11	= 7420	■ OPERATING ROOM	Jackson Table for Spine Los Gatos	516,919
		= 7520	■ ANATOMIC PATHOLOGY	Histology Lab Remodel	100,000
		= 7670	■ IMAGING - US/ECHO	Additional Ultrasound Unit Los Gatos Campus	218,556
		= 7680	■ IMAGING - CT SCAN	CT scanner for LG ED - replace XR	900,000
		■ 7720	■ RESPIRATORY CARE SVCS	Medtronics EMB	186,000
		■ 8380	■ STERILE PROCESSING	ALLCLEAR 1-DR DUO	209,067
				AMSCO 400 SERIES 48†Medium Steam Sterilizer	134,139
11 Total					2,264,681
Grand To	tal				7,509,093
				Infusion Pump Replacement (Estimated)	500,000
				Items < \$100K	2,798,266
				Strategic Capital	2,139,000
				Unallocated Funds	5,053,641
				Total Equipment	24,000,000



Charge Master Pricing Comparison with Benchmark Data





Charge Master Pricing Comparison with Benchmark Data (cont.)

- According to hospital industry pricing experts at Cleverley & Associates, Medicare claims level data shows El
 Camino Hospital prices below mid-market level compared to its local peer group, which includes Good Samaritan
 Hospital, Regional Medical Center, O'Connor Hospital, Stanford Hospital, Sequoia Hospital, and Washington
 Hospital.
- A score of 100 on the Hospital Charge Index represents the national average. Our local peer ("competitor") group's blended Hospital Charge Index is 179.5 (i.e. 79.5% higher than the national average) a reflection of the higher cost of living and prices in the Bay Area.
- In comparison, El Camino Hospital's blended Hospital Charge Index is much lower at 126.1.
- Even with the 5.0% price increase in FY19, our overall charges remain below the mid-market level of our peer group.
- 5.0% charge increase is proposed in the FY20 budget



Historical Performance vs Budget

	2012	2013	2014	2015	2016	2017	2018	2019F	2020B
Op Margin									
Act	67,498	69,126	70,305	78,122	52,613	112,176	137,862	125,502	
Bud	48,454	46,208	56,642	53,020	50,138	58,285	77,090	105,339	111,426
Var	39%	50%	24%	47%	5%	92%	79%	19%	
Op Margin %									
Act	10.5%	9.9%	9.5%	10.2%	6.6%	13.1%	15.6%	13.1%	
Bud	7.8%	7.1%	8.0%	7.1%	6.5%	7.2%	9.0%	11.1%	11.3%
Rev									
Act	643,630	701,479	739,985	767,751	795,657	858,347	930,586	954,556	
Growth from PY		9.0%	5.5%	3.8%	3.6%	7.9%	8.4%	2.6%	3.6%
Bud	624,833	647,277	704,587	750,748	765,618	814,645	855,195	951,269	989,216
Var	3%	8%	5%	2%	4%	5%	9%	0%	
Ехр									
Act	576,132	632,353	669,680	689,629	743,044	746,171	785,454	829,054	
Bud	576,378	601,069	647,944	697,728	715,481	756,360	778,105	845,930	877,790
Var	0%	-5%	-3%	1%	-4%	1%	-1%	2%	





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

El Camino Healthcare District Fiscal Year 2020 Budget

Iftikhar Hussain, CFO June 18, 2019

Basis of the El Camino Healthcare District FY 2020 Budget

- The District budget is first shown in "stand-alone" format, including those transactions which occur at the District level.
 - This presentation will cover the assumptions driving the District's budget and will provide information on District—level revenues and expenditures.
 - The budget for El Camino Hospital and its affiliates was reviewed at the hospital's joint finance committee meeting and special board meeting on May 28^{th.} Those meetings were both noticed on the hospital's website and were open to the public. Additional information on the budget for El Camino Hospital and its affiliates is available on the hospital's website (www.elcaminohospital.org).
- The District budget is also shown in consolidated format in this presentation as it is the District's responsibility to approve the consolidated budget.



Major Assumptions – El Camino Healthcare District

Excludes El Camino Hospital & its affiliates

- Other Operating Revenue is based on the existing ground lease agreement.
- Redevelopment Agency revenues were not budgeted for in FY2020 as it is anticipated that the County may cease these allocations.
- Operating Expenses are based on historical information with adjustments made for non-recurring events.
- Community Benefit Support fee based on the cost of services as follows:

Community Benefit Staff FY2020	Total Paid	l FTEs
VP Corp Comm Hlth Svcs		0.25
Director Community Benefit		0.75
Administrative Assistant		1.00
Sr Community Benefit Spec		2.00
Business Coordinator		0.21
Total		4.21
Total Salaries, Wages & Benefits	\$	660,275
Estimated allocation of time at 60% =	\$	397,138

- Supplies and Other Expenses includes modest increases for Direct Mail material, website development, advertising and postage. The District's association dues expect to remain constant (ACHD at \$25,000; CA Special Districts and SC County Special Districts at \$7,000).
- Depreciation on the YMCA building is projected to end approximately September as the District's portion of the building will be full depreciated and reserved.
- 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 short-term rate of return for those funds.
- 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

Information excludes El Camino Hospital & its affiliates

(!-- _\)

				Change	
		FY2019		Favorable /	
Revenues	FY2018 Actual	Annualized	FY 2020 Budget	(Unfavorable)	% Change
Other Operating Revenue	92	95	96	1	0.7%
Unrestricted M&O Property Taxes	8,025	8,429	8,845	416	4.9%
Restricted M&O Taxes	7,831	7,990	7,654	(336)	-4.2%
Taxes Levied for Debt Service	9,266	10,036	10,200	164	1.6%
Investment Income	753	1,452	897	(556)	-161.7%
Other - Redevelopment agency	256	197	-	(197)	-100.0%
Total Net Revenue	26,222	28,199	27,692	(508)	-1.8%
Expenses Community Benefit Support	370	397	397	(0)	0.0%
Management Services	10	10	10	(0)	0.0%
Supplies & Other Expenses	202	298	322	(25)	-7.6%
Depreciation/Amortization/Interest Expense	231	226	57	170	299.9%
G.O. Interest Expense (net)	3,761	3,469	3,320	149	4.5%
Community Benefit Program	6,847	7,300	7,800	(500)	
-					-6.4%
IGT Medi-Cal Program Expense	6,469	2,967	3,342	(374)	-6.4% -11.2%
IGT Medi-Cal Program Expense Total Expenses	6,469 17,889	2,967 14,668	3,342 15,248	(374) (580)	

FY20 BUDGET RECAP STATEMENT OF REVENUES & EXPENSE

(A)	Net Operating Revenues & Expenses	(690)
(B)	Net Non-Operating Revenues & Expenses	13,134
	NET INCOME	12,444



El Camino Healthcare District

Statement of Fund Balance Activity for Budget 2020

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

UNRESTRICTED FUND ACTIVITY BALANCE

PROJECTED ENDING BALANCE @ 6/30/2020	\$56,371
Projected Transfer to ECH for Capital Outlay Projects (Women's Hospital)	(6,973)
Budgeted Net Income for FY2020	12,444
Projected Opening Balance at 7/1/2019	\$50,900



El Camino Healthcare District

Sources & Uses of Tax Receipts (in 000s) Budget for 2020

Sources of District Taxes

(1) Maintenance and Operation and Government Obligation Taxes \$26,700 (2) Redevelopment Agency Taxes \$0 Total District Tax Receipts	\$26,700
Total District Tax Receipts	\$26,700
Uses Required Obligations / Operations	
(3) Government Obligation Bond (Principal & Interest & Surplus) \$10,200	
Total Cash Available for Operations, CB Programs, & Capital Appropriations	16,500
(4) Capital Appropriation Fund – Excess Gann Initiative Restricted* 7,654	,
Subtotal	8,846
(5) Operating Expenses 730)
Subtotal	8,116
(6) Capital Replacement Fund (Park Pavilion) 74	
Funds Available for Community Benefit Program	\$8,042

*Gann Limit Calculation for FY2020

\$8,845

(1) M&O	and	G.O.	Taxes
---------	-----	------	-------

- (2) Redevelopment Agency Taxes
- (3) Government Obligation Bond
- (4) Capital Appropriation Fund
- (5) Operating Expenses
- (6) Capital Replacement Fund

- Cash receipts from the 1% ad valorem property taxes and Measure D taxes
- Cash receipts from dissolution of redevelopment agencies
- Levied for debt service
- Excess amounts over the Gann Limit are restricted for use as capital
- Expenses incurred in carrying out the District's day-to-day activities
- Fund to ensure that the District has adequate resources to fund repair and replacement of its capital assets (Park Pavilion at 130% of original cost)



El Camino Healthcare District - CONSOLIDATED

(\$ In 000s)

	Standalone	El Camino Hospital	El Camino Hospital Affiliates	Total
REVENUES				
Net Patient Service Revenue	\$0	\$960,475	\$52,378	\$1,012,853
Other Operating Revenue	96	27,288	18,033	45,416
Total Net Revenue	96	987,763	70,411	1,058,269
EXPENSES				
Salaries & Benefits	0	530,198	27,425	557,623
Supplies & Other Expenses	730	278,495	71,860	351,084
Interest	0	11,939	0	11,939
Depreciation/Amortization	57	57,158	2,305	59,519
TOTAL EXPENSES	786	877,790	101,590	980,166
OPERATING INCOME	(\$690)	\$109,973	(\$31,179)	\$78,104
Non Operating Income	13,134	32,939	5,257	51,330
NET INCOME	\$12,444	\$142,912	(\$25,921)	\$129,434
Operating EBIDA	(633.6)	179,070	(28,874)	149,563
EBIDA Margin Percentage	(660.4%)	18.1%	(41.0%)	14.1%
Operating Margin Percentage	(719.4%)	11.1%	(44.3%)	7.4%



El Camino Healthcare District - CONSOLIDATED

(\$ in 000s)

	FY2018 Actual	FY2019 Annualized	FY2020 Budget	Change Favorable/ (Unfavorable)	% Change
REVENUES					
Net Patient Service Revenue	893,753	933,218	1,012,853	79,635	8.5%
Other Operating Revenue	45,153	41,330	45,416	4,087	9.9%
Total Net Revenue	938,906	974,548	1,058,269	83,721	8.6%
EXPENSES					
Salaries & Benefits	472,748	510,851	557,623	(46,772)	(8.4%)
Supplies & Other Expenses	279,290	296,535	351,084	(54,549)	(15.5%)
Interest	5,227	4,418	11,939	(7,521)	(63.0%)
Depreciation/Amortization	49,942	52,275	59,519	(7,244)	(12.2%)
TOTAL EXPENSES	807,208	864,080	980,166	(116,086)	(11.8%)
OPERATING INCOME	131,698	110,468	78,103	(32,364)	41.4%
Non Operating Income	73,717	66,650	51,330	(15,320)	(23.0%)
NET INCOME	205,414	177,118	129,433	(47,685)	(26.9%)
Operating EBIDA	186,867	167,161	149,562	(17,600)	(10.5%)
EBIDA Margin Percentage	19.9%	17.2%	14.1%		
Operating Margin Percentage	14.0%	11.3%	7.4%		



El Camino Healthcare District Consolidated Capital Budget

Note: There are no plans to expend capital at the District level in Fiscal Year 2020. All capital spending is budgeted to occur at El Camino Hospital and its affiliates



FY 2020 Capital Spending Trend

(in 000s)

Capital Spending (in 000's)	Actual FY2016	Actual FY2017	Actual FY2018	Projected FY2019	Budget 2020
				112013	2020
EPIC	20,798	2,755	1,114	-	-
IT Hardware / Software Equipment	6,483	2,659	1,108	6,000	6,000
Medical / Non Medical Equipment	17,133	9,556	15,780	18,000	* 18,000
Non CIP Land, Land I, BLDG, Additions	4,189	-	2,070	-	-
Facilities	48,137	82,953	137,364	205,451	268,937
GRAND TOTAL	96,740	97,923	157,435	229,451	292,937
*Includes \$5M unallocated amount					



FY 2020 Facilities Capital Budget Breakdown

(\$ in 000s)

		Estimated Total	Total Committed	FY-20	FY -20
		Project Cost	\$\$ To Date	REQUEST FOR	SPEND
		May 2019		APPROVAL	
Approved Funde	ed Projects - In Process	\$504,881	\$487,481	\$11,200	\$123,586
Planned Projects	s - Pending Approval	204,240	18,100	178,040	72,254
Placeholder Proj	ects - To Be Evaluated.	242,700	500	157,200	73,097
	TOTALS	\$951,821	\$506,081	\$346,440	\$268,937



(\$ in 000s)

FY 2020 Facilities Capital Detail Approved Funded Projects – In Process

	Estimated Total	Total Committed	FY 20 BUDGET	FY -20 Spend
	Project Cost	\$\$To Date	\$\$	
Approved Funded Projects - In Process	May 2019		(A)	
BHS Replacement	96,100	96,100		12,800
North Dr Parking Structure Expansion	24,500	24,500		
Integrated Medical Office Building	302,100	302,100		64,489
CUP Upgrades	9,000	9,000		
LG Campus Planning	250	250		123
Imaging Equipment Replacement (Imaging Dept. Only)	21,700	16,900	4,800	11,700
IR / Cath Lab Equipment Replacement (5 or 6 Rooms)	19,400	13,000	6,400	9,500
Willow Surgery Center Improvements	6,200			6,200
MV SPD Ultrasconic Cleaner Installation	176	176		
MV Infrastructure Upgrades Misc	360	360		260
Lab Equipment & Security Upgrades	240	240		160
Emergency Sanitary & Water Storage	3,900	3,900		3,490
CT Equipment Replacement @ Radiation Oncology	993	993		814
Herman Miller Inventory (Partial Replacement)	210	210		150
MOB Upgrades (MV Campus) FY-19	250	250		220
LG Infrastructure Upgrades Misc.	240	240		146
LG Modular MRI & Awning	3,900	3,900		3,387
LG Cancer Center	6,400	6,400		3,064
LG MOB Improvements FY-19	498	498		340
Primary Care Clinic (TI's Only) FY 19 (237 @ N. 1st)	8,000	8,000		6,744
SVMD - Administrative Office	359	359		
SVMD - OB/GYN Clinic - 2204 Grant Rd.	105	105		
Subtotal Approved Projects	504,881	487,481	11,200	123,586

(A) Projects > \$1M will come to Finance Committee for approval



(\$ in 000s)

FY 2020 Facilities Capital Detail Planned Projects – Pending Approval

	Estimated Total Project Cost	Total Committed \$\$To Date	FY 20 BUDGET \$\$	FY -20 Spend
Planned Projects - Pending Approval	May 2019	3310 Date	(A)	
Women's Hosp Expansion	111,000	16,000	95,000	33,000
Demo Old Main & Related Site Work	70,000	1,000	69,000	20,000
ED Remodel Triage / Psych Observation	6,750	250		6,340
Site Signage & Other Improvements	2,250	250		2,032
Nurse Call System Upgrade (Overlay Only)	800			700
Various Relocation Projects	800			700
Flooring Replacement	1,600	600	1,000	1,183
MV Wireless Infrastructure Upgrade	1,600		1,600	1,000
MV Physician Dining Room	1,200		1,200	1,200
Other Undefined	2,000		2,000	500
LG Nurse Call System Replacement	2,400		2,400	1,800
LG Security System	460		460	420
LG Rehab Finish Upgrades	400		400	400
LG Campus Signage	500		500	500
LG Wireless Infrastructure Upgrades	480		480	480
LG Paving Upgrades	800		800	800
LG Decontamination in OR	600		600	600
LG Pharmacy USP 797 & 800 Upgrades	600		600	600
Subtotal Planned Projects	204,240	18,100	178,040	72,254

(A) Projects > \$1M will come to Finance Committee for approval



(\$ in 000s)

FY 2020 Facilities Capital Detail Placeholder Projects – To Be Evaluated

	Estimated Total	Total Committed		FY -20 Spend
Placeholder Projects - To Be Evaluated.	Project Cost May 2019	\$\$To Date	\$\$ (A)	
New 28k MOB (Courthouse Prop)	22,400		22,400	12,400
LG Upgrades	0		30,000	12,000
Willow Pavilion FA Sys and Equip Upgrades	1,400		1,400	1,400
Patient Family Residence	20,000	500	19,500	597
Nurse Call / RTLS (PT. Rm of Future) Main Hospital Only	5,000		5,000	250
Radiation Oncology Equipment Replacement	12,000		12,000	10,000
MV MOB Upgrades FY 20	1,000		1,000	500
MV Facilities Planning Allowance FY 20	600		600	600
MV Equipment & Infrastructure Upgrades FY 20	900		900	900
MV Cancer Center Expansion	2,400		2,400	1,200
MV Undefined Annual	56,000			
LG IR Upgrades	1,500		1,500	250
LG MOB Upgrades FY 20	500		500	500
LG Facilities Planning Allowance FY 20	500		500	500
LG Equipment & Infrastructure Upgrades FY 20	600		600	600
LG Undefined Annual	14,000			
SVMD - Facilities Future Years	15,000			
SVMD - Clinic / Admin Office Building (New Construction)	25,000		25,000	3,000
SVMD - MeKee Clinic Relocation (Assumes 12,000 SF, TI's)	6,300		6,300	2,000
SVMD - Planning & Upgrades Allowance	1,600		1,600	400
Property Acquisitions	56,000		26,000	26,000
Subtotal Placeholder Projects	242,700	500	157,200	73,097

(A) Projects > \$1M will come to Finance Committee for approval





To: El Camino Healthcare District Board of Directors

From: Ken King, CASO Date: June 18, 2019

Subject: FY-2017 District Capital Outlay Fund Request

Recommendation:

To designate the FY-2017 funds totaling \$6,958,521 in its Capital Outlay Fund in support of the Women's Hospital Expansion renovation/reconstruction project, bringing the total fund to \$22,430,463.

Summary:

- 1. <u>Situation</u>: The El Camino Healthcare District has \$6,958,521 of Capital Outlay Funds from fiscal year 2017 that must be allocated for use within a two-year period. Note that expenditure from the Capital Outlay Fund must be for a capital land/building project or equipment that has a cost of greater than \$100,000 and a useful life of 10 years or more.
- **2.** Authority: The District Board must allocate these funds for use or return them to the County.
- Background: As identified in the El Camino Hospital Mountain View Campus Development Plan, the Women's Hospital Expansion meets requirements for use of the above Capital Outlay Funds. The Women's Hospital Expansion will convert floors 2 and 3 from Medical Office space to private room post-partum patient rooms, expand the NICU capacity in a private and semi-private configuration and increase the number of Labor & Delivery Rooms, all designed to the latest codes and clinical standards.

For reference, see below how the El Camino Healthcare District Capital Outlay Funds have been allocated since FY 2010:

ECH District Capital Outlay Funds -Use History					
FY	Fund Amount	Fund Allocation	Allocation Date	Fund Description	
2010	2,830,419	2,830,419	June-12	Replacement BHS Building	
2011	3,368,342	3,368,342	June-13	Replacement BHS Building	
2012	3,609,640	9 003 043	June-14	Replacement BHS Building	
2013	4,483,402	8,093,042	Julie-14	Replacement BHS Building	
	Total	14,291,803			
2014	4,145,422	0.207.651	June-16	Waman'a Haspital Evagasian	
2015	5,152,229	9,297,651	June-16	Women's Hospital Expansion	
2016	6,174,291	6,174,291	June-18	Women's Hospital Expansion	
2017	6,958,521	6,958,521	June-19	Women's Hospital Expansion	
	Total	22,430,463			

Current Request

- **4.** <u>Assessment</u>: The project meets the requirements for the funds and is consistent with previous allocations.
- 5. Other Reviews: No other reviews have been conducted.
- **6.** Outcomes: Additional funding for women's hospital expansion project

List of Attachments: None



To: El Camino Healthcare District Board of Directors **From:** Cindy Murphy, Director of Governance Services

Date: June 18, 2019

Subject: Appointment of Liaison to Community Benefit Advisory Council (CBAC)

	Recomme	endat	ion((\mathbf{s})	:
--	---------	-------	------	----------------	---

To appoint Director	to serve as the District's non-voting liaison to the CBAC
for FY20.	

Summary:

- 1. <u>Situation</u>: Each year the District Board appoints one of its members to serve as a non-voting liaison to the CBAC.
- **2.** <u>Authority</u>: Community Benefit Policy
- Background: Last year, the Board appointed Director Neysa Fligor to replace Director Miller as its liaison to the CBAC for FY19. When Director Fligor left the Board in December 2018, the Board appointed Director Miller in her place. This assignment requires attendance at between 1 and 3 meetings each year.
- **4.** Assessment: N/A
- **5.** Other Reviews: None.
- **6.** Outcomes: Appointment of liaison to the CBAC for FY20.

List of Attachments: None.

Suggested Board Discussion Questions: None.



To: El Camino Healthcare District Board of Directors

From: Peter C. Fung, MD, Board Chair

Date: June 18, 2019

Subject: Board Officer Elections

Recommendation(s):

To elect	as ECHD Board Chair for a term of two years effective July 1, 2019.
To elect2019.	as ECHD Board Vice Chair for a term of two years effective July 1,
To elect July 1, 2019.	as ECHD Board Secretary/Treasurer for a term of two years effective

Summary:

- 1. <u>Situation</u>: The current Board Officer terms expire on June 30, 2019.
- 2. <u>Authority</u>: Pursuant to Article III, Section 4 of the El Camino Healthcare District Bylaws, before July 1st of every odd-numbered year, the District Board shall elect officers from District Directors then in office by majority vote.
- 3. <u>Background</u>: It has been the Board's practice over the last several years to elect its Board Officers through nominations from the floor at the meeting when the election is held. This year, I asked Board members to declare their interest in serving in advance of the meeting. However, we will also take nominations from the floor at the meeting. Director Gary Kalbach has declared interest in serving as Board Chair and Director Julia Miller has declared interest in serving as Vice Chair.
- 4. <u>Assessment</u>: N/A
- **5.** Other Reviews: None.
- **6.** Outcomes: Board Officers for FY20 and FY21 elected.

List of Attachments: None.

Suggested Board Discussion Questions:

1. Are there any additional nominations from the floor?



To: El Camino Healthcare District Board of Directors

From: Peter C, Fung, MD, Board Chair

Date: June 18, 2019

Subject: Draft Resolution 2019-07 Appointment of FY20 El Camino Hospital Board Member

Election Ad Hoc Committee Chair, Member and Advisors.

Recommendation(s):

To approve Draft Resolution 2019-07.

Summary:

- 1. <u>Situation</u>: Two of the current El Camino Hospital ("ECH") Board Members (Julie Kliger and Bob Rebitzer) have terms expiring on June 30, 2020.
- 2. <u>Authority</u>: Pursuant to District Policy, each year the District Board appoints an Ad Hoc Committee to consider the re-election of ECH Board members whose terms are set to expire at the end of the upcoming fiscal year.
- 3. <u>Background</u>: The process provides that the Committee will consist of two members of the District Board, and that the Board will appoint a member of the El Camino Hospital Governance Committee recommended by the Chair of the Governance Committee as an advisor to the Ad Hoc Committee as well as an Advisor who is an El Camino Hospital Director, but not a member of the El Camino District Board of Directors who has been referred to by the El Camino Hospital Board Chair.

Article VII, Section 1 of the El Camino Healthcare District Bylaws provides for the Board Chair to appoint the Chairperson of the Committee and for the Board to approve the other member.

At the meeting:

- 1. I will announce the appointment of a Chairperson of the Committee.
- 2. As Chair of the El Camino Hospital Governance Committee, I will recommend appointment El Camino Hospital Governance Committee member Christina Lai to serve as an advisor to the Ad Hoc Committee.
- 3. In accordance with his agreement to serve, I will recommend appointment of ECH Board Member Lanhee Chen to serve as an Advisor to the Ad Hoc Committee.
- 4. I will also I suggest the Board take nominations from the floor with respect to appointment of the second member of the Committee.
- **4.** Assessment: N/A
- **5.** Other Reviews: None
- 6. Outcomes: Appointment of An Ad Hoc Committee to consider reelection ECH Board Members Julie Kliger and Bob Rebitzer to the ECH Board of Directors.

List of Attachment: None.

Suggested Board Discussion Questions: None.

EL CAMINO HEALTHCARE DISTRICT RESOLUTION 2019 - 07 APPOINTMENT OF SPECIAL ADVISORY COMMITTEE FOR LIMITED PURPOSE AND LIMITED DURATION

WHEREAS, the Board of Directors has determined it is necessary to carefully consider and prepare for the re-election or election of Directors to the El Camino Hospital Board,

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 Hospital Board Member Election 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 consider and prepare for the FY 2020 election or re-election of one or more Directors to the El Camino Hospital Board.

RESOLVED , that the members of the t determine the time, place, date and frequency of	emporary advisory special committee shall of such committee meetings; be it further
RESOLVED, thatadvisory special committee; be it further	_ is appointed as a member of the temporary
RESOLVED, thathaving been appointed as Chairperson of the co	_ shall also serve as a member of the committee ommittee by the Board Chairperson; be it further
RESOLVED, that	_ shall serve as an advisor to the Committee El Camino Hospital Board's Governance
RESOLVED, thathaving been recommended by the Chair of the latest the commended by the Chair of the latest the la	_ shall also serve as an advisor to the Committee El Camino Hospital Board of Directors.
DULY PASSED AND ADOPTED at a following votes:	a regular meeting held on June 18, 2019, by the
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
John Zoglin, Secretary	

ECHD Board of Directors



To: El Camino Healthcare District Board of Directors **From:** Cindy Murphy, Director of Governance Services

Date: June 18, 2019

Subject: Resolution 2019-08 Setting Regular Meeting Dates for FY2020

Recommendation(s): To approve Draft Resolution 2019-08.

Summary:

- 1. <u>Situation</u>: The only FY2020 Regular El Camino Healthcare District Board meeting date that has been formally set by Resolution is October 22, 2019 (Resolution 2018-12, adopted October 16, 2018).
- Authority: Pursuant to California Government Code Section 54954(a): Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. In addition, Article VI, Section 3 of the El Camino Healthcare District Bylaws provides that "regular meetings of the District Board shall be held without call on the date and at the time and place established, from time-to-time, by resolution of the District Board. The District Board may establish the date, time, and place of one (1) or more regular meetings in any such resolution."
- Background: It has been the Board's practice to adopt a Resolution at its October meeting each year setting its meeting dates for the upcoming calendar year. It is staff's recommendation that the District Board adopt a Resolution setting its regular meeting dates at the beginning of the fiscal year. The Board's practice has been to hold Regular meetings on the third Tuesday of the month 4-5 times per year. This allows, when necessary, for the District Board to approve matters approved by the Hospital Board (which typically meets on the second Wednesday) the previous week. Two departures from the usual "third Tuesday" schedule are suggested in the attached Resolution.
 - A. October 22, 2019 This was the date provided in Resolution 2018-12 adopted by the District Board in October 2018. That date was proposed by staff to follow what was then to be a Hospital Board meeting held on October 16, 2019. Although that Hospital Board meeting has now been moved October 10th, there is an ECH Governance Committee meeting scheduled on October 15th (3rd Tuesday) so moving the District Board meeting to October 15th is not feasible.
 - **B.** January 28, 2020 This is a fourth Tuesday, and was requested by Director Miller.
- **4.** <u>Assessment</u>: District Board timing for setting Regular Meeting dates will be in alignment with the Hospital Board's process.
- 5. Other Reviews: None.
- **6.** Outcomes: FY20 Meeting dates set.

<u>List of Attachments</u>: Draft Resolution 2019-08

Suggested Board Discussion Questions: None.

DRAFT Resolution 2019-08

Resolution of the Board of Directors of El Camino Healthcare District Establishing Regular Meeting Dates and Time

RESOLVED, Article VI, Section 3(a) of the Bylaws of El Camino Healthcare District requires the Board to adopt a resolution setting meeting dates; be it further,

RESOLVED, that the regular meeting dates of the District Board for FY 2020 shall be October 22, 2019, January 28, 2020, March 17, 2020, May 19, 2020 and June 16, 2020 at 5:30PM; be it further,

RESOLVED, that the regular meeting dates shall be posted at El Camino Hospital, on the El Camino Healthcare District website, and shall be mailed or e-mailed to all persons who have requested notice of EL Camino Healthcare District meetings in writing as of January 1st each year.

DULY PASSED AND ADOPTED at a Regular Meeting held on the 18th day of June, 2019 by the following votes:

	AYES:
	NOES:
	ABSENT:
	ABSTAIN:
Б	
By:	John Zoglin
	Secretary, ECHD Board of Directors

BN 10801786v1 1

EL CAMINO HEALTHCARE DISTRICT BOARD

Draft FY2020 PACING PLAN

Proposed June 18, 2019

FY20 Q1			
JULY 2019	AUGUST 2019	SEPTEMBER 2019	
No Meeting	No Meeting	No Meeting	
	FY20 Q2		
OCTOBER 22, 2019	NOVEMBER 2019	DECEMBER 2019	
 FY20 YTD ECHD Financials Community Benefit Spotlight FY19 Community Benefit Year End Report FY19 Stand-Alone Financials FY19 Financial Audit Presentation – Consolidated ECH District Financials Approve FY19 Hospital Audit Hospital Board Member Election Ad Hoc Committee Report Pacing Plan Approval of Minutes FY19 CEO and CFO Performance Review Possible Revision to ECH Bylaws (Committee Appointment Process) 	No Meeting	No Meeting	

FY20 Q3			
JANUARY 21 or 28, 2020	FEBRUARY 2020	MARCH 17, 2020	
 Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY20 YTD ECHD Financials Hospital Board Member Election Ad Hoc Committee Report (if necessary) Pacing Plan Approval of Minutes 	No Meeting	 Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY20 YTD ECHD Financials Hospital Board Member Election Ad Hoc Committee Report (if necessary) Approve Resolution Calling for November 2020 Election Pacing Plan Approval of Minutes 	
	FY20 Q4		
APRIL 2020	MAY 19, 2020	JUNE 16, 2020	
No Meeting	 FY 21 Community Benefit Plan Study Session Community Benefit Mid-Year Metrics Hospital Board Member Election Ad Hoc Committee Report (If necessary) 	 Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY20 YTD ECHD Financials Tax Appropriation for FY21 District Capital Outlay Fund Hospital Board Member Election Ad Hoc Committee Report (if necessary) Approval of FY21 Community Benefit Plan Approve ECH FY21 Budget Approve ECHD FY21 Budget Appointment of Liaison to the Community Benefit Advisory Council Appoint FY21 Hospital Board Member Election Ad Hoc Committee Approval of Minutes and FY21 Pacing Plan Resolution Setting FY21 Regular Meeting Dates 	