



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

Tuesday, October 17, 2017 – 5:30pm

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 Fung, MD, Board Chair		5:30 – 5:32pm
2. SALUTE TO THE FLAG	Peter Fung, MD, Board Chair		5:32 – 5:34pm
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Peter Fung, MD, Board Chair		5:34 – 5:35
4. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Peter Fung, MD, Board Chair		information 5:35 – 5:38
5. CONSENT CALENDAR <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the District Board Meeting (August 16, 2017) b. Minutes of the Open Session of the District Board Meeting (August 23, 2017) c. Resolution 2017-13: Setting Regular Meeting Dates for CY18 d. FY17 Year-End Consolidated and Standalone Financials	Peter Fung, MD, Board Chair	<i>public comment</i>	motion required 5:38 – 5:42
6. COMMUNITY BENEFIT SPOTLIGHT Family and Children Services of Silicon Valley <i>Resolution 2017-14</i> ATTACHMENT 6	Barbara Avery, Director, Community Benefit	<i>public comment</i>	motion required 5:42 – 5:52
7. ECHD FY18 FINANCIALS YTD ATTACHMENT 7	Iftikhar Hussain, CFO	<i>public comment</i>	possible motion 5:52 – 5:57
8. FY17 FINANCIAL AUDIT ATTACHMENT 8	Brian Conner, Moss Adams		information 5:57 – 6:02

A copy of the agenda for the Regular Board Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at (650) 988-7504 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
9. REVISED BUDGET FOR MAJOR EL CAMINO HOSPITAL CAPITAL PROJECTS (BHS AND IMOB) ATTACHMENT 9	Ken King, CASO	<i>public comment</i>	possible motion 6:02 – 6:17
10. ECH BOARD MEMBER ELECTION AD HOC COMMITTEE REPORT a. Proposed Revised ECH Board Member Election and Re-Election Process b. Re-Election of Director Lanhee Chen c. Proposed Revised Position Specification ATTACHMENT 10	John Zoglin, Ad Hoc Committee Chair	<i>public comment</i>	possible motion(s) 6:17 – 6:32
11. DRAFT DISTRICT DIRECTOR VACANCY POLICY ATTACHMENT 11	Cindy Murphy, Director of Governance Services	<i>public comment</i>	possible motion 6:32 – 6:47
12. FY17 COMMUNITY BENEFIT PLAN REPORT ATTACHMENT 12	Barbara Avery, Director, Community Benefit	<i>public comment</i>	possible motion 6:47 – 6:57
13. FY18 PACING PLAN ATTACHMENT 13	Peter Fung, MD, Board Chair	<i>public comment</i>	possible motion 6:57 – 7:02
14. BOARD COMMENTS	Peter Fung, MD, Board Chair		information 7:02 – 7:07
15. ADJOURN TO CLOSED SESSION	Peter Fung, MD, Board Chair		motion required 7:07 – 7:08
16. CONSENT CALENDAR <i>Any Board Member or member of the public may remove an item for discussion before a motion is made.</i> <i>Approval</i> <i>Gov't Code Section 54957.2:</i> a. Minutes of the Closed Session of the District Board Meeting (June 20, 2017)	Peter Fung, MD, Board Chair		motion required 7:08 – 7:10
17. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters: - FY17 Financial Audit	Brian Conner, Moss Adams		discussion 7:10 – 7:15
18. Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation: - Compliance Matter	Mary Rotunno, General Counsel		discussion 7:15 – 7:25
19. Report involving Gov't Code Section 54957 for discussion and report on personnel performance matters: - Executive Session	Peter Fung, MD, Board Chair		discussion 7:25 – 7:30
20. ADJOURN TO OPEN SESSION	Peter Fung, MD, Board Chair		motion required 7:30 – 7:31

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
21. RECONVENE OPEN SESSION/ REPORT OUT	Peter Fung, MD, Board Chair		7:31 – 7:32
To report any required disclosures regarding permissible actions taken during Closed Session.			
22. FY17 FINANCIAL AUDIT APPROVAL	Brian Conner, Moss Adams	<i>public comment</i>	possible motion 7:32 – 7:34
23. PROPOSED STRUCTURE FOR COMMUNITY BENEFIT ADVISORY COUNCIL (CBAC) <u>ATTACHMENT 23</u>	Barbara Avery, Director, Community Benefit; Mary Rotunno, General Counsel	<i>public comment</i>	possible motion 7:34 – 7:54
24. ADJOURNMENT	Peter Fung, MD, Board Chair		motion required 7:54 – 7:55pm

Upcoming Meetings (*tentative upon Board approval*)

- January 16, 2018
- March 20, 2018
- May 15, 2018
- June 19, 2018
- October 16, 2018
- December 5, 2018



**Minutes of the Open Session of the
Meeting of the El Camino Healthcare District Board of Directors
Wednesday, August 16, 2017**
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)

Board Members Present

Peter Fung, MD, Chair
Julia Miller
David Reeder
John Zoglin, Vice Chair

Board Members Absent

None

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 5:31pm by Chair Fung. A silent roll call was taken. All Board members were present.	
2. SALUTE TO THE FLAG	Chair Fung 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. No conflicts were noted.	
4. PUBLIC COMMUNICATION	Mr. Doug Jones, who identified himself as an SEIU political organizer, requested that the Board appoint a new Director who will carry out the mission of the District, including maintaining healthy labor relations and good faith negotiations.	
5. CONSENT CALENDAR	<p>Motion: To approve the consent calendar: Minutes of the Open Session of the District Board Meeting (June 20, 2017); Minutes of the Open Session of the District Board Meeting (June 28, 2017).</p> <p>Movant: Zoglin Second: Reeder Ayes: Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
6. DISTRICT BOARD VACANCY AD HOC COMMITTEE REPORT	<p>Director Fung, Chair of the District Board Vacancy Ad Hoc Committee, reported that Dennis Chiu’s departure created a vacancy on the District Board. He outlined the steps taken to notice the vacancy and prepare for applicant interviews.</p> <p>Director Reeder expressed concerns about the process of appointing the Ad Hoc Committee and questioned legal counsel about the bylaws. Director Fung described the Resolution adopted by the Board at its June 20, 2017 meeting delegating authority to the Board Chair to appoint the Ad Hoc Committee.</p> <p>Director Reeder also requested adding development of a formalized policy for filling vacancies on the District Board to the Pacing Plan.</p> <p>In response to Director Reeder’s question, Director Fung explained that the candidates were not provided with the competency matrix used for selecting members of the Hospital Board.</p>	

	<p>The Board discussed the proposed voting procedures and whether to list specific candidates or have roll call votes. The Board also discussed next steps if there is no majority vote for a candidate at the end of Round 6, including continued discussion and referring the vacancy to the Santa Clara County Board of Supervisors.</p> <p>Motion: To approve the proposed appointment (voting) procedure, with the process of voting aye, nay, or abstain replaced with each Board member listing the candidates they support for each round.</p> <p>Movant: Reeder</p> <p>There was no second to the motion.</p> <p>Motion: To approve the proposed appointment (voting) procedure as written.</p> <p>Movant: Miller Second: Fung</p> <p>Director Fung explained that Directors can abstain rather than voting nay for a candidate.</p> <p>Ayes: Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	Voting Procedure approved
7. DISTRICT BOARD DIRECTOR APPLICANT INTERVIEWS – GROUP 1	<p>Director Fung reviewed the position description for the Director position.</p> <p>The Board interviewed four candidates: Mr. William Adler, Mr. Jonathan Cowan, Ms. Neysa Fligor, and Mr. Gary Kalbach for a position on the El Camino Healthcare District Board of Directors. Each candidate gave a presentation and answered questions from the Board about their experience and interest in the role.</p>	
8. RECESS	A brief recess was taken.	
9. DISTRICT BOARD DIRECTOR APPLICANT INTERVIEWS – GROUP 1	<p>The Board interviewed seven candidates: Mr. R. Michael Kasperzak, Mr. Sivaram Krishnan, Mr. Edward Loizeaux, Mr. Sachihiko Michitaka, Ms. Kristina Peterson, Dr. Carol Somersille, and Dr. George Ting for a position on the El Camino Healthcare District Board of Directors. Each candidate gave a presentation and answered questions from the Board about their experience and interest in the role.</p>	
10. APPOINTMENT OF DISTRICT BOARD DIRECTOR	<p>For Round 1, to narrow the field, the Directors cast the following votes by roll call (each Director with three (3) aye votes):</p> <p>To consider Mr. William Adler for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Mr. Jonathan Cowan for appointment.</p> <p>Ayes: Fung, Miller Noes: None Abstentions: Reeder, Zoglin</p> <p>To consider Ms. Neysa Fligor for appointment.</p>	

	<p>Ayes: Miller, Reeder Noes: None Abstentions: Fung, Zoglin</p> <p>To consider Mr. Gary Kalbach for appointment.</p> <p>Ayes: Fung, Reeder Noes: None Abstentions: Miller, Zoglin</p> <p>To consider Mr. R. Michael Kasperzak for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider M. Sivaram Krishnan for appointment.</p> <p>Ayes: Reeder Noes: None Abstentions: Fung, Miller, Zoglin</p> <p>To consider Mr. Edward Loizeaux for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Ms. Tara Martin-Milius for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Mr. Sachihiko Michitaka for appointment.</p> <p>Ayes: Zoglin Noes: None Abstentions: Fung, Miller, Reeder</p> <p>To consider Ms. Kris Peterson for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Dr. Carol Somersille for appointment.</p> <p>Ayes: Miller, Zoglin Noes: None Abstentions: Fung, Reeder</p> <p>To consider Dr. George Ting for appointment.</p> <p>Ayes: Fung, Zoglin Noes: None Abstentions: Miller, Reeder</p> <p>For Round 2, to further narrow the field, the Directors cast the following votes by roll call (each Director with two (2) aye votes):</p> <p>To consider Mr. Jonathan Cowan for appointment.</p> <p>Ayes: Fung, Miller Noes: None Abstentions: Reeder, Zoglin</p>	
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	<p>To consider Ms. Neysa Fligor for appointment.</p> <p>Ayes: Fung, Miller, Reeder Noes: None Abstentions: Fung, Miller, Zoglin</p> <p>To consider Mr. Gary Kalbach for appointment.</p> <p>Ayes: Reeder Noes: None Abstentions: Fung, Miller, Zoglin</p> <p>To consider M. Sivaram Krishnan for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Mr. Sachihiko Michitaka for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Dr. Carol Somersille for appointment.</p> <p>Ayes: Zoglin Noes: None Abstentions: Fung, Miller, Reeder</p> <p>To consider Dr. George Ting for appointment.</p> <p>Ayes: Zoglin Noes: None Abstentions: Fung, Miller, Reeder</p> <p>For Round 3, the Directors cast the following votes by roll call (each Director with one (1) aye vote):</p> <p>To consider Mr. Jonathan Cowan for appointment.</p> <p>Ayes: Miller Noes: None Abstentions: Fung, Reeder, Zoglin</p> <p>To consider Ms. Neysa Fligor for appointment.</p> <p>Ayes: Fung, Reeder Noes: None Abstentions: Miller, Zoglin</p> <p>To consider Mr. Gary Kalbach for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Dr. Carol Somersille for appointment.</p> <p>Ayes: None Noes: None Abstentions: Fung, Miller, Reeder, Zoglin</p> <p>To consider Dr. George Ting for appointment.</p> <p>Ayes: Zoglin Noes: None</p>	
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	<p>Abstentions: Fung, Miller, Reeder</p> <p>For Round 4, the Directors cast the following votes by roll call:</p> <p>Director Fung: Neysa Fligor Director Miller: Jonathan Cowan Director Reeder: Neysa Fligor Director Zoglin: George Ting, MD</p> <p>For Round 5, the Directors cast the following votes by roll call:</p> <p>Director Fung: Neysa Fligor Director Miller: George Ting, MD Director Reeder: Neysa Fligor Director Zoglin: George Ting, MD</p> <p>For Round 6, the Directors cast the following votes by roll call:</p> <p>Director Fung: Neysa Fligor Director Miller: George Ting, MD Director Reeder: Neysa Fligor Director Zoglin: Neysa Fligor</p> <p>Motion: To approve Resolution 2017-12 appointing Ms. Neysa Fligor to the El Camino Healthcare District Board.</p> <p>Movant: Miller Second: Reeder Ayes: Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Ms. Neysa Fligor appointed to the El Camino Healthcare District Board</i></p>
<p>11. AGENDA ITEM 17: ADJOURNMENT</p>	<p>Motion: To adjourn at 9:56 pm.</p> <p>Movant: Miller Second: Reeder Ayes: Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting adjourned at 9:56 pm.</i></p>

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: Sarah Rosenberg, Contracts & Board Services Coordinator



**Minutes of the Open Session of the Special
Meeting of the El Camino Healthcare District Board of Directors
Wednesday, August 23, 2017**
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms F&G (ground floor)

Board Members Present

Peter Fung, MD, Chair
Julia Miller, Vice Chair
David Reeder
John Zoglin,
(via videoconference)

Board Members Absent

None

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The open session special meeting of the El Camino Healthcare District Board of Directors (the “Board”) was called to order at 5:32 pm by Chair Fung.	
2. SALUTE TO THE FLAG	Chair Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
3. ROLL CALL	A verbal roll call was taken. Director Zoglin participated via videoconference from within the District. All Board members were present.	
4. 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.	
5. PUBLIC COMMUNICATION	There were no comments from the public.	
6. ADMINISTRATION OF OATH OF OFFICE	Director Fung reported that on August 16, 2017, the Board appointed Ms. Neysa Fligor to the El Camino Healthcare District Board to fill the vacancy left by Dennis Chiu’s departure. Ms. Fligor’s appointment will expire following the General District Board Election in November 2018. Ms. Fligor took the Oath of Office administered by Vice Chair Miller.	<i>Director Fligor sworn in</i>
7. ELECTION OF DIRECTOR TO EL CAMINO HOSPITAL BOARD	Chair Fung noted that all current District Board Members serve on the El Camino Hospital Board of Directors, although it is not compulsory to do so. Motion: To elect District Director Neysa Fligor to the El Camino Hospital Board of Directors. Movant: Reeder Second: Miller Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None	<i>Director Fligor elected to the El Camino Hospital Board of Directors</i>
8. BOARD COMMENTS	Chair Fung and Directors Miller, Reeder, and Zoglin welcomed Director Fligor to the Board and commented that they are looking forward to working with her. Director Fligor thanked her family, friends and Santa Clara County Supervisor Joe Simitian for their support. She also commented that she is looking forward to serving.	

9. ADJOURNMENT	Motion: To adjourn at 5:41 pm. Movant: Miller Second: Reeder Ayes: Fligor, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 5:41pm.</i>
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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

DRAFT Resolution 2017-13

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 2018 shall be January 16, 2018, March 20, 2018, May 15, 2018, June 19, 2018, October 16, 2018, and December 5, 2018 at 5:30 P.M.; 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.

DULY PASSED AND ADOPTED at a Regular Meeting held on the 17th day of October, 2017 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

By:

John Zoglin
Secretary, ECHD Board of Directors



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

**Board Finance Presentation
Fiscal Year 2017
7/1/2016- 06/30/2017**

Iftikhar Hussain, CFO

El Camino Healthcare District Board of Directors Meeting
October 17, 2017

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ECHD Stand-Alone Financial Statements

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



El Camino Healthcare District

Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

	June 30, 2017	June 30, 2016 Audited w/o Eliminations		July 30, 2017	June 30, 2016 Audited w/o Eliminations
ASSETS			LIABILITIES & FUND BALANCE		
Current Assets			Current Liabilities		
Cash & Investments	\$287	\$188	Accounts Payable & Accrued Exp	\$105	\$94
Patient Accounts Receivable, net	\$110	\$122	Bonds Payable - Current	7	6
Other Accounts and Notes Receivable	\$4	\$7	Bond Interest Payable	13	8
Inventories and Prepaids	\$51	\$40	Other Liabilities	5	8
Total Current Assets	453	357	Total Current Liabilities	130	116
Board Designated Assets			Deferred Revenue	1	1
Foundation Reserves	15	14	Deferred Inflow of Resources	14	6
Community Benefit Fund	19	16	Long Term Liabilities		
Operational Reserve Fund	102	102	Bond Payable	657	360
Workers Comp, Health & PTO Reserves	63	64	Benefit Obligations	37	38
Other Board Designated Reserves	177	156	Other Long-term Obligations	4	4
Total Board Designated Assets	376	351	Total Long Term Liabilities	698	402
Funds Held By Trustee	305	46	Fund Balance		
Long Term Investments	257	208	Unrestricted	1,150	1,004
Other Investments	34	34	Board Designated & Restricted	274	242
Net Property Plant & Equipment	810	743	Capital & Retained Earnings	15	14
Other Assets	48	48	Total Fund Balance	1,439	1,261
Total Non-Designated Assets	1,454	1,079			
TOTAL ASSETS	\$2,282	\$1,786	TOTAL LIAB. & FUND BAL.	\$2,282	\$1,786



Note: Totals may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

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

Year-to-Date through June 30, 2017

(Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>	<u>Prior Full Year Actual</u>
Net Patient Revenue ⁽¹⁾	833	792	40	772
Other Operating Revenues	43	42	1	39
Total Operating Revenues	876	835	41	812
Wages and Benefits	453	467	14	443
Supplies	122	118	-4	118
Purchased Services	112	107	-6	108
Other	29	29	0	36
Depreciation	48	53	5	49
Interest	2	0	-2	7
Total Operating Expense ⁽²⁾	766	775	8	761
Operating Income	109	60	49	50
Non-Operating Income ⁽³⁾	68	18	50	8
Net Income	177	78	100	58



Note: Totals or variances may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Current FY 2017 Actual to Budget

(Includes El Camino Hospital)

- 1) Net Patient Revenue was above budget by approximately \$40M due to receipt of delayed (unbudgeted) IGT \$13M payment, \$5M from PRIME and improvements in rev cycle operations including improvements in charge capture and reduction in denials.
- 2) The positive expense variance of approximately \$8M is primarily due to improved productivity in labor resulting in \$10M in less productive salary expense and a significant reduction for the actuarially determined workers compensation reserves for the fiscal year of \$4M. Depreciation expense was favorable by \$5M principally due to equipment depreciation being under budget. The offsetting negative variances are for pharmaceutical supply expense for cancer drugs due increased utilization in the infusion center and increased drug pricing; and for purchased services of outside professionals for clinical informatics and the fees paid for the cost of issuance of the 2017 bond offering.
- 3) The \$50M Non-Operating Income positive variance is due to a \$45M favorable variance in investments YTD at ECH Hospital.



El Camino Healthcare District

Stand-Alone Comparative Balance Sheet (\$ Thousands)

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

	June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016
<u>ASSETS</u>			<u>LIABILITIES & FUND BALANCE</u>		
Cash & cash equiv	\$2,960	\$2,694	Accounts payable ⁽⁸⁾	\$0	\$585
Short term investments	1,710	4,861	Current portion of bonds	3,570	2,485
Due fm Retiree Health Plan ⁽¹⁾	30	80	Bond interest payable	2,152	2,523
S.C. M&O Taxes Receivable	0	0	Other Liabilities	161	133
Other current assets	0	0			
Total current assets	\$4,700	\$7,635	Total current liabilities	\$5,883	\$5,726
Operational Reserve Fund ⁽²⁾	1,500	1,500			
Capital Appropriation Fund ⁽³⁾	13,133	15,472			
Capital Replacement Fund ⁽⁴⁾	4,998	4,684	Deferred income	46	44
Community Benefit Fund ⁽⁵⁾	7,011	3,495	Bonds payable - long term	129,642	133,797
Total Board designated funds	\$26,642	\$25,151	Total liabilities	\$135,571	\$139,567
Funds held by trustee ⁽⁶⁾	\$18,363	\$15,452	Fund balance		
Capital assets, net ⁽⁷⁾	\$11,209	\$11,449	Unrestricted fund balance	\$42,344	\$43,472
			Restricted fund balance ⁽⁹⁾	(117,001)	(123,353)
			Total fund balance	(\$74,657)	(\$79,881)
TOTAL ASSETS	\$60,914	\$59,686	TOTAL LIAB & FUND BALANCE	\$60,914	\$59,686



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

YTD **Stand-Alone** Stmt of Revenue and Expenses (\$ Thousands)

Comparative Year-to-Date June 30, 2017

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

	Actual	Current Year Budget	Variance	Prior Full Year Actual
<u>REVENUES</u>				
(A) Ground Lease Revenue ⁽¹⁰⁾	\$ 90	\$ 90	\$ -	\$ 88
(B) Redevelopment Taxes ⁽¹¹⁾	244	230	14	463
(B) Unrestricted M&O Property Taxes ⁽¹¹⁾	7,658	7,658	-	7,162
(B) Restricted M&O Property Taxes ⁽¹¹⁾	6,959	5,050	1,909	6,171
(B) G.O. Taxes Levied for Debt Service ⁽¹¹⁾	10,679	9,200	1,479	9,836
(B) IGT/PRIME Medi-Cal Program ⁽¹²⁾	(10,328)	(3,158)	(7,170)	(802)
(B) Investment Income (net)	(17)	240	(257)	375
(B) Other income	982	173	809	239
TOTAL NET REVENUE	16,267	19,483	(3,216)	23,532
<u>EXPENSES</u>				
(A) Professional Fees & Purchased Svcs ⁽¹³⁾	456	686	230	355
(A) Supplies & Other Expenses	187	122	(65)	58
(B) G.O. Bond Interest Expense (net) ⁽¹⁴⁾	5,315	4,696	(619)	4,695
(B) Donations to Outside Organizations ⁽¹⁵⁾	6,484	6,725	241	5,986
(A) Depreciation / Amortization	240	240	-	253
TOTAL EXPENSES	12,682	12,469	(213)	11,347
NET INCOME	\$ 3,585	\$ 7,014	\$ (3,429)	\$ 12,185

(A) Operating Revenues & Expenses

(B) Non-operating Revenues & Expenses

RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	\$ (793)
(B) Net Non-Operating Revenues & Expenses	4,378
NET INCOME	\$ 3,585



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

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

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Fiscal year beginning balance	\$ (79,881)	\$ (92,282)
Net income year-to-date	\$ 3,585	\$ 12,185
Transfers (to)/from ECH:		
IGT/PRIME Funding ⁽¹⁶⁾	\$ 10,912	\$ 216
Capital Appropriation projects ⁽¹⁷⁾	\$ (9,274)	-
Fiscal year ending balance	<u><u>\$ (74,657)</u></u>	<u><u>\$ (79,881)</u></u>



Note: Totals may not agree due to rounding. See page 10 for footnotes.

El Camino Healthcare District

Notes to Stand-Alone Financial Statements

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

- (1) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (2) **Operating Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) **Capital Appropriation Fund** – Formerly known as the Capital Outlay Fund, which accumulates at the end of each fiscal year those M&O property taxes that are over the Gann limit and thus become restricted for plant and equipment projects. This amount reflects the accumulation of the fiscal year ended 2017. Note, at each fiscal year end the amount placed into this fund must be board designated for a capital project (must be a value greater than \$100,000 and a minimum life of 10 years) within the next two fiscal years.
- (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, 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) **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 19 years.



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

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

(10) Other Operating Revenue – Lease income from El Camino Hospital for its ground lease with the District.

(11) Taxes: Redevelopment, M&O, G.O. – Tax receipts (either received or to be received) during the period.

(12) IGT/PRIME Expense – Participation thus far in Inter Governmental Transfer program for FY 2017, not expected for this fiscal year. This program was extremely behind in being implemented for the fiscal year 2015/2016 by the State and finally occurred in August of the District's fiscal year 2017, thus causing it to be non-budgeted. Also participation began in the behavioral health PRIME program with an initial funding of \$2.5M, which returned \$5.0M to the Hospital.

(13) Professional Fees & Services – Detailed below:

• Community Benefit/Admin Support from ECH	\$370
• Legal	22
• Consulting & Recruitment	32
• Direct Mail / Website	14
• Other	18
	<u>\$ 456</u>

(14) 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. This refunding did cost the District approximately \$400 thousand in cost of issuance expenses for professional fees and the underwriter that are included in the G.O. Bond interest expense (net) line.

(15) 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 in this fiscal year .

(16) IGT/PRIME Funding – Transfers from ECH for participation in the two programs during FY 2017.

(17) Capital Appropriation Projects Transfer – This amount was the approved amount at the Board's June 2016 meeting to be transferred to the Hospital in fiscal year 2017 for the future renovation of the Women's Hospital after the IMOB is completed in the Fall 2018.



El Camino Healthcare District

Sources & Uses of Tax Receipts (\$Thousands)

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

Sources of District Taxes

6/30/2017

(1) Maintenance and Operation and Government Obligation Taxes \$25,296

(2) Redevelopment Agency Taxes 244

Total District Tax Receipts 25,540

Uses Required Obligations / Operations

(3) Government Obligation Bond 10,679

Total Cash Available for Operations, CB Programs, & Capital Appropriations 14,861

(4) Capital Appropriation Fund – Excess Gann Initiative Restricted* 6,959

Subtotal 7,902

(5) Operating Expenses 643

Subtotal 7,259

(6) Capital Replacement Fund (Park Pavilion) 312

Funds Available for Community Benefit Programs 6,947

*Gann Limit Calculation for FY2017

\$7,658

(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 HEALTHCARE DISTRICT

RESOLUTION 2017 -14

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 Family & Children Services of Silicon Valley, a division of Caminar, for partnering with El Camino Healthcare District to deliver the Domestic Violence Survivor Services program.

El Camino Healthcare District and Family & Children Services began a partnership in 2016 dedicated to providing victims of domestic violence with a safety net of support, including professional counseling, case management, and advocacy available in English and Spanish. The Domestic Violence Survivor Services program has served more than 110 community members with nearly 250 services. The services include trauma-informed individual and family counseling, advocacy assistance, phone-based support, community outreach and education, and weekly support groups.

WHEREAS, the Board would like to acknowledge Family & Children Services of Silicon Valley for its commitment to helping victims of domestic violence with professional, bilingual support services.

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

Family & Children Services of Silicon Valley

IN WITNESS THEREOF, I have here unto set my hand this **17TH DAY OF OCTOBER, 2017**.

EL CAMINO HEALTHCARE DISTRICT BOARD OF DIRECTORS:

Neysa Fligor • Peter Fung, MD • Julia Miller • David Reeder • John Zoglin

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





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

**Board Finance Presentation
Fiscal Year 2018
7/1/2017- 08/31/2017**

Iftikhar Hussain, CFO

El Camino Healthcare District Board of Directors Meeting
October 17, 2017

Contents

ECHD Consolidated Financial Statements (Includes El Camino Hospital)

Comparative Balance Sheet as of August 31, 2017	Page 3
Statement of Revenues & Expenses Year to Date thru August 31, 2017	Page 4
Notes to Financial Statements	Page 5

ECHD Stand-Alone Financial Statements

Comparative Balance Sheet as of August 31, 2017.....	Page 6
Statement of Revenues & Expenses Year to Date thru August 31, 2017.....	Page 7
Statement of Fund Balance Activity as of August 31, 2017	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.



El Camino Healthcare District

Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

	Aug 31, 2017	June 30, 2017 Audited w/o Eliminations		Aug 31, 2017	June 30, 2017 Audited w/o Eliminations
<u>ASSETS</u>			<u>LIABILITIES & FUND BALANCE</u>		
Current Assets			Current Liabilities		
Cash & Investments	\$243	\$287	Accounts Payable & Accrued Exp	\$102	\$105
Patient Accounts Receivable, net	\$113	\$110	Bonds Payable - Current	7	7
Other Accounts and Notes Receivable	\$7	\$4	Bond Interest Payable	7	13
Inventories and Prepaids	\$54	\$51	Other Liabilities	5	5
Total Current Assets	417	453	Total Current Liabilities	120	130
Board Designated Assets			Deferred Revenue	1	1
Foundation Reserves	15	15	Deferred Revenue Inflow of Resources	14	14
Community Benefit Fund	23	19	Long Term Liabilities		
Operational Reserve Fund	129	102	Bond Payable	654	657
Workers Comp, Health & PTO Reserves	63	63	Benefit Obligations	37	37
Other Board Designated Reserves	185	177	Other Long-term Obligations	4	4
Total Board Designated Assets	416	376	Total Long Term Liabilities	695	698
Funds Held By Trustee	286	305	Fund Balance		
Long Term Investments	280	257	Unrestricted	1,135	1,150
Other Investments	34	34	Board Designated & Restricted	317	274
Net Property Plant & Equipment	816	810	Capital & Retained Earnings	16	15
Other Assets	49	48	Total Fund Balance	1,468	1,439
Total Non-Designated Assets	1,466	1,454			
TOTAL ASSETS	\$2,299	\$2,282	TOTAL LIAB. & FUND BAL.	\$2,299	\$2,282



Note: Totals may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

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

Year-to-Date through August 31, 2017

(Includes El Camino Hospital)

	Year-To-Date though August 31, 2017 Current Fiscal Year			Prior Full Year
	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>	<u>Actual</u>
Net Patient Revenue ⁽¹⁾	140	141	0	132
Other Operating Revenues	8	7	1	6
Total Operating Revenues	148	147	1	138
Wages and Benefits	79	79	0	72
Supplies	20	20	0	18
Purchased Services	17	19	2	16
Other	4	6	2	5
Depreciation	8	8	0	8
Interest	1	1	0	1
Total Operating Expense ⁽²⁾	129	133	4	121
Operating Income	19	15	5	17
Non-Operating Income ⁽³⁾	9	4	5	16
Net Income	28	19	10	33



Note: Totals or variances may not agree due to rounding. See page 5 for footnotes.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Current FY 2018 Actual to Budget

(Includes El Camino Hospital)

- 1) Net Patient Revenue is only slightly under budget by an immaterial \$240k. Other Operating Revenues are significantly better than budget by \$830k driven primarily by various back billing for dietary services provided the LPCH patients on their 4th floor unit. Billings have been paid and are current.
- 2) The positive expense variance of approximately \$4M is in the areas of Purchased Services and Other Expense. Within Purchased Services the positive variances are at the Hospital, CONCERN, and SVMD entities largely due to timing of expenses as is somewhat the norm coming into the beginning of a new fiscal year. Within Other Expense the primary positive variances are in interest expense as a significant portion of it qualifies to be capitalized into those four (4) major construction projects under way, and a placeholder in the budget for strategic initiatives that has yet to be expended.
- 3) The \$5M Non-operating positive income is attributable to net investment incomes.



El Camino Healthcare District

Stand-Alone Comparative Balance Sheet (\$ Thousands)

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

	<u>August 31, 2017</u>	<u>June 30, 2017</u>		<u>August 31, 2017</u>	<u>June 30, 2017</u>
ASSETS			LIABILITIES & FUND BALANCE		
Cash & cash equiv	\$1,169	\$2,960	Accounts payable ⁽⁸⁾	\$0	\$0
Short term investments	951	1,710	Current portion of bonds	3,310	3,570
Due fm Retiree Health Plan ⁽¹⁾	40	30	Bond interest payable	1,255	2,152
S.C. M&O Taxes Receivable	2155	0	Other Liabilities	147	161
Other current assets	37	0			
Total current assets	<u>\$4,352</u>	<u>\$4,700</u>	Total current liabilities	<u>\$4,712</u>	<u>\$5,883</u>
Operational Reserve Fund ⁽²⁾	1,500	1,500			
Capital Appropriation Fund ⁽³⁾	13,133	13,133			
Capital Replacement Fund ⁽⁴⁾	5,048	4,998	Deferred income	30	46
Community Benefit Fund ⁽⁵⁾	5,337	7,011	Bonds payable - long term	126,332	129,642
Total Board designated funds	<u>\$25,018</u>	<u>\$26,642</u>	Total liabilities	<u>\$131,075</u>	<u>\$135,571</u>
Funds held by trustee ⁽⁶⁾	<u>\$15,172</u>	<u>\$18,363</u>	Fund balance		
Capital assets, net ⁽⁷⁾	<u>\$11,171</u>	<u>\$11,209</u>	Unrestricted fund balance	\$40,363	\$42,344
			Restricted fund balance ⁽⁹⁾	(115,726)	(117,001)
			Total fund balance	<u>(\$75,363)</u>	<u>(\$74,657)</u>
TOTAL ASSETS	<u>\$55,713</u>	<u>\$60,914</u>	TOTAL LIAB & FUND BALANCE	<u>\$55,713</u>	<u>\$60,914</u>



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

YTD **Stand-Alone** Stmt of Revenue and Expenses (\$ Thousands)

Comparative Year-to-Date August 31, 2017

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

	Actual	Current Year Budget	Variance	Prior Full Year Actual
REVENUES				
(A) Ground Lease Revenue ⁽¹⁰⁾	\$ 15	\$ 15	\$ -	\$ 90
(B) Redevelopment Taxes ⁽¹¹⁾	1	23	(22)	244
(B) Unrestricted M&O Property Taxes ⁽¹¹⁾	1,337	1,315	22	7,658
(B) Restricted M&O Property Taxes ⁽¹¹⁾	914	937	(23)	6,959
(B) G.O. Taxes Levied for Debt Service ⁽¹¹⁾	1,790	1,700	90	10,679
(B) IGT/PRIME Medi-Cal Program ⁽¹²⁾	-	-	-	(10,328)
(B) Investment Income (net)	104	26	78	(17)
(B) Other income	138	3	135	982
TOTAL NET REVENUE	4,299	4,019	280	16,267
EXPENSES				
(A) Professional Fees & Purchased Svcs ⁽¹³⁾	70	81	11	456
(A) Supplies & Other Expenses	30	17	(13)	187
(B) G.O. Bond Interest Expense (net) ⁽¹⁴⁾	653	655	2	5,315
(B) Donations to Outside Organizations ⁽¹⁵⁾	4,213	1,167	(3,046)	6,484
(A) Depreciation / Amortization	38	38	-	240
TOTAL EXPENSES	5,004	1,958	(3,046)	12,682
NET INCOME	\$ (705)	\$ 2,061	\$ (2,766)	\$ 3,585

(A) Operating Revenues & Expenses

(B) Non-operating Revenues & Expenses

RECAP STATEMENT OF REVENUES & EXPENSE

(A) Net Operating Revenues & Expenses	\$ (123)
(B) Net Non-Operating Revenues & Expenses	(582)
NET INCOME	\$ (705)



Note: Totals may not agree due to rounding. See page 9 for footnotes.

El Camino Healthcare District

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

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

	<u>August 31, 2017</u>	<u>June 30, 2017</u>
Fiscal year beginning balance	\$ (74,657)	\$ (79,881)
Net income year-to-date	\$ (705)	\$ 3,585
Transfers (to)/from ECH:		
IGT/PRIME Funding ⁽¹⁶⁾	\$ -	\$ 10,912
Capital Appropriation projects ⁽¹⁷⁾	\$ -	\$ (9,274)
Fiscal year ending balance	<u><u>\$ (75,363)</u></u>	<u><u>\$ (74,657)</u></u>



Note: Totals may not agree due to rounding. See page 10 for footnotes.

El Camino Healthcare District

Notes to Stand-Alone Financial Statements

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

- (1) **Due from Retiree Health Plan** – The monies due from Trustee for District's Retiree Healthcare Plan.
- (2) **Operating Reserve Fund** – Starting in FY 2014, the Board established an operational reserve for unanticipated operating expenses of the District.
- (3) **Capital Appropriation Fund** – Formerly known as the Capital Outlay Fund, which accumulates at the end of each fiscal year those M&O property taxes that are over the Gann limit and thus become restricted for plant and equipment projects. This amount reflects the accumulation of the fiscal year ended 2017. Note, at each fiscal year end the amount placed into this fund must be board designated for a capital project (must be a value greater than \$100,000 and a minimum life of 10 years) within the next two fiscal years.
- (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, 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) **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 19 years.



El Camino Healthcare District

Notes to Stand-Alone Financial Statements

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

(10) Other Operating Revenue – Lease income from El Camino Hospital for its ground lease with the District.

(11) Taxes: Redevelopment, M&O, G.O. – Tax receipts (either received or to be received) during the period.

(12) IGT/PRIME Expense – No activity as of yet.

(13) Professional Fees & Services – Detailed below:

• Community Benefit/Admin Support from ECH	\$ 62
• Legal	7
• Other	<u>1</u>
	\$ 70
	<u><u> </u></u>

(14) 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.

(15) 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.

(16) IGT/PRIME Funding – Transfers from ECH for participation in the two programs thus far in FY 2017.

(17) Capital Appropriation Projects Transfer – This amount was the approved amount at the Board's June 2016 meeting to be transferred to the Hospital during FY2017 for the future renovation of the Women's Hospital after the IMOB is completed in the Fall 2018.



El Camino Healthcare District

Sources & Uses of Tax Receipts (\$Thousands)

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

Sources of District Taxes

8/31/2017

(1) Maintenance and Operation and Government Obligation Taxes \$4,041

(2) Redevelopment Agency Taxes 0

Total District Tax Receipts 4,041

Uses Required Obligations / Operations

(3) Government Obligation Bond 1,790

Total Cash Available for Operations, CB Programs, & Capital Appropriations 2,251

(4) Capital Appropriation Fund – Excess Gann Initiative Restricted* 914

Subtotal 1,337

(5) Operating Expenses 100

Subtotal 1,237

(6) Capital Replacement Fund (Park Pavilion) 49

Funds Available for Community Benefit Programs 1,188

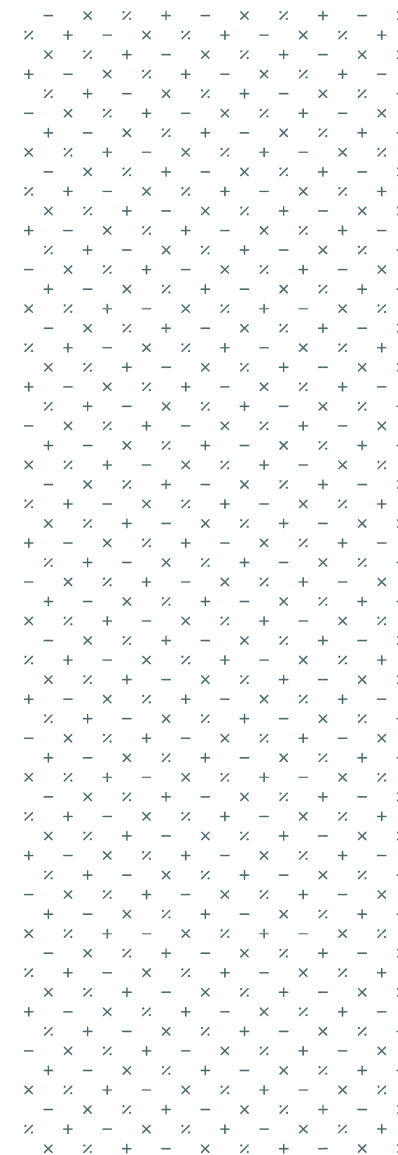
*Gann Limit Calculation for FY2017

\$8,024

(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)



2017 Audit Results: El Camino Healthcare District





BOARD OF DIRECTORS

El Camino Healthcare District

Dear Board of Directors:

Thank you for your continued engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the consolidated financial statements of El Camino Healthcare District (“the District”) for the year ended June 30, 2017.

The accompanying report, which is intended solely for the use of the Board of Directors and management, presents important information regarding the District’s consolidated financial statements and our audit that we believe will be of interest to you. It is not intended and should not be used by anyone other than these specified parties.

We conducted our audit with the objectivity and independence that you expect. We receive the full support and assistance of the District’s personnel. We are pleased to serve and be associated with the District’s as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.



Agenda

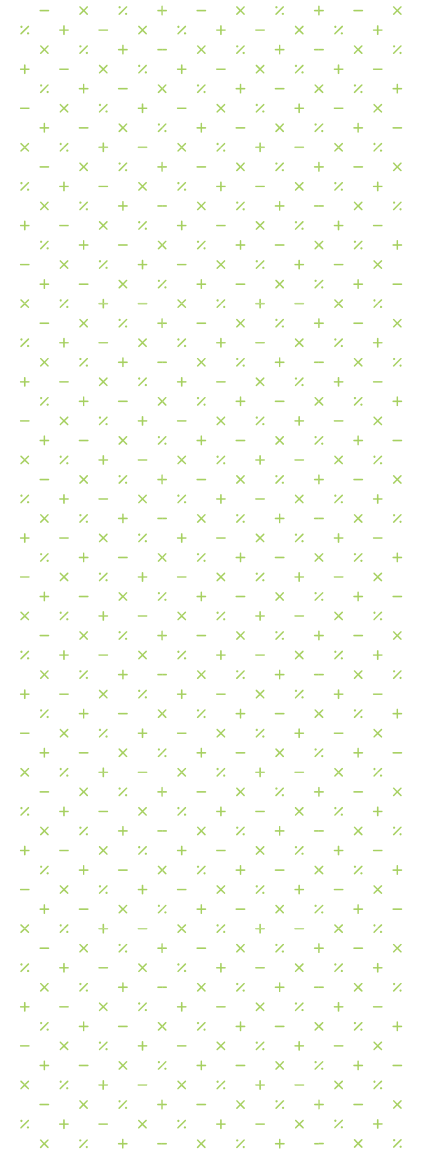
- Auditor Opinions and Reports
- Communication with Those Charged with Governance
- Other information





Auditor Opinions & Reports

Better Together: Moss Adams & El Camino Healthcare District





Scope of Services

We have performed the following services for El Camino Healthcare District:

- Annual consolidated financial statement audit for the year ended June 30, 2017
- Annual El Camino Hospital Foundation financial statements audit for the year ended June 30, 2017
- Annual CONCERN:EAP financial statement audit for the year ended June 30, 2017
- Annual El Camino Hospital Auxiliary financial statement audit for the year ended June 30, 2017

We have also performed the following non-attest services:

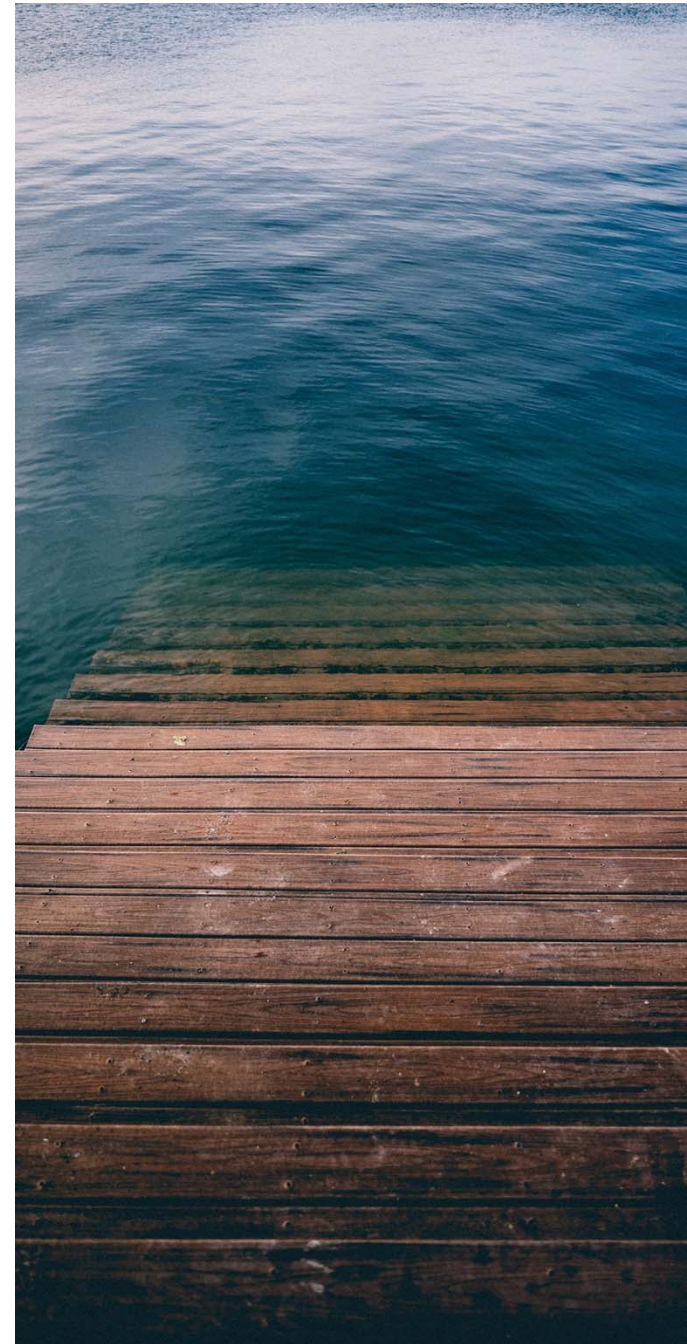
- Assisted in the drafting of the consolidated financial statements of El Camino Healthcare District
- Assisted in the drafting of the financial statements of El Camino Hospital Foundation
- Assisted in the drafting of the financial statements of CONCERN: EAP
- Assisted in the drafting of the financial statements of El Camino Hospital Auxiliary



Auditor Report on the Financial Statements

Unmodified Opinion

- Consolidated financial statements are presented fairly and in accordance with U.S. GAAP



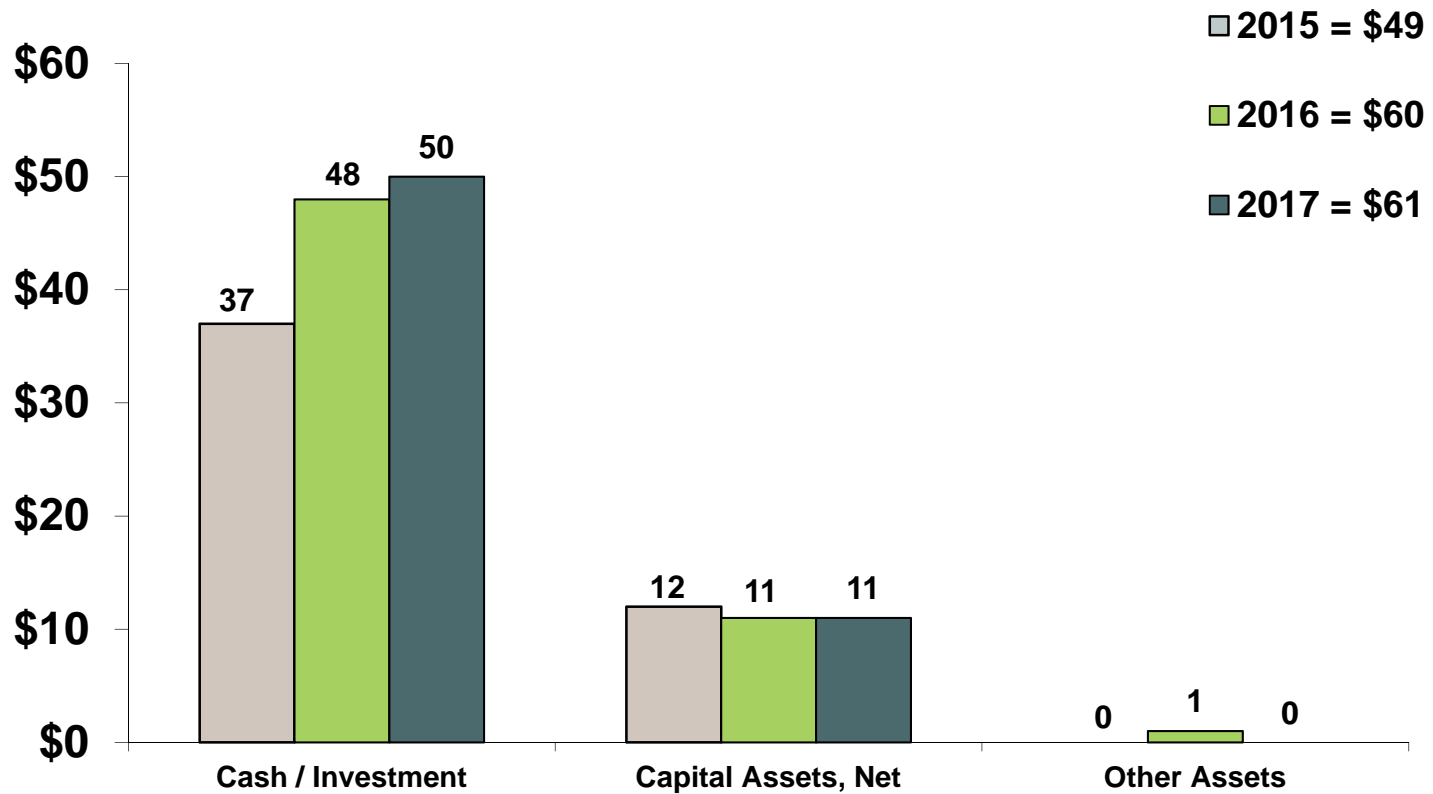


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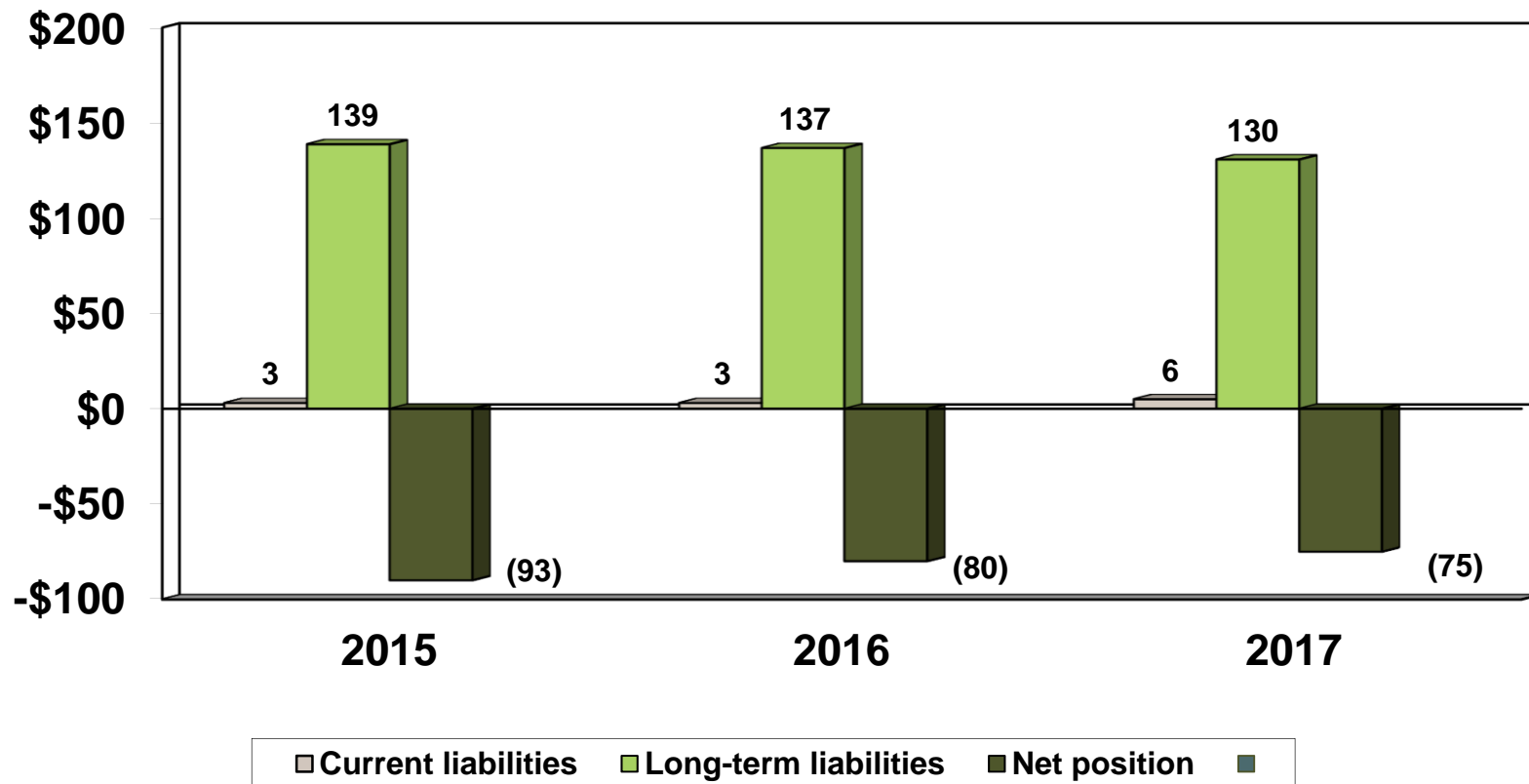
Statements of Net Position

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Assets and Deferred Outflows (in millions)



Liabilities, Deferred Inflows, and Net Position (in millions)





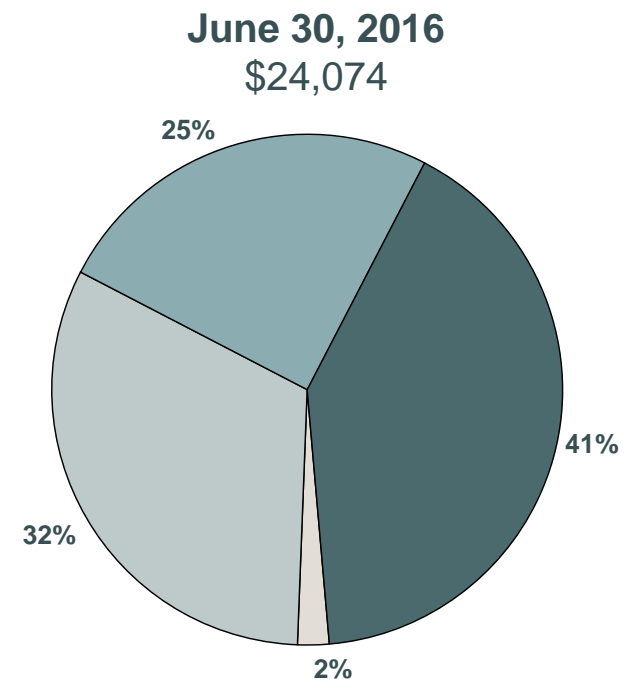
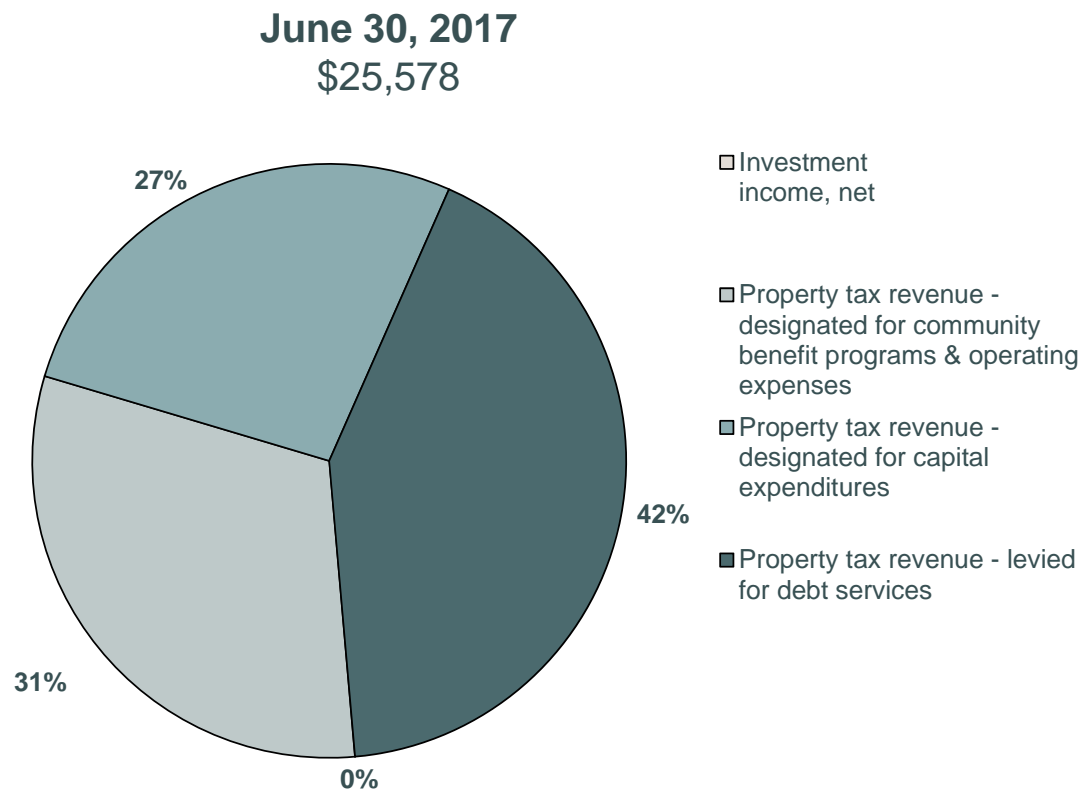
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Operations

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Income Statement Year to Year Comparison

Sources of Nonoperating Revenues (in thousands)

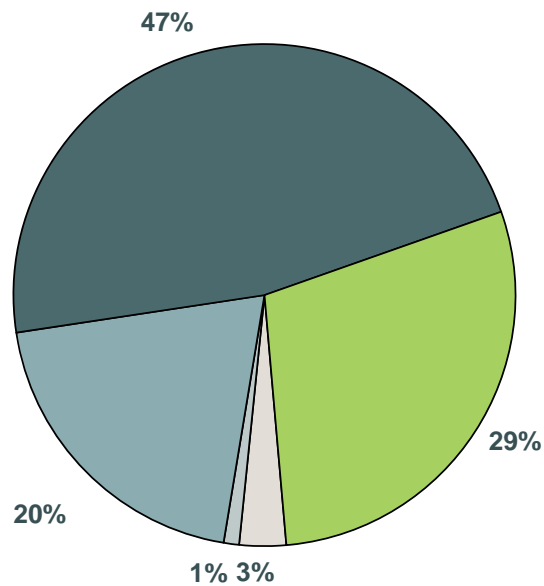


Income Statement Year to Year Comparison

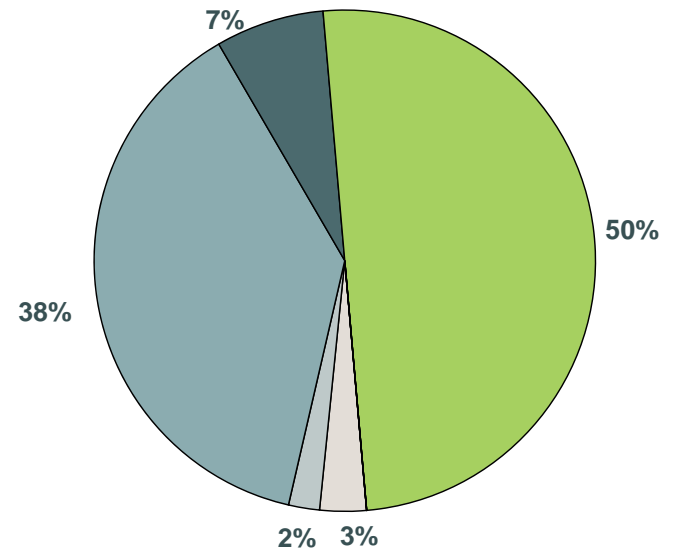
Outflow of Expenses (in thousands)

June 30, 2017
\$22,081

June 30, 2016
\$11,977



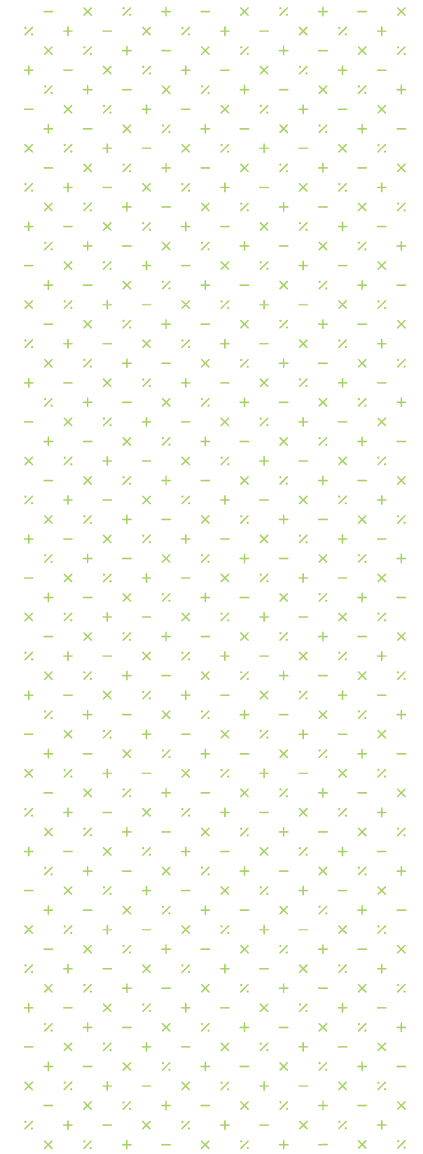
- Operating expenses - professional fees and purchased services
- Operating expenses - depreciation and amortization
- Nonoperating expenses - GO bond interest expenses
- Nonoperating expenses - IGT expense
- Nonoperating expenses - Community Benefit





Communication with Those Charged with Governance

Better Together: Moss Adams & El Camino Healthcare District





Our Responsibility

Our responsibility under US Generally Accepted Auditing Standards

1

To express our opinion on whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, and design the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement.

3

To consider internal control over financial reporting as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Planned Scope & Timing of the Audit

It is the auditor's responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient and appropriate audit evidence and to communicate with those charged with governance and overview of the planned scope and timing of the audit.

OUR COMMENTS

- The planned scope and timing of the audit was communicated to the District's audit committee at the audit entrance meeting and was included in the engagement letter for the year ended June 30, 2017



Significant Accounting Policies & Unusual Transactions

The auditor should determine that the audit committee is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine that the audit committee is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

OUR COMMENTS

- Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the footnotes to the consolidated financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies. There were no changes to significant accounting policies for the year ended June 30, 2017.
- We believe management has selected and applied significant accounting policies appropriately and consistent with those of the prior year.



Management Judgements & Accounting Estimates

The audit committee should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basics for the auditor's conclusions regarding the reasonableness of those estimates.

OUR COMMENTS

- Management's judgements and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially mistake the consolidated financial statements.
- Significant management estimates impacted the consolidated financial statements including the following: net patient service revenue, provision for uncollectible accounts, fair market values of investments, uninsured losses for professional liability, minimum pension liability, liability for workers' compensation claims, liability for post-retirement medical benefits, valuation of gift annuities and beneficial interest in charitable remainder unitrusts, and useful live of capital assets.
- We deem them to be reasonable



Management Judgements & Accounting Estimates

Our views about the quantitative aspects of the entity's significant accounting policies, accounting estimates, and financial statement disclosures.

OUR COMMENTS

- The disclosures in the consolidated financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users, however we do not believe any of the footnotes are particularly sensitive. We call your attention to the following notes:
 - Note 2 – Significant concentration of net patient accounts receivable
 - Note 5 – Fair value of investments
 - Note 6 – Capital assets
 - Note 7 – Employee benefit plans
 - Note 8 – Post-retirement medical benefits
 - Note 10 – Long-term debt
 - Note 13 – Related Party Transactions



Significant Audit Adjustments & Unadjusted Differences Considered by Management to Be Immaterial

The audit committee should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in the District's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future consolidated financial statements to be materially misstated.

The audit committee should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the consolidated financial statements as a whole.

OUR COMMENTS

- The following passed adjustments were proposed:
 - \$3 million of late charges to increase net patient accounts receivable
 - \$2 million to recapture patient accounts receivable credit balances



Deficiencies in Internal Control

Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the audit committee.

OUR COMMENTS

- Material weakness
 - None noted
- Significant deficiencies
 - Consistent with FY 2016, we noted a significant population of credit balances offsetting the ending patient accounts receivable balance
 - Consistent with FY 2016, we noted charges pertaining to services provided in FY 2017 that weren't recorded as of June 30, 2017



Difficulties Encountered in Performing the Audit

The audit committee should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit, including disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the District's consolidated financial statements, or the auditor's report.

OUR COMMENTS

- No significant difficulties were encountered during our audit.
- We are pleased to report that there were no disagreements with management.
- We are not aware of any significant accounting or auditing matters for which management consulted other accountants.

2017 HEALTH CARE CONFERENCE

We're pleased to present our 22nd annual health care conference at Red Rock Casino, Resort & Spa in Las Vegas on November 15–17, 2017. This year's conference promises to be one of our best yet, featuring:

- Dr. Sanjay Gupta, Emmy® award-winning chief medical correspondent for CNN and practicing neurosurgeon
- Dr. Tom Coburn, former Republican US Senator (OK), physician, and two-time cancer survivor
- Wendy Davis, former Democratic state senator (TX), recognized women's equality leader, and Secretary Clinton campaign supporter
- Ken Leonczyk, legal and public policy expert and Senior Director of The Advisory Board
- Dr. Lowell Catlett, futurist, renowned speaker, and author

This year, the conference will provide a forum for executives to discuss pressing topics including the Trump administration's progress and platform for repealing and replacing the ACA and the impact of reforming health care, again.

2017 HEALTH CARE CONFERENCE

Our exclusive conference brings together notable C-suite and executive teams from across the country to share industry knowledge, best practices, and new ideas.



Dr. Sanjay Gupta

Emmy® award-winning chief medical correspondent for CNN and practicing neurosurgeon



Ken Leonczyk

Legal and public policy expert and Senior Director of The Advisory Board



Dr. Tom Coburn

Former Republican US Senator (OK), physician, and two-time cancer survivor



Dr. Lowell Catlett

Futurist, renowned speaker, and author



Wendy Davis

Former Democratic state Senator from Texas, recognized women's equality leader, and Secretary Clinton campaign supporter

Register at: www.mossadams.com/2017hcconf



The material appearing in this presentation is for informational purposes only and should not be construed as advice of any kind, including, without limitation, legal, accounting, or investment advice. This information is not intended to create, and receipt does not constitute, a legal relationship, including, but not limited to, an accountant-client relationship. Although this information may have been prepared by professionals, it should not be used as a substitute for professional services. If legal, accounting, investment, or other professional advice is required, the services of a professional should be sought.

Assurance, tax, and consulting offered through Moss Adams LLP. Wealth management offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLC.



THANK
YOU

Final Draft

*Report of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information*

El Camino Healthcare District

June 30, 2017 and 2016

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Management's Discussion and Analysis

Final Draft

El Camino Healthcare District

Management's Discussion and Analysis

For the Years Ended June 30, 2017, 2016, and 2015

El Camino Healthcare District (the "District") is comprised of six (6) entities: the District, the Hospital, El Camino Hospital Foundation (the "Foundation"), CONCERN: Employee Assistance Program ("CONCERN"), El Camino Surgery Center ("ECSC"), and Silicon Valley Medical Development, LLC ("SVMD").

Effective May 6, 2013, ECSC sold certain medical equipment, furnishings, fixtures, inventories, and other tangible personal property in exchange for a seven and one half percent (7.5%) interest in El Camino Ambulatory Surgery Center, ("ECASC"). As of March 2015, ECSC's interest in ECASC has increased to 33.4%. ECSC has provided a working capital line of credit to ECASC in a principal amount of \$750,000 represented by a Promissory Note and has a term of 39 months with an interest rate of 5% per annum. At June 30, 2017, 2016, and 2015, there were total draws of \$0, \$484,000, and \$414,000 against the line of credit, respectively. The Hospital leases the space to ECASC and provides certain services, such as utilities and building/equipment maintenance. There was \$537,000 of rental income recorded for the year ended June 30, 2017, \$771,000 of rental income recorded for the year ended June 30, 2016, and \$717,000 of rental income recorded for the year ended June 30, 2015 related to the lease. On August 29, 2016, ECSC paid off the line of credit of \$483,000.

Silicon Valley Medical Development, LLC is organized as a California limited liability company and was formed in 2008. SVMD was established by the Hospital to create initiatives between the independent physicians and the Hospital, to develop and maintain ambulatory ventures not located on the current Hospital campuses, and to provide management services to medical groups in association with the Hospital. In the last fiscal quarter of 2016, SVMD opened its first Primary Care Clinic in the San Jose area and anticipates opening approximately one or two other clinics in fiscal year 2018.

The complete financial statements of the Foundation can be obtained from the Foundation, 2500 Grant Road, PAR 116, Mountain View, California, 94040.

The complete financial statements of CONCERN can be obtained from CONCERN, 1503 Grant Road #120, Mountain View, California, 94040

Overview of the Consolidated Financial Statements

This annual report consists of the consolidated financial statements and notes to those statements. These statements are organized to present the District as a whole, including all the entities it controls. Financial information for each separate entity is shown in the supplemental schedules on the last pages of the report. In accordance with the Governmental Accounting Standards Board ("GASB") Codification Section 2200, *Comprehensive Annual Financial Report*, the District presents comparative financial highlights for the fiscal years ended June 30, 2017, 2016, and 2015. This discussion and analysis should be read in conjunction with the consolidated financial statements in this report.

The consolidated statements of net position, the consolidated statements of revenues, expenses, and changes in net position, and consolidated statements of cash flows provide an indication of the District's financial health. The consolidated statements of net position include all the District's assets and liabilities, using the accrual basis of accounting. The consolidated statements of revenues, expenses, and changes in net position report all of the revenues and expenses during the time periods indicated. The consolidated statements of cash flows report the cash provided by the operating activities, as well as other cash sources such as investment income and cash payments for capital additions and improvements.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015

Consolidated Financial Highlights

Year Ended June 30, 2017

In March 2017, El Camino Hospital issued Revenue Bonds in the amount of \$292,435,000 to be used in its completion of the Master Facilities Plan at the Hospital's Mountain View campus. The primary projects that started in July 2016 are the Behavior Health Building replacement, expansion of the North Drive parking structure, and the construction of an integrated medical office building and associated parking structure.

Also in March 2017, El Camino Healthcare District refunded \$99,035,000 of its \$131,370,000 outstanding G.O. bonds that were issued in 2006 that assisted in building the Mountain View replacement hospital that was completed in November 2009. This refinancing resulted in a reduction of future interest payments with a present value of approximately \$7,000,000 and along with increased assessed property values reduced District residents' G.O. tax rate from the original \$12.90 per \$100,000 of assessed valuation to \$10.00 per \$100,000 of current assessed valuation.

The 2017 fiscal year produced the greatest net income ever generated by the District as the net position increased by \$177 million, of which \$106 million was produced from operations and another \$71 million in non-operating revenues, significantly driven by realized and unrealized gains from investments.

Year Ended June 30, 2016

During 2016 the Hospital completed an 18-month implementation of the replacement of its previous electronic healthcare patient record system with a state-of-the-art system purchased from the Epic Corporation. Internally known as "iCare" the new system went "live" as scheduled in November 2015. As of the end of fiscal year, the Hospital had a capital investment in the new system of \$57 million and training expense of employees and medical staff in excess of \$8 million, not including outside staff to back-fill positions to allow the training and needed support after go-live to stabilize the system and make changes to processes/workflows.

The Hospital has purchased land in South San Jose which will allow for the future growth of our nonprofit community based healthcare services in the southern portion of Silicon Valley. The Hospital is exploring partnerships with medical groups to co-develop the property for acute healthcare needs in the area sometime in the future.

El Camino Healthcare District **Management's Discussion and Analysis** **For the Years Ended June 30, 2017, 2016, and 2015**

The increase in the net position for 2016 was \$64.1 million, which was a significant challenge given the go-live expenses of iCare. The ending net position for fiscal year 2016 was \$1.3 billion.

Summary of Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position **As of June 30, 2017, 2016 and 2015**

(In Thousands)

	2017	2016	2015
Assets:			
Current assets	\$ 494,644	\$ 411,110	\$ 413,799
Board designated and restricted funds, net of current portion	568,776	491,544	474,888
Funds held by trustee, net of current portion	305,415	46,293	50,081
Capital assets, net	809,611	743,127	698,436
Other assets	70,095	59,399	57,885
Total assets	2,248,541	1,751,473	1,695,089
Deferred Outflows:			
Loss on defeasance of bond payable	14,163	14,764	15,364
Deferred outflow of resources	5,700	5,100	7,200
Deferred outflow - actuarial	9,097	9,950	2,654
Total deferred outflows	28,960	29,814	25,218
Total assets and deferred outflows	\$ 2,277,501	\$ 1,781,287	\$ 1,720,307
Liabilities:			
Current liabilities	\$ 129,508	\$ 114,239	\$ 115,252
Bonds payable, net of current portion	649,395	349,336	358,906
Other long-term liabilities	48,289	52,220	50,249
Total liabilities	827,192	515,795	524,407
Deferred Inflows:			
Deferred inflow of resources	3,521	3,596	1,015
Deferred inflow - actuarial	10,666	2,892	-
Total deferred inflows	14,187	6,488	1,015
Net position:			
Unrestricted and invested in capital assets, net	1,421,009	1,244,697	1,185,190
Restricted by donors - charity and other	11,651	11,599	7,460
Restricted - endowments	3,462	2,708	2,235
Total net position	1,436,122	1,259,004	1,194,885
Total liabilities, deferred inflow, and net position	\$ 2,277,501	\$ 1,781,287	\$ 1,720,307
Operating cash equivalents & short-term investments	\$ 350,689	\$ 251,888	\$ 285,907
Board designated, funds held by trustee, & restricted funds	887,324	553,309	534,267
Total available cash & investments	\$ 1,238,013	\$ 805,197	\$ 820,174

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015

Investments

The District maintains sufficient cash balances to pay daily operational expenses and all short term liabilities. In late fiscal year 2012, the Hospital (exclusive of the District) selected an Investment Consultant to assist the Hospital and its subsidiaries in managing its investments, and both the investment policies for Surplus Cash and Cash Balance Plan were updated and approved by the Hospital Board of Directors. The policies allow for greater diversification in the investment portfolios to balance the need for liquidity with a long-term investment focus in order to improve investment returns and the organization's financial strength. Beginning early in fiscal year 2013, an Investment Committee was formed to perform the following responsibilities, among others: monitor performance of investment managers, monitor allocations across investment styles and investment managers, review compliance with the policies, and make recommendations for revisions to the policies. Throughout fiscal years 2015 and 2014, the number of money managers expanded from two money managers for Surplus Cash to approximately twenty-eight managers.

Capital Assets

Early in fiscal year 2017, the Hospital started on its construction of the completion of its Facilities Master Plan at its Mountain View Campus. There are four (4) projects totaling \$400 million in expenditures. The Hospital issued \$292,435,000 in tax-exempt revenue bonds in March 2017 to assist in covering the expenditures of these projects. The remaining monies to complete the projects will come from surplus cash. The projects are:

Replacement of the Behavior Health Services building, this project is projected to be completed in early calendar year of 2019 at a current total cost of \$91.5 million, with approximately \$17.2 million in costs incurred at the end of fiscal year 2017.

Expansion of the North Drive Parking Garage, this project to be completed in August 2017 at a current total cost of \$24.5 million, with approximately \$19.7 million in costs incurred at the end of fiscal year 2017.

Construction of an Integrated Medical Office Building ("IMOB") and associated parking structure to be completed in the spring of 2019 at a current total cost of \$275 million, with approximately \$45.9 million incurred at the end of fiscal year 2017.

An upgrade to the Central Utility Plant, this project to be completed in April 2018 at the current cost of \$9 million, with approximately \$2.2 million incurred at the end of fiscal year 2017.

At the Mountain View campus, the Hospital completed its temporary renovation of the old hospital tower at a cost of \$2.9 million that is being used to house various departments (as in IT and Health Information Management Systems departments, among others) formerly located in the North Addition section of the old hospital that was demolished to make way for the construction of the IMOB. As the IMOB is completed these departments will move into the IMOB and subsequently the old tower will be demolished in 2019.

Expansion and renovation of the Women's Hospital at the Mountain View campus which will occur after the completion of the IMOB and the current physician tenants in the building on the second and third floors move into the IMOB in 2019 had initial Board approved funding in fiscal year 2017 of \$5 million to begin design work. Current total project is estimated at \$91 million.

The Board also approved a \$3.1 million laboratory upgrades at the Mountain View site and tenant improvements at a site in the San Jose area for a Primary Care Clinic in the amount of \$3.4 million with an anticipated opening date in November 2017.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015

At the end of fiscal year 2017 there was Board approval to acquire two more Surgical Robots for both the Mountain View and Los Gatos campuses for approximately \$4 million.

At the Los Gatos campus, the significant capital renovation and upgrade projects continued in its Imaging and Surgery services and the Central Sterile Processing unit that was financed by \$42 million of the \$160 million 2015A tax exempt bonds issue.

Also at the Los Gatos campus the Board approved \$5 million for renovations and upgrades to the medical office buildings adjacent to the hospital that began at the end of fiscal year 2017.

Final Draft

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015

Revenues and Expenses

The following table displays revenues and expenses for 2017, 2016, and 2015:

Revenues & Expenses			
Years Ended June 30, 2017, 2016 and 2015			
(In Thousands)			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating revenues:			
Net patient service revenue net of bad debt of \$19,405, \$18,966 \$22,160 in 2017, 2016, and 2015, respectively	\$ 832,573	\$ 772,173	\$ 746,645
Other revenue	37,916	34,237	29,830
Total operating revenues	\$ 870,489	\$ 806,410	\$ 776,475
Operating expenses:			
Salaries, wages & benefits	\$ 451,416	\$ 439,877	\$ 412,818
Professional fees and purchased services	111,990	106,838	100,152
Supplies	121,888	118,096	110,003
Depreciation	48,179	49,051	44,913
Rent and utilities	16,265	15,669	15,137
Other	14,595	19,456	12,881
Total operating expenses	\$ 764,333	\$ 748,987	\$ 695,904
Operating income	\$ 106,156	\$ 57,423	\$ 80,571
Nonoperating revenue (expense) items:			
Bond interest expense, net	(6,697)	(10,891)	(9,509)
Intergovernmental transfer expense	(10,328)	(802)	(6,759)
Realized investment income	15,913	16,672	14,795
Unrealized investment gain (loss)	47,552	(16,886)	3,979
Property tax revenues	25,540	23,633	21,097
Restricted gifts, grants and other net of contributions to related parties	4,201	7,038	4,344
Unrealized gain (loss) on interest rate swap	3,429	(3,214)	(1,009)
Community benefit expense	(9,970)	(9,295)	(11,303)
Other, net	1,322	441	4,549
Total nonoperating revenues and expenses	\$ 70,962	\$ 6,696	\$ 20,184
Increase in net position	\$ 177,118	\$ 64,119	\$ 100,755
Total net position, beginning of year	1,259,004	1,194,885	1,103,255
CUMULATIVE EFFECT OF RESTATEMENT	-	-	(9,125)
Total net position, beginning of year, as restated	1,259,004	1,194,885	1,094,130
Total net position, end of year	\$ 1,436,122	\$ 1,259,004	\$ 1,194,885

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015

Fiscal Year 2017 Consolidated Financial Analysis

Net Patient Services Revenues

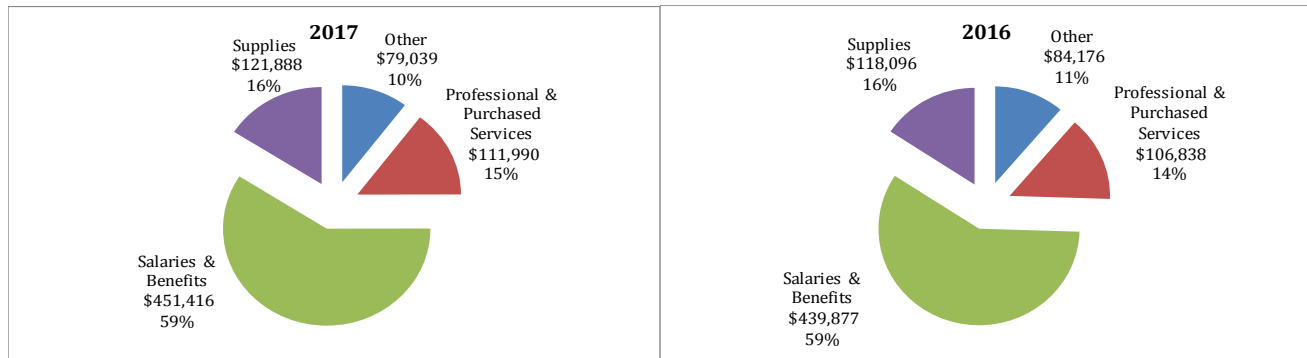
Net patient services revenue in fiscal year 2017 increased by \$60.4 million, or 7.8% over fiscal year 2016. This increase was due to several factors which include a delayed IGT payment of \$6.5 million from FY 2016 received in FY 2017, along with the FY 2017 participation being paid in June 2017 in the amount of \$6.5 million; the participation in Public Redesign and Incentives in Medi-Cal ("PRIME") program in which an additional \$4.0 million was received in FY 2017 over FY 2016; a \$1.6 million of cost report settlement; volume increase in a number of product lines including heart and vascular (10.14%), Spine surgery (13.20%), outpatient surgery (9.20%), outpatient infusion (29.40%), and urology (11.20%).

Specialty	2017 Days	2016 Days	% Change
Medical/Surgical	58,467	61,046	-4.2%
Maternity	11,406	14,465	-21.1%
Pediatrics	29	4	625.0%
NICU	5,089	5,199	-2.1%
Psychiatry	6,558	7,990	-17.9%
Rehab	5,727	-	0.0%
Normal newborn	10,498	10,717	-2.0%
Total	97,774	99,421	-1.7%
Specialty	2017 LOS	2016 LOS	% Change
Medical/Surgical	4.6	4.9	-6.1%
Maternity	2.4	3.0	-20.0%
Pediatrics	1.6	1.9	-15.8%
NICU	9.7	9.8	-1.0%
Psychiatry	9.2	10.0	-8.0%
Rehab	12.5	0.0	0.0%
Normal newborn	2.4	2.5	-4.0%
Total	4.2	4.3	-2.3%

The overall case mix index, which is an indicator of patient acuity, was 1.48 in fiscal year 2017 and fiscal year 2016.

El Camino Healthcare District Management's Discussion and Analysis For the Years Ended June 30, 2017, 2016, and 2015

Operating Expenses



Salaries and Wages

It is to be noted that the District as a stand-alone entity has no employees. All employees are at the Hospital and its related corporations.

Total salaries and wages (including employee benefits) increased by \$11.5 million in fiscal year 2017 over 2016, which is 59% of total operating expenses and consistent with fiscal year 2016. Salaries and wages (exclusive of employee benefits) increased by \$4.5 million over fiscal year 2016. Registered Nurse ("RN") payroll salaries increased by \$3.5 million in fiscal year 2017 compared to 2016. A significant decrease in labor costs in fiscal year 2017 was for outside labor in the amount of \$4.7 million, as in fiscal year 2016 the implementation of the Hospital's new Electronic Health Record ("EHR") system (Epic) was being completed [live in November 2015] and significant outside labor was brought in to allow certain clinical personnel to perform final testing and for a large segment of the employees to complete training classes on the use of the new system.

The RN turnover rate at the end of the first quarter of calendar year 2017 was for the Hospital 2.7% compared to Northern California of 1.9% and a statewide rate of 2.4%. The greatest reason for terminations of the Hospital's RN staff during the current fiscal year was for relocation which may be driven by the ever increasing prices in housing/rental market in and around Silicon Valley in which the Hospital resides.

In fiscal year 2017, the Hospital reduced Full Time Equivalents ("FTE") by 33 over 2016. This reduction was principally due to that in fiscal year 2016 with the implementation of Epic that went live November 2015 significant additional labor was needed to complete the testing of the system and training of all clinical staff and others in the use of Epic.

Employees represented by the Professional Resources for Nurses ("PRN") are currently under contract. The Memorandum of Understanding ("MOU") was dated October 26, 2016 with an expiration date of June 30, 2019. Employees of PRN received a 3% contractual increase effective November 20, 2016 and another 3% increase effective April 9, 2017.

Employees represented by SEIU United Healthcare Workers ("SEIU – UHW") are under a current contract that extends through June 2019. In fiscal year 2017 they received 3.0% increases in starting on September 25, 2016.

The Hospital's Stationary Engineers – Local 39 members ratified a 5-year contract that began November 1, 2016 through October 31, 2021, receiving a 3% contractual increase on November 1, 2016.

El Camino Healthcare District Management's Discussion and Analysis For the Years Ended June 30, 2017, 2016, and 2015

Hospital-represented, non-management staff on a merit based compensation structure received annual merit increases averaging 2.7% in July 2016.

Management and Executive staff received market-based adjustments or merit increases averaging just under 3%; Management in August 2016 and Executives in October 2016.

Aggregate employee benefits, including accrued Paid Time Off ("PTO") and Extended Sick Leave increased by \$6.7 million.

Significant increases were as follows:

For the employees of PRN as they ratified their contract in October 2016, all members (1,218) were provided a Ratification Bonus that totaled \$2.5 million that was paid out in December 2016.

Healthcare expense (medical, dental, and vision) increased by \$2.2 million over 2016.

Performance bonuses to management and rank and file employees based on the outstanding financial outcome for the 2017 fiscal year were accrued by \$700 thousand over fiscal year 2016.

FICA/Social Security employer expense and severance payments combined to become a \$1 million increase over fiscal year 2016.

Professional and Purchased Services

Total professional and purchased services increased by \$5.2 million over the prior fiscal year.

Significant increases/decreases were as follows:

Bond issuance costs associated with issuing the 2017 Revenue Bonds in the amount of \$292,435,000 caused the most significant single increase over fiscal year 2016 by \$2.7 million.

Professional consulting fees for the retention of the interim CEO of the Hospital for ten months during fiscal year 2017, recruitment fees to locate the permanent CEO (begins in late August 2017) and other senior critical leadership positions during fiscal year, along with the consulting expense to fill these open positions in the interim as they became permanently hired, and outside legal expenses lead to an increase of \$3.3 million in fiscal year 2017 over 2016 in the aggregate.

Within the CONCERN employee assistance program, the expense for outside provider counselors to provide services to the covered employees of CONCERN's client base increased by \$1.4 million in fiscal year 2017 over the prior 2016 fiscal year. This increase was due in part by increased clients and employee head count being covered, but also increased utilization of those counseling services.

A significant decrease of \$2.2 million was for information system software maintenance as in fiscal year 2016 before migrating to Epic the Hospital was maintaining its then current EHR system and a number of supporting sub-systems. As Epic went live and became stabilized maintaining a number of the legacy systems were sunset towards to end of fiscal year 2016, thus reducing the annual software maintenance coming into fiscal year 2017.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015

Supplies

Total supplies increased by \$3.8 million in fiscal year 2017 over 2016. Pharmaceuticals increased by \$3.0 million over the 2016 year. With the expansion of the Cancer Infusion Center that opened the end of the 2016 fiscal year, the service saw increased patient volumes, along with a higher acuity of the patients. The pharmaceutical industry saw an overall inflation rate of 4.1% for the year. Medical supplies saw increases in heart and vascular devices, offset by a decrease in general medical surgical supplies.

Depreciation

Depreciation expense this fiscal year decreased by \$872,000 over fiscal year 2016. Primarily the decrease was due to that in fiscal year 2016 a portion of the Mountain View old tower (the "North Addition") was on accelerated depreciation to end June 2016 as it was demolished the beginning of fiscal year 2017 to make way for the construction of the Integrated Medical Office Building. In addition, a number of significant pieces of capital equipment became fully depreciated.

Rent and Utilities

Rent and utilities this fiscal year was increased by an insignificant \$596,000 over fiscal year 2016.

Other Expense

There was a decrease of \$4.9 million in fiscal year 2017 over 2016. Primarily this was due to going "live" with new EHR Epic system in the prior fiscal year, in which all of the clinical staff and certain administrative support departments had to be trained on the new system in November 2015. This training expense was in excess of \$7.8 million that was not repeated in fiscal year 2017.

Non-operating Revenue and Expenses

Interest Expense

Interest expense is primarily related to the 2015A Revenue Bonds ("2015A bonds") which refunded its 2007 Series Bonds (\$120.1 million) and financed certain capital expenditures (\$40.3 million) at the Hospital's Los Gatos campus. The advance refunding of the 2007 Series Bonds caused a loss on defeasance of \$15.3 million which is being amortized as additional interest expense of the life of the 2015A Bonds, which adds an additional \$600 thousand in interest expense per year. Secondly, with 2017 Revenue Bond issue in late March 2017 has added to operating interest, but a vast majority is being capitalized as part of the construction costs of the current four (4) major projects at the Mountain View campus.

Change in Net Unrealized Gains and Losses on Investments

For fiscal year 2017, the Hospital had 28 money managers with different investment objectives for the Hospital's surplus cash investments. Total net unrealized gains/losses are reported in the consolidated financial statements during this fiscal year.

El Camino Healthcare District Management's Discussion and Analysis For the Years Ended June 30, 2017, 2016, and 2015

The Hospital experienced net unrealized gains on investments of \$47.5 million during fiscal year 2017 and the change in net unrealized gains and losses for fiscal year 2017 was a Year over Year (YOY) increase of \$64.5 million. The net unrealized gains in 2017 were a result of strong investment results that were widespread across investment portfolios with the exception of fixed income portfolios. Externally held funds (excluding hedge funds) and mutual fund investments generated \$41.5 million in unrealized gains. Within mutual funds, all equity funds generated significant unrealized gains throughout fiscal year 2017. These results were consistent with strong equity market returns within domestic and international equity markets as the S&P 500 Index returned +17.9% and the MSCI All Country World Index ex USA (net) returned +20.5% during fiscal year 2017. Separate account equities also experienced net unrealized gains of \$2.1 million primarily driven by results from the portfolio's U.S. large-cap value equity manager. Hedge fund investments added \$5.2 million to unrealized gains with particularly strong results from credit and equity oriented strategies. Fixed income investments partially offset the impact of other asset classes as they experienced net unrealized losses of \$1.3 million during fiscal year 2017. An increase in interest rates led to unrealized losses for fixed income investments during fiscal year 2017.

The YOY increase in net unrealized gains and losses was primarily due to a \$48.8 million increase in externally held funds (excluding hedge funds) and mutual fund investments, a \$13.9 million increase due to hedge fund investments, and a \$6.6 million increase due to separate account equities. Within mutual fund investments all equity funds contributed to YOY gains; however, the portfolio experienced particularly strong YOY gains from internationally equity funds (+17.6% during fiscal year 2017 versus -6.0% in fiscal year 2016) and the U.S. large-cap growth equity fund (+24.5% in fiscal year 2017 versus -10.6% in fiscal year 2016). Also, hedge fund investments returned +5.6% during fiscal year 2017, whereas they returned -7.2% in fiscal year 2016.

Economic Factors and Next Year's Budget

The Board approved the fiscal year 2018 budget at their June 2017 meeting. The District is budgeting net income of \$93.8 million in fiscal year 2018. Volumes are budget to increase 2.2%. Reimbursement rates are projected to increase by 3.0%. Expenses are budgeted to increase by 3.5%. The organization is focused on being a value-based healthcare provider offering top decile, acute care quality at mid-level pricing, moving toward continuum partnerships that integrate care coordination and delivery strategies while maintaining triple aim of quality, service and affordability.

El Camino Healthcare District

Management's Discussion and Analysis

For the Years Ended June 30, 2017, 2016, and 2015

Fiscal Year 2016 Consolidated Financial Analysis

Net Patient Services Revenues

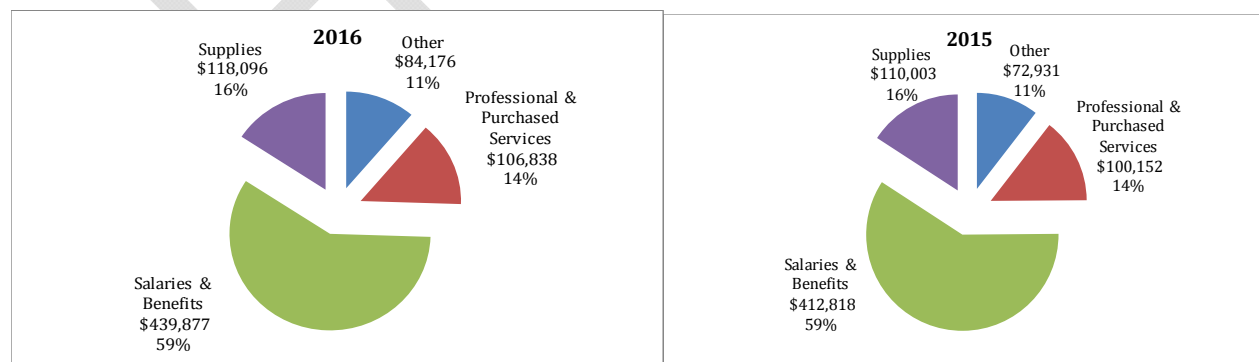
Net patient services revenue in fiscal year 2016 increased by \$25.5 million, or 3.4% over fiscal year 2015. This increase was due to increases in volumes and net revenue in General Surgery, Oncology, Behavioral Health and Outpatient Interventional Services. There was also improved charge capture after Epic go-live and better reimbursement in Emergency Services, Heart & Vascular, Spine Surgery & Neurosciences services lines.

Specialty	2016 Days	2015 Days	% Change
Medical/Surgical	61,046	60,403	1.1%
Maternity	14,465	15,618	-7.4%
Pediatrics	4	15	-73.3%
NICU	5,199	5,808	-10.5%
Psychiatry	7,990	7,943	0.6%
Normal newborn	10,717	11,522	-7.0%
Total	99,421	101,309	-1.9%

Specialty	2016 LOS	2015 LOS	% Change
Medical/Surgical	4.9	4.9	1.2%
Maternity	3.0	3.0	-1.8%
Pediatrics	1.9	1.9	1.3%
NICU	9.8	9.8	0.0%
Psychiatry	10.0	9.7	9.9%
Normal newborn	2.5	2.5	-0.2%
Average LOS	4.3	4.2	2.4%

The overall case mix index, which is an indicator of patient acuity, was 1.48 in fiscal year 2016, compared to 1.44 in fiscal year 2015.

Operating Expenses



El Camino Healthcare District

Management's Discussion and Analysis

For the Years Ended June 30, 2017, 2016, and 2015

Salaries and Wages

It is to be noted that the District as a stand-alone entity has no employees. All employees are at the Hospital and its related corporations.

Total salaries and wages (including employee benefits) increased by \$27.1 million in fiscal year 2016 over 2015, which is 58.7% of total operating expenses and consistent with fiscal year 2015. Salaries and wages (exclusive of employee benefits) increased by \$17.7 million over fiscal year 2015. Registered Nurse ("RN") payroll salaries increased by \$2.2 million in fiscal year 2016 compared to 2015, but this modest increase does not paint the entire picture. With the final months of the implementation and training of iCare healthcare patient records system, a significant amount, \$5.7 million over fiscal year 2015, was spent on outside registries which provided RN backfill coverage as they finalized initial implementation and/or training in the use of iCare (refer to Other Expense section). Another area of significant in salary expense over the prior year, an amount of \$8.5 million, was for technical and special employee base. The largest increase was for IT staff for implementation and support of the iCare system, while supporting of legacy systems being replaced over a period of time.

With an RN turnover rate of 9.6%, the Hospital continues to do better than the Northern California rate of 10.1% and the statewide rate of 10.1%, as published by the California Hospital Association ("CHA") at the end of the first quarter of the calendar year 2016.

In fiscal year 2016, the Hospital added 43 Full Time Equivalents ("FTE"). The impact of maintaining the new iCare electronic healthcare patient record system we added 31 FTE's. Other increases were due to bringing Clinical Trials personnel in-house (4 FTE's), Medical Records (2 FTE's), Environmental Services (4 FTE's), and Sterile Processing (2 FTE's).

The Corporation and Professional Resources for Nurses ("PRN") have been in negotiations since February 2016 for a new contract to replace or extend the current agreement. During negotiations, PRN extended the contract through September 15, 2016. While the contract has expired, its terms and conditions remain in place. The Hospital and PRN engaged an independent mediator and a tentative agreement reached in September. However, the tentative agreement was not ratified by a majority of union members. The mediator will report his recommendations and the Fact Finding process will continue in October 2016 as both the Hospital and PRN continue to work toward an agreement.

Employees represented by SEIU United Healthcare Workers ("SEIU – UHW") are under a current contract that extends through June 2017. In fiscal year 2016 they received 3.0% increases in July 2015.

The Hospital's Stationary Engineers – Local 39, per the current three-year contract through October 2016, received a 3.0% contractual increase in November 2015.

Hospital-represented, non-management staff already on a merit based system received an average of 3.2% in July 2015.

Management and Senior executive staff received market-based adjustments or merit increases in August 2015 that averaged 3.5% in the aggregate.

Employee Benefits

Aggregate employee benefits, including accrued Paid Time Off ("PTO") and Extended Sick Leave increased by \$7.9 million.

**El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015**

Significant increases were as follows:

Accrued PTO increased by \$2.1 million over the prior year driven by wage and salary increases during the year.

Employer Social Security and Medicare taxes increased by \$1.1 million principally due to the increase in the Social Security wage base threshold and salary and wage increases.

Healthcare expense (medical, dental, and vision) increased a modest \$772,000 over 2015.

The Hospital's provided 403(b) Match increased by \$732,000 over 2015 primarily due to salary increases and greater employee contributions.

Retention bonuses of \$484,000 were paid in fiscal year 2016 over 2015 to certain IT personnel to retain staff to support the legacy electronic medical record system and related systems that were replaced by the new iCare system in November 2015.

Postretirement healthcare expenses increased by \$231,000 over 2015, primarily driven by increased actuarially determined expense for the 2016 fiscal year.

Professional and Purchased Services

Total professional and purchased services increased by \$6.7 million over the prior fiscal year.

Significant increases were as follows:

24/7/365 coverage for OB Hospitalists Services at both campuses that had started in the second half of fiscal year 2015, and in fiscal year 2016 was fully implemented causing an increase of \$1.6 million over prior year.

Other new or rate increases for physician medical fees for 24/7 on-call arrangements at Emergency Rooms and medical directorship expense increase by \$1.9 million over the prior fiscal year.

To increase IT security safeguards, the Hospital engaged an outside firm to review IT security and assist in implementing additional safeguards and processes causing an additional expense in the current year of \$1.0 million.

The implementation of iCare caused significant non-capital expense for backfilling numerous professional positions and workflow consulting within IT, Health Information Medical Systems, Clinical Analytics, etc. for expenses totaling \$2.3 million in the current year.

El Camino Healthcare District Management's Discussion and Analysis For the Years Ended June 30, 2017, 2016, and 2015

Supplies

Total supplies increased by \$8.1 million in fiscal year 2016 over 2015. Pharmaceuticals increased by \$4.8 million. With the expansion of the Cancer Center that opened the end of fiscal year, the service saw an increased patient volumes during the current year causing a significant increase in cancer infusion drugs. The pharmaceutical industry saw an overall inflation rate of 7.2% for the year. Medical Supplies increased by approximately \$3.0 million primarily heart & vascular devices, as the core value and the atrial closure device that is to eliminate the need for taking blood thinning agents for a patient's remaining life. Robotic surgeries increased in this current year given the acquisition of two of the latest robotic technology systems, which increased those certain robotic medical supplies. Other areas were for radioactive contract materials and updating the surgeon instrumentation sets.

Depreciation

Depreciation expense this fiscal year increased by \$4.1 million over fiscal year 2015. Primarily this was due to the new Cancer Center that opened at the end of fiscal year 2015, thus fully operational for the entire 2016 year. Due to the impending construction of the Integrated Medical Office Building, the older two story building known as the "North Addition" completed in the 1980's was placed on accelerated depreciation for its remaining net book value in fiscal year 2016 as it is in the footprint of this new building and is scheduled to be demolished in the summer of 2016. Lastly the new IT data operations center completed in mid-fiscal year 2015 was fully in operation during 2016, thus increasing this year's depreciation expense.

Rent and Utilities

Rent and utilities this fiscal year was increased by an insignificant \$532,000 over fiscal year 2015.

Other Expense

There was an increase of \$6.6 million in fiscal year 2016 over 2015. Primarily this was due to going "live" in November 2015 with the iCare electronic healthcare patient record. Employee training was needed for all clinical users, a number of support departments within the Hospital, and the entire medical staff which was at a cost of \$8.1 million. There was an increase in property taxes (\$507,000) that the Hospital must pay on its Medical Office Buildings that are leased to physicians, as these properties are not exempt from property taxes. Offsetting these increases was a significant decrease in marketing expenses of \$1.3 million.

Non-operating Revenue and Expenses

Interest Expense

Interest expense is primarily related to the 2015A Revenue Bonds, ("Series 2015A bonds") which refunded its 2007 Series Bonds (\$120.2 million) and financed certain capital expenditures (\$40.3 million) at the Hospital's Los Gatos campus. The advance refunding of the 2007 Series Bonds caused a loss on defeasance of \$15.3 million which is being amortized as additional interest expense of the life of the 2015A Bonds, which adds an additional \$600,000 in interest expense per year.

El Camino Healthcare District
Management's Discussion and Analysis
For the Years Ended June 30, 2017, 2016, and 2015

Change in Net Unrealized Gains and Losses on Investments

For fiscal year 2016, the Hospital had 29 money managers with different investment objectives for the Hospital's surplus cash investments. Total net unrealized gains/losses are reported in the consolidated financial statements during this fiscal year.

The Hospital experienced a net unrealized loss on investments of -\$16.9 million during fiscal year 2016 and the change in net unrealized gains and losses for fiscal year 2016 was a Year over Year ("YOY") decrease of \$20.8 million. The change in net unrealized gains and losses in 2016 were primarily a result of poor hedge fund investment returns as they returned -7.2% for the twelve months ended June 30, 2016 and generated -\$8.7 million in change in net unrealized gains and losses. Externally held funds (excluding hedge funds) and mutual fund investments generated -\$7.2 million in change in unrealized gains and losses; however, \$2.3 million was due to the realization of gains primarily from private real estate investments. Within mutual funds, international equity and U.S. large-cap growth equity strategies were the primary driver of unrealized losses throughout fiscal year 2016. Separate account equities also experienced negative changes in net unrealized gains and losses of -\$4.5 million; however, \$2.9 million was due to the realization of gains as an underlying manager was liquidated during fiscal year 2016. Fixed income investments partially offset the impact of other asset classes as they experienced a positive change in net unrealized gains and losses of \$3.5 million during fiscal year 2016. A decrease in interest rates caused in increase in unrealized gains for fixed income investments.

The YOY decrease in net unrealized gains and losses were primarily due to a \$12.3 million decrease in hedge fund investments and an \$11.0 million decrease in externally held funds (excluding hedge funds) and mutual fund investments. Hedge fund investments returned -7.2% during fiscal year 2016, whereas they returned +2.0% in fiscal year 2015. Within mutual fund investments, internationally equity returned -6.0% during fiscal year 2016 versus -2.8% in fiscal year 2015 and U.S. large-cap growth equities returned -10.6% in 2016 versus +7.2% in 2015.

Report of Independent Auditors

To the Board of Directors
El Camino Healthcare District

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of El Camino Healthcare District (the "District"), which comprise the consolidated statements of net position as of June 30, 2017 and 2016, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the District as of June 30, 2017 and 2016, and the consolidated results of operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The accompanying Management's Discussion and Analysis on pages 1 through 16, and the accompanying supplemental pension and postretirement benefit information on pages 58 and 59, are not required parts of the consolidated financial statements but are supplementary information required by the Governmental Accounting Standards Board who considers them to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational economic, or historical context. This supplementary information is the responsibility of the District's management. We have applied certain limited procedures in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the consolidated financial statements, and other knowledge we obtained during our audit of the consolidated financial statements. We do not express an opinion or provide any assurance on the supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the District's consolidated financial statements. The accompanying consolidating statement of net position and consolidating statement of revenues, expenses, and changes in net position, on pages 55 through 57, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the District's consolidated financial statements. The accompanying supplemental schedule of community benefit on page 60 is presented for purpose of additional analysis and is not a required part of the consolidated financial statements. This supplementary information is the responsibility of the District's management. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

San Francisco, California
_____, 2017

Consolidated Financial Statements

Final Draft

El Camino Healthcare District
Consolidated Statements of Net Position
June 30, 2017 and 2016
(In Thousands)

	<u>2017</u>	<u>2016</u>
ASSETS AND DEFERRED OUTFLOWS		
Current assets		
Cash and cash equivalents	\$ 131,563	\$ 63,422
Short-term investments	219,126	188,466
Current portion of board designated and funds held by trustee	13,133	15,472
Patient accounts receivable, net of allowances for doubtful accounts of \$32,537 and \$25,927 in 2017 and 2016, respectively	110,005	121,570
Prepaid expenses and other current assets	20,817	22,180
Total current assets	<u>494,644</u>	<u>411,110</u>
Non-current cash and investments		
Board-designated funds	568,376	491,494
Restricted funds	400	50
Funds held by trustee	305,415	46,293
	<u>874,191</u>	<u>537,837</u>
Capital assets		
Nondepreciable	221,478	129,299
Depreciable, net	588,133	613,828
Total capital assets	<u>809,611</u>	<u>743,127</u>
Pledges receivable, net of current portion	2,630	2,683
Prepaid pension asset	32,682	22,651
Investments in healthcare affiliates	31,262	30,469
Beneficial interest in charitable remainder unitrusts	3,521	3,596
Total assets	<u>2,248,541</u>	<u>1,751,473</u>
Deferred outflows		
Loss on defeasance of bond payable	14,163	14,764
Deferred outflows of resources	5,700	5,100
Deferred outflows - actuarial	9,097	9,950
Total deferred outflows	<u>28,960</u>	<u>29,814</u>
Total assets and deferred outflows	<u>\$ 2,277,501</u>	<u>\$ 1,781,287</u>

El Camino Healthcare District
Consolidated Statements of Net Position (continued)
June 30, 2017 and 2016
(In Thousands)

	<u>2017</u>	<u>2016</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$ 38,986	\$ 28,973
Salaries, wages, and related liabilities	51,688	49,053
Other current liabilities	16,459	16,754
Estimated third-party payor settlements	10,438	11,314
Current portion of bonds payable	<u>11,937</u>	<u>8,145</u>
Total current liabilities	129,508	114,239
Bonds payable, net of current portion	649,395	349,336
Other long-term obligations	11,364	13,955
Workers' compensation, net of current portion	17,707	20,009
Post-retirement medical benefits, net of current portion	<u>19,218</u>	<u>18,256</u>
Total liabilities	<u>827,192</u>	<u>515,795</u>
Deferred inflow of resources		
Deferred inflow of resources	3,521	3,596
Deferred inflow of resources - actuarial	<u>10,666</u>	<u>2,892</u>
Total deferred inflows	14,187	6,488
Net position		
Invested in capital assets, net of related debt	466,827	447,401
Restricted - expendable	11,651	11,599
Restricted - nonexpendable	3,462	2,708
Unrestricted	<u>954,182</u>	<u>797,296</u>
Total net position	<u>1,436,122</u>	<u>1,259,004</u>
Total liabilities, deferred inflow of resources, and net position	<u><u>\$ 2,277,501</u></u>	<u><u>\$ 1,781,287</u></u>

El Camino Healthcare District
Consolidated Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2017 and 2016
(In Thousands)

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Net patient service revenue (net of provision for bad debts of \$19,405 and \$18,966 in 2017 and 2016, respectively)	\$ 832,573	\$ 772,173
Other revenue	<u>37,916</u>	<u>34,237</u>
Total operating revenues	<u>870,489</u>	<u>806,410</u>
OPERATING EXPENSES		
Salaries, wages, and benefits	451,416	439,877
Professional fees and purchased services	111,990	106,838
Supplies	121,888	118,096
Depreciation	48,179	49,051
Rent and utilities	16,265	15,669
Other	<u>14,595</u>	<u>19,456</u>
Total operating expenses	<u>764,333</u>	<u>748,987</u>
Income from operations	<u>106,156</u>	<u>57,423</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income (expense), net	63,465	(214)
Property tax revenue		
Designated to support community benefit programs and operating expenses	7,902	7,626
Designated to support capital expenditures	6,959	6,171
Levied for debt service	10,679	9,836
Bond interest expense, net	(6,697)	(10,891)
Intergovernmental transfer expense	(10,328)	(802)
Restricted gifts, grants and bequests, and other, net of contributions to related parties	4,201	7,038
Unrealized gain (loss) on interest rate swap	3,429	(3,214)
Community benefit expense	(9,970)	(9,295)
Other, net	<u>1,322</u>	<u>441</u>
Total nonoperating revenues	<u>70,962</u>	<u>6,696</u>
Increase in net position	177,118	64,119
TOTAL NET POSITION, beginning of year	<u>1,259,004</u>	<u>1,194,885</u>
TOTAL NET POSITION, end of year	<u><u>\$ 1,436,122</u></u>	<u><u>\$ 1,259,004</u></u>

El Camino Healthcare District
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016
(In Thousands)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from and on behalf of patients	\$ 832,934	\$ 736,915
Other cash receipts	37,917	34,237
Cash payments to employees	(442,947)	(433,431)
Cash payments to suppliers	(265,605)	(266,677)
Net cash provided by operating activities	162,299	71,044
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	14,861	12,252
Restricted contributions and investment income	4,254	3,365
Transfers to restricted funds and other	(350)	(2)
Net cash provided by noncapital financing activities	18,765	15,615
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of property, plant, and equipment	(112,510)	(87,337)
Payments on bonds payable	(10,572)	(7,712)
Proceeds from bond issuance	413,458	-
Interest paid on General Obligation bonds payable	(6,697)	(4,523)
Refunding of bonds payable	(99,035)	-
Tax revenue related to General Obligation bonds payable	10,679	9,836
Net cash provided by (used in) capital and related financing activities	195,323	(89,736)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(766,314)	(710,343)
Sales of investments	661,111	725,800
Investment income(expense), net	64,727	(214)
Community benefit and other investing activities	(8,648)	(8,854)
Change in funds held by trustee, net	(259,122)	3,788
Net cash (used in) provided by investing activities	(308,246)	10,177
Net increase in cash and cash equivalents	68,141	4,273
CASH AND CASH EQUIVALENTS at beginning of year	63,422	59,149
CASH AND CASH EQUIVALENTS at end of year	<u>\$ 131,563</u>	<u>\$ 63,422</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 106,156	\$ 57,423
Adjustments to reconcile income from operations to net cash from operating activities		
Loss on disposal of property, plant and equipment	1,262	-
Depreciation	48,179	49,051
Provision for bad debts	19,405	18,966
Changes in assets and liabilities		
Patient accounts receivable, net	(8,716)	(54,224)
Prepaid expenses and other current assets	(9,531)	(2,910)
Current liabilities	8,938	1,089
Other long-term obligations	(1,464)	(2,302)
Deferred inflow of resources - actuarial	(2,892)	2,892
Post-retirement medical benefits	962	1,059
Net cash provided by operating activities	<u>\$ 162,299</u>	<u>\$ 71,044</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Noncash purchase of property, plant, and equipment	<u>\$ 3,415</u>	<u>\$ -</u>
Change in fair value of beneficial interest in charitable remainder unitrusts, and deferred inflow of resources, net	<u>\$ 75</u>	<u>\$ 2,581</u>

See accompanying notes.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The District includes the following component units, which are included as blended component units of the District's consolidated financial statements: the Hospital, El Camino Hospital Foundation (the "Foundation"), CONCERN: Employee Assistance Program ("CONCERN"), El Camino Surgery Center, LLC ("ECSC"), and Silicon Valley Medical Development, LLC ("SVMD").

The District is organized as a political subdivision of the State of California and was created for the purpose of operating an acute care hospital and providing management services to certain related corporations. The District is the sole member of the Hospital, and the Hospital is the sole corporate member of the Foundation and CONCERN. As sole member, the District (with respect to the Hospital) and the Hospital (with respect to the Foundation and CONCERN) have certain powers, such as the appointment and removal of the boards of directors and approval of changes to the articles of incorporation and bylaws. As of June 30, 2017 and 2016, the Hospital owns 100% of ECSC.

SVMD was formed in September 2008 as a Limited Liability Corporation ("LLC"), a wholly owned subsidiary of the Hospital focused on the expansion of the clinical enterprise outside of the Hospital through various business ventures and physician alignment initiatives that improve access for the Hospital's current patients and new, underserved members of the community, extend healthcare into people's homes through the applications of electronic connectivity and assist independent physicians in clinical integration with the Hospital, among other initiatives. In the last fiscal quarter of 2016, SVMD opened its first Primary Care Clinic in the San Jose area and anticipates opening approximately one to two other clinics in fiscal year 2018.

All significant inter-entity accounts and transactions have been eliminated in the consolidated financial statements.

The District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis and consolidated financial statements are prepared using the economic resources measurement focus.

Accounting standards – Pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989 and the California Code of Regulations, Title 2, Section 1131, State Controller's *Minimum Audit Requirements* for California Special Districts and the State Controller's Office prescribed reporting guidelines.

Use of estimates – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Estimates include contractual allowances related to net patient service revenue, provision for uncollectible accounts, fair market values of investments, uninsured losses for professional liability, minimum pension liability, workers' compensation liability, post-retirement medical benefits liability, valuation of gift annuities and beneficial interest in charitable remainder unitrusts, and useful lives of capital assets. Actual results could differ from those estimates.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Cash and cash equivalents – Cash and cash equivalents include deposits with financial institutions, and investments in highly liquid debt instruments with an original maturity of three months or less. In addition, in fiscal years 2017 and 2016, cash and cash equivalents include repurchase agreements, which consist of highly liquid obligations of U.S. governmental agencies. Cash and cash equivalents exclude amounts whose use is limited by board designation or by legal restriction.

Investments – Investments consist primarily of highly liquid debt instruments and other short-term interest-bearing certificates of deposit, U.S. Treasury bills, U.S. government obligations, hedge funds, hedge fund of funds, and corporate debt, excluding amounts whose use is limited by board designation or other arrangements under trust agreements.

Board-designated and restricted funds include assets set aside by the Board of Directors for future capital improvements and other operational reserves, over which the Board of Directors retains control and may at its discretion use for other purposes; assets set aside for qualified capital outlay projects in compliance with state law; and assets restricted by donors or grantors.

Investment income, realized gains and losses, and unrealized gains and losses on investments are reflected as nonoperating revenue or expense.

Funds held by trustee – According to the terms of both indenture agreements (General Obligation and Revenue Bonds), these amounts are held by the bond trustee and paying agent and are maintained and managed by an investment manager or the trustee. These assets are available for the settlement of future current bond obligations and capital expenditures.

Capital assets – Capital asset acquisitions are recorded at cost. Donated property is recorded at its fair market value on the date of donation. All purchases over \$2,500 are capitalized. Equipment under capital lease is amortized on the straight-line basis over the shorter of the lease term or the estimated useful life of the equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the related assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	16 years
Buildings and fixtures	25 – 47 years
Equipment	3 – 16 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset.

Except for capital assets acquired through gifts, contributions or capital grants, interest cost on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Investments in healthcare affiliates – The Hospital holds an interest in Pathways Home Health & Hospice, Pathways Private Duty (formerly Pathways Continuous Care), and five Satellite Dialysis Centers, which are reported using the equity method of accounting. ECSC holds an interest in El Camino Ambulatory Surgery Center (“ECASC”), which is reported using the cost method of accounting.

<u>Affiliate</u>	<u>Percent interest</u>
Pathways	50%
Satellite Dialysis of Mountain View, LLC	30%

Deferred outflows and inflows – The District records deferred outflows or inflows of resources in its consolidated financial statements for consumption or acquisition of its consolidated net position that is applicable to a future reporting period. These financial statement elements are distinct from assets and liabilities.

Deferred outflows consist of unamortized loss on refunding of debt (Note 10), deferred outflows of pension contribution and actuarially determined deferred outflows of resources (Note 7).

Deferred inflows consist of actuarially determined deferred inflows of resources as it relates to pension (Note 7), as well as deferred inflow resulting from transactions in charitable remainder unitrusts (Note 12).

Risk management – The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Self-insurance plans – The Hospital maintains professional liability insurance on a claims-made basis, with liability limits of \$40,000,000 in aggregate, and which is subject to a \$50,000 deductible. Additionally, the Hospital is self-insured for workers’ compensation benefits. The Hospital purchases a Workers’ Compensation Excess Policy that insures claims greater than \$1,000,000 with a limit of \$25,000,000 and a \$1,000,000 deductible. Actuarial estimates of uninsured losses for professional liability and workers’ compensation have been accrued as other current liabilities and workers’ compensation, net of current portion, respectively, in the accompanying consolidated financial statements.

The following is a summary of changes in workers’ compensation liabilities for the years ended June 30 (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2017	\$ 22,309	\$ 4,055	\$ 6,357	\$ 20,007	\$ 2,300
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2016	\$ 24,719	\$ 3,264	\$ 5,674	\$ 22,309	\$ 2,300

Compensated absences – Vested or accumulated vacation and sick leave are recorded as an expense and liability of the Hospital as the benefits accrue to employees. For most employees, the maximum accumulated vacation is 400 hours. Sick leave is accumulated indefinitely at a maximum of 40 hours for a full-time employee per year, and is not vested with the employee upon termination.

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following is a summary of changes in compensated absences transactions for the years ended June 30, (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2017	\$ 23,232	\$ 44,012	\$ 43,550	\$ 23,694	\$ 23,694
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2016	\$ 22,474	\$ 40,960	\$ 40,202	\$ 23,232	\$ 23,232

Interest rate swap agreements – During the fiscal year ended June 30, 2007, the Hospital entered into derivative instruments in the form of three swap agreements to hedge variable interest rate exposure. During the fiscal year ended June 30, 2008, the underlying variable rate debt was refunded for fixed rate debt, leaving the Hospital with speculative derivative instruments that largely offset the variable rate debt issued in 2009. Two of these swaps were terminated in the fiscal year ended June 30, 2010. Refer to Note 10 for a full description of the interest rate swap agreements.

Net position – Net position of the District is classified as invested in capital assets, restricted - expendable, restricted - nonexpendable, and unrestricted net position.

Invested in capital assets, net of related debt – Invested in capital assets of \$466,827,000 and \$447,401,000 at June 30, 2017 and 2016, respectively, represent investments in all capital assets (building and building improvements, furniture and fixtures, and information and technology equipment), net of depreciation less any debt issued to finance those capital assets.

Restricted - expendable – The restricted expendable net position is restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation and includes assets in self-insurance trust funds, revenue bond reserve fund assets, and net position restricted to use by donors.

Restricted - nonexpendable – The restricted nonexpendable net position is equal to the principal portion of permanent endowments.

Unrestricted net position – Unrestricted net position consists of net position that does not meet the definition of invested in capital assets, net of related debt, or restricted.

Statements of revenues, expenses, and changes in net position – For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provisions of healthcare services are reported as revenues and expenses. Peripheral or incidental transactions are reported as gains and losses. These peripheral activities include investment income, property tax revenue, gifts, grants and bequests, change in net unrealized gains and losses on short-term investments, unrealized losses or gains on interest rate swap, and nonexchange contributions received from the Foundation's fundraising activities and are reported as nonoperating. Investments in Pathways Home Health & Hospice and Pathways Private Duty, and Satellite Dialysis of Mountain View, LLC, are accounted for under the equity method. The Hospital's share of the operating income of these entities is included as other, net in the consolidated financial statements.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Net patient service revenue and patient accounts receivable – Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered, and adjusted in future periods as final settlements are determined. The distribution of net patient accounts receivable by payor at June 30, 2017 and 2016, is as follows:

	June 30,	
	2017	2016
Medicare	13%	14%
Medi-Cal	4%	4%
Commercial and other	82%	81%
Self pay	1%	1%
	<u>100%</u>	<u>100%</u>

Uncollectible accounts – The Hospital provides care to patients without requiring collateral or other security. Patient charges not covered by a third-party payor are billed directly to the patient if it is determined that the patient has the ability to pay. A provision for uncollectible accounts is recognized based on management's estimate of amounts that ultimately may be uncollectible.

Charity care – The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of estimated costs for services and supplies furnished under the Hospital's charity care policy aggregated approximately \$1,285,000 and \$2,290,000 for the years ended June 30, 2017 and 2016, respectively.

Property tax revenue – The District received approximately 14% in 2017 and 15% in 2016 of its total increase in net position from property taxes. These funds were designated as follows (in thousands):

	June 30,	
	2017	2016
Designated to support community benefit programs and operating expenses	\$ 7,902	\$ 7,626
Designated to support capital expenditures	\$ 6,959	\$ 6,171
Levied for debt service	\$ 10,679	\$ 9,836

Property taxes are levied by the County on the District's behalf on January 1 and are intended to finance the District's activities of the same calendar year. Amounts levied are based on assessed property values as of the preceding July 1. Property taxes are considered delinquent on the day following each payment due date. Property taxes are recorded as nonoperating revenue by the District when they are earned.

Grants and contributions – From time to time, the District receives grants as well as contributions from individuals and private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Income taxes – The District operates under the purview of the Internal Revenue Code (the “Code”), Section 115, and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to state or federal taxes on income. CONCERN has also been granted tax-exempt status. However, income from the unrelated business activities of the Hospital and the Foundation is subject to income taxes. ECSC and SVMD are limited liability companies and are treated as pass-through entities for federal income tax purposes. Accordingly, no recognition has been given to federal income taxes in the accompanying consolidated financial statements.

Reclassifications – Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the 2017 presentation.

New accounting pronouncements - The GASB issued GASB Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No. 73*, (“GASB No. 82”), which is effective for financial statements for periods beginning after June 15, 2016. GASB No. 82 addresses certain issues that have been raised with respect to GASB Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. Specifically, GASB No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee contribution requirements. The District adopted GASB No. 82 in the current fiscal year. The adoption did not have a material impact on the District’s consolidated financial statements.

The GASB also issued Statement No. 80, *Blending Requirements for Certain Component Units*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The District adopted GASB No. 80 in the current fiscal year. The adoption did not have a material impact on the District’s consolidated financial statements.

The GASB also issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, (“GASB No. 75”). GASB No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The adoption of GASB No. 75 is effective for the District beginning July 1, 2017. The District is currently assessing the impact of this standards on the District’s consolidated financial statements.

El Camino Healthcare District

Notes to Consolidated Financial Statements

The GASB also issued GASB Statement No. 87, *Leases*, ("GASB No. 87"), which intends to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption of GASB No. 87 is effective for the District beginning July 1, 2020. The District is currently assessing the impact of these standards on the District's consolidated financial statements.

NOTE 2 – OPERATING REVENUES

The following table reflects the percentage of net patient revenues by major payor group for the years ended June 30:

	2017	2016
Medicare (including Medicare HMO)	27%	27%
Commercial and other	68%	70%
Medi-Cal (including Medi-Cal HMO)	5%	3%
	100%	100%

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, fee schedules, prepaid payments per member, and per diem payments or a combination of these methods. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated settlements under reimbursement agreements with third-party payors.

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Inpatient services are paid at prospectively determined rates per discharge. Payments for outpatient services are based on a stipulated amount per procedure. The District is reimbursed for cost reimbursable items at a tentative rate, with final settlements determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The effect of updating prior year estimates for Medicare and other liabilities was to decrease 2017 income from operations by \$1,808,000, and decrease 2016 income from operations by \$8,939,000. The Hospital's cost reports have been audited by the Medicare fiscal intermediary through June 30, 2014.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Non-Designated Public Hospitals (“NDPHs”), including the Hospital, were authorized, in 2011’s Assembly Bill (“AB”) 113, to use intergovernmental transfers (“IGTs”) to obtain federal supplemental funds for Medi-Cal inpatient fee-for-service. The IGTs are used to bring NDPHs, in the aggregate, up to their upper payment limit (“UPL”). The UPL is the federal maximum available under the Medicaid program, as calculated based on the actual costs of providing care. For the years ended June 30, 2017 and 2016, the Hospital recognized amounts under the IGT program of \$18,338,000 and \$1,170,000, respectively, which have been reported as net patient service revenue.

Medi-Cal and contracted rate payors are paid on a percentage of charges, per diem, per discharge, fee schedule, or a combination of these methods.

Laws and regulations governing the Medicare and Medi-Cal programs are complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term.

Included in other revenue are amounts from investments in health-related activities, rental income, cafeteria, and other nonpatient care revenue.

NOTE 3 – CASH DEPOSITS

At June 30, 2017 and 2016, District cash deposits had carrying amounts of \$131,563,000 and \$63,422,000, respectively, and bank balances of \$136,336,000 and \$71,658,000, respectively. All of these funds were held in cash deposits, which are collateralized with the California Government Code (“CGC”), except for \$250,000 per account that is federally insured by the Federal Deposit Insurance Corporation (“FDIC”).

The District participates in a cash management program provided by its primary depository institution that allows cash in District concentration accounts to be swept daily and invested overnight in reverse agreements that are not exposed to custodial credit risk because the underlying securities are held by the buyer-lender. At June 30, 2017 and 2016, balances in repurchase agreements had bank balances of \$134,883,000 and \$71,658,000, respectively, and are included in the carrying amounts above.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 4 – BOARD-DESIGNATED, FUNDS HELD BY TRUSTEE, RESTRICTED FUNDS, AND INVESTMENTS

Board-designated funds, funds held by trustee, restricted funds, and short-term investments, collectively, as of June 30, 2017 and 2016, comprised the following (in thousands):

	Amortized Costs	Gross Unrealized		Carrying Value
		Gains	Losses	
2017				
Cash and cash equivalents	\$ 126,431	\$ -	\$ -	\$ 126,431
Mutual funds	242,539	56,223	(3,952)	294,810
Real estate funds	18,421	8,271	-	26,692
Hedge funds	94,206	5,398	(315)	99,289
Equities	37,930	6,974	(703)	44,201
Fixed income securities	505,082	11,626	(1,681)	515,027
	<u>\$ 1,024,609</u>	<u>\$ 88,492</u>	<u>\$ (6,651)</u>	<u>\$ 1,106,450</u>
2016				
Cash and cash equivalents	\$ 43,563	\$ -	\$ -	\$ 43,563
Mutual funds	208,161	19,847	(2,385)	225,623
Real estate funds	23,426	3,644	-	27,070
Hedge funds	94,173	4,002	(4,134)	94,041
Equities	23,585	5,865	(1,177)	28,273
Fixed income securities	314,304	10,828	(1,927)	323,205
	<u>\$ 707,212</u>	<u>\$ 44,186</u>	<u>\$ (9,623)</u>	<u>\$ 741,775</u>

At June 30, 2017, investment balances and average maturities were as follows:

Investment Type	Fair Value (in thousands)	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Short-term money market	\$ 126,431	\$ 126,431	\$ -	\$ -	\$ -
Mutual funds	298,368	298,368	-	-	-
Real estate funds	26,692	26,692	-	-	-
Hedge funds	99,290	99,290	-	-	-
Government and agencies	120,095	5,103	99,262	10,421	5,309
Corporate bonds	375,766	40,021	226,659	18,828	90,258
Domestic fixed income	26,848	12,012	3,126	8,568	3,142
	<u>1,073,490</u>	<u>\$ 607,917</u>	<u>\$ 329,047</u>	<u>\$ 37,817</u>	<u>\$ 98,709</u>
Equities	<u>32,960</u>				
Total fair value	<u>\$ 1,106,450</u>				

El Camino Healthcare District

Notes to Consolidated Financial Statements

At June 30, 2016, investment balances and average maturities were as follows:

Investment Type	Fair Value (in thousands)	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Short-term money market	\$ 37,086	\$ 37,086	\$ -	\$ -	\$ -
Mutual funds	259,872	259,872	-	-	-
Real estate funds	27,070	27,070	-	-	-
Hedge funds	94,040	94,040	-	-	-
Government and agencies	105,141	12,563	55,275	17,424	19,879
Corporate bonds	101,957	12,843	69,046	12,003	8,065
Domestic fixed income	88,869	2,067	11,908	12,600	62,294
	714,035	\$ 445,541	\$ 136,229	\$ 42,027	\$ 90,238
Equities	27,740				
Total fair value	\$ 741,775				

Interest rate risk – Through its investment policies, the District manages its exposure to fair value losses arising from increasing interest rates by limiting duration of fixed income securities in its portfolio to no more than 30% of the designated benchmark.

Credit risk – District investment policies require fixed income investments to have a minimum of 85% of a money manager's assets in investment grade assets. The investment policy requires investment managers maintain an average of A- or higher ratings as issued by a nationally recognized rating organization. Additionally, the investment policy requires no more than 5% of a money manager's portfolio at the time of purchase shall be invested in the securities of any one issuer, with the exception of a United States government agency, agency MBS or other Sovereign issues rated AAA or Aaa.

Foreign currency risk – The District's investment policy permits it to invest up to 30% of total investments in foreign currency denominated investments.

Alternative investments risk – The District's alternative investments include ownership interest in a wide variety of partnership and fund structures that may be domestic or offshore. Generally, there is little or no regulation of these investments by the Securities and Exchange Commission or U.S. state attorneys general. These investments employ a wide variety of strategies including absolute return, hedge, venture capital, private equity and other strategies. Investments in this category may employ leverage to enhance the investment return. The District's holdings can include financial assets such as marketable securities, nonmarketable securities, derivatives, and synthetic and structured instruments; real assets; tangible and intangible assets; and other funds and partnerships. Generally, these investments do not have a ready market. Interest in these investments may not be traded without approval of the general partner or fund management.

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Notes to Consolidated Financial Statements

Alternative investments are subject to all of the risks described previously relating to equities and fixed income instruments. In addition, alternative strategies and their underlying assets and rights are subject to a broad array of economic and market vagaries that can limit or erode value. The underlying assets may not be held by a custodian either because they cannot be, or because the entity has chosen not to hold them in this form. Valuations determined by the investment manager, who has a conflict of interest in that he or she is compensated for performance are considered and reviewed by the District's Investment Committee and the Board of Directors. Real assets may be subject to physical damage from a variety of means, loss from natural causes, theft of assets, lawsuits involving rights and other loss and damage including mortgage foreclosure risk. These risks may not be insured or insurable. Tangible assets are subject to loss from theft and other criminal actions and from natural causes. Intangible assets are subject to legal challenge and other possible impairment.

The carrying amount of deposits and investments are included in the District's consolidated statements of net position as follows (in thousands):

	2017	2016
Included in the following consolidated statement of net position captions:		
Short-term investments	\$ 219,126	\$ 188,466
Current portion of board designated and funds held by trustee	13,133	15,472
Board designated, funds held by trustee, and restricted funds, less current portion	874,191	537,837
Total carrying amount of deposits and investments	\$ 1,106,450	\$ 741,775

NOTE 5 – FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the consolidated statements of net position at June 30, 2017 and 2016, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Mutual Funds: Shares of mutual funds are valued at the net asset value ("NAV") of shares held by the District and are valued at the closing price reported on the active market on which the individual securities are traded.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Common Stock: Common stock is valued at the closing price reported on the active market on which the individual securities are traded.

Asset-backed securities: Asset-backed securities are valued via model using various inputs such as but not limited to daily cash flow, U.S. Treasury market, floating rate indices such as LIBOR and Prime as a benchmark yield, spread over index, periodic and life caps, next coupon adjustment date, and convertibility of the bond.

Corporate bonds, foreign bonds, and municipal bonds: Valued using pricing models maximizing the use of observable inputs for similar securities which includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

U.S. Government securities: Fixed income funds are valued at the NAV of shares held by the District and are valued at the closing price reported on the active market on which the individual securities are traded.

Pooled, common & collective trusts: Investments are valued using the NAV of the fund. The NAV of a pooled or collective investment fund is calculated based on a compilation of primarily observable market information. The number of units of the fund that are outstanding on the calculation date is derived from observable purchase and redemption activity in the fund.

Hedge funds: The fair value of the investments is recorded at the investment managers' net asset values, as the managers have the greatest insight into the investments of their fund and the related industry and have the appropriate expertise to determine the NAV. The District assesses the NAV and takes into consideration events such as suspended redemptions, restructuring, secondary sales, and investor defaults to determine if an adjustment is necessary. Additionally, asset holdings are reviewed within investment managers' audited financial statements.

Partnership: The valuation of partnership interests may require significant management judgement. The District's ownership is based upon their percentage of limited partnership interests divided by the total commitment of the fund. Specifically, inputs used to determine fair value include financial statements provided by the investment partnerships, which typically include fair market value capital account balances.

Interest rate swap: The fair value is estimated by a third party using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Beneficial interest in charitable remainder unitrusts: The beneficial interest in charitable remainder unitrusts is measured at fair value, which is estimated as the present value of the expected future cash flows from trusts.

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of net position measured at fair value on a recurring basis and the level within the GASB 72 fair value hierarchy in which the fair value measurements fall at June 30 (in thousands):

Description	Level 1	Level 2	Level 3	2017
Investments by fair value level				
Asset backed securities				
Corporate backed obligations	\$ -	\$ 10,368	\$ -	\$ 10,368
Corporate bonds	-	18,384	-	18,384
Mortgage backed obligations	-	47,741	-	47,741
Common stock				
ADR & U.S. foreign stock	-	4,371	-	4,371
Energy	3,635	-	-	3,635
Financial services industry	6,169	-	-	6,169
Healthcare industry	5,929	-	-	5,929
Information Technology	3,978	-	-	3,978
Telecommunication services	771	-	-	771
Other	8,107	-	-	8,107
Corporate, municipal and foreign bonds				
Corporate bonds	231,381	79,781	-	311,162
Private placements	-	16,253	-	16,253
Municipal taxable	-	4,805	-	4,805
Mutual funds				
Mutual funds - equity	282,832	-	-	282,832
Mutual funds - taxable	15,536	-	-	15,536
U.S. Government securities				
Government agencies	10,105	647	-	10,752
U.S. treasury notes and bonds	85,223	-	-	85,223
Partnership	-	-	26,692	26,692
Total investments by fair value level	<u>\$ 653,666</u>	<u>\$ 182,350</u>	<u>\$ 26,692</u>	<u>862,708</u>
Cash equivalents				<u>134,187</u>
Investments measured at NAV				
Pooled, common & collective trusts				19,789
Equity, hedge funds				34,944
Credit hedge funds				25,246
Macro hedge funds				25,452
Relative value hedge funds				3,362
Fixed income limited partnership				762
Total investments measured at NAV				<u>109,555</u>
Total investments				<u>\$ 1,106,450</u>
Beneficial interest in charitable remainder unitrusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,521</u>	<u>\$ 3,521</u>
Interest rate swap	<u>\$ -</u>	<u>\$ (7,618)</u>	<u>\$ -</u>	<u>\$ (7,618)</u>

El Camino Healthcare District

Notes to Consolidated Financial Statements

Description	Level 1	Level 2	Level 3	2016
Investments by fair value level				
Asset backed securities				
Corporate backed obligations	\$ 41,661	\$ 29,898	\$ -	\$ 71,559
Mortgage backed obligations	10,590	22,919	-	33,509
U.S. government mortgage pool	-	42,923	-	42,923
Common stock				
ADR & U.S. foreign stock	-	2,338	-	2,338
Financial services industry	1,461	-	-	1,461
Healthcare industry	2,671	751	-	3,422
Telecommunication services	1,182	-	-	1,182
Other	4,316	859	-	5,175
Corporate, municipal and foreign bonds				
Corporate bonds	119,807	106,222	-	226,029
Private placements	-	17,973	-	17,973
Municipal taxable	-	4,521	-	4,521
Mutual funds				
Mutual funds - equity	69,620	-	-	69,620
Mutual funds - taxable	13,518	-	-	13,518
U.S. Government securities				
Government agencies	-	790	-	790
U.S. treasury notes and bonds	64,758	1,324.00	-	66,082
Partnership	-	-	27,070	27,070
Total investments by fair value level	<u>\$ 329,584</u>	<u>\$ 230,518</u>	<u>\$ 27,070</u>	<u>587,172</u>
Cash equivalents				<u>42,350</u>
Investments measured at NAV				
Pooled, common & collective trusts				17,092
Equity hedge funds				32,645
Credit hedge funds				19,368
Macro hedge funds				24,506
Relative value hedge funds				17,521
Fixed income limited partnership				<u>1,121</u>
Total investments measured at NAV				<u>112,253</u>
Total investments				<u>\$ 741,775</u>
Beneficial interest in charitable remainder unitrusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,596</u>	<u>\$ 3,596</u>
Interest rate swap	<u>\$ -</u>	<u>\$ (11,041)</u>	<u>\$ -</u>	<u>\$ (11,041)</u>

The following table provides the fair value and redemption terms and restrictions for investments redeemable NAV at June 30, 2017 (in thousands):

	2017 Fair value	2016 Fair value	Unfunded Commitment	Redemption Frequency	Redemption Notice
Pooled, common & collective trusts	\$ 19,789	\$ 17,092	\$ -	Monthly	30 days
Equity hedge funds	34,944	32,645	-	Quarterly	90 days
Credit hedge funds	25,246	19,368	-	Monthly, Quarterly	15 - 60 days
Macro hedge funds	25,452	24,506	-	Monthly, Quarterly	5 - 90 days
Relative value hedge funds	3,362	17,521	-	Quarterly, Annually	45 days
Fixed income limited partnership	<u>762</u>	<u>1,121</u>	<u>-</u>	Monthly	1 day
Total investments measured at NAV	<u>\$ 109,555</u>	<u>\$ 112,253</u>	<u>\$ -</u>		
Partnership	<u>\$ 26,692</u>	<u>\$ 27,070</u>	<u>\$ 20,862</u>	n/a	n/a

El Camino Healthcare District

Notes to Consolidated Financial Statements

Pooled, common & collective trusts - includes investments in 1 small cap fund that invest in domestic equity. Investments are valued using the NAV per share of the fund. The NAV per share is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of shares outstanding.

Equity Hedge Funds - includes investments in 8 hedge funds that employ both long and short strategies primarily in US common stocks. Equity hedge strategies typically have a directional bias (long or short) and trade in equities and equity related derivatives. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments representing approximately 14% of the value of the investments in this type include restrictions such as certain classes with side pocket investments which may only be redeemed upon realization of the underlying investments.

Credit Hedge Funds - includes investments in 3 hedge funds that is comprised of distressed securities, credit long/short, emerging market debt and credit event driven. Credit hedge strategies typically have a directional bias and involve the purchase of various types of debt, equity, trade claims and fixed income securities. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments representing approximately 76% of the value of the investments in this type include restrictions that do not allow for redemptions in the first year after acquisition and other imposed gates.

Macro Hedge Funds - includes investments in 4 hedge funds that invests in global macro, managed futures, commodities and currencies. Macro hedge strategies typically have a directional bias and involve the purchase of a variety of securities and/or derivatives related to major markets. Managed future strategies trade similar instruments but are typically implemented by computerized system. The fair values of the investments in this type have been determined using the NAV per share of the investments.

Relative Value Hedge Funds - includes investments in 2 hedge funds that typically does not display a distinct directional bias. Relative Value encompasses a range of strategies covering different asset classes. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments, except for 1 investment, calculated based upon a percentage of limited partnership interest. Inputs used to determine fair value include financial statements provided by the investment partnership, which typically include fair market value of capital account balances. Investments representing approximately 58% of the value of the investments may include lock up, imposed gates, and other restrictions that preclude them from redeeming their share or ownership interest for an uncertain or extended period of time from the measurement date.

Fixed income limited partnership - includes investments in a limited partnership fund of funds that invest primarily in investment grade non-US dollar denominated fixed income securities. The fund may enter into swap agreements, forward settlement agreements, futures, contracts, and options on future contracts as well as purchase and sell covered put and call options. Investments are valued using the NAV per share of the fund. There is a provision in the limited partnership agreement that allows the general partner to limit redemption under certain circumstances.

Partnership - investments in closed-end, commitment based private equity real estate partnerships. The valuation of partnership interests in these funds may require significant management judgement. The District's ownership is based upon their percentage of limited partnership interests divided by the total commitment of the fund. Inputs used to determine fair value include financial statements provided by the investment partnerships, which typically include fair market value capital account balances. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund.

El Camino Healthcare District
Notes to Consolidated Financial Statements

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017, is as follows (in thousands):

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated				
Land	\$ 83,462	\$ -	\$ -	\$ 83,462
Construction in progress	45,837	92,179	-	138,016
	129,299	92,179	-	221,478
Capital assets being depreciated				
Land improvement	13,872	-	-	13,872
Buildings	755,211	5,310	-	760,521
Capital equipment	337,341	18,436	3,228	352,549
	1,106,424	23,746	3,228	1,126,942
Less accumulated depreciation for				
Land improvement	8,234	767	-	9,001
Buildings	258,304	22,553	-	280,857
Capital equipment	226,058	24,859	1,966	248,951
	492,596	48,179	1,966	538,809
Total capital assets being depreciated, net	613,828	(24,433)	1,262	588,133
Total capital assets, net	\$ 743,127	\$ 67,746	\$ 1,262	\$ 809,611

El Camino Healthcare District

Notes to Consolidated Financial Statements

Capital assets activity for the year ended June 30, 2016, is as follows (in thousands):

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated				
Land	\$ 55,130	\$ 28,332	\$ -	\$ 83,462
Construction in progress	46,318	-	481	45,837
	<u>101,448</u>	<u>28,332</u>	<u>481</u>	<u>129,299</u>
Capital assets being depreciated				
Land improvement	13,872	-	-	13,872
Buildings	733,423	26,460	4,672	755,211
Capital equipment	330,050	38,936	31,645	337,341
	<u>1,077,345</u>	<u>65,396</u>	<u>36,317</u>	<u>1,106,424</u>
Less accumulated depreciation for				
Land improvement	7,414	820	-	8,234
Buildings	240,233	22,742	4,671	258,304
Capital equipment	232,710	25,489	32,141	226,058
	<u>480,357</u>	<u>49,051</u>	<u>36,812</u>	<u>492,596</u>
Total capital assets being depreciated, net	<u>596,988</u>	<u>16,345</u>	<u>(495)</u>	<u>613,828</u>
Total capital assets, net	<u>\$ 698,436</u>	<u>\$ 44,677</u>	<u>\$ (14)</u>	<u>\$ 743,127</u>

Construction contracts of approximately \$489,293,000 exist for the construction of the four major projects at the Mountain View campus of the Integrated Medical Office Building ("IMOB"), Behavior Health Services replacement building, North Drive parking structure expansion, and Central Utility Plant Upgrade, as well as continued improvements at the Los Gatos site for the Imaging department, medical office building, and seismic upgrades. At June 30, 2017, the remaining commitment on these contracts approximated \$317,286,000.

Capitalized interest expense was \$7,081,000 and \$130,000 as of June 30, 2017 and 2016, respectively.

NOTE 7 – EMPLOYEE BENEFIT PLANS

The Hospital sponsors a cash-balance pension plan (the "Plan"), which has been in effect since January 1, 1995. The Plan covers employees who are 21 years of age and have completed one year of credited service. Participants are entitled to a lump-sum distribution or monthly benefits at age 65 based on a predetermined formula that considers years of service and compensation. Effective July 1, 1999, employer Plan benefits are calculated as 5% of a participant's annual plan compensation, and the annual interest is an indexed rate based on the return on ten-year U.S. treasury securities. Participants are fully vested in their account balances after five pension years.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Certain retired and terminated employees and certain participants covered by a collective bargaining agreement continue to participate under provisions of a defined-benefit retirement plan in effect prior to January 1, 1995. Participant data for the Plan, as of the measurement date January 1 for the indicated years is as follows:

	<u>2017</u>	<u>2016</u>
Active	2,673	2,706
Retirees and beneficiaries	497	481
Vested terminated	<u>1,017</u>	<u>924</u>
Total participants	<u><u>4,187</u></u>	<u><u>4,111</u></u>

Components of pension cost and deferred outflows and inflows of resources as calculated under the requirements of GASB No. 68 are as follows (in thousands):

Deferred outflows of resources

	<u>2017</u>	<u>2016</u>
Deferred outflows of resources as of June 30:		
Difference between expected and actual experience	\$ 308	\$ 414
Changes in assumptions	474	636
Difference between projected and actual investment earnings	<u>8,315</u>	<u>8,900</u>
Total	<u><u>\$ 9,097</u></u>	<u><u>\$ 9,950</u></u>

Deferred inflows of resources as of June 30:

Difference between expected and actual experience	\$ (3,607)	\$ (1,236)
Changes in assumptions	(7,059)	(1,656)
Difference between projected and actual investment earnings	<u>-</u>	<u>-</u>
Total	<u><u>\$ (10,666)</u></u>	<u><u>\$ (2,892)</u></u>

Contributions between the measurement date and fiscal year end recognized as a deferred outflow of resources

<u><u>\$ 5,700</u></u>	<u><u>\$ 5,100</u></u>
------------------------	------------------------

Amounts reported as deferred outflows and inflows of resources to pensions will be recognized in pension expense are as follows (in thousands):

Future Years' Recognition of

2018	\$ 1,073
2019	1,073
2020	718
2021	(1,486)
2022	(1,352)
Thereafter	(1,595)

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table summarizes changes in pension liability for fiscal year ended June 30, 2017 and 2016, with a measurement date of December 31, 2016 and 2015, respectively, (in thousands):

Total pension liability	2017	2016
Service cost	\$ 8,948	\$ 8,411
Interest	11,893	11,509
Differences between expected and actual experience	(3,044)	(1,484)
Changes of assumptions	(6,663)	(1,990)
Benefit payments	(9,912)	(11,252)
Net change in total pension liability	1,222	5,194
Total pension liability beginning of fiscal year	194,148	188,954
Total pension liability end of fiscal year	<u>\$ 195,370</u>	<u>\$ 194,148</u>
	2017 with Measurement Date of December 31, 2016	2016 with Measurement Date of December 31, 2015
Total pension liability	\$ 195,370	\$ 194,148
Plan fiduciary net position	228,052	216,799
Net pension liability	<u>\$ (32,682)</u>	<u>\$ (22,651)</u>
Plan's fiduciary net position as a percentage of total pension liability	116.73%	111.67%
Covered payroll	\$ 283,435	\$ 283,776
Net pension liability as a percentage of covered payroll	-11.53%	-7.98%
Contributions between the measurement date and year ended June 30, 2017 as deferred outflow of resources	\$ 5,700	\$ 5,100

El Camino Healthcare District

Notes to Consolidated Financial Statements

The following table summarizes the actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30, 2017 and 2016:

Assumptions

Valuation Date	Contributions related to the actuarially determined contributions are made for the plan year January 1 to December 31.
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions	
Projected Salary Increases	2.00%
Mortality	Based on the RE-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006 and project with Mortality Improvement Scale MP-2016 and 2015
Discount Rate	6.00%

Sensitivity of the Net Pension Liability (in thousands):

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability (Asset) as of December 31, 2016	\$ (12,665)	\$ (32,682)	\$ (49,843)
Net Pension Liability (Asset) as of December 31, 2015	\$ (12)	\$ (22,651)	\$ (41,400)

Eligible employees of the Hospital may also elect to participate in a separate deferred compensation plan (the 403(b) plan) pursuant to Section 403(b) of the Code. The Hospital acts as the administrator and sponsor, and the 403(b) plan's assets are held by trustees designated by the Hospital's management. Employees are eligible to participate upon employment, and participants are immediately vested in their elective contributions plus actual earnings thereon. The Hospital will match employee contributions to the 403(b) plan, subject to a maximum of 4% of each participant's annual plan compensation. Participants are eligible for employer match in the second plan year in which they work at least 1,000 hours, and they must be on the payroll at the end of the plan year (December 31). Employer matching contributions under the 403(b) plan are made to the cash-balance pension plan and earn interest as defined by that plan. Employer matching contributions to the 403(b) plan of \$10,031,000 and \$9,853,000 in 2017 and 2016, respectively, are included in benefits expense. Participants are immediately vested in the employer contributions included in the cash-balance pension plan.

The Hospital's net pension liability was measured as of June 30, 2017 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial valuation was determined using the following assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the consolidated financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 8 – POST-RETIREMENT MEDICAL BENEFITS

The Hospital provides healthcare benefits and life insurance for retired employees who meet eligibility requirements as outlined in the plan document, as approved by the board of directors of the Hospital. All employees who attain age 55 with a minimum of 20 years of enrollment in the Hospital's healthcare program and are enrolled in one of the plans upon retirement, and who were hired prior to July 1, 1994, are eligible. Under the plan, employees are credited with employment history accumulated under a prior Hospital plan.

Benefits are funded by the Hospital on a pay-as-you go basis. If a participant terminates from the Hospital after 20 years of enrollment but before reaching age 62, he or she can choose to contribute to the plan between ages 55 and 61 to retain the plan's benefits. At age 62, eligible retirees are given an annual credit based on years of service to pay for health benefits. As of June 30, 2017 and 2016, approximately 581 and 593 employees and former employees, respectively, were eligible to participate in the plan. For the fiscal years ended June 30, 2017 and 2016, the Hospital contributed \$663,000 and \$592,000, respectively, to fund benefits paid in those years.

The Hospital's annual post-retirement benefit cost is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with parameters of GASB Codification Section P50, *Postemployment Benefits Other Than Pension Benefits - Employer Reporting*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Hospital's annual post-retirement benefit cost, the amount actually contributed to the plan, and the changes in the Hospital's post-retirement benefit obligation (in thousands):

	<u>2017</u>	<u>2016</u>
Annual required contribution	\$ 1,936	\$ 1,946
Interest on post-retirement benefit obligation	776	731
Adjustment to annual required contribution	<u>(1,088)</u>	<u>(1,025)</u>
Annual post-retirement benefit expense	1,624	1,652
Employer contributions	<u>(662)</u>	<u>(593)</u>
Increase in accumulated benefit obligation	<u>\$ 962</u>	<u>\$ 1,059</u>
Post-retirement benefit obligation, beginning of the year	\$ 18,256	\$ 17,197
Post-retirement benefit obligation, end of the year	\$ 19,218	\$ 18,256

El Camino Healthcare District

Notes to Consolidated Financial Statements

The Hospital's annual post-retirement benefit cost, the percentage of annual post-retirement benefit cost contributed to the plan, and the post-retirement benefit obligation for 2017 and the two preceding years were as follows (in thousands):

Fiscal Year Ended	<u>Annual Post-retirement Benefit Expense</u>	<u>Percentage of Annual Post-retirement Benefit Expense Contributed</u>	<u>Post-retirement Benefit Obligation</u>
June 30, 2015	\$ 1,432	36.66%	\$ 17,197
June 30, 2016	\$ 1,652	35.90%	\$ 18,256
June 30, 2017	\$ 1,624	40.76%	\$ 19,218

As of July 1, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$25,665,000, resulting in an unfunded actuarial accrued liability ("UAAL") of \$26,069,000. The covered payroll (annual payroll of active employees covered by the plan) was \$38,411,000, and the ratio of the UAAL to the covered payroll was 66.82%.

The measurement date for the baseline actuarial analysis as of June 30, 2017 and 2016, is July 1, 2015. For measurement purposes, annual rates of increase in the per capita cost of covered healthcare benefits of 9% were assumed for both fiscal years 2017 and 2016. The rate was assumed to decrease gradually to 4.5% over the next six years and remain at that level thereafter as of June 30, 2016 and June 30, 2015. The dental benefit trend rate was assumed to be 4.5% in all future years for 2016 and 2015, respectively. The discount rate used was 4.25% for both 2017 and 2016. The UAAL is being amortized as a level percentage over 30 years on an open basis.

NOTE 9 – INSURANCE PLANS

The Hospital purchases professional, general, automobile, and directors and officers liability insurance from BETA Healthcare Group ("BHG"), and also purchases all-risk property insurance (including limited flood), fiduciary, crime, cyber, and excess workers' compensation coverage needs from Alliant Insurance Services ("Alliant"). The Hospital's coverage is under a claims-made policy with limits of \$30 million per occurrence, \$40 million in the annual aggregate, and with a self-insured retention level of \$50,000 per claim.

There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted from services provided to patients. The Hospital has actuarial estimates performed annually on its self-insurance plans of professional liability and workers' compensation benefits. Estimated liabilities (which have not been discounted) have been actuarially determined at an expected 75% confidence level and include an estimate of incurred, but not reported, claims. The balances are included in salaries and wages payable, workers' compensation and other long-term liabilities in the accompanying consolidated statements of net position.

El Camino Healthcare District **Notes to Consolidated Financial Statements**

NOTE 10 – BONDS PAYABLE

Bonds payable consists of the following obligations (in thousands):

	June 30,	
	2017	2016
El Camino Hospital District		
2006 General Obligation Bonds		
Principal	\$ 32,335	\$ 136,280
Unamortized premium	723	180
2017 General Obligation Bonds		
Principal	99,035	-
Unamortized premium	1,842	-
El Camino Hospital Revenue Bonds		
Series 2009		
Principal	50,000	50,000
Series 2015A		
Principal	151,345	154,980
Unamortized premium	14,194	16,041
Series 2017A		
Principal	292,435	-
Unamortized premium	19,423	-
Total long-term debt	661,332	357,481
Less current maturities	11,937	8,145
Maturities due after one year	\$ 649,395	\$ 349,336

	2017			
	Balance at June 30, 2016	Increases	Decreases	Balance at June 30, 2017
General obligation bonds	\$ 136,460	\$ 101,600	\$ 104,125	\$ 133,935
Revenue bonds	221,021	311,858	5,482	527,397
	<u>\$ 357,481</u>	<u>\$ 413,458</u>	<u>\$ 109,607</u>	<u>\$ 661,332</u>
	2016			
	Balance at June 30, 2015	Increases	Decreases	Balance at June 30, 2016
General obligation bonds	\$ 138,698	\$ -	\$ 2,238	\$ 136,460
Revenue bonds	227,921	-	6,900	221,021
	<u>\$ 366,619</u>	<u>\$ -</u>	<u>\$ 9,138</u>	<u>\$ 357,481</u>

2006 General Obligation Bonds – Upon voter approval, in November 2003, the District issued in 2006, \$148,000,000 principal amount of 2006 General Obligation Bonds, which consists of \$115,665,000 of Current Interest Bonds. Interest on the Current Interest Bonds is payable semiannually at rates ranging from 4% to 5% and principal maturities ranging from \$2,065,000 in 2016 to \$18,050,000 in 2036 are due annually on August 1. Interest at rates ranging from 4.38% to 4.48% and principal of the Capital Appreciation Bonds are payable only at maturity. In March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the 2017 General Obligation Refunding Bonds.

El Camino Healthcare District

Notes to Consolidated Financial Statements

The Current Interest Bonds maturing on or before August 1, 2016, are not subject to redemption. The Current Interest Bonds maturing on or after August 1, 2017, may be redeemed prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after February 1, 2017, at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

The Bonds are general obligations of the District payable from ad valorem taxes. Payment of principal, interest and maturity value of the Bonds, when due, is insured by a municipal bond insurance policy.

2017 General Obligation Bonds – Upon voter approval, in March 2017, the District advanced refunded a portion of the 2006 General Obligation Bonds, through the issuance of the \$99,035,000 2017 General Obligation Refunding Bonds, which consists of \$115,665,000 of Current Interest Bonds, and \$32,335,000 of Capital Appreciation Bonds. Interest on the 2017 General Obligation Refunding Bonds is payable semiannually at rates ranging from 2% to 5% and principal maturities ranging from \$3,570,000 in 2017 to \$17,480,000 in 2036 are due annually on August 1. This refinancing resulted in a reduction of future interest payments with a present value of approximately \$7,000,000.

Revenue Bonds, Series 2009 – In April 2009, the Hospital issued \$50,000,000 of Santa Clara County Financing Authority Insured Revenue Bonds, Series 2009A to fund completion of the Hospital replacement construction project. Interest on the bonds is payable on the business day immediately following the applicable remarketing period. Principal maturities on the bonds range from \$100,000 in 2025 to \$10,920,000 in 2044, and are due annually on February 1.

The 2009 Series Revenue bond agreement contains various restrictive covenants which include, among other things, minimum debt service coverage, maintenance of minimum liquidity, and requirement to maintain certain financial ratios.

The bonds are secured by a pledge of gross revenues to an Indenture of Trust ("Indenture") dated March 16, 2007. The Indenture contains certain covenants that, among other things, require the District to deposit all Gross Revenues of the Hospital as soon as practicable upon receipt. The Indenture also requires the Hospital to maintain a long-term debt service coverage ratio of 1.15 to 1. Failure to comply with the restrictive covenants of the Indenture could result in all of the unpaid principal and accrued interest of the bonds becoming due immediately, at the option of the trustee.

Revenue Bonds, Series 2015A – In May 2015, the Hospital advance refunded its Series 2007 Santa Clara County Financing Authority Insured Revenue Bonds ("Series 2007") through the issuance of the \$160,455,000 of Santa Clara County Financing Authority Insured Revenue Bonds ("Series 2015A"). The issuance of the Series 2015A is to (i) finance and refinance certain capital expenditures owned by the Hospital (the Project - \$40,300,000), (ii) advance refund (\$120,100,000) the Santa Clara County Financing Authority Insured Revenue Bonds of the Hospital Series 2007A, 2007B, and 2007C, and (iii) pay costs incurred in the connection of the issuance of the Bonds.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Revenue Bonds, Series 2017A – In February 2017, the Hospital issued \$292,435,000 of California Health Facilities Financing Authority Revenue Bonds (“Series 2017”) to finance certain capital expenditures at facilities owned or operated by the Hospital, to finance a portion of the interest payable of the Series 2017 through January 31, 2019, and to pay costs incurred in connection with the issuance of the Series 2017. The Series 2017 consists of \$130,660,000 Serial Bonds and \$161,775,000 Term Bonds. Principal maturities for the Serial Bonds range from \$4,665,000 in 2020 to \$10,565,000 in 2037, and are due annually on February 1. Principal maturities for the Term Bonds range from \$30,710,000 in 2042 to \$56,065,000 in 2047, and are due annually on February 1.

Letter of credit – In March 2009, in connection with the issuance of the 2009 Series Revenue bonds, the Hospital obtained an irrevocable Letter of Credit issued by a bank for \$50,000,000. This Letter of Credit expires October of 2019 and requires the Hospital to maintain a long-term debt service coverage ratio of 1.20 to 1.

Debt service requirements for bonds payable are as follows (in thousands):

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 3,570	\$ 3,477	\$ 3,735	\$ 18,974
2019	3,310	3,996	3,850	20,819
2020	3,800	3,886	8,630	20,703
2021	4,400	3,775	9,020	20,312
2022	5,050	3,660	9,430	19,902
2023-2027	23,012	54,781	54,720	91,961
2028-2032	15,083	52,321	69,710	77,156
2033-2037	73,145	3,971	87,995	59,888
2038-2042	-	-	110,815	41,579
2043-2047	-	-	135,875	18,873
	<u>\$ 131,370</u>	<u>\$ 129,867</u>	<u>\$ 493,780</u>	<u>\$ 390,167</u>

Interest rate swap – On March 7, 2007, the Hospital entered into three interest rate swap agreements in connection with the issuance of the Series 2007 Revenue Bonds. The intention of the swap is to create debt with a synthetic, fixed interest rate on the variable-rate Revenue Bonds. The swaps were effective March 23, 2007, with a termination date of February 1, 2041, and notional amounts of \$50 million each, these terms match the terms of the underlying Series 2007 Revenue Bonds. Under each swap transaction, the Hospital pays a fixed rate of interest of 3.204% and the counterparty pays a variable rate of interest equal to the sum of (i) 56% of USD-LIBOR-BBA plus (ii) .23%. In March 2008, the Hospital Board directed management to terminate the floating to fixed interest rate swap when economically prudent in connection with the refunding of their Series 2007 Revenue Bonds. In December 2009, two of the three swaps were terminated. The fair value of the remaining swap is a liability of \$7,618,000 at June 30, 2017, and \$11,041,000 at June 30, 2016, included in other long-term obligations in the consolidated statements of net position.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Risks associated with the swap agreements – From the Hospital's perspective, the following risks are generally associated with swap agreements:

Credit risk – The counterparty becomes insolvent or is otherwise not able to perform its financial obligations. In the event the counterparty becomes insolvent or their credit rating falls below BBB-/Baa2 the Hospital has the right to terminate the swap. Upon exercise of early termination, the amounts due from or to the counterparty will be determined by the market pricing of the swaps at the time of termination.

Termination risk – The Hospital or counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If, at the time of the termination, the swap has a negative fair value, the Hospital would be liable to the counterparty for that payment.

NOTE 11 – RESTRICTED NET POSITION

Restricted net position consists of donor-restricted contributions and grants and cash restricted for regulatory requirements, which are to be used as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Charity and other	\$ 11,651	\$ 11,599
Endowments	<u>3,062</u>	<u>2,658</u>
Restricted by donor for specific uses	14,713	14,257
Restricted by Department of Managed Health Care	<u>400</u>	<u>50</u>
Total restricted net position	<u><u>\$ 15,113</u></u>	<u><u>\$ 14,307</u></u>

Permanently restricted contributions ("endowments") remain intact, with the earnings on such funds providing an ongoing source of revenue to be used primarily for education.

NOTE 12 – CHARITABLE REMAINDER UNITRUSTS

The Foundation is the beneficiary of several irrevocable charitable remainder unitrusts in which the gift assets are held by trustees and administered for the benefit of the Foundation and other beneficiaries. The assets are held under trust agreements with an outside trustee. The donors maintain the right to income earned on the assets during their lifetime and, in some cases, during the lifetime of their survivors.

El Camino Healthcare District

Notes to Consolidated Financial Statements

Pursuant to GASB 81, the Foundation recognizes an asset and a deferred inflow of resources when it becomes aware of the agreements and has sufficient information to measure the beneficial interest, in accordance with the asset recognition criteria in GASB 81. The beneficial interest asset is measured at fair value, which is estimated as the present value of the expected future cash flows from trusts. The applicable federal discount rate for June 2017 and June 2016 of 2.4% and 1.8% per annum, respectively, and The Standard Ordinary Mortality Rate Table were used to arrive at the present value. Change in the fair value of the beneficial interest asset is recognized as an increase or decrease in the related deferred inflow of resources. As the remainder interest beneficiary, the Foundation recognizes revenue for the beneficial interest at the termination of the agreement, as stipulated in the agreements.

NOTE 13 – RELATED-PARTY TRANSACTIONS

The Hospital pays vendor-related expenses on behalf of the Foundation and is reimbursed for these costs incurred. The Hospital also pays employee-related expenses, which are reimbursed by the Foundation. The Foundation's employees also participate in the cash-balance pension plan, sponsored by the Hospital. Full footnote disclosures relating to the cash-balance pension plan is included in the consolidated financial statements. The Hospital performs certain administrative functions on behalf of the Foundation for which no amounts are charged to the Foundation. As of June 30, 2017 and 2016, the Foundation has a payable to the Hospital in the amount of \$203,000 and \$523,000, respectively. During the fiscal years 2017 and 2016, the Foundation paid the Hospital \$3,452,000 and \$2,881,000 for such expenses, respectively, which included amounts for operations, but also disbursements from Donor Restricted Funds in support of Hospital operations and capital acquisitions.

In June 2012, the Hospital Board approved the funding of the Foundation's salaries, wages, and benefits for fiscal year 2017 and 2016, thus along with the 2012 fiscal year approved funding of the Foundation's rent provided a maximum funding of \$1,783,000 for both items on an ongoing basis. All related party transactions are eliminated upon consolidation.

Effective May 6, 2013, ECSC sold certain medical equipment, furnishings, fixtures, inventories, and other tangible personal property in exchange for a seven and one half percent (7.5%) interest in El Camino Ambulatory Surgery Center, ("ECASC"). As of March 2015, ECSCs' interest in ECASC has change to 33.4%. ECSC has provided a working capital line of credit to ECASC in a principal amount of \$750,000 represented by a Promissory Note and has a term of 39 months with an interest rate of 5% per annum. At June 30, 2017 and June 30, 2016, there was a total draw of \$0, and \$484,500 against the line of credit, respectively. On August 29, 2016, this line of credit was paid off.

The Hospital leases the space to ECASC and provides certain services, such as utilities and building/equipment maintenance. There was \$537,000 of rental income recorded for the year ended June 30, 2017, and \$771,000 of rental income recorded for the year ended June 30, 2016, related to the lease.

El Camino Healthcare District

Notes to Consolidated Financial Statements

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation – The District is a defendant in various legal proceedings arising out of the normal conduct of its business. In the opinion of management and its legal representatives, the District has valid and substantial defenses, and settlements or awards arising from legal proceedings, if any, will not exceed existing insurance coverage, nor will they have a material adverse effect on the financial position, results of operations, or liquidity of the District.

Lease commitments – The District is obligated for land and office rental under the terms of various operating lease agreements. Following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2017 (in thousands):

	<u>Operating Lease Commitments</u>	<u>Lease Income</u>	<u>Net Lease Benefit</u>
2018	\$ 2,798	\$ 10,688	\$ 7,890
2019	2,865	8,760	5,895
2020	2,948	5,410	2,462
2021	2,640	3,723	1,083
2022	2,709	2,956	247
Thereafter	28,934	2,149	(26,785)
	<u>\$ 42,894</u>	<u>\$ 33,686</u>	<u>\$ (9,208)</u>

Total rental expense in 2017 and 2016 for all operating leases was approximately \$5,929,000 and \$5,658,000, respectively.

Regulatory environment – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. The District is subject to routine surveys and reviews by federal, state and local regulatory authorities. The District has also received inquiries from healthcare regulatory authorities regarding its compliance with laws and regulations. Although the District management is not aware of any violations of laws and regulations, it has received corrective action requests as a result of completed and on-going surveys from applicable regulatory authorities. Management continually works in a timely manner to implement operational changes and procedures to address all corrective action requests from regulatory authorities. Breaches of these laws and regulations and noncompliance with survey corrective action requests could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Hospital Seismic Safety Act – In the 2010 fiscal year, the Mountain View campus completed its three-year construction of the Hospital Replacement Project with the opening of its new five story, 450,000 square foot, state-of-the-art hospital facility on November 15, 2009. This completion made the Mountain View hospital campus in compliance with the State of California's Senate Bill ("SB") 1953 in meeting all requirements of the Hospital Seismic Safety Act of 1994.

El Camino Healthcare District

Notes to Consolidated Financial Statements

At the Los Gatos campus, where most of the buildings were constructed in the 1960's, the campus has been going through a seismic compliance review. All required seismic upgrades to make the Los Gatos site in seismic compliance to 2030 were completed during 2015.

NOTE 15 – HEALTH CARE REFORM

The Patient Protection and Affordable Care Act ("PPACA") allowed for the expansion of Medicaid members in the State of California. Any further federal or state changed funding could have an impact on the District. With the changes in the executive branch, the future of PPACA and impact of future changes in Medicaid to the District is uncertain at this time.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated statement of net position date but before the consolidated financial statements are available to be issued. The District recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the consolidated statement of net position date, including the estimates inherent in the process of preparing the consolidated financial statements. The District's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the consolidated statement of net position date but arose after the consolidated statement of net position date and before consolidated financial statements are available to be issued.

Supplementary Information

Final Draft

El Camino Healthcare District
Consolidating Statement of Net Position
June 30, 2017
(In Thousands)

	El Camino Healthcare District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	El Camino Surgery Center, LLC	Silicon Valley Medical Development	Eliminations	El Camino Healthcare District and Affiliates
ASSETS								
Current assets								
Cash and cash equivalents	\$ 2,960	\$ 125,551	\$ 269	\$ 1,453	\$ 837	\$ 493	\$ -	\$ 131,563
Short-term investments	1,710	202,918	1,403	13,095	-	-	-	219,126
Current portion of board designated and funds held by trustee	13,133	-	-	-	-	-	-	13,133
Patient accounts receivable, net of allowances for doubtful accounts of \$32,537	-	109,089	-	916	-	-	-	110,005
Prepaid expenses and other current assets	30	22,098	123	356	-	44	(1,834)	20,817
Total current assets	17,833	459,656	1,795	15,820	837	537	(1,834)	494,644
Non-current cash and investments								
Board-designated funds	13,509	527,745	27,122	-	-	-	-	568,376
Restricted funds	-	-	-	400	-	-	-	400
Funds held by trustee	18,363	287,052	-	-	-	-	-	305,415
	31,872	814,797	27,122	400	-	-	-	874,191
Capital assets								
Nondepreciable	10,585	210,893	-	-	-	-	-	221,478
Depreciable, net	624	587,386	55	53	-	15	-	588,133
Total capital assets	11,209	798,279	55	53	-	15	-	809,611
Pledges receivable, net of current portion	-	-	2,630	-	-	-	-	2,630
Prepaid pension asset	-	32,682	-	-	-	-	-	32,682
Investments in healthcare affiliates	-	32,451	-	-	1,438	-	(2,627)	31,262
Beneficial interest in charitable remainder unitrust	-	-	3,521	-	-	-	-	3,521
Total assets	60,914	2,137,865	35,123	16,273	2,275	552	(4,461)	2,248,541
Deferred outflows of resources								
Loss on defeasance of bond payable	-	14,163	-	-	-	-	-	14,163
Deferred outflows of resources	-	5,700	-	-	-	-	-	5,700
Deferred outflows - actuarial	-	9,097	-	-	-	-	-	9,097
Total deferred outflows	-	28,960	-	-	-	-	-	28,960
Total assets and deferred outflows	\$ 60,914	\$ 2,166,825	\$ 35,123	\$ 16,273	\$ 2,275	\$ 552	\$ (4,461)	\$ 2,277,501

El Camino Healthcare District
Consolidating Statement of Net Position (continued)
June 30, 2017
(In Thousands)

	El Camino Healthcare District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	El Camino Surgery Center, LLC	Silicon Valley Medical Development	Eliminations	El Camino Healthcare District and Affiliates
LIABILITIES AND NET POSITION								
Current liabilities								
Accounts payable and accrued expenses	\$ -	\$ 38,082	\$ -	\$ 881	\$ 15	\$ 46	\$ (38)	\$ 38,986
Salaries, wages, and related liabilities	-	51,147	-	503	-	38	-	51,688
Other current liabilities	1,634	14,556	771	1,295	-	-	(1,797)	16,459
Estimated third-party payor settlements	-	10,438	-	-	-	-	-	10,438
Current portion of bonds payable	4,293	7,644	-	-	-	-	-	11,937
Total current liabilities	5,927	121,867	771	2,679	15	84	(1,835)	129,508
Bonds payable, net of current portion	129,642	519,753	-	-	-	-	-	649,395
Other long-term obligations	-	11,364	-	-	-	-	-	11,364
Workers' compensation, net of current portion	-	17,707	-	-	-	-	-	17,707
Post-retirement medical benefits, net of current portion	-	19,218	-	-	-	-	-	19,218
Total liabilities	135,569	689,909	771	2,679	15	84	(1,835)	827,192
Deferred inflows of resources								
Deferred inflows of resources	-	-	3,521	-	-	-	-	3,521
Deferred inflows of resources - actuarial	-	10,666	-	-	-	-	-	10,666
Total deferred inflows of resources	-	10,666	3,521	-	-	-	-	14,187
Net position								
Invested in capital assets, net of related debt	(91,230)	557,934	55	53	-	15	-	466,827
Restricted - expendable	-	-	11,651	-	-	-	-	11,651
Restricted - nonexpendable	-	-	3,062	400	-	-	-	3,462
Unrestricted	16,575	908,316	16,063	13,141	2,260	453	(2,626)	954,182
Total net position	(74,655)	1,466,250	30,831	13,594	2,260	468	(2,626)	1,436,122
Total liabilities, deferred inflows of resources, and net position	\$ 60,914	\$ 2,166,825	\$ 35,123	\$ 16,273	\$ 2,275	\$ 552	\$ (4,461)	\$ 2,277,501

El Camino Healthcare District
Consolidating Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2017
(In Thousands)

	El Camino Healthcare District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	El Camino Surgery Center, LLC	Silicon Valley Medical Development	Eliminations	El Camino Healthcare District and Affiliates
Operating revenues								
Net patient service revenue (net of provision for bad debts of \$19,405)	\$ -	\$ 832,189	\$ -	\$ -	\$ -	384	\$ -	\$ 832,573
Other revenue	90	26,085	-	14,961	-	-	(3,220)	37,916
Total operating revenues	90	858,274	-	14,961	-	384	(3,220)	870,489
Operating expenses								
Salaries, wages and benefits	-	446,085	1,570	3,635	-	400	(274)	451,416
Professional fees and purchased services	642	101,123	1,112	8,613	112	522	(134)	111,990
Supplies	-	121,826	60	-	-	2	-	121,888
Depreciation	240	47,925	13	1	-	-	-	48,179
Rent and utilities	-	15,851	133	372	-	-	(91)	16,265
Other	-	14,252	88	344	1	-	(90)	14,595
Total operating expenses	882	747,062	2,976	12,965	113	924	(589)	764,333
(Loss) income from operations	(792)	111,212	(2,976)	1,996	(113)	(540)	(2,631)	106,156
Nonoperating revenues (expenses):								
Investment income, net	38	61,591	1,775	54	7	-	-	63,465
Property tax revenue								
Designated for community benefit programs and operating expenses	7,902	-	-	-	-	-	-	7,902
Designated for capital expenditures	6,959	-	-	-	-	-	-	6,959
Levied for debt service	10,679	-	-	-	-	-	-	10,679
Bond interest expense, net	(4,387)	(2,310)	-	-	-	-	-	(6,697)
Intergovernmental transfer expense	(10,328)	-	-	-	-	-	-	(10,328)
Restricted gifts, grants and bequests, and other, net of contributions to related parties	-	-	3,424	-	-	-	777	4,201
Unrealized gain on interest rate swap	-	3,429	-	-	-	-	-	3,429
Community benefit expense	(6,484)	(3,076)	-	(2,397)	-	-	1,987	(9,970)
Other, net	-	(1,271)	-	1,903	-	750	(60)	1,322
Total nonoperating revenues (expenses)	4,379	58,363	5,199	(440)	7	750	2,704	70,962
Excess (deficit) of revenues over expenses before capital transfers	3,587	169,575	2,223	1,556	(106)	210	73	177,118
Capital transfers	1,638	(1,266)	(372)	-	-	-	-	-
Increase (decrease) in net position	5,225	168,309	1,851	1,556	(106)	210	73	177,118
Total net (deficit) position, beginning of year	(79,880)	1,297,941	28,980	12,038	2,366	258	(2,699)	1,259,004
Total net (deficit) position, end of year	\$ (74,655)	\$ 1,466,250	\$ 30,831	\$ 13,594	\$ 2,260	\$ 468	\$ (2,626)	\$ 1,436,122

El Camino Healthcare District
Supplemental Pension and Post-retirement Benefit Information
For the Years Ended June 30, 2017 and 2016

Supplemental pension information – The following tables summarize changes in net pension liability (in thousands):

Total pension liability	2017	2016
Service cost	\$ 8,948	\$ 8,411
Interest	11,893	11,509
Differences between expected and actual experience	(3,044)	(1,484)
Changes of assumptions	(6,663)	(1,990)
Benefit payments	(9,912)	(11,252)
Net change in total pension liability	1,222	5,194
Total pension liability beginning of fiscal year	194,148	188,954
Total pension liability end of fiscal year	<u>\$ 195,370</u>	<u>\$ 194,148</u>
Plan fiduciary net position	2017	2016
Contributions	\$ 10,300	\$ 12,000
Net investment income	10,865	2,941
Benefit payments, including refunds of member contributions	(9,912)	(11,252)
Administrative expenses	-	(171)
Net change in Plan fiduciary net position	11,253	3,518
Plan fiduciary net position beginning of fiscal year	216,799	213,281
Plan fiduciary net position end of fiscal year	228,052	216,799
Plan's net pension liability end of the fiscal year	<u>\$ (32,682)</u>	<u>\$ (22,651)</u>
Covered payroll	\$ 283,435	\$ 283,776
Net pension liability as a percentage of covered payroll	-11.53%	-7.98%
Contributions	\$ 5,700	\$ 5,100

El Camino Healthcare District

Supplemental Pension and Post-retirement Benefit Information

For the Years Ended June 30, 2017 and 2016

The following table summarizes the contribution status of the Hospital's cash-balance pension plan (in thousands) over the last 10 years:

	FY2017	FY2016	FY2015	FY2014	FY2013
Actuarially determined contribution	\$ 8,445	\$ 2,735	\$ -	\$ 8,463	\$ 7,613
Contributions related to actuarially determined contribution	10,900	10,500	10,800	14,400	12,000
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	283,776	283,776	266,844	242,343	223,754
Contribution as % of covered payroll	-	-	-	-	-
Contributions made during the fiscal year	10,900	9,900	14,400	12,600	23,610

	FY2012	FY2011	FY2010	FY2009	FY2008
Actuarially determined contribution	\$ 1,400	\$ 12,023	\$ 7,156	\$ 4,656	\$ 279
Contributions related to actuarially determined contribution	11,005	19,811	7,644	9,200	10,000
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	208,910	205,693	178,937	149,694	133,582
Contribution as % of covered payroll	-	-	-	-	-
Contributions made during the fiscal year	11,249	5,400	18,100	6,300	9,500

Actuarially determined contributions are calculated as of January 1 and are based on the IRS minimum funding requirement. The contributions related to the actuarially determined contributions are amounts made for the plan year January 1 to December 31. Contributions made during the fiscal year are contribution amounts made during July 1 and June 30.

Supplemental post-retirement benefit information – The following table summarizes the funding status of the Hospital's post-retirement medical benefit plan (in thousands):

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded Actuarial Accrued Liability UAAL (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Assets in Excess/ (Shortfall) of UAAL as a Percentage of Covered Payroll ((a-b)/c)
2015	\$ -	\$ 25,795	\$ (25,795)	0.0%	\$ 40,733	-63.3%
2016	\$ -	\$ 25,666	\$ (25,666)	0.0%	\$ 38,411	-66.8%
2017	\$ -	\$ 25,447	\$ (25,447)	0.0%	\$ 35,222	-72.2%

The following table summarizes the calculation of the net benefit obligation for the Hospital's post-retirement medical benefit plan (in thousands):

Fiscal Year	Beginning of Year Net Benefit Obligation (a)	Annual Required Contribution (b)	Actual Contribution (c)	Annual Post-retirement Benefit Cost (d)	Increase in Net Benefit Obligation (d-c)	End of Year Net Benefit Obligation ((a)+(d-c))
2015	\$ 16,290	\$ 1,433	\$ 525	\$ 1,432	\$ 907	\$ 17,197
2016	\$ 17,197	\$ 1,652	\$ 593	\$ 1,652	\$ 1,059	\$ 18,256
2017	\$ 18,256	\$ 1,624	\$ 662	\$ 1,624	\$ 962	\$ 19,218

El Camino Healthcare District
Supplemental Schedule of Community Benefit (unaudited)
For the Years Ended June 30, 2017 and 2016

The District and the Hospital maintain records to identify and monitor the level of direct community benefit it provides. These records include the charges foregone for providing the patient care furnished under its charity care policy. For the years ended June 30, 2017 and 2016, the estimated costs of providing community benefit in excess of reimbursement from governmental programs were as follows (in thousands):

	2017	2016
Unpaid costs of Medi-Cal programs	\$ 25,427	\$ 22,362
Indigent charity care	1,285	2,290
	<u>26,712</u>	<u>24,652</u>
Other community-based programs		
Psychiatric	8,435	5,915
Clinical trial	99	295
Ambulatory care	11,371	10,071
Community health center	1,819	1,860
Psychiatric outpatient	3,073	3,895
	<u>24,797</u>	<u>22,036</u>
Total other community-based programs		
	<u>24,797</u>	<u>22,036</u>
Total community benefits	<u>\$ 51,509</u>	<u>\$ 46,688</u>

In furtherance of its purpose to benefit the community, the Hospital provides numerous other services to the community for which charges are not generated and revenues have not been accounted for in the accompanying consolidated financial statements. These services include providing access to healthcare through interpreters, referral and transport services, healthcare screening, community support groups and health educational programs, and certain home care and hospice programs. The estimated costs of Medicare programs in excess of reimbursement from Medicare were \$105,414,000 and \$102,105,000 for the years ended June 30, 2017 and 2016, respectively.

The Hospital also provides services to the community through the operations of the El Camino Hospital Auxiliary, Inc. (the "Auxiliary"). Services provided by volunteers of the Auxiliary, free of charge to the community, include assistance and counseling to patients and visitors, provision of scholarship awards to qualifying paramedical students, and daily personal contact with members of the community who are living alone. In 2017 and 2016, these volunteers contributed approximately 106,000 hours, in providing these services, the value of which is not recorded in the accompanying consolidated financial statements.

Final Draft

*Communications with
Those Charged with Governance*

El Camino Healthcare District

June 30, 2017

Communications with Those Charged with Governance

To the Board of Directors
El Camino Healthcare District

We have audited the consolidated financial statements of El Camino Healthcare District (the "District") as of and for the year ended June 30, 2017, and have issued our report thereon dated _____, 2017. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated February 2, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we considered District's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the consolidated financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing we previously communicated to you in the Compliance Committee meeting on May 18, 2017, and the engagement letter dated February 2, 2017.

Significant Audit Findings and issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the consolidated financial statements. During the year, the District adopted Governmental Accounting Standards Board ("GASB") Statement No. 82, *Pension Issues – an amendment of GASB Statement 67, 68, 73, and GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. There have been no other new accounting policies adopted and there were no changes in the application of existing policies during fiscal year 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the consolidated financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's consolidated financial statements were:

- Management's estimate of net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. We evaluated the key factors and assumptions used to develop the estimated net realizable amounts. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the provision for uncollectible accounts is recognized based on management's estimate of amounts that ultimately may be uncollectible. El Camino Hospital provides care to patients without requiring collateral or other security. Patient charges not covered by a third-party payor are billed directly to the patient if it is determined that the patient has the ability to pay. We evaluated the key factors and assumptions used to develop the provision for uncollectible accounts. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.

- Management's estimate of the fair market values of investments in the absence of readily-determinable fair values is based on information provided by the fund managers. We have gained an understanding of management's estimate methodology and examined the documentation supporting this methodology. We evaluated the key factors and assumptions used to develop the fair market value of investments. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of uninsured losses for professional liability is recognized based on management's estimate of historical claims experience. We evaluated the key factors and assumptions used to develop the actuarial estimates of uninsured losses for professional liabilities and workers' compensation. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the minimum pension liability is actuarially determined using assumptions on the long-term rate of return on pension plan assets, the discount rate used to determine the present value of benefit obligations, and the rate of compensation increases. These assumptions are provided by management. We have evaluated the key factors and assumptions used to develop the estimate. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimated liability for workers' compensation claims is recognized based on management's estimate of historical claims experience and known activity subsequent to year-end. We evaluated the key factors and assumptions used to develop the actuarial estimates of uninsured losses for professional liabilities and workers' compensation. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimated liability for post-retirement medical benefits is recognized based on management's estimate of historical claims experience and known activity subsequent to year-end. We have evaluated the key factors and assumptions used to develop the liability for post-retirement medical benefits. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimates of useful lives of capital assets are based on the intended use and are within accounting principles generally accepted in the United States of America. We found management's basis to be reasonable in relation to the consolidated financial statements taken as a whole.
- Management's estimate of the discount rate used to value the gift annuities and beneficial interest in charitable remainder unitrusts have been estimated based on certain variables related to specific donor information. We evaluated key factors and assumptions used to develop the discount rate used to value the gift annuities and beneficial interest in charitable remainder unitrusts in determining that they are reasonable in relation to the consolidated financial statements taken as a whole.

Actual results could differ from these estimates. In accordance with accounting principles generally accepted in the United States of America, any change in these estimates is reflected in the consolidated financial statements in the year of change.

Consolidated Financial Statement Disclosures

The disclosures in the consolidated financial statements are consistent, clear, and understandable. Certain consolidated financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's consolidated financial statements were those surrounding related-party transactions, significant concentration of net patient accounts receivable, investments and fair value of investments, capital assets, employee benefit plans, post-retirement medical benefits, insurance plans, long-term debt, and commitment and contingencies.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The journal entries below show the passed adjustments of the financial statements. Management has determined that their effect is immaterial to the financial statements as a whole.

To correct late charges to increase net patient accounts receivables

Dr. Net patient accounts receivable	\$	3,106,827		
Cr. Net patient service revenue			\$	3,106,827
		<u>\$</u>	<u>\$</u>	<u>3,106,827</u>
		<u>3,106,827</u>	<u>3,106,827</u>	

To reclass patient accounts receivable credit balances

Dr. Net patient accounts receivable	\$	2,000,000		
Cr. Net patient service revenue			\$	2,000,000
		<u>\$</u>	<u>\$</u>	<u>2,000,000</u>
		<u>2,000,000</u>	<u>2,000,000</u>	

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the District's consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated [REDACTED], 2017.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s consolidated financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

San Francisco, California
[REDACTED], 2017

Final Draft

*Communication of
Internal Control Related Matters*

El Camino Healthcare District

June 30, 2017

Communication of Internal Control Related Matters

To the Board of Directors and Management
El Camino Healthcare District

In planning and performing our audit of the consolidated financial statements of El Camino Healthcare District (the "District") as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the District's internal control to be significant deficiencies:

Observation: In connection with our testing of patient accounts receivable we noted a significant population of credit balances offsetting the ending patient accounts receivable balance which were not factored into the calculation of contractual adjustments. This resulted in an understatement of patient accounts receivable and patient service revenue.

Recommendation: We recommend management include consideration of any credit balances in establishing the overall contractual adjustments within patient accounts receivable.

Management Response: Starting July 2016, the Revenue and Reimbursement Unit routinely reviews the credit balance accounts each accounting period to identify the accounts related to potential refund or contractual adjustments except that reclassification of potential liabilities related to refund was done but not the reclassification of contractual adjustments. Going forward with fiscal year 2018, we will start making necessary reclassification of credit balance to both contractual adjustment and potential refund liability account on a quarterly basis.

Observation: During our testing procedures over patient revenues we noted charges posted in July 2017 (fiscal year 2018) that were related to services provided as of June 30, 2017.

Recommendation: The District should develop and implement a policy of reviewing charges posted after year-end for recording in the proper period or establish an accrual to estimate the late charges as of June 30, 2017.

Management Response: Starting fiscal year 2018, we will perform annual review of charges posted after year-end and accrue the charges into proper fiscal year.

The District's written response to the significant deficiencies identified in our audit was not subjected to the auditing procedures applied in the audit of the consolidated financial statement and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the Board of Directors, management of the District, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

San Francisco, California

_____, 2017



2500 Grant Road
Mountain View, CA 94040
Phone: 650-940-7300
www.elcaminohealthcaredistrict.org

Date: October 17, 2017
To: El Camino Healthcare District Board of Directors
From: Ken King, Chief Administrative Services Officer,
El Camino Hospital
Re: Revised Budget for Major Capital Projects (BHS & IMOB)

BOARD OF DIRECTORS

*Neysa Fligor
Peter C. Fung, MD
Julia E. Miller
David Reeder
John L. Zoglin*

On June 14, 2016, the El Camino Healthcare District Board approved the Mountain View Campus Development Project Plans for the projects listed below:

- North Parking Garage Expansion
- **Behavioral Health Services Building (BHS)**
- **Integrated Medical Office Building (IMOB) & Parking Structure**
- Central Utility Plant Upgrades
- Women's Hospital Expansion
- Demolition of Old Main Hospital and Related Site Work

On August 10, 2016, the El Camino Healthcare District Board approved the Project Budgets for the Behavioral Health Services Building (\$91.5 million) and the Integrated Medical Office Building & Parking Structure (\$275 million).

The projected costs of the BHS Project exceeds the \$91.5 budget by \$4.6 million and the IMOB Project exceeds the \$275 million budget by \$27.1 million, and as required in the Bylaws of the El Camino Hospital Corporation, the El Camino Healthcare District is requested to approve capital expenditures greater than \$25 million.

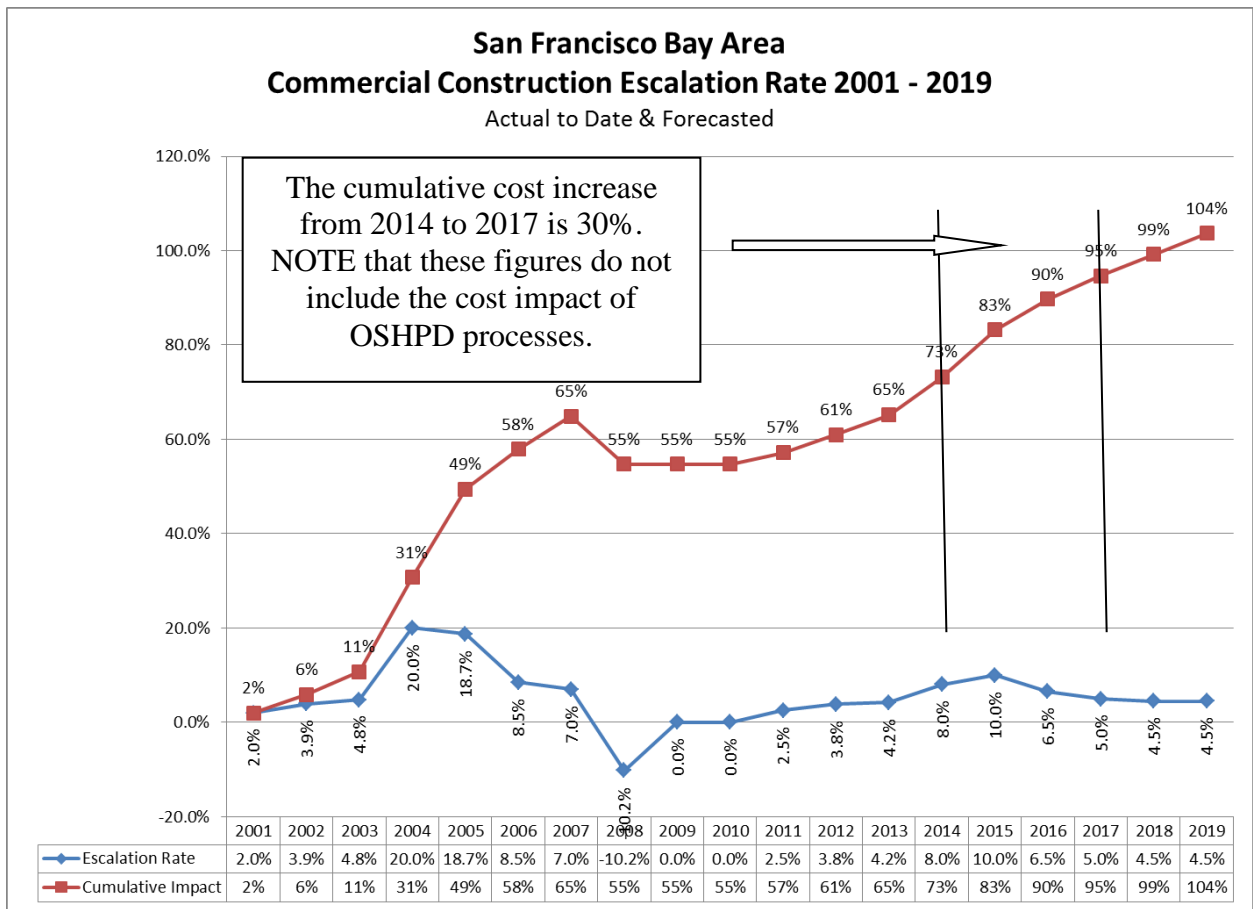
Approval is requested for an additional \$4.6 million for the BHS Project at a total cost not to exceed \$96.1 million and an additional \$27.1 million for the IMOB Project at a total cost not to exceed \$302.1 million.

Background: The El Camino Hospital Board of Directors approved additional project funding for the BHS Building Project (\$4.6 million) and the IMOB Project (\$27.1 million) on September 13, 2017. The additional \$27.1 million funding for the IMOB Project also requires the approval of the El Camino Healthcare District.

The increased cost of the projects is the result of the following factors:

- The project budgets were set over a year ago before all the needed agency approvals were obtained.
- The agency approval process was several months longer than anticipated.
- Changes to the scope of the projects occurred as a result of the agency reviews.
- Final construction costs could not be determined until the agency approvals were obtained and as indicated in the following chart the cost of construction in the San Francisco Bay Area continues to escalate at a very high rate.

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



The changes in scope required by agency reviews along with the extended time needed to obtain approvals and significant cost escalation in the Bay Area are all contributing factors to the increased funding need.

Note that the plan of finance for these and other Campus Development projects includes the use of the Hospital's cash reserves, revenue bonds funds totaling \$290 million, a yet undetermined amount of philanthropic funds and the El Camino Healthcare District Capital Appropriation Fund of \$14.3 million for the Behavioral Health Services Building. Note that no additional El Camino Healthcare District funds will be used to cover the additional project costs.

Recommended Action: To approve the additional Capital Expenditures to be expended by the El Camino Hospital Corporation:

Not to exceed \$4.6 million for a total project budget of \$96.1 million for the Behavioral Health Services project.

Not to exceed \$27.1 million for a total project budget of \$302.1 million for the Integrated Medical Office Building.



El Camino Hospital[®]

THE HOSPITAL OF SILICON VALLEY

Revised Budget for Major
Capital Project Funding
(BHS & IMOB) – For Action

October 17, 2017

Ken King

Chief Administrative Services
Officer

The Request

- Approve the additional Capital Expenditures to be expended by the El Camino Hospital Corporation:
 - Not to exceed \$4.6 million for a total project budget of \$96.1 million for the Behavioral Health Services project.
 - Not to exceed \$27.1 million for a total project budget of \$302.1 million for the Integrated Medical Office Building project.

The History –

Excerpt from August 2016 Hospital Board Request Memo

- **Process Description:** Here is where we are in the overall process:
 - We obtained approval from the Mountain View City Council of the Environmental Impact Report and Planned Community Permit on June 28, 2016.
 - We obtained the Building Permits for the North Garage Expansion, Phase I BHS Project and one of the first two elements of the IMOB. The OSHPD Permit for the second element is anticipated to be in hand by 08/19/16.
 - We have begun demolition and construction of the projects indicated in step 2 as of July 21, 2016.
 - Due to bids being significantly higher than previously estimated we have delayed the finalization of the General Contractors Guaranteed Maximum Price (GMP) agreements, however in order to maintain the projected schedules we are requesting funding approval with recommended contingencies. This will allow us to release a portion of the GMP agreement, while we seek better pricing on elements that are not acceptable.
 - Begin the planning process for designing and developing the Women's Hospital Expansion Project in August 2016.

Key Point - Only the Phase I Construction Costs were finalized.

Big Picture

Both Projects Combined

Then

August 2016
Project Budget Approved

Phase I Construction – Demo & Site

- Approved/Permitted Plans
- Construction GMP Finalized
- Contracted Cost = \$ 17 M

Phase II Construction – New Buildings

- Plans submitted but not Approved/Permitted
- Construction GMP not Finalized
- **Estimated Cost = \$260.2 M**

All Other Project Costs = \$ 89.3 M

Total Project Costs = \$366.5 M

Now

September 2017
Project Budget w/Requested Increase

Phase I Construction – Demo & Site

- Approved/Permitted Plans
- Construction GMP Finalized
- Contracted Cost = \$ 17 M

Phase II Construction – New Buildings

- Approved/Permitted Plans
- Construction GMP 99% Finalized
- Contracted Cost = \$300.4 M

All Other Project Costs = \$ 80.8 M

Total Project Costs = \$398.2 M

Project Cost Increase = \$ 31.7 M

Big Picture

Both Projects Combined

Then

What Happened ?

Now

August 2016 Project Budget Approved

Phase I Construction – Demo & Site

- Approved/Permitted Plans
- Construction GMP Finalized
- Contracted Cost = \$ 17 M

Phase II Construction – New Buildings

- Plans submitted but not Approved/Permitted
- Construction GMP not Finalized
- **Estimated Cost** = \$260.2 M

All Other Project Costs = \$ 89.3 M

Total Project Costs = \$366.5 M

Scope of Construction

Increased Cost
3.3% = \$12.2M

Schedule Extension

Increased Cost
1.8% = \$6.5M

Escalation

Increased Cost
3.5% = \$13M

September 2017 Project Budget w/Requested Increase

Phase I Construction – Demo & Site

- Approved/Permitted Plans
- Construction GMP Finalized
- Contracted Cost = \$ 17 M

Phase II Construction – New Buildings

- Approved/Permitted Plans
- Construction GMP 99% Finalized
- Contracted Cost = \$300.4 M

All Other Project Costs = \$ 80.8 M

Total Project Costs = \$398.2 M

Project Cost Increase = \$ 31.7 M

Scope of Construction – Changes Required for Agency Approvals

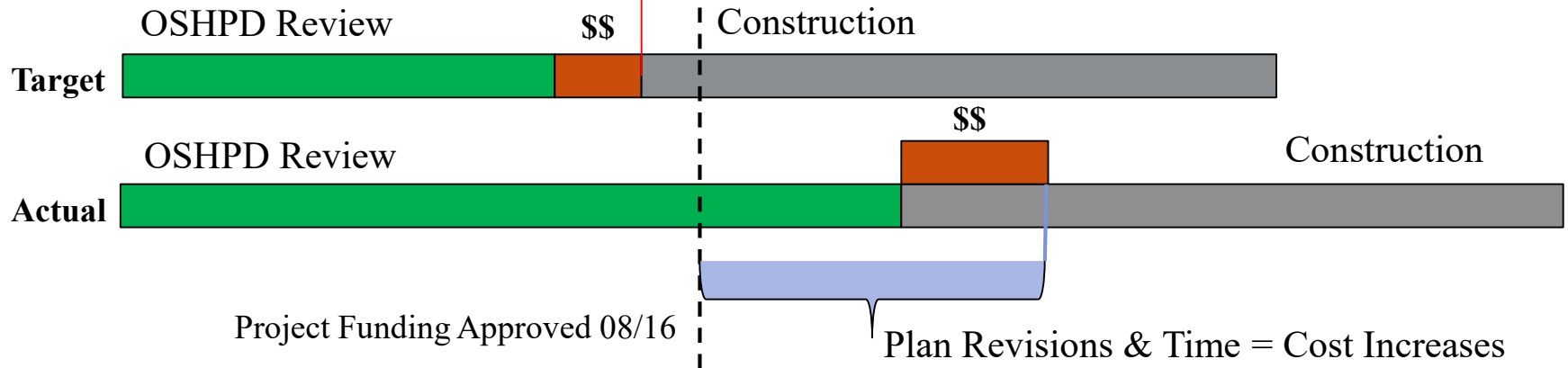
- **Shoring/Foundations/ Drilled Pier Changes**
 - Additional shoring, concrete & rebar. Cased Piers. Tests & Inspections (BHS & IMOB)
- **Structural Steel modifications**
 - Tonnage increases, Significant welding increases (BHS & IMOB)
- **Seismic Separation Requirements**
 - 3-Hour Fire Rating (IMOB), Floating Slab Requirement (BHS)
- **Exterior metal panel installation details**
 - Zinc to Aluminum, Double Clip Anchors, Tests & Inspections (BHS & IMOB)
- **Added sinks in patient rooms (BHS)**
- **Added acoustical requirements for wall construction (BHS & IMOB)**

Schedule Extension – BHS Project Timelines

Phase I – Demo & Make Ready



Phase II – New Building



\$\$ = GMP Finalized

Schedule Extension – IMOB Project Timelines

CEQA - EIR

Target



Actual



Phase I

OSHPD & City Review \$\$ Construction

Target



OSHPD & City Review \$\$ Construction

Actual



Phase II

Actual Unanticipated OSHPD Examination Project Review For New Structures in the “Zone of Influence” of existing OSPHD Structures.

City Review \$\$ Construction

Target



City Review \$\$

Actual



Project Funding Approved 08/16

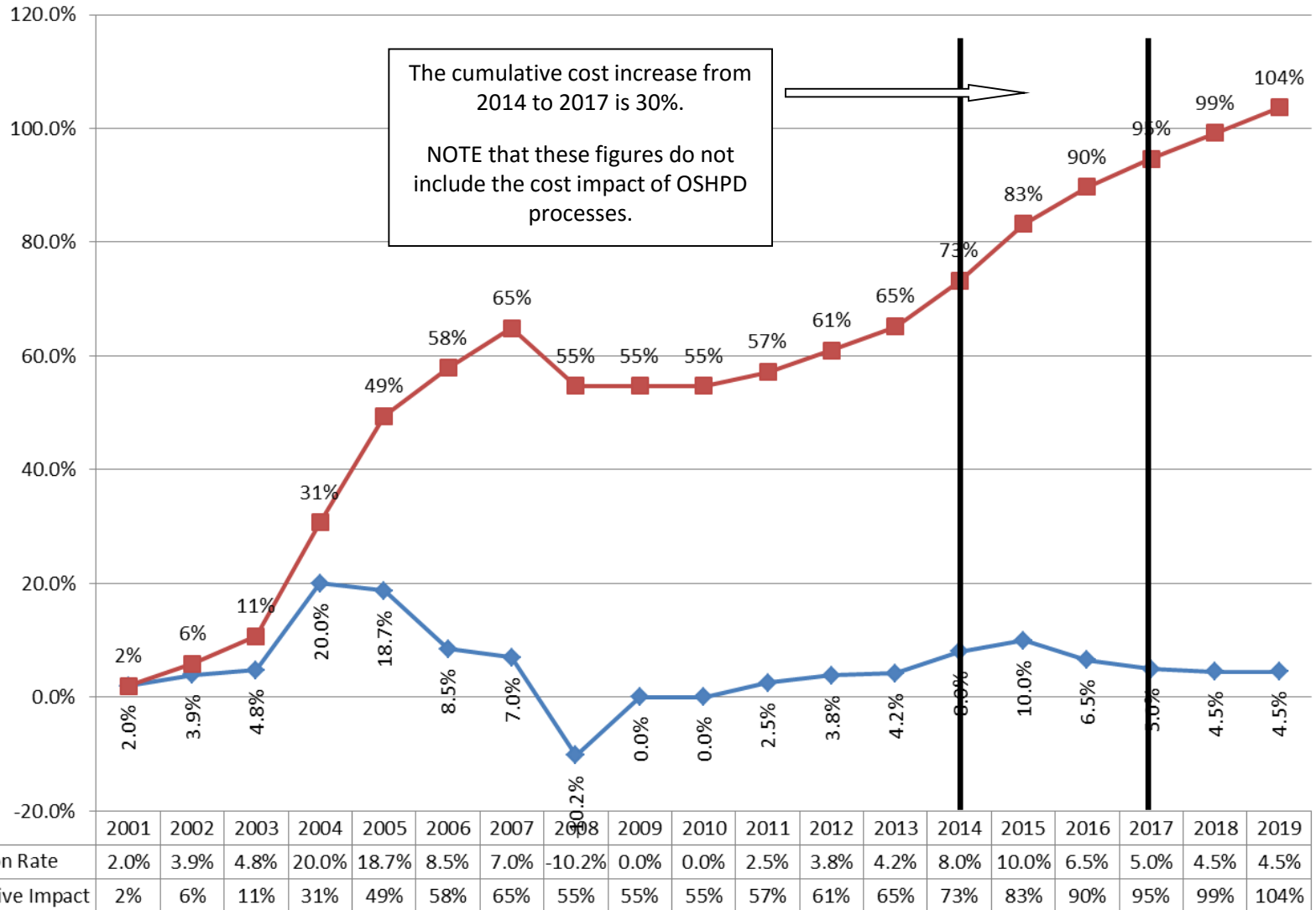
Plan Revisions & Time = Cost Increases

\$\$ = GMP Finalized

San Francisco Bay Area

Commercial Construction Escalation Rate 2001 - 2019

Actual to Date & Forecasted



The Request

- Approve the additional Capital Expenditures to be expended by the El Camino Hospital Corporation:
 - Not to exceed \$4.6 million for a total project budget of \$96.1 million for the Behavioral Health Services project.
 - Not to exceed \$27.1 million for a total project budget of \$302.1 million for the Integrated Medical Office Building project.

Questions?

Appendix

- BHS Cost Summary Detail
- IMOB & IMOB Garage Cost Summary Detail

BHS Cost Summary Detail	Allocation					
	Jul-16	Sep-17	Variance	Scope	Schedule	Escalation
Earthwork, Foundations, Shoring & Concrete	5,295,823	5,507,468	(211,645)	(211,645)		
Structure & Skin Systems	8,585,308	9,643,096	(1,057,788)	(1,057,788)		
Plumbing & Mechanical Systems	11,040,170	11,570,230	(530,060)	(530,060)		
Electrical & Low Voltage System	6,575,306	6,746,217	(170,911)	(170,911)		
General Conditions & Requirements	6,531,885	7,976,485	(1,444,600)		(1,444,600)	
Other Allowances	2,447,444	3,598,628	(1,151,184)			(1,151,184)
All Other (Drywall, Mech. Elec. Plumb. Etc..)	25,459,917	26,218,243	(758,326)			(758,326)
Designers / PM / Inspections	14,564,593	16,909,729	(2,345,136)		(1,172,568)	(1,172,568)
FF&E and Misc. Other Costs	4,184,083	4,377,784	(193,701)			(193,701)
Project Contingency	6,815,471	3,552,120	3,263,351	1,076,906	1,076,906	1,109,539
Total	91,500,000	96,100,000	(4,600,000)	(893,498)	(1,540,262)	(2,166,240)

IMOB Cost Summary Detail				Allocation		
				Scope	Schedule	Escalation
	Jul-16	Sep-17	Variance			
Earthwork, Foundations, Shoring & Concrete	23,564,010	29,241,050	(5,677,040)	(5,677,040)		
Structure & Skin Systems	23,351,867	27,992,557	(4,640,690)	(3,944,587)	(696,104)	
Elevators	2,604,895	3,029,895	(425,000)	(425,000)		
Roofing & Waterproofing	1,492,667	2,054,804	(562,137)	(562,137)		
Temp Construction Elements	4,475,010	5,732,366	(1,257,356)	(628,678)	(628,678)	
Finish Allowances	15,227,806	17,119,905	(1,892,099)			(1,892,099)
General Conditions & Requirements	12,598,035	16,526,364	(3,928,329)		(3,928,329)	
Other Allowances	2,500,000	8,048,659	(5,548,659)			(5,548,659)
All Other (Drywall, Mech. Elec. Plumb. Etc..)	125,461,785	136,363,563	(10,901,778)	(4,360,711)	(1,090,178)	(5,450,889)
Designers / PM / Inspections	26,008,208	26,790,629	(782,421)		(782,421)	
FF&E and Misc. Other Costs	19,857,555	20,067,869	(210,314)			(210,314)
Project Contingency	13,183,036	6,500,000	6,683,036	2,205,402	2,205,402	2,272,232
Permits & Fees	4,675,126	2,632,339	2,042,787	2,042,787		
Total	275,000,000	302,100,000	(27,100,000)	(11,349,964)	(4,920,307)	(10,829,729)

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	<p>El Camino Hospital Board Member Election Ad Hoc Committee Report</p> <p>El Camino Healthcare District Board of Directors</p> <p>October 17, 2017</p>
Responsible party:	John Zoglin, Ad Hoc Committee Chair
Action requested:	Possible Motion(s)
<p>Background:</p> <p>Proposed Revised Process for Election and Re-Election of Non- District Board Members to the El Camino Hospital (“ECH”) Board of Directors (“Process”)</p> <p>The ECH Governance Committee, the ECH Board, and this Ad Hoc Committee have reviewed the proposed revisions. In summary, the major proposed revisions are as follows:</p> <ol style="list-style-type: none"> 1. Section A(1) – Adds a Hospital Director who is not a District Board member as an additional advisor to the District’s Ad Hoc Committee. 2. Section A(3)(a)(i) – Includes all Hospital Directors as survey participants. 3. Section A(4)(a)(ii) – Governance Committee and Hospital Board develop revised ECH Board Member Position Description. 4. Section A(4)(b)(iv) – Addresses unexpected mid-term vacancies or addition of Board seats. 5. Sections A (5)-(7) – provides additional flexibility to recruitment timeline. <p>Re-Election of Director Lanhee Chen to the ECH Board</p> <p>Director Chen’s first three year term of service as a member of the ECH Board of Directors expires on June 30, 2018. Director Reeder and I find Director Chen to be an extremely engaged and valuable member of the ECH Board, having chaired the CEO Search Committee that resulted in the recruitment of CEO Dan Woods, and having recently taken on the role of Board Chair. Director Chen also served as Chair of the Executive Compensation Committee and as a member of the Governance Committee. As required by our Process, Director Reeder and I recently spoke with Director Chen and are confident he is willing and able to serve for another three year term effective July 1, 2018.</p> <p>Filling Two New Board Seats</p> <ol style="list-style-type: none"> 1. Position Specification: In accordance with the proposed revision to Section A(1) of the Process (see above) the Ad Hoc Committee requested that all ECH Board members participate in the Competency Matrix Survey. The results are attached. Even though some of the other survey items received lower ratings, the Governance Committee and the ECH Board recommended the top five competency area priorities from FY17 be repeated in the ECH Board Member Position Specification for FY18: (1) Complex Market Partnerships; (2) Long Range Strategic Planning; (3) Healthcare Insurance Payor (4) Finance/Entrepreneurship; and (5) Clinical Integration/ Continuum of Care. 	

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

	<p>The Ad Hoc Committee agrees with the ECH Board's recommendation. However, the Ad Hoc Committee proposes that "Healthcare experience preferred, but not required." be added to the "Qualifications" section of the Position Specification.</p> <p>2. Timing: The Ad Hoc Committee directed staff to be prepared to notify internal stakeholders and the public of the two vacancies on the ECH Board (via e-mail and local print media) as soon as this Board approves the Position Specification, and to close the application period on November 17, 2017. The Committee is scheduled to meet on November 28th to review applications submitted and then on December 5th and 11th to interview candidates. We hope to bring a panel of finalists to the Board for interviews at our January 2018 meeting. At that time, depending on the pool of candidates, we will recommend whether the Board should fill one or both vacancies in January, or delay filling one of the vacancies later.</p>
	<p>Committees that reviewed the issue and recommendation, if any:</p> <ol style="list-style-type: none"> 1. The Ad Hoc Committee voted to recommend that the District Board approve the Proposed Revised Process for Election and Re-Election of Non-District Board Members to the El Camino Hospital Board of Directors. The ECH Governance Committee and the El Camino Hospital Board of Directors made the same recommendation. 2. The Ad Hoc Committee voted to recommend that the Board Re-Elect Lanhee Chen to the El Camino Hospital Board for a second term effective July 1, 2018. 3. The Ad Hoc Committee voted to recommend that the Board approve the Position Specification as recommended by the ECH Board, with an amendment to the "Qualifications" section.
	<p>Summary and Session Objectives:</p> <ol style="list-style-type: none"> 1. To consider the Re-Election of Director Chen to the ECH Board. 2. To consider approval of the ECH Board Member Position Specification.
	<p>Suggested discussion questions:</p> <p>Does the Board agree with the Committee's recommendations?</p>
	<p>Proposed Board motion, if any:</p> <ol style="list-style-type: none"> 1. To approve the Proposed Revised Process for Election and Re-Election of Non-District Board Members to the El Camino Hospital Board of Directors 2. To Re-Elect Lanhee Chen to the ECH Board of Directors for a second term of three years effective July 1, 2018. 3. To approve the Proposed ECH Board Member Position Specification.
	<p>LIST OF ATTACHMENTS:</p> <ol style="list-style-type: none"> 1. Proposed Revised Process for Election and Re-Election of Non-District Board members to the El Camino Hospital Board of Directors 2. Competency Matrix Survey Results 3. Proposed ECH Board Member Position Specification



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**Process for Re- Election and Election
Of Non-District Board Members
To The El Camino Hospital Board of Directors.***
Draft Revised 9/8/17

BOARD OF DIRECTORS

*Dennis W. Chiu, JD
Patricia A. Einarson, MD
Julia E. Miller
David Reeder
John L. Zoglin*

A. Timeline

1. Previous FYQ4: The District Board Chair shall appoint a District Director as Chair of an Ad Hoc Committee and the Board shall approve the appointment of one additional District Director as a member of the Committee. The Board shall also approve the appointment of ~~up to atwo member of the El Camino Hospital Governance Committee (who has been referred by the Chair of the Governance Committee) as an~~ advisors to the Ad Hoc Committee. One advisor should be a Non Hospital Director member of the El Camino Hospital Governance Committee (who has been referred by the Chair of the Governance Committee) and the other should be a Hospital Director who is not a member of the District Board (who has been referred by the Chair of the El Camino Hospital Board).
2. FYQ1 – Regular District Board Meeting:
Prior to Meeting, District Board Chair (i) asks the El Camino Hospital Director, who is not also a member of the District Board whose term is next to expire (Non District Board Member “NDBM”) to declare interest and (ii) informs the District Board of intent (via Board packet).
3. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting: ~~District Board Members:~~
 - i. District and Hospital Board Members: ~~C~~Complete the ECH Board Competency Matrix Survey and and, unless the Ad Hoc Committee votes not to use it in a given year, ECH Board Member Re-Election Report Surveys.
 - ii. District Board Members: Review Position Specification in place at time of election to the Hospital Board and the ECH Board Member NDBM Job Description.
 - b. At the Meeting: Discuss portfolio of skills needs.
4. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting:
 - i. Ad Hoc committee analyzes evaluations, (3) (a) above, interviews the NDBM, and develops recommendation regarding re-election of NDBM to the Hospital Board.
 - ii. Hospital Board, on the recommendation of the Governance Committee, proposes a ~~develops~~ revised ~~recommended~~ Position Description to if the District Board ~~requests it to do so.~~

- b. At the Meeting:
 - i. District Board considers re-election of NDBM.
 - ii. If NDBM is re-elected, the Hospital Board shall be notified.
 - iii. If NDBM is not re-elected, the District Board will authorize external recruitment of a new NDBM.
 - ~~iii.~~iv. If there are any mid-term vacancies or other open seats on the Hospital Board the District Board will authorize a timeline for recruitment to fill those seats.
- 5. FYQ2 or Q3 – Begin external search as authorized in Section 4(b)(iii) and (iv) if necessary.
- 6. FYQ2 or Q3 – Regular District Board Meeting:
 - a. Ad Hoc Committee to present an interim update to the District Board.
 - i. Incorporate Board feedback into further recruitment efforts.
 - ii. Plan for interviews – direct staff to schedule.
- 7. FYQ3 or Q4 – Regular District Board Meeting:
 - a. Prior to the Meeting: Ad Hoc Committee to summarize interviews for the Board packet and make a recommendation to the District Board
 - b. District Board Considers AD Hoc Committee recommendation and votes to elect new NDBM(s) to the Hospital Board.
- 8. This process to be confirmed by the District Board annually when the process is complete.
- 9. The following matters are delegated to the El Camino Hospital Board Governance Committee:
 - a. FYQ3 – Review and recommend changes to the survey tools identified in section 3(a)(i).
 - b. FYQ3 – Review and recommend changes to this process.
 - c. FYQ3 – Review and recommend changes to NDBM Position Specification and Job Description.
 - d. Participate in the recruitment effort of new NDBM by referring a ~~a~~-member to advise the Ad Hoc Committee as described in #1 above.

B. General Competencies

- 1. Understanding of the vital role El Camino Hospital plays in the broader region.
- 2. Loyalty to El Camino Hospital's charitable purposes.
- 3. Knowledge of healthcare reform (Affordable Care Act) implications.
- 4. Ability to understand and monitor the following:
 - a. Diverse portfolio of businesses and programs
 - b. Complex partnerships with clinicians
 - c. Programs to create a continuum of care
 - d. Investment in technology
 - e. Assumption of risk for population health
 - f. Resource allocation
 - g. Quality metrics
- 5. Commitment to continuing learning.
- 6. Demonstrated strategic thinking.
- 7. Efforts to recruit potential Advisory Committee members.

8. Understanding and support of the role the District Board plays in Governance of the 501(c)(3) corporation.

C. Portfolio Skill Set

1. Complementary to skill sets of other Board members (gap-filling).
2. Applicable to the then current market. (See, Competency Matrix)

D. Other Criteria

1. Positive working relationship with other Board members.
2. Productive working relationship with the El Camino Hospital CEO.
3. Attendance at Board and Committee meetings.
4. See, Competency Matrix.

**Approved 12/9/2014; revised 3/17/2015; revised 6/14/2016; revised 1/25/2017.*



2500 Grant Road
Mountain View, CA 94040
Phone: 650-940-7300
www.elcaminohealthcaredistrict.org

**Process for Re- Election and Election
Of Non-District Board Members
To The El Camino Hospital Board of Directors.***

Draft Revised 9/8/17

BOARD OF DIRECTORS

*Dennis W. Chiu, JD
Patricia A. Einarson, MD
Julia E. Miller
David Reeder
John L. Zoglin*

A. Timeline

1. Previous FYQ4: The District Board Chair shall appoint a District Director as Chair of an Ad Hoc Committee and the Board shall approve the appointment of one additional District Director as a member of the Committee. The Board shall also approve the appointment of up to two advisors to the Ad Hoc Committee. One advisor should be a Non Hospital Director member of the El Camino Hospital Governance Committee (who has been referred by the Chair of the Governance Committee) and the other should be a Hospital Director who is not a member of the District Board (who has been referred by the Chair of the El Camino Hospital Board).
2. FYQ1 – Regular District Board Meeting:
Prior to Meeting, District Board Chair (i) asks the El Camino Hospital Director, who is not also a member of the District Board whose term is next to expire (Non District Board Member “NDBM”) to declare interest and (ii) informs the District Board of intent (via Board packet).
3. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting:
 - i. District and Hospital Board Members: Complete the ECH Board Competency Matrix Survey and, unless the Ad Hoc Committee votes not to use it in a given year, ECH Board Member Re-Election Report Survey.
 - ii. District Board Members: Review Position Specification in place at time of election to the Hospital Board and the ECH Board Member NDBM Job Description.
 - b. At the Meeting: Discuss portfolio of skills needs.
4. FYQ2 – Regular District Board Meeting:
 - a. Prior to the Meeting:
 - i. Ad Hoc committee analyzes evaluations, (3) (a) above, interviews the NDBM, and develops recommendation regarding re-election of NDBM to the Hospital Board.
 - ii. Hospital Board, on the recommendation of the Governance Committee proposes a revised Position Description to the District Board.
 - b. At the Meeting:
 - i. District Board considers re-election of NDBM.
 - ii. If NDBM is re-elected, the Hospital Board shall be notified.

- iii. If NDBM is not re-elected, the District Board will authorize external recruitment of a new NDBM.
 - iv. If there are any mid-term vacancies or other open seats on the Hospital Board the District Board will authorize a timeline for recruitment to fill those seats.
- 5. FYQ2 or Q3 – Begin external search as authorized in Section 4(b)(iii) and (iv) if necessary.
- 6. FYQ2 or Q3 – Regular District Board Meeting:
 - a. Ad Hoc Committee to present an interim update to the District Board.
 - i. Incorporate Board feedback into further recruitment efforts.
 - ii. Plan for interviews – direct staff to schedule.
- 7. FYQ3 or Q4 – Regular District Board Meeting:
 - a. Prior to the Meeting: Ad Hoc Committee to summarize interviews for the Board packet and make a recommendation to the District Board
 - b. District Board Considers AD Hoc Committee recommendation and votes to elect new NDBM(s) to the Hospital Board.
- 8. This process to be confirmed by the District Board annually when the process is complete.
- 9. The following matters are delegated to the El Camino Hospital Board Governance Committee:
 - a. FYQ3 – Review and recommend changes to the survey tools identified in section 3(a)(i).
 - b. FYQ3 – Review and recommend changes to this process.
 - c. FYQ3 – Review and recommend changes to NDBM Position Specification and Job Description.
 - d. Participate in the recruitment effort of new NDBM by referring a member to advise the Ad Hoc Committee as described in #1 above.

B. General Competencies

- 1. Understanding of the vital role El Camino Hospital plays in the broader region.
- 2. Loyalty to El Camino Hospital's charitable purposes.
- 3. Knowledge of healthcare reform (Affordable Care Act) implications.
- 4. Ability to understand and monitor the following:
 - a. Diverse portfolio of businesses and programs
 - b. Complex partnerships with clinicians
 - c. Programs to create a continuum of care
 - d. Investment in technology
 - e. Assumption of risk for population health
 - f. Resource allocation
 - g. Quality metrics
- 5. Commitment to continuing learning.
- 6. Demonstrated strategic thinking.
- 7. Efforts to recruit potential Advisory Committee members.
- 8. Understanding and support of the role the District Board plays in Governance of the 501(c)(3) corporation.

C. Portfolio Skill Set

1. Complementary to skill sets of other Board members (gap-filling).
2. Applicable to the then current market. (See, Competency Matrix)

D. Other Criteria

1. Positive working relationship with other Board members.
2. Productive working relationship with the El Camino Hospital CEO.
3. Attendance at Board and Committee meetings.
4. See, Competency Matrix.

**Approved 12/9/2014; revised 3/17/2015; revised 6/14/2016; revised 1/25/2017.*



NYGREN CONSULTING
GOVERNANCE STRATEGY LEADERSHIP

El Camino Hospital

2017 Hospital Board Competency Matrix



Submitted on: September 25, 2017
Prepared for: Governance Committee
Prepared by: JoAnn McNutt, PhD

ECH Hospital Board Competency Matrix

Ratings from All ECH Directors

- 4.00 and Above
- Between 3.00 and 3.99
- Below 3.00

Collective Competencies										Universal Attributes		
Complex Market Partnerships	Long-range Strategic Planning	Health Care Insurance Payor	Finance/ Entrepreneurship	Clinical Integration/ Continuum of Care	Healthcare Reform	Oversight of Diverse Business Portfolio	Complex Partnerships w/ Clinicians	Experience in More Than One Area of the Continuum of Care	Patient Care Quality and Safety Metrics	Analytical Thinker	Collaborative	Community Oriented
4.50	4.50	4.50	3.63	4.50	4.63	4.00	4.25	4.50	4.50	4.75	4.25	4.43
3.88	4.00	4.00	3.50	3.88	4.00	3.63	3.75	4.13	4.38	4.20	4.00	4.20
3.63	3.88	3.75	3.38	3.88	4.00	3.63	3.75	3.88	3.88	4.00	4.00	4.00
3.50	3.75	3.63	3.25	3.38	3.38	3.38	3.13	3.50	3.50	4.00	3.83	3.88
3.13	3.38	3.13	3.00	3.13	3.00	3.38	3.13	3.38	3.38	3.63	3.50	3.88
3.00	3.00	2.75	2.83	2.88	2.63	3.17	3.00	3.25	3.13	3.50	3.50	3.75
2.75	3.00	2.50	2.75	2.50	2.17	2.63	3.00	2.50	2.67	3.00	3.25	3.50
2.00	2.50	1.88	2.00	2.13	2.00	2.14	1.71	1.86	2.00	1.71	2.57	3.50
3.30	3.50	3.27	3.04	3.28	3.22	3.24	3.21	3.37	3.43	3.60	3.61	3.89
Overall = 3.29										Overall = 3.70		

Note

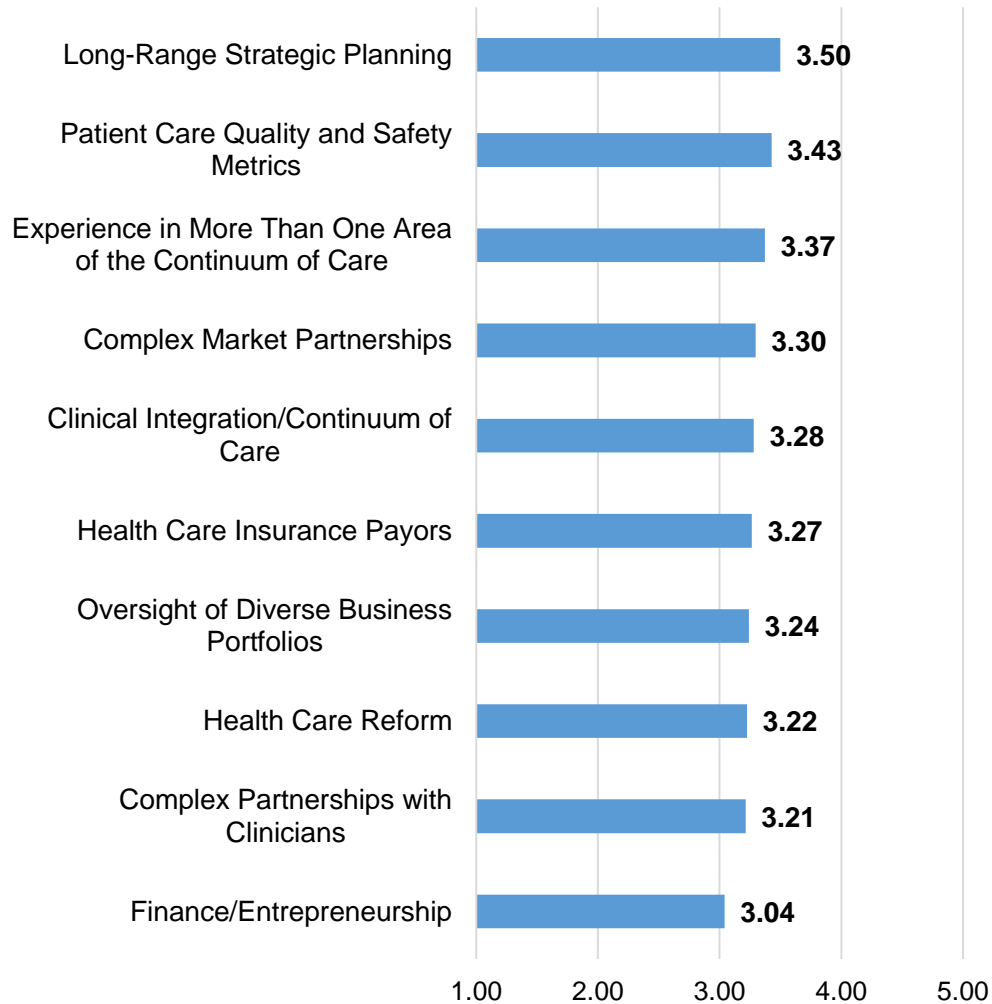
- N=8 (5 District Directors and 3 Hospital Board Members)
- Self-ratings are not included in the average scores above.

Year-Over-Year Comparison

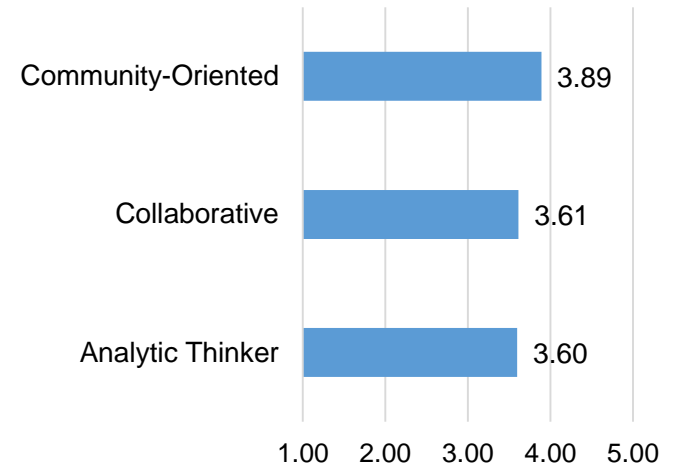
- Last year's scores:
 - With Neal Cohen, MD: Collective Competencies was 3.46 and Universal Attributes was 3.82
 - Without Neal Cohen, MD: Collective Competencies was 3.33 and Universal Attributes was 3.78

Aggregate Results (Sorted High to Low)

Collective Competencies



Universal Attributes



District Board Results

- The results in this section represent the opinions of the District Directors.
Ratings from Robert Rebitzer, Jeffrey Davis and Lanhee Chen are not included.
- Self-Ratings are not included

ECH Hospital Board Competency Matrix

Ratings from only the District Board

■ 4.00 and Above
■ Between 3.00 and 3.99
■ Below 3.00

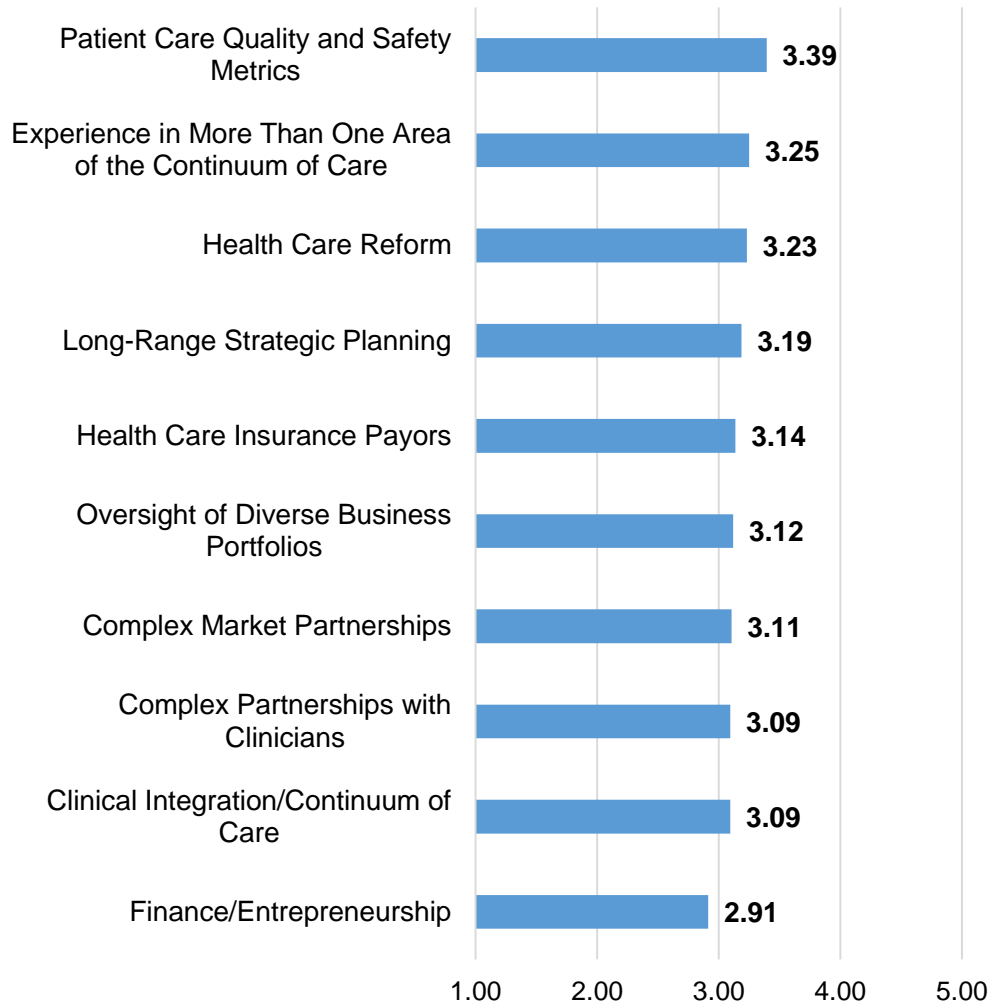
Collective Competencies										Universal Attributes		
Complex Market Partnerships	Long-range Strategic Planning	Health Care Insurance Payor	Finance/ Entrepreneurship	Clinical Integration/ Continuum of Care	Healthcare Reform	Oversight of Diverse Business Portfolio	Complex Partnerships w/ Clinicians	Experience in More Than One Area of the Continuum of Care	Patient Care Quality and Safety Metrics	Analytical Thinker	Collaborative	Community Oriented
4.60	4.40	4.40	3.50	4.40	4.40	4.20	4.00	4.40	4.60	4.80	3.80	4.50
3.60	3.80	3.80	3.40	4.25	4.20	3.60	3.80	4.20	4.50	4.00	3.80	4.00
3.40	3.80	3.75	3.20	3.80	4.00	3.40	3.75	4.00	3.50	4.00	3.75	3.60
3.25	3.25	3.50	3.20	3.25	3.75	3.25	3.20	3.40	3.50	4.00	3.60	3.60
2.75	2.75	3.40	3.00	2.80	3.25	3.00	3.00	3.25	3.40	3.50	3.50	3.50
2.75	2.75	2.25	2.75	2.25	2.25	3.00	2.75	2.75	3.40	3.25	3.00	3.50
2.75	2.50	2.25	2.50	2.00	2.00	2.75	2.50	2.00	2.25	3.00	2.75	3.40
1.75	2.25	1.75	1.75	2.00	2.00	1.75	1.75	2.00	2.00	2.00	2.75	3.00
3.11	3.19	3.14	2.91	3.09	3.23	3.12	3.09	3.25	3.39	3.57	3.37	3.64
Overall = 3.15										Overall = 3.53		

Note

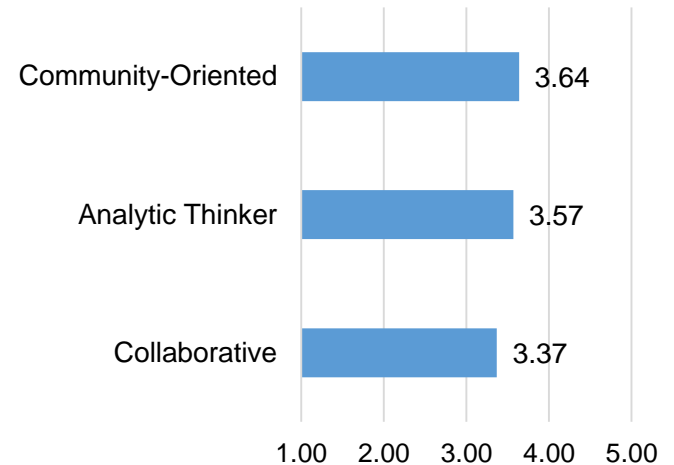
- N=5 District Directors
- Self-ratings are not included in the average scores above.

Aggregate Results (Sorted High to Low)

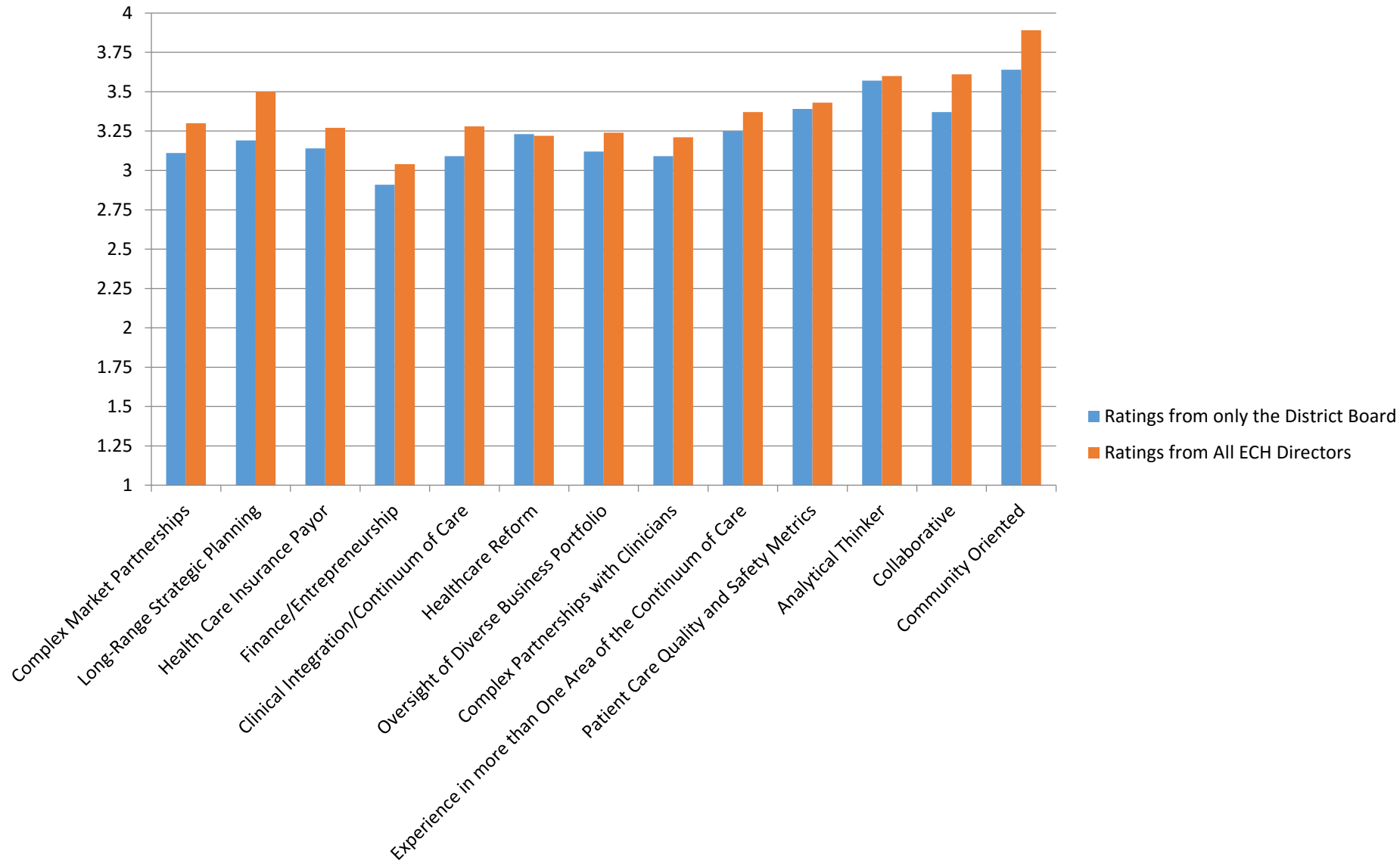
Collective Competencies



Universal Attributes



Side-by-Side Comparison





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DRAFT
POSITION SPECIFICATION
El Camino Hospital
Revised ~~October 12~~~~September 13~~, 2017

TITLE: Board Member

LOCATION: Mountain View, California

THE CURRENT BOARD

The El Camino Hospital Board is currently comprised of the five members of the El Camino Healthcare District Board, along with Jeffrey Davis, MD, Lanhee Chen, JD, PhD, and Bob Rebitzer. The three members of the ECH Board who are not District Board members now serve a maximum of 4 staggered 3-year terms. Director Davis is serving his third term and Director Rebitzer is serving his first term. Director Chen, the current Board Chair, is serving his first term which expires on June 30, 2018. There are two new (added in May 2017) open seats on the Board.

POSITION

BACKGROUND:

With the significant and continuing, large scale changes occurring in the healthcare environment, the District Board has determined that it will seek Hospital Director Candidates who will add to the thoughtful deliberations and guidance from the Board, regarding the Hospital's strategic priorities and who possess competencies in the following areas:

1. Complex Market Partnerships
2. Long-Range Strategic Planning
3. Healthcare Insurance/Payor
4. Finance/Entrepreneurship
5. Clinical Integration/Continuum of Care

QUALIFICATIONS:

To fill this role, El Camino is seeking a senior operating executive, consultant or academic leader who will reference as a leader in strategic dialogues. Since El Camino has relationships with most organizations of this type within Silicon Valley it will be important that conflicts are avoided. A recently retired, active executive might also be appropriate, as would consultants and advisors to this community. Healthcare experience is preferred, but not required.

SPECIFIC REQUIREMENTS:

- Physically attend at least two-thirds of all meetings.

Meetings are defined as Hospital Board meetings and Standing Committee meeting(s) to which the Board member has been appointed. Attendance guidelines will be considered met if the Board member physically attends two-thirds of all Hospital Board meetings **and** two-thirds of the meetings of each Standing Board Advisory Committee to which the member is appointed

- Serve on at least two Standing Board Advisory Committees (credit will be given for assignment to other Board obligations, including but not limited to the El Camino Hospital Foundation Board, Chair of the Board, Ad Hoc Committees and the Community Benefit Advisory Council).
- Offer to Chair at least one of the Standing Board Advisory Committees.
- Give notice (in accordance with policy) for inability to attend a meeting in-person or via teleconference, except in the case of emergency, to the Director of Governance Services at least five business days prior to a meeting.
- Agree to abide by the "El Camino Hospital Board Management Compact" (dated December, 2012).

BOARD MEETINGS

The El Camino Hospital Board presently meets monthly, excluding July and December typically at 5:30pm on the second Wednesday of each month. In addition, two Joint Board and Committee evening educational sessions and one full day retreat are held each year.

COMMITTEE MEETINGS

Meetings are held on weekday evenings beginning between 4 and 5:30 pm and last approximately 1.5 to 2 hours.

Investment: 4x/year

Quality, Patient Care and Patient Experience: 10x/year

Finance: 6x/year

Governance: 4-6x/year

Executive Compensation: 4-6x/year

Corporate Compliance/Privacy and Internal Audit: 6x/year

COMPENSATION

Board members are eligible for compensation in the amount of \$200 per Board meeting, \$100 per Committee meeting, and \$100 per Committee Prep meeting attended, up to 7 meetings per month. The Board Chair receives an annual \$12,000 stipend, payable quarterly.

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

Item:	Draft District Director Vacancy Policy El Camino Healthcare District Board of Directors October 17, 2017
Responsible party:	Cindy Murphy, Director of Governance Services
Action requested:	Possible Motion
<p>Background:</p> <p>Article IV, Section 4 of the El Camino Healthcare District Bylaws states that:</p> <p>“ . . . the procedure for filling a vacancy occurring on the District Board shall be according to District policy for filling such vacancy. The District policy shall include procedures for notification of the public of the vacancy, in accordance with applicable law, establishing deadlines for receipt of applications from persons interested in the vacancy, and setting interviews of qualified persons by the District Board.”</p> <p>Currently the District does not have such a policy. When a mid-term vacancy was created in June 2017, the Board adopted Resolution 2017-08 to fill the vacancy by appointment and delegated authority to Board Chair Fung to appoint an Ad Hoc Committee, the purpose of which was to work with staff on the process issues related to the appointment. At the direction of the Ad Hoc Committee, staff developed and implemented the notice, application, and interview process, and the Board appointed Neysa Fligor at its August 16, 2017 meeting to fill the vacancy.</p> <p>The Board asked staff to draft a formal written policy to codify a process to address potential future mid-term vacancies on the District Board.</p> <p>Two alternatives for this policy are included for consideration. Both alternatives outline the detailed process in accordance with <i>California Government Code §1780</i> for filling a vacancy by appointment or by calling an election:</p> <ol style="list-style-type: none"> 1. Alternative A provides for an Ad Hoc Committee to (1) oversee staff’s implementation of the process and (2) provides that the full District Board would interview <i>all</i> applicants. It also provides for more limited contact between District Board members (including those appointed to the Ad Hoc Committee) and applicants than does Alternative B. 2. Alternative B provides for an Ad Hoc Committee to (1) oversee staff’s implementation of the process and (2) to conduct a preliminary round of interviews to narrow the field of applicants. The full Board would potentially interview fewer than all applicants. <p>Legal counsel has reviewed and approved both options. Staff recommends that the Board adopt Version A which more closely resembles a public election process by providing an opportunity for all applicants to interview before the deciding body.</p>	

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

	Board Committees that reviewed the issue and recommendation, if any: None.
	Summary and session objectives: To discuss any feedback on and obtain approval of a Mid-Term Vacancy Policy.
	Suggested discussion questions: <ol style="list-style-type: none">1. Should the Ad Hoc Committee pre-interview all applicants, thus narrowing the field for full Board consideration?
	Proposed Board motion, if any: To approve the ECHD Mid-Term Vacancy Policy Alternative A.
	LIST OF ATTACHMENTS: <ol style="list-style-type: none">1. Draft ECHD Mid-Term Vacancy Policy (Alternative A)2. Draft ECHD Mid-Term Vacancy Policy (Alternative B)3. Application to Serve as and El Camino Healthcare District Director

DRAFT ECHD MID TERM VACANCY POLICY

Alternative A

(In accordance with ECHD Bylaws Article IV, Section 4)

1. In the event of a mid-term vacancy on the El Camino Healthcare District Board (“Board”) of Directors, the Board shall schedule a meeting at least 10 days prior to the effective date of the vacancy to determine whether the vacancy shall be filled by election or by appointment. If the Board is notified of the vacancy less than 10 days prior to the effective date of the vacancy, the meeting shall be scheduled as soon as practicable.
2. If the Board determines the vacancy is to be filled by appointment, the Board shall:
 - a. Schedule a meeting, in accordance California Government Code § 1780 and other applicable law, during which the Board will interview all applicants, and
 - b. Appoint an Ad Hoc Committee to ensure the following:
 - i. All notices are given and all actions are taken as are required by or appropriate to comply with California Government Code §1780 with respect to filling a vacancy by appointment;
 - ii. The notice of vacancy specifies (1) the deadline for submitting an application to fill the vacancy and (2) the date, time and location of the Board meeting during which the Board will conduct applicant interviews; and
 - iii. Interested applicants have access to the attached “Application to Serve as an El Camino Healthcare District Director.”
3. Although individual sitting Board Directors may respond to communication initiated by any applicant, Board Directors shall not initiate contact with any applicant to discuss the Board vacancy and the Ad Hoc Committee shall not conduct pre-interviews of any applicant.
4. If the Board determines a vacancy is to be filled by election, the Board shall call an election in accordance with California Government Code § 1780 and other applicable law.

DRAFT ECHD MID TERM VACANCY POLICY

Alternative B

(In accordance with ECHD Bylaws Article IV, Section 4)

1. In the event of a mid-term vacancy on the El Camino Healthcare District Board ('Board') of Directors, the Board shall schedule a meeting at least 10 days prior to the effective date of the vacancy to determine whether the vacancy shall be filled by election or by appointment. If the Board is notified of the vacancy less than 10 days prior to the effective date of the vacancy, the meeting shall be scheduled as soon as practicable.
2. If the Board determines the vacancy is to be filled by appointment, the Board shall:
 - a. Schedule a meeting, in accordance California Government Code § 1780 and other applicable law, during which the Board will interview applicants recommended by the Ad Hoc Committee (below), and
 - b. Appoint an Ad Hoc Committee to ensure the following:
 - i. All notices are given and all actions are taken as are required by or appropriate to comply with California Government Code §1780 with respect to filling a vacancy by appointment;
 - ii. The notice of vacancy specifies (1) the deadline for submitting an application to fill the vacancy and (2) the date, time and location of the Board meeting during which the Board will conduct applicant interviews; and
 - iii. Interested applicants have access to the attached "Application to Serve as an El Camino Healthcare District Director."
3. The Ad Hoc Committee shall review materials submitted by all applicants, select applicants to interview, and recommend a final slate of applicants for interview by the full Board.
4. Individual sitting Board Directors may respond to communication initiated by any applicant, but individual Board Directors shall not initiate contact with any applicant to discuss the Board vacancy except if appointed to the Ad Hoc Committee.
5. If the Board determines a vacancy is to be filled by election, the Board shall call an election in accordance with California Government Code § 1780 and other applicable law.



Application to Serve as an El Camino Healthcare District Director

Instructions: The El Camino Healthcare District Board of Directors will hold a meeting to interview applicants on _____(date) beginning at 5:30 pm. Applicants will have the opportunity to make a verbal statement no longer than 10 minutes, and will be asked to answer questions from sitting Board Members as well as any questions from the public at the meeting. Applicants must be registered to vote and a resident of the El Camino Healthcare District. This appointment will expire after the General District Board Election in _____ (date).

Applicants must complete* the following application and submit it to:

El Camino Healthcare District
2500 Grant Road
Administration C131
Mountain View, CA 94040

Or by e-mail: nominations@elcaminohospital.org

Applicants may submit up to 6 additional pages (8 single-sided pages total) of supporting materials, including extended answers to questions contained in the application. Any materials in excess of this page limit will not be provided to the District Board. **All applications and supporting materials must be received in our office not later than _____ (date) and will be made publicly available.**

*** Items 1, 2 and 4 are required**

-
1. *Name _____
 2. *Residence address _____
 3. Phone _____ E-mail address _____
 4. *Are you registered to vote in the El Camino Healthcare District? _____(Y/N)
 5. Reasons for interest in serving: _____

6. Educational background (Please list diplomas/degrees received and institutions attended):

7. Employment history (last 15 years):

8. Relevant experience including public offices held:

9. Please list professional and civic organization memberships:

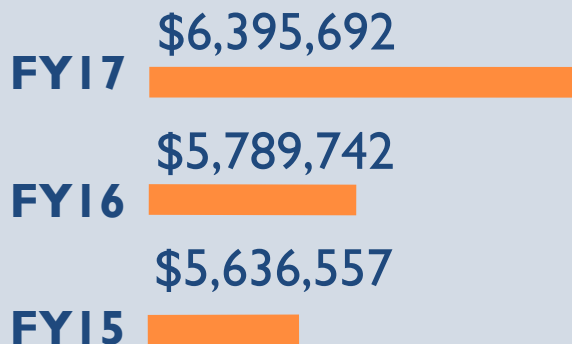
BOARD MEETING AGENDA ITEM COVER SHEET

Item:	FY17 Community Benefit Dashboard and Annual Report El Camino Healthcare District Board of Directors October 17, 2017
Responsible Party:	Cecile Currier, VP Corporate and Community Health Services and President, CONCERN, EAP; Barbara Avery, Director Community Benefit
Action requested:	For Approval
<p>Background:</p> <p>We are pleased to present the FY17 El Camino Healthcare District Community Benefit Dashboard and Annual Report. The dashboard includes results from the District's 53 grant programs. Please note, there is a separate dashboard for the Hospital Community Benefit Program that was presented to the Board on October 11, 2017.</p> <p>El Camino Healthcare District invested \$6,395,692 in grants and sponsorships in FY17, a 10% increase from FY16. Through this funding, the District served more than 83,000 community members in the following health priority areas:</p> <ul style="list-style-type: none"> • Healthy Body -- 36,510 people served • Healthy Mind -- 14,614 people served • Healthy Community -- 32,122 people served <p>During this grant year, 89% of performance metrics were met or exceeded, which represents a 5% increase compared to the outcomes achieved at six months.</p> <p>Some highlights from FY17 include:</p> <ul style="list-style-type: none"> • Launched the District-wide Hypertension Initiative, which included the #KnowYourBloodPressure public awareness campaign, free community screenings and clinical hypertension management classes. • Increased access to dental services through Health Mobile, which provided much needed dental care to homeless, uninsured and low-income individuals. • Addition of two new domestic violence programs to address growing need. <p>The District's meaningful investments help individuals in our community get the healthcare and services they need, especially those most at-risk. Thank you for your continued support of our community partners.</p>	
Board Advisory Committees that reviewed the issue and recommendation, if any: None.	
Summary and session objectives: To review the results for FY17 Community Benefit.	
Suggested discussion questions: None.	
Proposed board motion, if any: To Approve the FY17 Community Benefit Report.	
<p>LIST OF ATTACHMENTS:</p> <ol style="list-style-type: none"> 1. FY17 El Camino Healthcare District Community Benefit Dashboard 2. F17 Community Benefit Annual Report 	



Community Benefit FY17 Annual Summary

FINANCIAL SUMMARY



10% INCREASE IN
COMMUNITY BENEFIT OVER FY16

\$6,395,692 INVESTED
IN GRANTS AND SPONSORSHIPS

53 GRANT PROGRAMS

40 PROGRAM SUPPORT GRANTS

11 NEW PROGRAM GRANTS

13 SUPPORT GRANTS

(SUPPORT GRANTS ARE UP TO \$25,000 EACH)

8 NEW SUPPORT GRANTS

22 SPONSORSHIPS

FY17 COMMUNITY BENEFIT FOCUSED ON THREE HEALTH PRIORITIES





Community Benefit FY17 Annual Summary

GRANT PROGRAM & METRIC PERFORMANCE SUMMARY

Grant programs that met at least 80% of
their program's metrics **81%**
(see column AA of Dashboard)

Total individual metrics across all 53 grant programs **190**
(see column C of Dashboard)

Individual metrics that achieved annual targets **89%**
(see column Z of Dashboard)

Individual metrics that were new or
revised to be more robust **48%**

Individual year-over-year (trending) metrics **52%**

Individual trending metric targets that:

Increased **37%**

Decreased **31%**

Remained the same **32%**



Community Benefit FY17 Annual Summary

FY17 Expanded Dashboard Guide

The FY17 Expanded Annual Dashboard provides data for programs funded in FY17, FY16, and/or FY15.

Column C: All FY17 metrics

Columns D – Z: 6-month and annual targets and actuals, and percent of all metrics achieved by grant

FY15 6-month target and actual (Columns D & E)

FY15 annual target and actual (Columns H & I)

FY16 6-month target and actual (Columns L & M)

FY16 annual target and actual (Columns P & Q)

FY17 6-month target and actual (Columns T & U)

FY17 annual target and actual (Column X & Y)

FY15, FY16 and FY17 6-month & annual percent of metrics met (Columns G, K, O, S, W & AA)

Note: Only those with FY17 trending metrics appear on this dashboard

A dash “–” represents either 1) agency is a new FY17 partner so no metrics from prior years, or 2) new metric with no previous data

- A metric receives a “green dot” if the target was met, exceeded or within 10% of the target goal
- A metric receives a “red dot” if the target was not met in excess of 10% of the target goal

N/A There are some 6-month metric targets with “N/A” because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area (Column A)	Partner (Column B)	FY17 Metrics (Column C)	FY15 6-month target (Column D)	FY15 6-month actual (Column E)	<div><div></div><div></div></div> FY15 % of ALL 6-month metrics met (Column G)	FY15 Annual target (Column H)	FY15 Annual actual (Column I)	<div><div></div><div></div></div> FY15 % of ALL annual metrics met (Column K)	FY16 6-month target (Column L)	FY16 6-month actual (Column M)	<div><div></div><div></div></div> FY16 %of ALL 6- month metrics met (Column O)	FY16 Annual target (Column P)	FY16 Annual Actual (Column Q)	<div><div></div><div></div></div> FY16 % of ALL annual metrics met (Column S)	FY17 6-month target (Column T)	FY17 6-month actual (Column U)	<div><div></div><div></div></div> FY17 % 6- month metrics met (Column W)	FY17 Annual Target (Column X)	FY17 Annual Actual (Column Y)	<div><div></div><div></div></div> FY17 % Annual metrics met (Column AA)	Supporting Details for Variance (Column AB)
<div>HEALTHY BODY</div>	5-2-1-0 FY17 Approved: \$30,000 FY17 Spent: \$12,809 FY16 Approved: \$30,150 FY16 Spent: \$9,478 FY15 Approved: \$30,000 FY15 Spent: \$18,704 New Metrics: 0 of 3	Students served	2,200	2,400	<div><div></div><div></div></div>	5,720	6,027	<div><div></div><div></div></div>	5,200	4,066	<div><div></div><div></div></div>	7,403	6,950	<div><div></div><div></div></div>	5,000	6,627	<div><div></div><div></div></div>	7,000	7,500	<div><div></div><div></div></div>	
		Students who report being active one or more hours per day after 5210 engagement	N/A	N/A		50%	60%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	50%	55%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	52%	57%	<div><div></div><div></div></div>	
		Students who report the knowledge to limit sweetened beverage to 0 per day after 5210 engagement	N/A	N/A		70%	71%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	70%	71%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	70%	71%	<div><div></div><div></div></div>	
	CSA-MV: Senior Intensive Case Management FY17 Approved: \$151,551 FY17 Spent: \$116,894 FY16 Approved: \$133,500 FY16 Spent: \$122,188 FY15 Approved: \$146,282 FY15 Spent: \$112,113 New Metrics: 0 of 6	Clients served	73	86	<div><div></div><div></div></div>	96	102	<div><div></div><div></div></div>	85	75	<div><div></div><div></div></div>	98	98	<div><div></div><div></div></div>	62	58	<div><div></div><div></div></div>	90	71	<div><div></div><div></div></div>	Target not met due to delay in hiring clinical social worker, a key position for this metric. Hiring challenges included cost of living and competition for this profession.
		Services provided	1,428	1,726	<div><div></div><div></div></div>	2,856	3,202	<div><div></div><div></div></div>	1,703	1,468	<div><div></div><div></div></div>	2,898	2,917	<div><div></div><div></div></div>	1,181	1,220	<div><div></div><div></div></div>	2,362	3,042	<div><div></div><div></div></div>	Agency exceeded target due to extended Nurse Case Manager hours and additional time provided by volunteer nurse.
		Hospital readmission rate at one year for reasons related to a chronic health condition	N/A	N/A		10%	11%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	10%	17%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	12%	13%	<div><div></div><div></div></div>	
		Clients able to maintain independent living outside institutional setting	94%	97%	<div><div></div><div></div></div>	97%	92%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	97%	96%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	90%	93%	<div><div></div><div></div></div>	
		Patients with hypertension who attained or maintained blood pressure <140/90 mm Hg or blood pressure goal recommended by physician	85%	88%	<div><div></div><div></div></div>	85%	68%	<div><div></div><div></div></div>	85%	37%	<div><div></div><div></div></div>	85%	83%	<div><div></div><div></div></div>	35%	67%	<div><div></div><div></div></div>	80%	86%	<div><div></div><div></div></div>	
		Patients who scored at a "moderate" or "high-risk" for falling who reduced their fall level to moderate-risk based on 21 point Fall Assessment tool	30%	38%	<div><div></div><div></div></div>	40%	46%	<div><div></div><div></div></div>	30%	58%	<div><div></div><div></div></div>	40%	34%	<div><div></div><div></div></div>	15%	26%	<div><div></div><div></div></div>	37%	52%	<div><div></div><div></div></div>	
	Cupertino Union School District School Nurse Program FY17 Approved: \$68,997 FY17 Spent: \$68,997 FY16 Approved: \$34,411 FY16 Spent: \$34,411 FY15 Approved: \$33,990 FY15 Spent: \$33,990 New Metrics: 1 of 4	Students served	375	362	<div><div></div><div></div></div>	775	751	<div><div></div><div></div></div>	350	433	<div><div></div><div></div></div>	740	671	<div><div></div><div></div></div>	578	821	<div><div></div><div></div></div>	1,458	1,848	<div><div></div><div></div></div>	
		Students who failed a mandated health screening who saw a healthcare provider	35%	22%	<div><div></div><div></div></div>	70%	79%	<div><div></div><div></div></div>	35%	22%	<div><div></div><div></div></div>	72%	74%	<div><div></div><div></div></div>	22%	54%	<div><div></div><div></div></div>	74%	91%	<div><div></div><div></div></div>	Metric exceeded target because health screenings conducted at new schools covered by grant occurred earlier than anticipated, allowing nurses ample time to work with families and ultimately have students seen by a provider.
		Students in Kindergarten who were identified as needing early intervention or urgent dental care through on-site screenings who saw a dentist	N/A	N/A		50%	80%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	55%	79%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	75%	92%	<div><div></div><div></div></div>	Nurses are experiencing greater success by employing new strategies to ensure students see a provider for timely follow-up.
		Teachers/staff at target schools that receive training on severe allergies, anaphylaxis, and EpiPen usage	-	-		-	-		-	-		-	-		20%	70%	<div><div></div><div></div></div>	20%	72%	<div><div></div><div></div></div>	New metric added in response to growing number of mild to life threatening food allergies. Agency implemented engagement strategies to increase staff participation.
	Fresh Approach FY17 Approved: \$35,000 FY17 Spent: \$29,572 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A	Individuals participating in VeggieRX classes	-	-		-	-		-	-		-	-		120	113	<div><div></div><div></div></div>	120	113	<div><div></div><div></div></div>	
		Individuals served through fruit and vegetable vouchers	-	-		-	-		-	-		-	-		90	77	<div><div></div><div></div></div>	90	77	<div><div></div><div></div></div>	Metric nearly met. Program forecasted for average household size of four, however participants had smaller households resulting in fewer vouchers distributed to class participants.
		Participants who attended 6 or more classes will lose 3% or more of their original body weight and/or improve their BMI	-	-		-	-		-	-		-	-		N/A	N/A	<div><div></div><div></div></div>	30%	20%	<div><div></div><div></div></div>	Although metric not met, 34% of participants lost more than 2% of body weight during program. In FY18, program will report on both those who lose 2% and 3% of body weight.
		Participants who attended 6 or more classes will report regularly eating 2 additional servings of fruits and vegetables at the end of the program than they did at the beginning of the program	-	-		-	-		-	-		-	-		N/A	N/A	<div><div></div><div></div></div>	80%	89%	<div><div></div><div></div></div>	
	Health Mobile FY17 Approved: \$148,832 FY17 Spent: \$148,832 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A	Low-income and homeless individuals served	-	-		-	-		-	-		-	-		250	149	<div><div></div><div></div></div>	500	451	<div><div></div><div></div></div>	
		Dental procedures provided	-	-		-	-		-	-		-	-		510	690	<div><div></div><div></div></div>	1,152	3,126	<div><div></div><div></div></div>	The complexity of cases from years of oral hygiene neglect and lack of access to oral health insurance lead to a greater than anticipated number of services. The typical ratio of services was two per patient, however, these patients required over six services per person.
		Patients who report increased knowledge about their oral health	-	-		-	-		-	-		-	-		80%	86%	<div><div></div><div></div></div>	80%	86%	<div><div></div><div></div></div>	
		Patients who report no pain after their first visit	-	-		-	-		-	-		-	-		80%	87%	<div><div></div><div></div></div>	80%	88%	<div><div></div><div></div></div>	

Community Benefit Dashboard Notes

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<div>HEALTHY BODY</div>	Healthier Kids Foundation <small>FY17 Approved: \$30,000 FY17 Spent: \$30,000 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Individuals served: Parents	-	-		-	-		-	-		-	-		90	69	<div><div></div><div></div></div>	180	289	<div><div></div><div></div></div>	Through more outreach and additional classes, program increased the number of attendees per class and the retention rate has improved over mid-year.	
		Services: 10 Step Classes	-	-		-	-		-	-		-	-		27	25	<div><div></div><div></div></div>	54	79	<div><div></div><div></div></div>		
		Increase in parents who correctly identify that the daily recommended servings of fruits and vegetables is 5-9 (3 on a 3-point scale)	-	-		-	-		-	-		-	-		20%	19%	<div><div></div><div></div></div>	20%	28%	<div><div></div><div></div></div>		
		Increase in parents who are very or mostly confident that they can help their children set up bedtime routines (4 or 5 on a 5-point scale)	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	27%	20%	<div><div></div><div></div></div>	27%	-3%	<div><div></div><div></div></div>		
		Increase in parents who follow an after-school routine that includes at least one hour of physical activity (4 on a 4-point scale)	-	-		-	-		-	-		-	-		25%	5%	<div><div></div><div></div></div>	25%	10%	<div><div></div><div></div></div>		
		Increase in parents who turn off the TV (if it is on) and put away screens (tablets, phones) at meal time (4 on a 4-point scale)	-	-		-	-		-	-		-	-		20%	5%	<div><div></div><div></div></div>	20%	18%	<div><div></div><div></div></div>		
	Living Classroom <small>FY17 Approved: \$78,000 FY17 Spent: \$78,000 FY16 Approved: \$74,000 FY16 Spent: \$74,000 FY15 Approved: N/A FY15 Spent: N/A New Metrics: 1 of 4</small>	Students served	-	-		-	-		N/A	3,700	2,885	<div><div></div><div></div></div>	4,500	3,950	<div><div></div><div></div></div>	2,500	2,830	<div><div></div><div></div></div>	4,300	4,834	<div><div></div><div></div></div>	Baseline was higher than program results. Staff speculate parents considered the question differently at pre- versus post-survey. Survey question methodology changed for FY18.
		Students eating vegetables and fruits grown in school gardens during lunch-time taste testing days	-	-	N/A	-	-	N/A	1,900	1,670	<div><div></div><div></div></div>	3,500	2,914	<div><div></div><div></div></div>	1,500	2000	<div><div></div><div></div></div>	3,200	3,987	<div><div></div><div></div></div>		
		Students involved in planting and harvesting fruits and vegetables for Farm-to-Lunch Program	-	-		-	-		1,500	2,066	<div><div></div><div></div></div>	2,700	2,650	<div><div></div><div></div></div>	75	75	<div><div></div><div></div></div>	150	150	<div><div></div><div></div></div>		
		Living Classroom lessons given to classroom across all grades T/K - 5	-	-		-	-		-	-		-	-		250	222	<div><div></div><div></div></div>	570	564	<div><div></div><div></div></div>		
	LPFCH - TeenVan <small>FY17 Approved: \$85,000 FY17 Spent: \$85,000 FY16 Approved: \$82,000 FY16 Spent: \$82,000 FY15 Approved: \$75,818 FY15 Spent: \$75,818 New Metrics: 0 of 5</small>	Students served	40	60	<div><div></div><div></div></div>	80	138	<div><div></div><div></div></div>	45	38	<div><div></div><div></div></div>	90	63	<div><div></div><div></div></div>	45	104	<div><div></div><div></div></div>	90	135	<div><div></div><div></div></div>	Program exceeded target due to ability to move van away from central quad to side lot, providing additional privacy for students and increasing utilization. In addition, due to school scheduling, more students from the Mountain View campus came to the Los Altos campus, where the van is located. Additionally, more students are attending group sessions.	
		Services provided	182	88	<div><div></div><div></div></div>	365	224	<div><div></div><div></div></div>	182	163	<div><div></div><div></div></div>	365	281	<div><div></div><div></div></div>	182	382	<div><div></div><div></div></div>	365	523	<div><div></div><div></div></div>		
		Students screened for depression who receive social worker consultation, treatment by a Packard Hospital psychiatrist, and/or medications	95%	98%	<div><div></div><div></div></div>	95%	98%	<div><div></div><div></div></div>	95%	96%	<div><div></div><div></div></div>	95%	96%	<div><div></div><div></div></div>	95%	95%	<div><div></div><div></div></div>	95%	95%	<div><div></div><div></div></div>		
		Students who receive nutrition consultations and demonstrate improvement in at least one lifestyle behavior related to weight management	N/A	N/A		55%	60%	<div><div></div><div></div></div>	N/A	N/A		60%	40%	<div><div></div><div></div></div>	N/A	N/A		60%	60%	<div><div></div><div></div></div>		
		Students who decrease their use of alcohol or drugs by 1 level out of 5	N/A	N/A		55%	60%	<div><div></div><div></div></div>	N/A	N/A		55%	55%	<div><div></div><div></div></div>	N/A	N/A		55%	60%	<div><div></div><div></div></div>		
	MayView Community Health Center <small>FY17 Approved: \$700,000 FY17 Spent: \$700,000 FY16 Approved: \$437,320 FY16 Spent: \$437,320 FY15 Approved: \$125,000 FY15 Spent: \$125,000 New Metrics: 4 of 7</small>	Patients served	-	-		-	-		100%	-	-		75%	-		1,200	1,202	<div><div></div><div></div></div>	2,400	2,396	<div><div></div><div></div></div>	Funds now focused on supporting uninsured population, therefore volume metrics do not trend with prior years. Unlike previous grants that served a mix of Medi-Cal and the uninsured, this year's grant supported solely the uninsured population. Encounter targets based on agency's prior data for this population were lower than the actual services required. FY18 targets reflect this data.
		Patient encounters	-	-		-	-		100%	-	-		75%	-		1,200	1,202	<div><div></div><div></div></div>	2,400	5,772	<div><div></div><div></div></div>	
		Immunization services provided	-	-		-	-		100%	-	-		75%	-		750	455	<div><div></div><div></div></div>	1,500	1,345	<div><div></div><div></div></div>	
		Diabetic patients with LDL <130 mg/dL	-	-		-	-		100%	-	-		75%	-		71%	71%	<div><div></div><div></div></div>	71%	73%	<div><div></div><div></div></div>	
		Diabetic patients with HbA1c Levels <9	74%	77%	<div><div></div><div></div></div>	75%	69%	<div><div></div><div></div></div>	74%	65%	<div><div></div><div></div></div>	75%	63%	<div><div></div><div></div></div>	72%	73%	<div><div></div><div></div></div>	72%	74%	<div><div></div><div></div></div>		
		Hypertension patients: high blood pressure control <140/90	73%	73%	<div><div></div><div></div></div>	80%	79%	<div><div></div><div></div></div>	73%	80%	<div><div></div><div></div></div>	80%	83%	<div><div></div><div></div></div>	72%	90%	<div><div></div><div></div></div>	72%	71%	<div><div></div><div></div></div>		
		Patients Age 51-75 with completed annual colorectal screening	-	-		-	-		100%	-	-		75%	-		40%	56%	<div><div></div><div></div></div>	40%	41%	<div><div></div><div></div></div>	
	Medical Respite <small>FY17 Approved: \$80,000 FY17 Spent: \$80,000 FY16 Approved: \$55,000 FY16 Spent: \$55,000 FY15 Approved: \$55,000 FY15 Spent: \$55,000 New Metrics: 1 of 4</small>	Patients served(based on full Medical Respite program)	70	79	<div><div></div><div></div></div>	140	183	<div><div></div><div></div></div>	100%	70	71	<div><div></div><div></div></div>	145	250	<div><div></div><div></div></div>	100%	70	111	<div><div></div><div></div></div>	145	221	<div><div></div><div></div></div>
Program patients linked to Primary Care home (based on full Medical Respite program)		92%	93%	<div><div></div><div></div></div>	92%	91%	<div><div></div><div></div></div>	100%	92%	93%	<div><div></div><div></div></div>	92%	87%	<div><div></div><div></div></div>	100%	92%	91%	<div><div></div><div></div></div>	92%	90%	<div><div></div><div></div></div>	
Patients served with overflow beds program		-	-		-	-		100%	-	-		100%	-		18	17	<div><div></div><div></div></div>	36	33	<div><div></div><div></div></div>		
Hospital days avoided for total program (based on full Medical Respite program)		250	270	<div><div></div><div></div></div>	500	584	<div><div></div><div></div></div>	100%	250	260	<div><div></div><div></div></div>	530	1,025	<div><div></div><div></div></div>	100%	275	444	<div><div></div><div></div></div>	550	884	<div><div></div><div></div></div>	
Mountain View Whisman School District <small>FY17 Approved: \$220,321 FY17 Spent: \$196,285 FY16 Approved: \$227,238 FY16 Spent: \$227,238 FY15 Approved: \$214,000 FY15 Spent: \$214,000 New Metrics: 0 of 5</small>	Students served	1,750	1,700	<div><div></div><div></div></div>	3,500	3,500	<div><div></div><div></div></div>	83%	1,600	1,757	<div><div></div><div></div></div>	3,500	3,404	<div><div></div><div></div></div>	100%	1,700	1,544	<div><div></div><div></div></div>	3,400	3,459	<div><div></div><div></div></div>	Target was missed because it was more difficult for parents and families, faced with being uninsured or underinsured, to get this exam in a timely manner.
	Students with failed screenings who saw a provider	30%	35%	<div><div></div><div></div></div>	80%	86%	<div><div></div><div></div></div>	83%	30%	1%	<div><div></div><div></div></div>	85%	77%	<div><div></div><div></div></div>	100%	N/A	N/A		78%	74%	<div><div></div><div></div></div>	
	Students needing a Child Health and Disability Program exam who saw a provider	30%	47%	<div><div></div><div></div></div>	75%	61%	<div><div></div><div></div></div>	83%	30%	30%	<div><div></div><div></div></div>	70%	63%	<div><div></div><div></div></div>	100%	30%	27%	<div><div></div><div></div></div>	64%	48%	<div><div></div><div></div></div>	
	Students needing an oral health exam who saw a provider	30%	24%	<div><div></div><div></div></div>	75%	68%	<div><div></div><div></div></div>	83%	30%	27%	<div><div></div><div></div></div>	70%	69%	<div><div></div><div></div></div>	100%	30%	27%	<div><div></div><div></div></div>	70%	66%	<div><div></div><div></div></div>	
	Students who report decreased anxiety levels	30%	62%	<div><div></div><div></div></div>	80%	83%	<div><div></div><div></div></div>	83%	80%	0%		80%	80%	<div><div></div><div></div></div>	100%	N/A	N/A		80%	77%	<div><div></div><div></div></div>	

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<div>HEALTHY BODY</div>	New Directions <small>FY17 Approved: \$140,000 FY17 Spent: \$140,000 FY16 Approved: \$140,000 FY16 Spent: \$140,000 FY15 Approved: \$140,000 FY15 Spent: \$140,000 New Metrics: 0 of 4</small>	Individuals served	15	22	<div><div></div></div>	22	34	<div><div></div></div>	15	18	<div><div></div></div>	22	25	<div><div></div></div>	18	20	<div><div></div></div>	25	33	<div><div></div></div>	
		Services provided	262	363	<div><div></div></div>	525	702	<div><div></div></div>	262	485	<div><div></div></div>	525	994	<div><div></div></div>	300	368	<div><div></div></div>	660	938	<div><div></div></div>	
		Enrolled patients in need of mental health or substance abuse treatment or services will be referred to and seen by a treatment provider.	40%	63%	<div><div></div></div>	65%	64%	<div><div></div></div>	40%	42%	<div><div></div></div>	65%	67%	<div><div></div></div>	40%	50%	<div><div></div></div>	65%	67%	<div><div></div></div>	
	Pathways <small>FY17 Approved: \$70,000 FY17 Spent: \$70,000 FY16 Approved: \$45,000 FY16 Spent: \$45,000 FY15 Approved: \$45,000 FY15 Spent: \$45,000 New Metrics: 0 of 4</small>	Patients served	12	15	<div><div></div></div>	24	28	<div><div></div></div>	15	30	<div><div></div></div>	30	45	<div><div></div></div>	20	12	<div><div></div></div>	40	39	<div><div></div></div>	
		Services provided	113	98	<div><div></div></div>	225	282	<div><div></div></div>	95	255	<div><div></div></div>	190	405	<div><div></div></div>	256	81	<div><div></div></div>	512	291	<div><div></div></div>	Agency adopted new strategy at mid-year to address transportation barriers by conducting follow-ups via phone. Database not configured to capture phone calls as a service.
		Patients who improve their ability to take oral medication correctly	50%	68%	<div><div></div></div>	50%	67%	<div><div></div></div>	50%	66%	<div><div></div></div>	50%	61%	<div><div></div></div>	52%	51%	<div><div></div></div>	54%	47%	<div><div></div></div>	Program understaffed for part of the year; currently fully staffed.
		Patients not admitted to a hospital while receiving home health care services	83%	85%	<div><div></div></div>	83%	86%	<div><div></div></div>	83%	86%	<div><div></div></div>	83%	87%	<div><div></div></div>	78%	87%	<div><div></div></div>	78%	78%	<div><div></div></div>	
	Playworks <small>FY17 Approved: \$270,000 FY17 Spent: \$270,000 FY16 Approved: \$261,000 FY16 Spent: \$261,000 FY15 Approved: \$240,000 FY15 Spent: \$240,000 New Metrics: 0 of 5</small>	Students served	4,300	4,577	<div><div></div></div>	4,300	4,567	<div><div></div></div>	6,260	6,310	<div><div></div></div>	6,260	6,300	<div><div></div></div>	6,950	6,300	<div><div></div></div>	6,950	6,400	<div><div></div></div>	
		Teachers and administrators surveyed who agree or strongly agree that Playworks helps increase physical activity	N/A	N/A		90%	97%	<div><div></div></div>	N/A	N/A		94%	93%	<div><div></div></div>	N/A	N/A		90%	90%	<div><div></div></div>	
		Teachers and administrators surveyed who agree or strongly agree that Playworks helps reduce bullying during recess	N/A	N/A		85%	86%	<div><div></div></div>	N/A	N/A		95%	89%	<div><div></div></div>	N/A	N/A		90%	89%	<div><div></div></div>	
		Teachers and administrators surveyed who agree or strongly agree that Playworks helps increase the number of students engaged in healthy play	N/A	N/A		90%	97%	<div><div></div></div>	N/A	N/A		94%	93%	<div><div></div></div>	N/A	N/A		95%	98%	<div><div></div></div>	
		Teachers and administrators surveyed who agree or strongly agree that Playworks helps improve overall school climate	N/A	N/A		85%	93%	<div><div></div></div>	N/A	N/A		90%	88%	<div><div></div></div>	N/A	N/A		95%	98%	<div><div></div></div>	
	Sunnyvale School District <small>FY17 Approved: \$275,000 FY17 Spent: \$275,000 FY16 Approved: \$265,000 FY16 Spent: \$265,000 FY15 Approved: \$267,500 FY15 Spent: \$267,500 New Metrics: 0 of 4</small>	Students served	2,257	2,257	<div><div></div></div>	4,575	4,558	<div><div></div></div>	2,259	2,235	<div><div></div></div>	4,517	4,488	<div><div></div></div>	2,230	2,200	<div><div></div></div>	4,450	4,395	<div><div></div></div>	
		Students with failed vision or hearing screenings who saw their health care provider	40%	44%	<div><div></div></div>	75%	76%	<div><div></div></div>	42%	0%	<div><div></div></div>	77%	72%	<div><div></div></div>	43%	50%	<div><div></div></div>	74%	73%	<div><div></div></div>	
		Students chronically absent due to illness (> 10% of school days) who improved attendance	60%	57%	<div><div></div></div>	60%	62%	<div><div></div></div>	62%	63%	<div><div></div></div>	62%	64%	<div><div></div></div>	64%	60%	<div><div></div></div>	65%	66%	<div><div></div></div>	
		Students identified as needing urgent dental care through on-site screenings who saw a dentist	N/A	N/A		75%	80%	<div><div></div></div>	N/A	N/A		77%	75%	<div><div></div></div>	N/A	N/A		77%	83%	<div><div></div></div>	
	Valley Health Center - Sunnyvale <small>FY17 Approved: \$968,000 FY17 Spent: \$968,000 FY16 Approved: \$1,039,000 FY16 Spent: \$850,031 FY15 Approved: \$1,400,000 FY15 Spent: \$1,400,000 New Metrics: 1 of 6</small>	Express Care Clinic patients	-	-		-	-		300	405	<div><div></div></div>	1,300	1,091	<div><div></div></div>	600	712	<div><div></div></div>	1,400	1,377	<div><div></div></div>	
		Express Care Clinic encounters	-	-		-	-		400	459	<div><div></div></div>	2,600	3,310	<div><div></div></div>	900	938	<div><div></div></div>	3,000	2,779	<div><div></div></div>	
		Dental Clinic patients	700	645	<div><div></div></div>	1,100	1,015	<div><div></div></div>	700	608	<div><div></div></div>	1,100	979	<div><div></div></div>	450	485	<div><div></div></div>	1,000	941	<div><div></div></div>	
		Dental Clinic encounters	1,500	1,653	<div><div></div></div>	3,000	3,204	<div><div></div></div>	1,500	1,408	<div><div></div></div>	3,000	3,367	<div><div></div></div>	1,600	1,640	<div><div></div></div>	3,000	3,155	<div><div></div></div>	
		Dental patients who return for maintenance exam within 9 months	35%	47%	<div><div></div></div>	60%	60%	<div><div></div></div>	60%	56%	<div><div></div></div>	60%	60%	<div><div></div></div>	65%	68%	<div><div></div></div>	70%	63%	<div><div></div></div>	
		Increase in patient satisfaction scores related to getting timely access to care as measured by the Clinician and Group Survey tool over 2015 baseline	-	-		-	-		-	-		-	-		8%	7%	<div><div></div></div>	10%	10%	<div><div></div></div>	
	Vision to Learn <small>FY17 Approved: \$31,979 FY17 Spent: \$16,633 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Free eye exams provided	-	-		-	-		-	-		-	-		100	24	<div><div></div></div>	411	209	<div><div></div></div>	School nurses expressed extreme appreciation for this program because it effectively solved a problem for their students. Program feedback across school communities was resoundingly positive. The first year of this program experienced difficulty scheduling, delaying implementation, which is common in school-based programs. Unspent funds returned.
		Free eyeglasses provided	-	-		-	-		-	-		-	-		100	17	<div><div></div></div>	329	180	<div><div></div></div>	

Community Benefit Dashboard Notes

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Health Priority Area (Column A)	Partner (Column B)	FY17 Metrics (Column C)	FY15 6-month target (Column D)	FY15 6-month actual (Column E)	<div><div></div></div> FY15 % of ALL 6-month metrics met (Column G)	FY15 Annual target (Column H)	FY15 Annual actual (Column I)	<div><div></div></div> FY15 % of ALL annual metrics met (Column K)	FY16 6-month target (Column L)	FY16 6-month actual (Column M)	<div><div></div></div> FY16 %of ALL 6-month metrics met (Column O)	FY16 Annual target (Column P)	FY16 Annual Actual (Column Q)	<div><div></div></div> FY16 % of ALL annual metrics met (Column S)	FY17 6-month target (Column T)	FY17 6-month actual (Column U)	<div><div></div></div> FY17 % 6-month metrics met (Column W)	FY17 Annual Target (Column X)	FY17 Annual Actual (Column Y)	<div><div></div></div> FY17 % Annual metrics met (Column AA)	Supporting Details for Variance (Column AB)		
<div>HEALTHY MIND</div>	Acknowledge Alliance <small>FY17 Approved: \$35,000 FY17 Spent: \$35,000 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Students who receive direct social emotional learning lessons and/or classroom resilience support	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	250	240	<div><div></div></div>	100%	946	955	<div><div></div></div>	75%	
		Teachers who receive resilience support services through: one on one training, classroom observations, professional development, and/or teacher support groups	-	-		-	-		-	-		50	101		<div><div></div></div>	101	101		<div><div></div></div>				
		Teachers will report using at least one strength-based strategy to engage and reach their students at least monthly.	-	-		-	-		-	-		N/A	N/A		<div><div></div></div>	80%	93%		<div><div></div></div>				
		Students who report applying the techniques learned from the social emotional lessons "sometimes" or "more often"	-	-		-	-		-	-		N/A	N/A		<div><div></div></div>	60%	53%		<div><div></div></div>				
	Alzheimer's Association: Asian Dementia Initiative <small>FY17 Approved: \$70,000 FY17 Spent: \$70,000 FY16 Approved: \$60,000 FY16 Spent: \$60,000 FY15 Approved: \$60,000 FY15 Spent: \$60,000 New Metrics: 0 of 4</small>	Individual served	-	-	N/A	-	-	N/A	410	338	<div><div></div></div>	820	899	<div><div></div></div>	500	513	<div><div></div></div>	100%	830	1,869	<div><div></div></div>	100%	Agency exceeded targets by hosting an additional educational forum to address community need.
		Encounters provided	-	-		-	-		825	881	<div><div></div></div>	1700	1844	<div><div></div></div>	830	837	<div><div></div></div>		1,720	2,307	<div><div></div></div>		
		Forum and educational presentation participants who agree or strongly agree that the forums/sessions met their expectations	-	-		-	-		90%	99%	<div><div></div></div>	90%	96%	<div><div></div></div>	90%	98%	<div><div></div></div>		90%	99%	<div><div></div></div>		
		SAVVY CAREGIVER who agree or strongly agree that they know more about how to manage the symptoms of dementia	-	-		-	-		90%	100%	<div><div></div></div>	90%	100%	<div><div></div></div>	90%	100%	<div><div></div></div>		90%	100%	<div><div></div></div>		
	Alzheimer's Association: Latino Family Connections <small>FY17 Approved: \$70,000 FY17 Spent: \$70,000 FY16 Approved: \$60,000 FY16 Spent: \$60,000 FY15 Approved: N/A FY15 Spent: N/A New Metrics: 0 of 4</small>	Individual served	-	-	N/A	-	-	N/A	250	260	<div><div></div></div>	500	508	<div><div></div></div>	252	292	<div><div></div></div>	100%	503	757	<div><div></div></div>	100%	Agency used Promotores (community health workers) and increased media to expand outreach and enrollment.
		Encounters provided	-	-		-	-		50	55	<div><div></div></div>	100	103	<div><div></div></div>	514	622	<div><div></div></div>		1,116	1,180	<div><div></div></div>		
		Participants of Cuidando con Respeto who agree that they know more about how to manage the symptoms of dementia	-	-		-	-		90%	100%	<div><div></div></div>	90%	97%	<div><div></div></div>	90%	90%	<div><div></div></div>		90%	90%	<div><div></div></div>		
		Participants of educational presentations who agree or strongly agree that the program met their expectations	-	-		-	-		90%	92%	<div><div></div></div>	90%	94%	<div><div></div></div>	90%	97%	<div><div></div></div>		90%	98%	<div><div></div></div>		
	CHAC <small>FY17 Approved: \$181,000 FY17 Spent: \$181,000 FY16 Approved: \$192,700 FY16 Spent: \$192,700 FY15 Approved: \$192,700 FY15 Spent: \$192,700 New Metrics: 5 of 5</small>	Students served through counseling	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	250	353	<div><div></div></div>	75%	700	561	<div><div></div></div>	80%	Similar to reports from other school-based counseling programs, CHAC found that an increase in high-needs cases required more hours for each student, resulting in fewer than expected unduplicated students served.
		Students served through psychoeducation program, Just for Kids	-	-		-	-		-	-		-	-		175	187	<div><div></div></div>		500	724	<div><div></div></div>		
		Hours of services provided (individual/family and Just for psychoeducation, Just for Kids, sessions)	-	-		-	-		-	-		-	-		2,180	3,179	<div><div></div></div>		6,008	6380	<div><div></div></div>		
		Students served through individual counseling who show a 20% or more improvement on the Issue-focused Assessment Scale	-	-		-	-		-	-		-	-		N/A	N/A	<div><div></div></div>		80%	82%	<div><div></div></div>		
		Just for Kids students served who show a 15% or more improvement on the Just for Kids Survey	-	-		-	-		-	-		-	-		80%	53%	<div><div></div></div>		80%	72%	<div><div></div></div>		
	Family & Children Services <small>FY17 Approved: \$50,000 FY17 Spent: \$50,000 FY16 Approved: \$50,000 FY16 Spent: \$50,000 FY15 Approved: N/A FY15 Spent: N/A New Metrics: 1 of 4</small>	Individuals served	-	-	N/A	-	-	N/A	50	16	<div><div></div></div>	104	100	<div><div></div></div>	30	69	<div><div></div></div>	100%	66	112	<div><div></div></div>	100%	Program exceeded target; there was a higher than expected number of single encounters, resulting in increased capacity to serve more unduplicated individuals. Agency also received more community members coming for services than in the past.
		Service units provided (counseling, support groups, advocacy, and education)	-	-		-	-		552	80	<div><div></div></div>	1,210	604	<div><div></div></div>	96	139	<div><div></div></div>		230	248	<div><div></div></div>		
		Counseling/advocacy beneficiaries who will report achieving the goal(s) for which they sought assistance	-	-		-	-		-	-	-	-	-	<div><div></div></div>	75%	100%	<div><div></div></div>		80%	99%	<div><div></div></div>		
		Counseling/advocacy beneficiaries who will report increased knowledge of DV and safety strategies	-	-		-	-		75%	100%	<div><div></div></div>	80%	100%	<div><div></div></div>	80%	100%	<div><div></div></div>		90%	100%	<div><div></div></div>		

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<div><div>HEALTHY MIND</div><div></div></div>	GoNoodle <small>FY17 Approved: \$35,000 FY17 Spent: \$35,000 FY16 Approved: \$21,000 FY16 Spent: \$21,000 FY15 Approved: \$27,000 FY15 Spent: \$27,000 New Metrics: 0 of 5</small>	Schools served	41	53	<div><div></div><div></div></div>	41	41	<div><div></div><div></div></div>	26	26	<div><div></div><div></div></div>	26	26	<div><div></div><div></div></div>	25	25	<div><div></div><div></div></div>	25	25	<div><div></div><div></div></div>	100%	100%	
		GoNoodle physical activity breaks played	2,000	14,574	<div><div></div><div></div></div>	4,381	39,469	<div><div></div><div></div></div>	10,000	18,265	<div><div></div><div></div></div>	20,000	36,847	<div><div></div><div></div></div>	15,000	14,652	<div><div></div><div></div></div>	30,000	34,000	<div><div></div><div></div></div>			
		Student physical activity minutes achieved			<div><div></div><div></div></div>			<div><div></div><div></div></div>	400,000	904,100	<div><div></div><div></div></div>	1,000,000	1,995,165	<div><div></div><div></div></div>	800,000	833,546	<div><div></div><div></div></div>	1,600,000	1,987,357	<div><div></div><div></div></div>			
		Teachers who believe GoNoodle benefits their students’ focus and attention in the classroom	N/A	N/A	<div><div></div><div></div></div>	90%	90%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	80%	96%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	90%	96%	<div><div></div><div></div></div>			
		Teachers who agree that GoNoodle Plus physical activity breaks are a valuable resource in helping their students succeed in core subjects	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	80%	98%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	90%	90%	<div><div></div><div></div></div>			
	Law Foundation - Mental Health Advocacy Project <small>FY17 Approved: \$61,919 FY17 Spent: \$61,919 FY16 Approved: \$50,000 FY16 Spent: \$50,000 FY15 Approved: N/A FY15 Spent: N/A New Metrics: 2 of 4</small>	Individuals served through representation	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	31	37	<div><div></div><div></div></div>	62	65	<div><div></div><div></div></div>	75%	Scheduling delays in the first half of the year impacted the outcome. Although not able to achieve annual target, agency had a productive second half of year.	
		Healthcare providers served through educational presentation	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	62	0	<div><div></div><div></div></div>	124	85	<div><div></div><div></div></div>			
		Providers receiving training who increase their understanding of their patients’ rights to medical benefits and other forms of public assistance	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	75%	100%	<div><div></div><div></div></div>	75%	100%	<div><div></div><div></div></div>	75%	0%	<div><div></div><div></div></div>	75%	80%	<div><div></div><div></div></div>			
		Clients receiving services for benefits issues who successfully access or maintain health benefits or other safety-net benefits	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	75%	100%	<div><div></div><div></div></div>	75%	82%	<div><div></div><div></div></div>	75%	83%	<div><div></div><div></div></div>	75%	68%	<div><div></div><div></div></div>			
	Los Altos School District <small>FY17 Approved: \$100,000 FY17 Spent: \$100,000 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Students served	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	20	42	<div><div></div><div></div></div>	50	74	<div><div></div><div></div></div>	75%	This was a first-year ECHD grant and the first-year program used the Strength and Difficulties Questionnaire (SDQ) tool; target-setting may have been too aggressive for current tool scoring method. Staff working with K-8 school counseling programs to collaboratively develop like metrics and data analysis that better demonstrate collective impact of these services. Students self-reported lower than expected on pre-test; improvement was seen in the range of 10% - 30%, but did not reach the 50% threshold.	
		Services provided/encounters (in hours)	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	280	386	<div><div></div><div></div></div>	1,180	1,162	<div><div></div><div></div></div>			
		Students who improve on treatment plan goals by 20% in 6 months and 50% by the end of the school year	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	50%	78%	<div><div></div><div></div></div>			
		Students who improve on the Strength and Difficulties Questionnaire and Impact Assessment by 50%	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	55%	0%	<div><div></div><div></div></div>			
	Maitri <small>FY17 Approved: \$30,000 FY17 Spent: \$30,000 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Adults served	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	5	14	<div><div></div><div></div></div>	10	26	<div><div></div><div></div></div>	100%	Program exceeded target due to difficulty of target-setting for geography. Target has been adjusted for FY18.	
		Helpline clients who report receiving emotional support after they call the crisis line seeking help	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	80%	88%	<div><div></div><div></div></div>	80%	82%	<div><div></div><div></div></div>			
		Legal clients who report increased awareness of their legal rights	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	70%	88%	<div><div></div><div></div></div>	75%	89%	<div><div></div><div></div></div>			
	Momentum for Mental Health <small>FY17 Approved: \$241,000 FY17 Spent: \$241,000 FY16 Approved: \$236,000 FY16 Spent: \$236,000 FY15 Approved: \$236,000 FY15 Spent: \$236,000 New Metrics: 1 of 4</small>	Patients served	100	104	<div><div></div><div></div></div>	118	112	<div><div></div><div></div></div>	100	94	<div><div></div><div></div></div>	118	118	<div><div></div><div></div></div>	100	81	<div><div></div><div></div></div>	118	114	<div><div></div><div></div></div>	100%		
		Services provided	808	805	<div><div></div><div></div></div>	1615	1489	<div><div></div><div></div></div>	808	820	<div><div></div><div></div></div>	1,615	1,635	<div><div></div><div></div></div>	808	690	<div><div></div><div></div></div>	1,615	1,541	<div><div></div><div></div></div>			
		Patients who avoid psychiatric hospitalization for 12 months after admission after beginning services with Momentum	90%	98%	<div><div></div><div></div></div>	90%	98%	<div><div></div><div></div></div>	90%	100%	<div><div></div><div></div></div>	95%	99%	<div><div></div><div></div></div>	95%	100%	<div><div></div><div></div></div>	95%	99%	<div><div></div><div></div></div>			
Patients demonstrating an improved functioning level as evidenced by an increase in the Global Assessment Functioning score of 2 points or more.		95%	92%	<div><div></div><div></div></div>	95%	95%	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	95%	93%	<div><div></div><div></div></div>	95%	99%	<div><div></div><div></div></div>				
Mountain View Los Altos High School District <small>FY17 Approved: \$160,000 FY17 Spent: \$160,000 FY16 Approved: \$160,000 FY16 Spent: \$160,000 FY15 Approved: \$160,000 FY15 Spent: \$160,000 New Metrics: 0 of 4</small>	Students served	65	97	<div><div></div><div></div></div>	150	145	<div><div></div><div></div></div>	75	135	<div><div></div><div></div></div>	150	199	<div><div></div><div></div></div>	75	96	<div><div></div><div></div></div>	150	150	<div><div></div><div></div></div>	100%			
	Hours of services provided	1,190	1,197	<div><div></div><div></div></div>	2,520	2,843	<div><div></div><div></div></div>	1,260	1,512	<div><div></div><div></div></div>	2,520	3,157	<div><div></div><div></div></div>	1,260	1,591	<div><div></div><div></div></div>	2,520	3,137	<div><div></div><div></div></div>				
	Increase in the number of students whose GPA is 2.5 or above	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	10%	24%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	12%	21%	<div><div></div><div></div></div>				
	Reduction in high risk behavior that may result in suspension	N/A	N/A	<div><div></div><div></div></div>	53%	74%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	74%	61%	<div><div></div><div></div></div>	N/A	N/A	<div><div></div><div></div></div>	60%	65%	<div><div></div><div></div></div>				
NAMI SCC <small>FY17 Approved: \$100,000 FY17 Spent: \$100,000 FY16 Approved: \$100,000 FY16 Spent: \$88,794 FY15 Approved: \$10,000 FY15 Spent: \$10,000 New Metrics: 5 of 5</small>	Participants	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	36	43	<div><div></div><div></div></div>	71	79	<div><div></div><div></div></div>	100%	NAMI believe high result is because participants who complete the survey have stayed in the program at least 4 months and have both a higher success rate and a greater desire to be compliant than those who do not get to this point. NAMI adjusted the target to be higher.		
	Peer PALS and Peer Mentors visits	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	450	477	<div><div></div><div></div></div>	900	868	<div><div></div><div></div></div>				
	Peer PALS and Peer Mentors phone calls	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	901	1,105	<div><div></div><div></div></div>	1,801	1,887	<div><div></div><div></div></div>				
	Participants reporting that the program helped them feel more hopeful about their futures and their recovery	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	70%	78%	<div><div></div><div></div></div>	70%	76%	<div><div></div><div></div></div>				
	Participants reporting that the program helped them be more cooperative with their treatment plan	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	-	-	<div><div></div><div></div></div>	65%	94%	<div><div></div><div></div></div>	65%	93%	<div><div></div><div></div></div>				


Community Benefit Dashboard Notes

A metric receives a “green” dot if the target was met, exceeded or within 10% of the target goal

A metric receives a “red” dot if the target was not met by an excess of 10% of the target goal

N/A

There are some 6-month metric targets with “N/A” because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area (Column A)	Partner (Column B)	FY17 Metrics (Column C)	FY15 6-month target (Column D)	FY15 6-month actual (Column E)	<div><div></div></div> FY15 % of ALL 6-month metrics met (Column G)	FY15 Annual target (Column H)	FY15 Annual actual (Column I)	<div><div></div></div> FY15 % of ALL annual metrics met (Column K)	FY16 6-month target (Column L)	FY16 6-month actual (Column M)	<div><div></div></div> FY16 %of ALL 6-month metrics met (Column O)	FY16 Annual target (Column P)	FY16 Annual Actual (Column Q)	<div><div></div></div> FY16 % of ALL annual metrics met (Column S)	FY17 6-month target (Column T)	FY17 6-month actual (Column U)	<div><div></div></div> FY17 % 6-month metrics met (Column W)	FY17 Annual Target (Column X)	FY17 Annual Actual (Column Y)	<div><div></div></div> FY17 % Annual metrics met (Column AA)	Supporting Details for Variance (Column AB)
<div><div>HEALTHY COMMUNITY</div></div>	CHI <small>FY17 Approved: \$215,200 FY17 Spent: \$210,235 FY16 Approved: \$190,200 FY16 Spent: \$190,200 FY15 Approved:\$190,000 FY15 Spent: \$190,000 New Metrics: 0 of 4</small>	Individuals served	280	290	<div><div></div></div>	625	793	<div><div></div></div>	300	413	<div><div></div></div>	625	864	<div><div></div></div>	300	326	<div><div></div></div>	625	706	<div><div></div></div>	
		Services provided	540	550	<div><div></div></div>	1,296	1,539	<div><div></div></div>	700	519	<div><div></div></div>	1,450	1,541	<div><div></div></div>	700	638	<div><div></div></div>	1,450	1,785	<div><div></div></div>	
		Individuals who received assistance from CHI to help them better access care (e.g. referrals to physicians, getting connected to services, providing healthcare resources)	-	-	<div><div></div></div>	-	-	<div><div></div></div>	80	87	<div><div></div></div>	160	144	<div><div></div></div>	80	85	<div><div></div></div>	165	205	<div><div></div></div>	
		Participants who strongly agree or agree that the program's health education or screening helps them better manage their health	N/A	N/A	<div><div></div></div>	80%	99%	<div><div></div></div>	N/A	N/A	<div><div></div></div>	95%	96%	<div><div></div></div>	N/A	N/A	<div><div></div></div>	85%	86%	<div><div></div></div>	
	Farewell to Falls <small>FY17 Approved: \$29,160 FY17 Spent: \$19,510 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Older adults served	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	20	20	<div><div></div></div>	60	57	<div><div></div></div>	
		Older adults who are compliant with exercise recommendations	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	50%	55%	<div><div></div></div>	50%	81%	<div><div></div></div>	Program adopted a different evidence-based exercise program that has increased exercise compliance in older adults and were more likely to follow through with recommendations; improved training and supervision of volunteers may have also contributed to increased compliance.
		Older adults who decrease injurious falls that require a 911 call, Emergency Department, or doctor's visit	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	80%	100%	<div><div></div></div>	70%	92%	<div><div></div></div>	
	HLRC - MV <small>FY17 Approved: \$393,491 FY17 Spent: \$388,874 FY16 Approved: \$393,491 FY16 Spent: \$393,491 FY15 Approved: \$453,616 FY15 Spent: \$406,169 New Metrics: 0 of 5</small>	Individuals served	14,400	15,496	<div><div></div></div>	28,800	31,691	<div><div></div></div>	12,000	12,310	<div><div></div></div>	24,000	21,985	<div><div></div></div>	12,015	10,768	<div><div></div></div>	24,030	21,149	<div><div></div></div>	
		New members registered	375	400	<div><div></div></div>	750	930	<div><div></div></div>	325	358	<div><div></div></div>	650	628	<div><div></div></div>	328	306	<div><div></div></div>	656	631	<div><div></div></div>	
		Individuals who strongly agree or agree that eldercare referrals appropriate to their needs	N/A	N/A	<div><div></div></div>	95%	98%	<div><div></div></div>	N/A	N/A	<div><div></div></div>	95%	100%	<div><div></div></div>	95%	83%	<div><div></div></div>	95%	87%	<div><div></div></div>	
		Individuals who strongly agree or agree that eldercare consultations increased their knowledge of care options	N/A	N/A	<div><div></div></div>	95%	95%	<div><div></div></div>	N/A	N/A	<div><div></div></div>	95%	94%	<div><div></div></div>	95%	100%	<div><div></div></div>	95%	100%	<div><div></div></div>	
		Individuals who strongly agree or agree that the library has proven valuable in helping them manage their health or the health of a family member	N/A	N/A	<div><div></div></div>	65%	78%	<div><div></div></div>	N/A	N/A	<div><div></div></div>	75%	74%	<div><div></div></div>	N/A	N/A	<div><div></div></div>	75%	85%	<div><div></div></div>	
	Hypertension Initiative (American Heart Association, MayView Community Health Center, and Awareness Campaign Partners) <small>FY17 Approved: \$161,627 FY17 Spent: \$155,681 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Health Screenings and Check.Change.Control. Program			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>	
		Participants reached through education and community screenings	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	250	351	<div><div></div></div>	1,000	1,023	<div><div></div></div>	
		Individuals served through Check.Change.Control blood pressure program	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	50	54	<div><div></div></div>	100	105	<div><div></div></div>	
		Participants who improve blood pressure by 5mmHg	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	N/A	N/A	<div><div></div></div>	30%	41%	<div><div></div></div>	
		Participants who are compliant with measuring their blood pressure eight times within the four months of the Check.Change.Control program	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	N/A	N/A	<div><div></div></div>	50%	58%	<div><div></div></div>	
		Participants who report adopting healthy behaviors to improve blood pressure (including increasing intake of fruits and vegetables to 4 servings/day and increasing exercise to 30 minutes/day)	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	N/A	N/A	<div><div></div></div>	30%	25%	<div><div></div></div>	Diet change is especially difficult for low-income communities who encounter greater access barriers to fresh fruits and vegetables. The program partnered with fellow grantee Fresh Approach, which is working to improve fresh food access, and will continue to make food access a component of blood pressure management in this program.
		Heart Health Hub events coordinated	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	2	2	<div><div></div></div>	4	6	<div><div></div></div>	
		#KnowYourBloodPressure Awareness Campaign			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>	
		District population reached through views of bus shelter ads	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	N/A	N/A	<div><div></div></div>	25%	25%	<div><div></div></div>	
		Impressions from local newspaper print ads			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>			<div><div></div></div>	N/A	N/A	<div><div></div></div>	347,000	347,448	<div><div></div></div>	
		Impressions from Mercury News digital banner ads	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	N/A	N/A	<div><div></div></div>	200,000	300,004	<div><div></div></div>	
		Impressions from social media campaign	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	-	-	<div><div></div></div>	N/A	N/A	<div><div></div></div>	36,000	340,368	<div><div></div></div>	First-time social media campaign with new partners. Targets set conservatively, particularly because the District does not have a Facebook page and it was unclear whether this tool social media tool could be used on platform when target was set.


Community Benefit Dashboard Notes

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A metric receives a “red” dot if the target was not met by an excess of 10% of the target goal

N/A

There are some 6-month metric targets with “N/A” because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area (Column A)	Partner (Column B)	FY17 Metrics (Column C)	FY15 6-month target (Column D)	FY15 6-month actual (Column E)	<div><div></div><div></div></div> FY15 % of ALL 6-month metrics met (Column G)	FY15 Annual target (Column H)	FY15 Annual actual (Column I)	<div><div></div><div></div></div> FY15 % of ALL annual metrics met (Column K)	FY16 6-month target (Column L)	FY16 6-month actual (Column M)	<div><div></div><div></div></div> FY16 % of ALL 6- month metrics met (Column O)	FY16 Annual target (Column P)	FY16 Annual Actual (Column Q)	<div><div></div><div></div></div> FY16 % of ALL annual metrics met (Column S)	FY17 6-month target (Column T)	FY17 6-month actual (Column U)	<div><div></div><div></div></div> FY17 % 6- month metrics met (Column W)	FY17 Annual Target (Column X)	FY17 Annual Actual (Column Y)	<div><div></div><div></div></div> FY17 % Annual metrics met (Column AA)	Supporting Details for Variance (Column AB)			
<div>HEALTHY COMMUNITY</div> <div></div>	Rebuilding Together <small>FY17 Approved: \$50,000 FY17 Spent: \$50,000 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Homes assessed and modification planned for seniors aged 62+ or individuals at higher risk of fall (i.e. disability or illness)	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	5	6	<div><div></div><div></div></div>	100%	14	14	<div><div></div><div></div></div>	100%		
		Recipients who report not having an unintentional injury resulting from a fall in their home after completed home repairs	-	-		-	-		-	-		-	N/A		N/A	<div><div></div><div></div></div>	80%		100%	<div><div></div><div></div></div>				
		Recipients who report feeling safer in their homes after completed home repairs	-	-		-	-		-	-		-	-		80%	100%	<div><div></div><div></div></div>		80%	100%	<div><div></div><div></div></div>			
		Recipients who would recommend or highly recommend this program to a friend	-	-		-	-		-	-		-	-		80%	100%	<div><div></div><div></div></div>		80%	100%	<div><div></div><div></div></div>			
	RoadRunners - MV <small>FY17 Approved: \$313,353 FY17 Spent: \$288,361 FY16 Approved: \$313,353 FY16 Spent: \$313,353 FY15 Approved: \$311,631 FY15 Spent: \$229,769 New Metrics: 0 of 4</small>	Older adults served	350	357	<div><div></div><div></div></div>	100%	700	1,190	<div><div></div><div></div></div>	500	732	<div><div></div><div></div></div>	1,000	1,528	<div><div></div><div></div></div>	532	727	<div><div></div><div></div></div>	100%	1,200	1,272	<div><div></div><div></div></div>	100%	
		Rides provided	5,000	4,559	<div><div></div><div></div></div>		10,000	9,050	<div><div></div><div></div></div>	5,000	4,230	<div><div></div><div></div></div>	10,000	8,237	<div><div></div><div></div></div>	4,230	4,322	<div><div></div><div></div></div>		8,460	8,223	<div><div></div><div></div></div>		
		Older adults who strongly agree or agree that having RoadRunners services helped in maintaining their independence	N/A	N/A	90%		94%	<div><div></div><div></div></div>	90%	99%	<div><div></div><div></div></div>	90%	92%	<div><div></div><div></div></div>	90%	96%	<div><div></div><div></div></div>	92%		92%	<div><div></div><div></div></div>			
		Older adults who strongly agree or agree with the statement that having RoadRunners services made it possible to get to their medical appointments	N/A	N/A	95%		95%	<div><div></div><div></div></div>	95%	96%	<div><div></div><div></div></div>	95%	92%	<div><div></div><div></div></div>	95%	96%	<div><div></div><div></div></div>	95%		93%	<div><div></div><div></div></div>			
	South Asian Heart Center <small>FY17 Approved: \$180,000 FY17 Spent: \$180,000 FY16 Approved: \$180,000 FY16 Spent: \$180,000 FY15 Approved: \$200,000 FY15 Spent: \$186,144 New Metrics: 4 of 6</small>	Individuals served	250	250	<div><div></div><div></div></div>	100%	500	500	<div><div></div><div></div></div>	275	301	<div><div></div><div></div></div>	550	858	<div><div></div><div></div></div>	220	231	<div><div></div><div></div></div>	100%	440	471	<div><div></div><div></div></div>	100%	
		Services provided	1,250	1,350	<div><div></div><div></div></div>		2,500	2,585	<div><div></div><div></div></div>	1,500	1,612	<div><div></div><div></div></div>	3,000	2,804	<div><div></div><div></div></div>	950	921	<div><div></div><div></div></div>		2,600	2,600	<div><div></div><div></div></div>		
		Improvement in average level of weekly physical activity from baseline	-	-	-		-	-	-	-	-	14%	18%	<div><div></div><div></div></div>	16%	17%	<div><div></div><div></div></div>							
		Improvement in average levels of daily servings of vegetables from baseline	-	-	-		-	-	-	-	-	11%	18%	<div><div></div><div></div></div>	13%	14%	<div><div></div><div></div></div>							
		Improvement in levels of HDL-C as measured by follow-up lab test	-	-	-		-	-	-	-	-	3%	5%	<div><div></div><div></div></div>	4%	4%	<div><div></div><div></div></div>							
		Improvement in cholesterol ratio as measured by follow-up lab test	-	-	-		-	-	-	-	-	5%	6%	<div><div></div><div></div></div>	6%	6%	<div><div></div><div></div></div>							
	Sunnyvale Community Services - Case Mgmt. <small>FY17 Approved: \$75,000 FY17 Spent: \$75,000 FY16 Approved: \$65,000 FY16 Spent: \$65,000 FY15 Approved: \$65,000 FY15 Spent: \$65,000 New Metrics: 3 of 4</small>	Individuals enrolled in Comprehensive Case Management	60	85	<div><div></div><div></div></div>	100%	100	116	<div><div></div><div></div></div>	60	30	<div><div></div><div></div></div>	100	101	<div><div></div><div></div></div>	45	46	<div><div></div><div></div></div>	100%	100	93	<div><div></div><div></div></div>	100%	
		Services provided	-	-	-		-	-	-	-	270	292	<div><div></div><div></div></div>	600	590	<div><div></div><div></div></div>								
		Sheltered clients who maintain housing for 60 days after financial assistance and referrals	-	-	-		-	-	-	-	90%	100%	<div><div></div><div></div></div>	90%	90%	<div><div></div><div></div></div>								
		Homeless clients who are moved to temporary/permanent housing within 6 months of case plan	-	-	-		-	-	-	-	80%	81%	<div><div></div><div></div></div>	80%	81%	<div><div></div><div></div></div>								
	Sunnyvale Community Services - Emergency Assistance <small>FY17 Approved: \$85,000 FY17 Spent: \$85,000 FY16 Approved: \$75,000 FY16 Spent: \$75,000 FY15 Approved: \$75,000 FY15 Spent: \$75,000 New Metrics: 3 of 5</small>	Individuals served	300	346	<div><div></div><div></div></div>	100%	650	656	<div><div></div><div></div></div>	750	2,480	<div><div></div><div></div></div>	780	981	<div><div></div><div></div></div>	2,450	2,384	<div><div></div><div></div></div>	75%	2,600	2,600	<div><div></div><div></div></div>	100%	
		Individuals receiving financial assistance	-	-	-		-	30	18	<div><div></div><div></div></div>	60	59	<div><div></div><div></div></div>	16	10	<div><div></div><div></div></div>	33	30		<div><div></div><div></div></div>				
		Food program distribution participation	-	-	-		-	-	-	-	-	-	<div><div></div><div></div></div>	13,569	13,894	<div><div></div><div></div></div>	31,200	33,146		<div><div></div><div></div></div>				
		Individuals receiving financial assistance for medically related bills who are still housed 60 days after assistance - if they are not homeless when assisted	-	-	-		-	-	-	-	-	-	<div><div></div><div></div></div>	75%	100%	<div><div></div><div></div></div>	75%	100%		<div><div></div><div></div></div>				
		Individuals who rate emergency assistance service as effective in meeting their needs as 4 or 5 on a 5-point scale	N/A	N/A	90%		95%	<div><div></div><div></div></div>	-	-	-	-	N/A	N/A	<div><div></div><div></div></div>	80%	95%	<div><div></div><div></div></div>						
	Working Partnerships USA <small>FY17 Approved: \$65,000 FY17 Spent: \$65,000 FY16 Approved: \$100,000 FY16 Spent: \$83,706 FY15 Approved: N/A FY15 Spent: N/A</small>	Individuals served	-	-	N/A	-	-	N/A	1,800	5,242	<div><div></div><div></div></div>	25%	2,700	4,313	<div><div></div><div></div></div>	693	1,546	<div><div></div><div></div></div>	100%	2,079	3,970	<div><div></div><div></div></div>	100%	Agency executed a new canvassing strategy with bilingual neighborhood action team that involved more in-depth conversation with community members, rather than quick, survey-style canvassing, resulting in higher than anticipated program engagement.
		Encounters provided	-	-		-	-		4,000	5,242	<div><div></div><div></div></div>		6,000	8,890	<div><div></div><div></div></div>	2,100	2,004	<div><div></div><div></div></div>		6,300	9,029	<div><div></div><div></div></div>		
		Individuals directly connected to enrollment entities for processing	-	-		-	-		600	0	<div><div></div><div></div></div>		900	1,527	<div><div></div><div></div></div>	231	1,134	<div><div></div><div></div></div>		693	1,220	<div><div></div><div></div></div>		
	YMCA <small>FY17 Approved: \$70,000 FY17 Spent: \$70,000 FY16 Approved: N/A FY16 Spent: N/A FY15 Approved: N/A FY15 Spent: N/A New Metrics: N/A</small>	Campers served (K-8)	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	200	227	<div><div></div><div></div></div>	75%	400	408	<div><div></div><div></div></div>	100%		
		Families who agree or strongly that their children were more physically active after attending camp	-	-		-	-		-	-		-	-		70%	83%	<div><div></div><div></div></div>		70%	70%	<div><div></div><div></div></div>			
		Families who agree or strongly agree that their child eats more fruits and vegetables after attending camp	-	-		-	-		-	-		-	-		40%	49%	<div><div></div><div></div></div>		40%	49%	<div><div></div><div></div></div>			

Community Benefit Dashboard Notes

A metric receives a “green” dot if the target was met, exceeded or within 10% of the target goal

A metric receives a “red” dot if the target was not met by an excess of 10% of the target goal

N/A

There are some 6-month metric targets with “N/A” because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area (Column A)	Partner (Column B)	FY17 Metrics (Column C)	FY15 6-month target (Column D)	FY15 6-month actual (Column E)	<div><div></div><div></div></div> FY15 % of ALL 6-month metrics met (Column G)	FY15 Annual target (Column H)	FY15 Annual actual (Column I)	<div><div></div><div></div></div> FY15 % of ALL annual metrics met (Column K)	FY16 6-month target (Column L)	FY16 6-month actual (Column M)	<div><div></div><div></div></div> FY16 %of ALL 6- month metrics met (Column O)	FY16 Annual target (Column P)	FY16 Annual Actual (Column Q)	<div><div></div><div></div></div> FY16 % of ALL annual metrics met (Column S)	FY17 6-month target (Column T)	FY17 6-month actual (Column U)	<div><div></div><div></div></div> FY17 % 6- month metrics met (Column W)	FY17 Annual Target (Column X)	FY17 Annual Actual (Column Y)	<div><div></div><div></div></div> FY17 % Annual metrics met (Column AA)	Supporting Details for Variance (Column AB)
Small Grants																					
<div>HEALTHY BODY</div>	BAWSI (Small Grant) <small>FY17 Approved: \$16,000 FY17 Spent: \$16,000 FY16 Approved: \$15,000 FY16 Spent: \$15,000</small>	Youth served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	60	60	<div><div></div><div></div></div> 100%	112	98	<div><div></div><div></div></div> 0%	
	Breathe California (Small Grant) <small>FY17 Approved: \$25,000 FY17 Spent: \$25,000 FY16 Approved: N/A FY16 Spent: N/A</small>	Older adults served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	N/A	N/A	N/A	1,000	1,045	<div><div></div><div></div></div> 100%	
	Day Worker Center (Small Grant) <small>FY17 Approved: \$25,000 FY17 Spent: \$25,000 FY16 Approved: \$20,000 FY16 Spent: \$20,000</small>	Individuals served with nutritious meals	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	300	431	<div><div></div><div></div></div> 100%	460	535	<div><div></div><div></div></div> 100%	
	Hope's Corner (Small Grant) <small>FY17 Approved: \$25,000 FY17 Spent: \$25,000 FY16 Approved: \$15,768 FY16 Spent: \$15,768</small>	Individuals served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	325	350	<div><div></div><div></div></div> 100%	325	327	<div><div></div><div></div></div> 100%	
<div></div>	Cancer CAREpoint (Small Grant) <small>FY17 Approved: \$20,000 FY17 Spent: \$20,000 FY16 Approved: \$20,000 FY16 Spent: \$20,000</small>	Individuals served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	45	48	<div><div></div><div></div></div> 100%	90	161	<div><div></div><div></div></div> 100%	
<div>HEALTHY MIND</div>	EDRC (Small Grant) <small>FY17 Approved: \$20,000 FY17 Spent: \$20,000 FY16 Approved: \$17,600 FY16 Spent: \$17,6000</small>	Individuals served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	196	265	<div><div></div><div></div></div> 100%	350	335	<div><div></div><div></div></div> 100%	
<div></div>	IAHV - Youth Empowerment Seminar (Small Grant) <small>FY17 Approved: \$11,000 FY17 Spent: \$11,000 FY16 Approved: N/A FY16 Spent: N/A</small>	Individuals served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	450	600	<div><div></div><div></div></div> 100%	450	600	<div><div></div><div></div></div> 100%	

Community Benefit Dashboard Notes

A metric receives a “green” dot if the target was met, exceeded or within 10% of the target goal

A metric receives a “red” dot if the target was not met by an excess of 10% of the target goal

N/A There are some 6-month metric targets with “N/A” because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

Health Priority Area (Column A)	Partner (Column B)	FY17 Metrics (Column C)	FY15 6-month target (Column D)	FY15 6-month actual (Column E)	<div><div></div></div> <div>FY15 % of ALL 6-month metrics met (Column G)</div>	FY15 Annual target (Column H)	FY15 Annual actual (Column I)	<div><div></div></div> <div>FY15 % of ALL annual metrics met (Column K)</div>	FY16 6-month target (Column L)	FY16 6-month actual (Column M)	<div><div></div></div> <div>FY16 %of ALL 6- month metrics met (Column O)</div>	FY16 Annual target (Column P)	FY16 Annual Actual (Column Q)	<div><div></div></div> <div>FY16 % of ALL annual metrics met (Column S)</div>	FY17 6-month target (Column T)	FY17 6-month actual (Column U)	<div><div></div></div> <div>FY17 % 6- month metrics met (Column W)</div>	FY17 Annual Target (Column X)	FY17 Annual Actual (Column Y)	<div><div></div></div> <div>FY17 % Annual metrics met (Column AA)</div>	Supporting Details for Variance (Column AB)		
Small Grants (Continued) ⓘ																							
<div><div>HEALTHY MIND</div><div></div></div>	Next Door Solutions (Small Grant) FY17 Approved: \$6,773 FY17 Spent: \$1,306 FY16 Approved: \$50,000 (ECH) FY16 Spent: \$50,000 (ECH)	Individuals served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	N/A	N/A	N/A	24	0	<div><div></div></div>	0%	Program unable to secure space in the District for support group within the grant year; unspent funds returned.	
	Prevention Partnership, Int. (Small Grant) FY17 Approved: \$22,500 FY17 Spent: \$22,500 FY16 Approved: N/A FY16 Spent: N/A	Complete curriculum development	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	50%	45%	<div><div></div></div>	100%	100%	100%	<div><div></div></div>	100%	
	Seniors Council (Small Grant) FY17 Approved: \$25,000 FY17 Spent: \$25,000 FY16 Approved: N/A FY16 Spent: N/A	Older adults served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	16	14	<div><div></div></div>	0%	24	22	<div><div></div></div>	100%	
<div><div>HEALTHY COMMUNITY</div><div></div></div>	Friends for Youth (Small Grant) FY17 Approved: \$20,000 FY17 Spent: \$20,000 FY16 Approved: \$20,000 FY16 Spent: \$20,000	Youth served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	25	37	<div><div></div></div>	100%	47	60	<div><div></div></div>	100%	
	Matter of Balance (Small Grant) FY17 Approved: \$10,628 FY17 Spent: \$ 10,032 FY16 Approved: N/A FY16 Spent: N/A	At-risk older adults served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	50	35	<div><div></div></div>	0%	120	117	<div><div></div></div>	100%	
	MVPD - Dreams and Futures Camp (Small Grant) FY17 Approved: \$25,000 FY17 Spent: \$17,490 FY16 Approved: N/A FY16 Spent: N/A	Youth served	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	40	32	<div><div></div></div>	0%	95	64	<div><div></div></div>	0%	Agency experienced unanticipated scheduling conflict

Community Benefit Dashboard Notes

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A metric receives a “red” dot if the target was not met by an excess of 10% of the target goal

N/A

There are some 6-month metric targets with “N/A” because the client/patient has not had significant exposure to the intervention in order to accurately evaluate effectiveness or because activities or surveys are not scheduled until the second half of the year

2017

COMMUNITY BENEFIT REPORT

For the fiscal year ending June 30, 2017

Published: September 2017



EL CAMINO HEALTHCARE DISTRICT



EL CAMINO HEALTHCARE DISTRICT



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY



El Camino Hospital
THE HOSPITAL OF SILICON VALLEY



2017

COMMUNITY BENEFIT REPORT

This report provides a recap of the Community Benefit Programs for El Camino Hospital and El Camino Healthcare District for fiscal year 2017.

Each organization has a separate Community Benefit Fund, sharing a common purpose: to improve the health and well-being of the people served. Both organizations have helped drive positive change for a diverse group of individuals and families throughout Santa Clara County. This report illustrates key issues facing underserved residents, strategies to address them, and the impact Community Benefit dollars have made in our community.

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Additional El Camino Hospital Information
The 2017 Community Benefit Plan, 2017 Community Benefit Report, and Community Health Needs Assessment are available at www.elcaminohospital.org/communitybenefit

Additional El Camino Healthcare District Information
The 2017 El Camino Healthcare District Community Benefit Plan and 2017 Community Benefit Report are available at www.elcaminohealthcaredistrict.org/communitybenefit

For the Benefit of Our Community



El Camino Hospital, Mountain View

El Camino Healthcare District Community Benefit Program

El Camino Healthcare District (ECHD) Community Benefit strives to meet the needs of underserved and vulnerable District individuals and families. The District works to address these needs by funding programs and services administered by nonprofits, school districts, and other community-based organizations.

- Program Grants
- Support Grants
- Sponsorships

All funds must be approved by the El Camino Healthcare District Board of Directors.

“We are a strong partner with organizations serving our community’s most vulnerable members. The needs are striking: About a quarter of our community lives in poverty, and almost 40 percent of children are eligible for free or reduced-price lunch at school. One in 10 lacks insurance, and homelessness is on the rise. The programs we fund improve health by combating significant hardships people face every day.”

Cecile Currier, Vice President, Corporate & Community Health Services, El Camino Hospital



El Camino Hospital Community Benefit Program

As an independent, nonprofit community hospital, El Camino Hospital (ECH) is committed to delivering quality care to everyone in our community. El Camino Hospital Community Benefit funds a variety of community-based programs in the hospital’s service area, including Campbell, Cupertino, Los Gatos, San Jose, Santa Clara, and Saratoga.

All funds must be approved by the El Camino Hospital Board of Directors.

ECH Community Benefit includes additional categories such as:

- Financial Assistance (Charity Care)
- Subsidized Health Services
- Training and Education for Health Professionals
- Unreimbursed Medi-Cal Costs
- Clinical Research
- Community Health Improvement Services
- Community Benefit Operations
- Grants and Sponsorships

How do we identify unmet health needs in our community?

El Camino Hospital conducts a Community Health Needs Assessment (CHNA) every three years to identify our community’s top unmet health needs. This robust process includes:

- Collecting and analyzing data on health conditions, such as obesity, diabetes, Alzheimer’s disease, mental health, and injuries from falls
- Capturing input from a wide spectrum of community members through:
 - » Interviews with local health experts
 - » Surveys with community stakeholders
 - » Focus groups representing issues facing the homeless, the medically underserved, those with mental health conditions, seniors, youth, immigrant children, and more
- Prioritizing health needs to address

El Camino Hospital’s CHNA builds on work done with health leaders in the Santa Clara County Community Benefit Coalition. This coalition includes El Camino Hospital and six other hospitals, the Santa Clara County Public Health Department, the Hospital Council of Northern and Central California, and the Palo Alto Medical Foundation.

The El Camino Hospital 2016 CHNA report is available online at www.elcaminohospital.org/communitybenefit



How do we decide which programs to fund?

El Camino Hospital and El Camino Healthcare District use the most current (2016) CHNA to guide the Community Benefit Grants Programs with the following priority area framework:

HEALTHY BODY

HEALTHY MIND

HEALTHY COMMUNITY

Annual Community Benefit Grant Application Process

January	February	March/April/May	June	July
Release of Grant Applications on Hospital and District websites	Applications due	Formal Application Review Process Presentation to the El Camino Hospital and El Camino Healthcare District’s Community Benefit Advisory Councils for review Community Benefit Advisory Councils provide grant recommendations Development of Annual Community Benefit Plans	El Camino Hospital and El Camino Healthcare District Boards of Directors assess and approve the fiscal year Community Benefit Plans Applicants are notified of funding allocations	New Grant Programs begin (fiscal year is July 1 – June 30)

COMMUNITY BENEFIT GRANTS SUPPORT
Three Health Priorities



These grants support efforts to prevent the onset of disease and improve access to primary care, chronic disease management, health and wellness education, and oral health.



These grants provide access to mental health services for youth and adults. Issues addressed include depression, anxiety, dementia, domestic violence, and substance use.



These grants promote the improvement of overall health in the community. Programs focus on issues such as access to transportation, falls prevention, free community screenings, and health education.

SANTA CLARA COUNTY HAS THE
5th LARGEST
ALZHEIMER'S DISEASE
POPULATION IN
CALIFORNIA

SOUTH ASIANS ARE
2 TIMES
MORE LIKELY TO
HAVE HEART DISEASE
THAN THE GENERAL
POPULATION

15,000
LOW-INCOME SANTA
CLARA COUNTY
SCHOOL CHILDREN
ARE ESTIMATED TO
NEED GLASSES

36%
OF ADULTS IN
SANTA CLARA COUNTY
**LACK DENTAL
INSURANCE**

7,045
HOMELESS PEOPLE
RESIDE IN OUR COUNTY

HYPERTENSION
AFFECTS
27%
OF ADULTS IN
SANTA CLARA COUNTY

**1 IN 3 ADULTS HAS
PREDIABETES**

El Camino Healthcare District 2017 Grant Recipients



\$6.4 million was invested to address unmet health needs and improve the health of people in the district

HEALTHY BODY PROGRAM PARTNERS

5210 Health Awareness Program
BAWSI (Bay Area Women's Sports Initiative)
Breathe California
Community Services Agency, Mountain View
Cupertino Union School District – School Nurse Program
Day Worker Center of Mountain View
Fresh Approach
GoNoodle
Healthier Kids Foundation
Health Mobile
Hope's Corner
Living Classroom
Lucile Packard Foundation for Children's Health – Teen Van
MayView Community Health Center
Medical Respite
Mountain View Whisman School District – School Nurse Program
New Directions
Pathways Home Health & Hospice
Playworks
Sunnyvale School District – School Nurse Program
Valley Health Center Sunnyvale
Vision to Learn

HEALTHY MIND PROGRAM PARTNERS

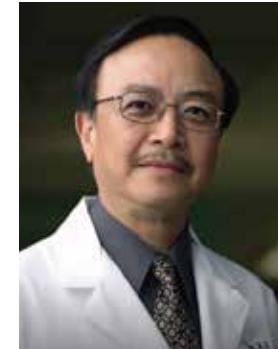
Acknowledge Alliance
Alzheimer's Association – Asian Dementia Initiative and Latino Family Connections
Cancer CAREpoint
CHAC (Community Health Awareness Council) at Sunnyvale School District
Eating Disorders Resource Center
International Association for Human Values
Law Foundation of Silicon Valley
Los Altos School District – Mental Health Counseling Program
Momentum for Mental Health
Mountain View Los Altos High School District – Mental Health Counseling Program
National Alliance on Mental Illness (NAMI) Santa Clara County
Prevention Partnership International
Seniors Council

HEALTHY COMMUNITY PROGRAM PARTNERS

American Heart Association Silicon Valley
Chinese Health Initiative
Family & Children's Services of Silicon Valley (a division of Caminar)
Farewell to Falls
Friends for Youth
Health Library & Resource Center Mountain View
Hypertension Initiative
#KnowYourBloodPressure Public Awareness Campaign
Maitri
Matter of Balance
Mountain View Police Department Youth Services Unit
Next Door Solutions to Domestic Violence
Rebuilding Together
RoadRunners
South Asian Heart Center
Sunnyvale Community Services
Working Partnerships USA
YMCA Silicon Valley

Dear Community Members,

I am delighted to share with you my great pride and enthusiasm for all that the El Camino Healthcare District Community Benefit Program accomplished in FY2017. Our funding of primary and dental care services enabled thousands of underserved community members to get needed medical and dental care. The Hypertension Initiative, including the #KnowYourBloodPressure public awareness campaign, reached more than 100,000 community members with information about the too often unknown risks of high blood pressure and provided free screenings to hundreds of District residents. Our school nurse and mental health programs yielded huge dividends for school children and teens, with improved rates of follow-up appointments for children failing hearing and vision tests and access to counseling. These are just a few of the positive results our Community Benefit partners have achieved to improve the health and well-being of our community.



The rigorous process of the triennial Community Health Needs Assessment identifies unmet health needs in our community and sets priorities for the El Camino Healthcare District Community Benefit Grants Program. Our three priority areas, new in FY17, are Healthy Body, Healthy Mind, and Healthy Community. We are eager to continue tackling these priorities. I encourage you to review this report to better understand both the health needs in our community, and the important strategies and programs we are supporting to address them.

In this time of great uncertainty in our healthcare delivery system, our community's most vulnerable members deserve security, access to health services, and peace of mind more than ever. Our Community Benefit Grants Program addresses this overarching need in multiple ways. I am honored to be a part of this effort and look forward to another year of positive change.

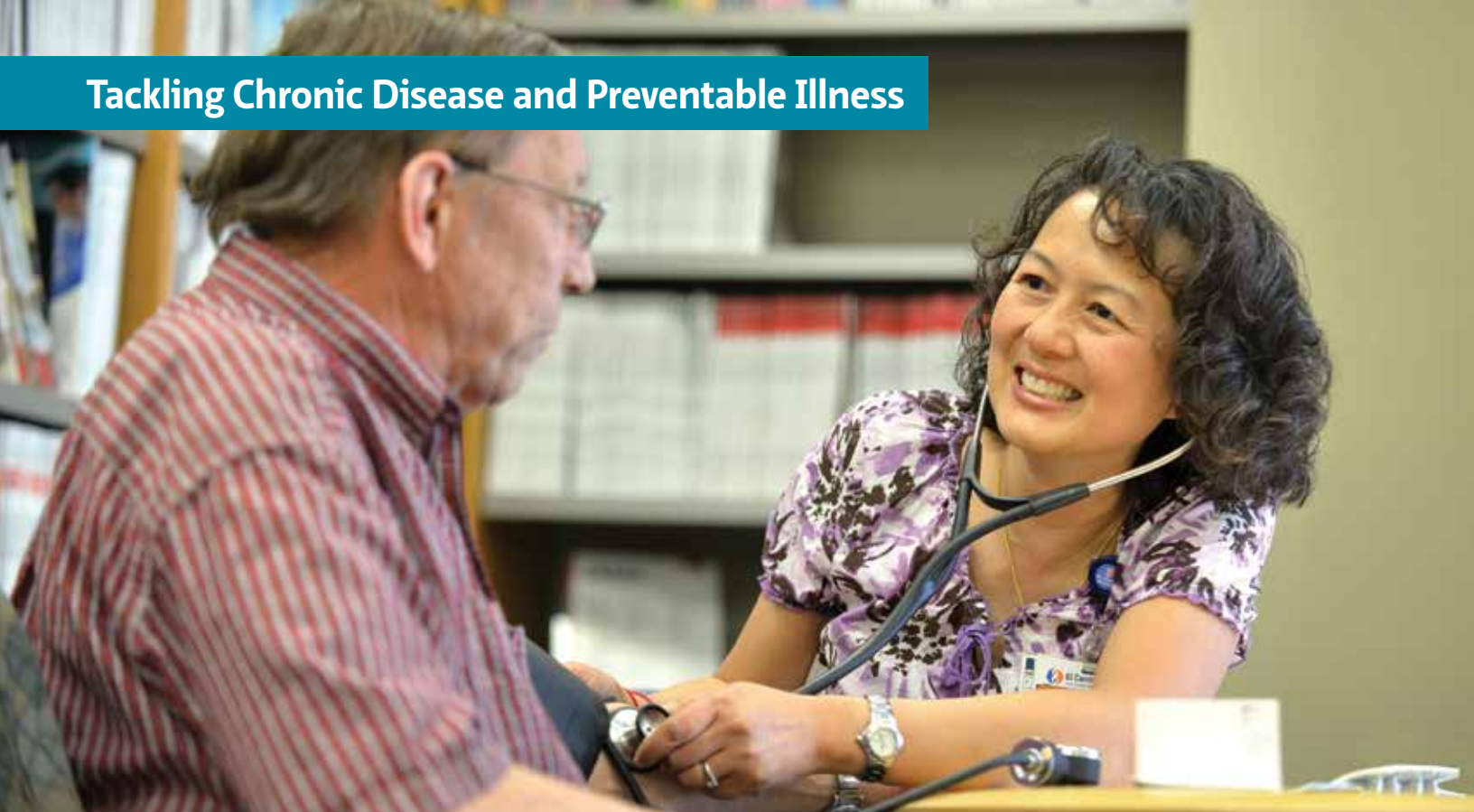
Sincerely,

Peter C. Fung, MD, MS, FACP, FAAN, FAHA
FY17 Chair, Board of Directors, El Camino Healthcare District



EL CAMINO HEALTHCARE DISTRICT





Working to prevent and detect diseases early can make a significant and even lifesaving difference in our community’s health. We support a wide range of programs that deliver valuable education, provide critical screenings, and empower people to manage their health proactively.

We’re providing unique services to address health issues threatening our multicultural community

Some cultural behaviors may increase the risk for health conditions such as diabetes, heart disease, and some cancers. We are raising awareness and lowering risk with targeted programs that provide education, training, support, and resources tailored appropriately to these audiences.

The **Chinese Health Initiative** continued raising awareness of health issues affecting the Chinese community, with a focus this year on combating hypertension.

By combining research, specialized screenings, and lifestyle coaching, the **South Asian Heart Center** worked to reduce this community’s particularly high risk of cardiovascular disease and diabetes.

40 COMMUNITY EVENTS
HELPED RAISE
AWARENESS

of hypertension in the
Chinese community

64%
IMPROVED cholesterol ratio
among South Asian Heart Center
participants since program inception

Hypertension is widespread in Santa Clara County

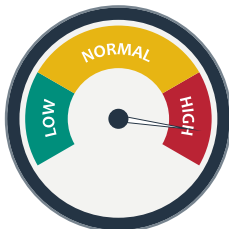
Hypertension is a “silent killer” that causes damage to the heart and blood vessels over time. Many in our community have no idea their blood pressure is elevated, putting them at risk for heart attacks and strokes.

We’re raising awareness — and lowering blood pressure

Because hypertension is often silent, we spoke loudly on the issue to help alert our community about the dangers of untreated high blood pressure. The Hypertension Initiative addressed the problem head-on with a concentrated public service campaign.

The El Camino Healthcare District, in partnership with the **American Heart Association Silicon Valley**, launched a public awareness program, **Know Your Blood Pressure**. This initiative also funded blood pressure screenings and free hypertension management classes for community members. Screening opportunities are listed at www.KnowYourBP.org

The public awareness campaign reached more than
100,000 district residents



27%
OF SANTA CLARA COUNTY
ADULTS HAVE HYPERTENSION

We’re helping people navigate information about crucial health decisions

For many, the **Health Library & Resource Center in Mountain View** is a vital, no-cost resource for assistance with advanced healthcare directives, Medicare forms, and understanding other health-related information that is challenging to patients and their families. The library also provides elder care consults and referrals for family caregivers.

5,700
PEOPLE ASSISTED
by phone or in person

Ensuring Access to Essential Care

There are many reasons people are unable to get the healthcare they need. Not having a “medical home” is a common challenge. Other barriers to care include homelessness, language, lack of insurance, and poor health literacy.

We’re filling the gap with convenient, free care, where and when it’s needed

Our Community Benefit support to **Valley Health Center Sunnyvale** provided both dental and medical care — doubling the number of evening hours for Express Care services to make it even more convenient. This resulted in 2,800 services to nearly 1,400 people. More evening hours were also added for dental services, providing more than 3,100 encounters to nearly 950 underserved community members.

Health Mobile provided no-cost dental services to low-income families and homeless individuals at places they frequent, such as a community services agency and safety net clinic.



6,280

DENTAL SERVICES provided by

Valley Health Center Sunnyvale and Health Mobile



We’re providing a “medical home” for those who need support

MayView Community Health Center provided an accessible and affordable “medical home” for many in our community who might otherwise have nowhere to go. This past year, the center served 2,400 patients and performed more than 5,700 services. Clients received comprehensive care, wellness services, and ongoing medical oversight, regardless of their ability to pay.

“El Camino Healthcare District has supported MayView in caring for our uninsured patients in the district. These community members receive preventive services, integrated behavioral health, chronic disease management, immunizations and care when they’re sick. Without this program, many people would not have a medical home. Besides funding, they are MayView’s vital thought partner and bridge to other community resources.”

Kelvin Quan, JD EdD MPH, President & CEO
MayView Community Health Center

Care When You Leave the Hospital

For the homeless and seniors living alone, discharge after hospitalization poses special risks. Meeting their basic needs requires social services and, in some cases, providing a safe place to heal to avoid relapse or complications. In the long term, many vulnerable people need help stabilizing their health — and their lives.

With our support, case management, physical and occupational therapy, and other crucial services reached those in need

Medical Respite provided a room, medical care, counseling, meals, and case management for homeless people post-hospitalization.



884

HOSPITAL DAYS AVOIDED

New Directions provided critical help to homeless and housing-insecure or unstable people who frequently visit the hospital. The program provided access to healthcare, housing, mental health treatment, and other essential services. In doing so, New Directions helped break the cycle of at-risk people who frequently use the hospital and promoted broader life stability.

Thanks to **Pathways Home Health & Hospice**, low-income community members lacking adequate insurance received nursing visits, physical, occupational, and speech therapy at home.

The Senior Intensive Case Management Program at the **Community Services Agency Mountain View Los Altos** provided home-based clinical support to ensure older adults can recover after hospitalization and live independently in their homes.



HOMELESS IN OUR AREA

31% have a physical disability

27% have a chronic condition

38% have psychiatric or emotional conditions



We’re helping cancer patients with support during treatment and recovery

Cancer survivors do better when they are supported physically, mentally, and emotionally. **Cancer CAREpoint** provided effective tools to transition from being a patient to a survivor through counseling and integrative healing methods.

Nurturing Children at School



Children spend a lot of time in school, and that provides a perfect platform to instill healthy habits. School-based programs that promote physical, mental, and emotional health reach a large number of young people and families in one familiar, trusted setting.

For many youngsters, the school nurse is the only healthcare professional they ever see

Funding School Nurses

Cupertino Union School District
Mountain View Whisman School District
Sunnyvale School District

Many schools have a large percentage of socioeconomically disadvantaged students. Community Benefit funds significantly improved the ratio of nurses to students in the El Camino Healthcare District. School nurses went far beyond treating skinned knees, often filling the gap of care for children who are disabled, medically fragile, or suffering from chronic conditions, while also conducting vision, dental, and hearing screenings. For children who failed health screenings, nurses provided a critical function in following up with families to be certain their child saw a doctor. To ensure there's timely help in every school, nurses trained staff on EpiPen® and CPR administration.



24 schools
SERVED ACROSS
3 districts

We invested in mobile services — bringing care where it's needed

An estimated 15,000 school children in Santa Clara County need glasses to read a book or see the blackboard but lack access to an optometrist or the means to purchase glasses. The **Vision to Learn** mobile van offered free eye exams at local schools and free eyeglasses for children who needed them.

The **Lucile Packard Foundation for Children's Health Teen Van** offered comprehensive healthcare on-site for underserved youth in the **Mountain View Los Altos Union High School District**. Nearly 70 percent of teens using the van relied on this service for ongoing care.



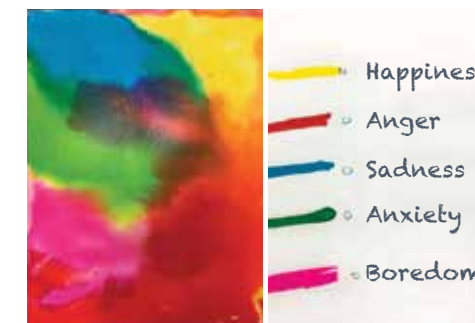
We fund counselors and programs that teach social/emotional skills and resiliency

School-based Counseling

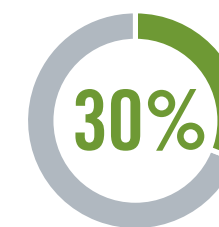
To help young people dealing with mental health conditions, including those recovering from traumatic experiences or living through turmoil at home, **CHAC (Community Health Awareness Council)** provided mental health counseling in the **Sunnyvale School District**. CHAC also provided group sessions on resiliency and life skills at 23 elementary schools in the **Los Altos, Mountain View Whisman** and **Sunnyvale School Districts**.

We funded licensed therapists to serve middle and high school students in the **Los Altos School District** and **Mountain View Los Altos High School District**. These therapists provided individual and family therapy, case management, and crisis intervention for at-risk youth.

Samples of Student Art Therapy



Created by participants of the Los Altos School District Counseling Program



ONLY 30% OF YOUTH
with mental health needs
are getting treatment

Fremont High School students were energized and inspired by the breathing and stretching techniques offered by the **International Association for Human Values Youth Empowerment Seminar (YES!)** which was designed to help them cope with negative emotions, impulse control, and conflict resolution.

Psychological resilience makes all the difference for youth dealing with difficult situations. **Acknowledge Alliance's** Social Emotional Learning Lessons is an evidence-based program to help children build coping skills, which was provided in the **Sunnyvale School District**. The program also provided monthly resiliency support groups for teachers.

With our help, children increased their activity levels and raised their nutrition IQ

Physical Activity and Nutrition

By restructuring recess activities and teaching kids how to resolve conflicts, **Playworks** reduced bullying and increased safe, active play in 11 schools in the **Mountain View Whisman** and **Sunnyvale School Districts**.

Thousands of fidgety youngsters were calmed and captivated by **GoNoodle’s** engaging and educational classroom videos and web-based games in 25 schools in the El Camino Healthcare District. “Brain breaks” helped children focus, and research showed this program improved math and reading skills.

More than 7,000 school children learned healthier habits through the **5210 Health Awareness Program** in **Sunnyvale** and **Cupertino Union School Districts**.

- 5 or more fruits and vegetables a day
- 2 hours or less of recreational screen time
- At least 1 hour a day of physical activity
- 0 sweetened beverages



The innovative **Living Classroom** school garden program paired science and nutrition education with hands-on experience in gardening and harvesting the vegetables students grew. Students prepared healthy plant-based recipes.

Local collegiate athletes volunteered with **BAWSI (Bay Area Women’s Sports Initiative)** to lead underserved elementary school girls in fun activities to boost fitness and self-esteem.

The **Healthier Kids Foundation’s** “10 Steps to a Healthier You!” conducted workshops for parents with tips and tools to foster healthy family lifestyles and help their children develop nutritious eating habits.

Funded programs made positive strides



Increased Activity



Healthier Habits



Improved Reading & Math Skills



Reduced Bullying

Supporting Youth Outside of School

We’re funding programs that support youth physically, emotionally, and socially

Community Benefit supported action-packed camps through the **Mountain View Police Department Youth Services Unit** and **YMCA Silicon Valley**. These camps gave low-income children a chance to make new friends, learn about nutrition, and stay active during the summer.

The right mentor can change a young person’s life by building self-esteem, strengthening resiliency and modeling positive behaviors. **Friends for Youth** paired children with carefully recruited adult role models.

Helping People Make Healthy Food Choices



Making healthy choices is a challenge for many families in our area. Obesity and poor nutrition are widespread, largely due to lack of access to fresh produce, information about wholesome foods, or the money to buy better options.

We’re working to make the healthy choice the easy choice

Fresh Approach taught nutrition and healthy meal planning, and provided BMI screenings, goal setting for participants’ health monitoring, and vouchers for easy-to-access fresh produce. Overall, 39 percent of all VeggieRx class participants lost weight during the program.

Hope’s Corner provided 300 weekly nutritious breakfasts and to-go lunches to homeless and low-income community members. The community could also access nutrition information, flu shots, and consultations with a social worker.

The **Day Worker Center of Mountain View** served wholesome breakfasts and lunches, and offered exercise classes and bilingual tips for better nutrition. These services helped address diabetes and obesity in the low-income population.

The U.S. Department of Agriculture defines **FOOD INSECURITY** as a lack of consistent access to enough food for an active, healthy life.



20% of children in Santa Clara County live in food-insecure homes



31% of Santa Clara County households are food-insecure



THANKS TO THESE PROGRAMS



Helping seniors stay healthy, safe, and enjoy the best possible quality of life takes a multipronged approach. This means providing help with daily living, companionship, falls prevention, and support to caregivers.

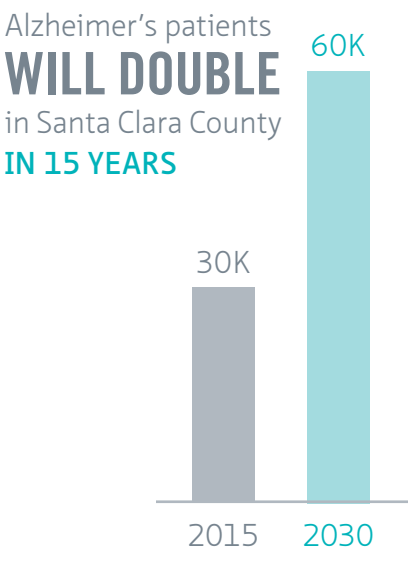
Support for seniors and their caregivers

The **Asian Dementia Initiative** provided by the **Alzheimer’s Association** worked to reduce social stigma about the disease in the Chinese and Korean communities through educational forums and support groups. Caregivers also received one-on-one consultations.

A higher rate of diabetes and vascular disease puts Latinos at risk for Alzheimer’s disease and dementia. The **Alzheimer’s Association’s Latino Family Connections** gave culturally sensitive educational presentations in Spanish to caregivers and families. Topics included symptoms, caregiver tips, and the need to overcome the social stigma that accompanies memory loss.

Breathe California helped underserved and isolated seniors breathe easier with services that included education on lung disease, indoor air quality assessments, smoking cessation consultations, breathing exercises, and caregiver training.

To provide lonely, isolated elders with companionship, **Seniors Council** arranged for peer volunteer companions to visit homebound and disabled seniors.



We’re providing transportation to help older adults stay active and independent

Giving up driving shouldn’t mean losing your independence. **RoadRunners** transportation service gave local seniors and disabled people door-to-door rides to the doctor, dentist, and other important appointments or errands. To accommodate the growing need for rides, RoadRunners partnered with Lyft to expand the number of rides they could provide.

“The RoadRunners are an invaluable resource for my mom and me. My mom is a widow, has moderate Alzheimer’s disease, and can no longer drive. With the help they provide, my mom can keep her appointments.... The staff is great at keeping me informed of situations that may come up with my mom.”

Daughter of RoadRunners client

Falls are the #1 cause of fatal and nonfatal injuries in seniors



For older adults, falls are the most common cause of trauma-related hospital admissions and the leading cause of fatal injury. Fall-related injuries, such as hip fractures, may put an end to living at home, and fear of falling is common among senior citizens.

An older adult **DIES FROM A FALL** every 19 minutes in the U.S.

We’re helping seniors avoid falls and make their homes safer

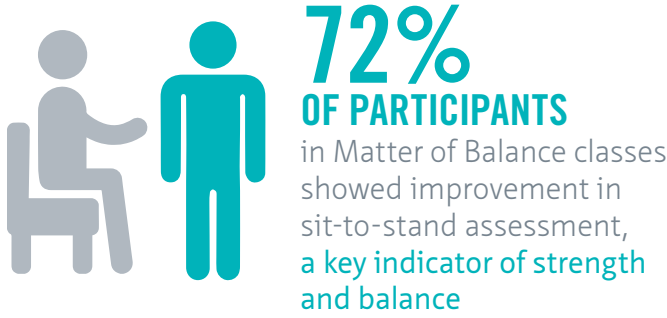
Older adults received personal in-home visits from occupational therapists who performed home safety assessments, made recommendations, and learned exercises to improve strength and balance through the **Farewell to Falls** program. This program also trained local firefighters and responders to treat fall victims.

> 57 seniors benefited from two home safety visits

Injuries from falls can cost seniors their independence. **Rebuilding Together** provided in-home falls risk assessments for low-income community members and followed up with free, safety-enhancing repairs and modifications.

> 14 older adults received help fall-proofing their homes

For aging community members, **Matter of Balance** classes are a matter of personal safety. More than 100 people benefited from this evidence-based program designed to reduce their fear of falling and increase their confidence in being physically active.



Caring for Our Community's Most Vulnerable



Help is available for vulnerable people in our community, but many lack awareness about the options and may not have the skills to access them. Our funding helps people in need connect with and navigate medical and social services to improve their health and their lives.

We're addressing basic needs — food, shelter, medical bills

At-risk community members in Sunnyvale received assistance navigating social benefits through **Sunnyvale Community Services'** Case Management Program. This included referrals and counseling for health and medical care, nutrition programs, affordable housing, and other basic needs influencing self-sufficiency.

With rents continuing to climb, families may sacrifice food, healthcare, and other essentials to keep a roof over their head. Through **Sunnyvale Community Services'** Emergency Assistance Program, vulnerable community members were able to access nutritious food and financial assistance for medically related bills.

Community Benefit funds helped **Working Partnerships USA** assist underserved families who still lacked insurance to find and enroll in health coverage.

We're reaching out to troubled teens and their parents

Getting help for a troubled teen can be especially hard for low-income families. **Prevention Partnership International** tailored the evidence-based Celebrating Families!™ program for the Latino community to support adolescents dealing with behavioral health issues such as substance use and mental health conditions.



4,000
uninsured residents of
Mountain View and Sunnyvale
CONSULTED ON HEALTH
COVERAGE OPTIONS

[Working Partnerships USA]

Mental health conditions call for compassionate care and resources



We're stepping in with access, advocacy, and support

Uninsured people with mental conditions found help and hope, thanks to **Momentum for Mental Health**. Patients received psychiatric evaluation and treatment, counseling, and medication management.

The **Law Foundation of Silicon Valley** provided legal services to assist people with mental health conditions to navigate challenges such as evictions and denial of public benefits. The program also educated clinics, community service agencies, and other organizations.

The **Eating Disorders Resource Center** provided support to those suffering from anorexia, bulimia, and related conditions. The center also educated physicians on identifying potential eating disorder patients.

The **National Alliance on Mental Illness (NAMI) Santa Clara County** provided a peer mentoring program for adults from all walks of life suffering with bipolar, schizophrenia, and other severe mental health conditions. The program countered isolation and established connections to the wider community.

Survey results from NAMI program participants



We're stepping up for the victims of domestic violence

Due to cultural and language barriers, domestic violence survivors from South Asian countries are often reluctant to seek help. **Maitri** empowered these women by explaining their legal rights, and offering safety planning, peer counseling, and even legal representation.

Next Door Solutions to Domestic Violence helped survivors through services such as support groups and safety planning.



Domestic violence victims found a safety net of support through **Family & Children Services of Silicon Valley**. Survivors received professional counseling, case management, and advocacy, available in English and Spanish.

“Thank you for helping me. I never thought I would be in this situation. You were very kind and patient. I would be homeless without your assistance. You helped me keep my home. I really appreciate your help.”

61-year-old senior client with 24-year-old disabled son, Sunnyvale Community Services

“The clinic saved me from becoming depressed and probably suicidal. The people working there have a true beautiful heart and beautiful mind to help others. I felt so supported at the time of my worst panic attacks. I owe them for the service they provided. Thank you from the bottom of my heart!”

Program participant, Momentum for Mental Health

“It is truly amazing to have the physician and his Teen Van staff visit our school monthly, providing students access to a medical doctor, a nutritionist, and other services. Many students also have severe trust issues as a result of repeated disappointments from the adults in their lives. The connection with a trusted adult means almost as much as the medical care they receive through the Teen Health Van.”

Bill Pierce, Principal, Alta Vista High School, where the Teen Health Van visits monthly

“The Cupertino Union School District is extremely grateful for El Camino Healthcare District’s funding of our nursing program. This helps us support those in our community who need resources and access to basic healthcare services. The result is better health for our students, which means better attendance, and therefore better learning opportunities. Our entire community is healthier when our students achieve success.”

Debbie Textor, Executive Director of Pupil Services, Cupertino Union School District

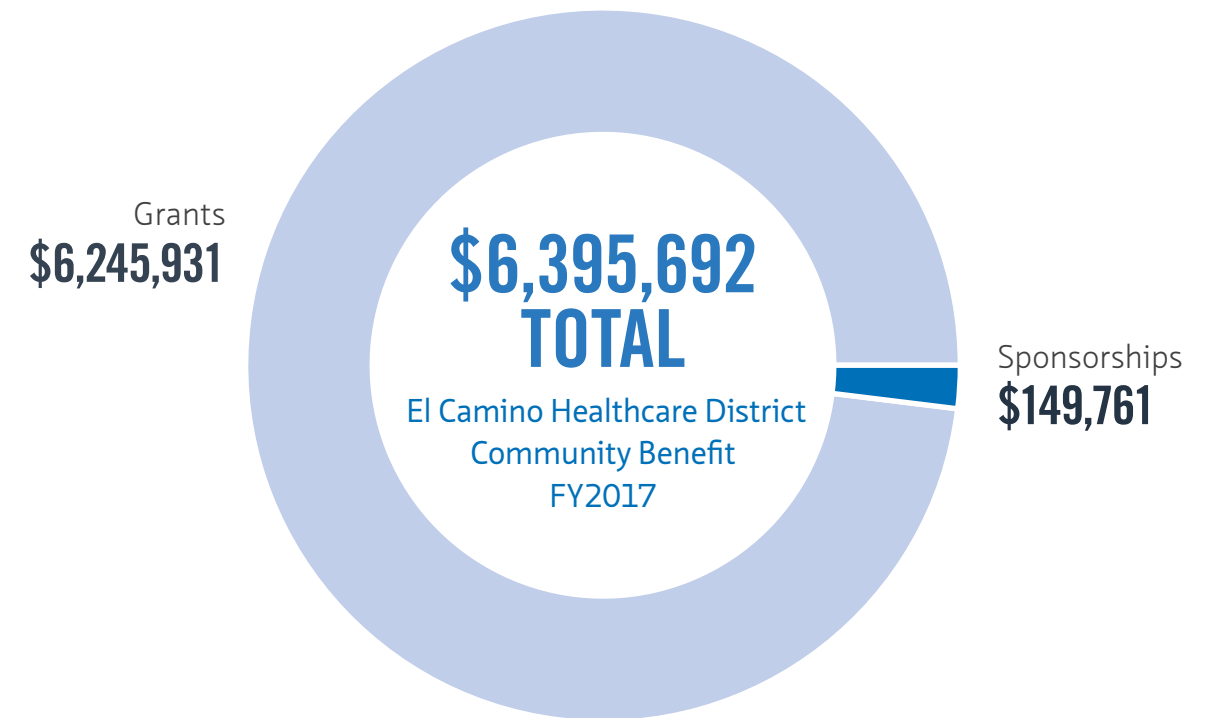
“I have been trying to eat healthy to drop my blood pressure. I was unaware of all the sodium in processed foods ... and believed a lot of false information on products. It doesn’t cost a lot to eat healthy, natural veggies, and once I quit buying processed foods, my health began improving.”

Participant, Fresh Approach VeggieRx class



EL CAMINO HEALTHCARE DISTRICT

Financial Accounting



El Camino Healthcare District Fiscal Year 2017 Sponsorships Recipients

- | | |
|--|---|
| Adolescent Counseling Services | Healthier Kids Foundation |
| Alzheimer’s Association | HomeFirst – Sunnyvale Cold Weather Shelter |
| American Diabetes Association | Hospice of the Valley |
| American Red Cross | Mentor Tutor Connection |
| BAWSI (Bay Area Women’s Sports Initiative) | Pacific Stroke Association |
| City of Mountain View – Senior Health Events | Pathways Home Health & Hospice |
| City of Sunnyvale – Senior Health Events | Rebuilding Together Silicon Valley |
| Community Services Agency Mountain View | Sunnyvale PAL (Police Athletics League) – Kick, Lead, Dream Soccer Camp |
| Day Worker Center of Mountain View | Sunnyvale Rotary Foundation |
| Family & Children Services of Silicon Valley | Unity Care |
| Foundation for Mental Health | Valley Medical Center Foundation |



El Camino Hospital 2017 Grant Recipients

\$3.1 million was invested to address unmet health needs and improve the health of people in our community

HEALTHY BODY PROGRAM PARTNERS

5210 Health Awareness Program
 BAWSI (Bay Area Women's Sports Initiative)
 Breathe California
 Campbell Union School District – School Nurse Program
 Cancer CAREpoint
 Challenge Diabetes Program
 Cristo Rey Network
 Cupertino Union School District – School Nurse Program
 Gardner Family Health Network
 GoNoodle
 Medical Respite
 Playworks
 Santa Clara County Office of Education – Early Head Start
 The Superior Court of the County of Santa Clara – Foster Care Orthodontic Program
 Vision to Learn

HEALTHY MIND PROGRAM PARTNERS

Almaden Valley Counseling Service
 Asian Americans for Community Involvement (AACI)
 Cupertino Union School District – Mental Health Counseling Program
 linkAges
 Meet and Move
 Momentum for Mental Health
 Peninsula HealthCare Connection
 Santa Clara Unified School District – Mental Health Counseling Program
 Uplift Family Services at Campbell Union High School District

HEALTHY COMMUNITY PROGRAM PARTNERS

Chinese Health Initiative
 Falls Prevention of Santa Clara County
 GreatNonprofits
 Health Library & Resource Center Los Gatos
 Next Door Solutions to Domestic Violence
 Prediabetes Initiative
 Racing Hearts
 South Asian Heart Center
 West Valley Community Services – CARE
 West Valley Community Services – CARE Senior Services

Dear Community Members,

As I exit my role as chairman of the El Camino Hospital Board of Directors, I am proud of all our organization has achieved during the last five years of my tenure. It has been especially rewarding to witness the impact our Community Benefit Program has had on the overall health of our community.



Over the past five years, the hospital's Community Benefit expenditures have grown steadily from \$50.5 million in FY13 to \$64.4 million in FY17 — a 28 percent increase. During that time, our Community Benefit grants and sponsorships increased from \$1.45 million in FY13 to nearly \$3.1 million in FY17 — a 111 percent increase. This increase is a clear reflection of the Board's dedication to improving the health of everyone in our community, especially those most in need, and I have no doubt the Board will continue to support such worthy programs.

We channeled funds strategically to target specific problems and populations at risk, adjusting our priorities for 2017 Community Benefit funds based on the 2016 Community Health Needs Assessment. The new health priority areas are Healthy Body, Healthy Mind, and Healthy Community.

The range of critical unmet needs we are addressing is impressive. For example, various programs we partnered with confront four very different issues facing senior citizens: depression, transportation barriers, falls, and access to vital services. School-based health programs — including school nurses, mental health counselors, and physical activity programs — have resulted in students getting glasses, learning how to manage conditions such as asthma and anxiety, and promoting healthier school climates.

It has been an honor and a pleasure to serve on the El Camino Hospital Board of Directors. I will always be grateful for this opportunity, and I am delighted with the progress we have made to date. I welcome the new chairman, Lanhee J. Chen, JD, PhD, and I know that he and the rest of the Board will continue these good works to support our unique community.

Sincerely,

Neal H. Cohen, MD, MPH, MS
 FY17 Chair, Board of Directors, El Camino Hospital



Tackling Chronic Disease and Preventable Illness

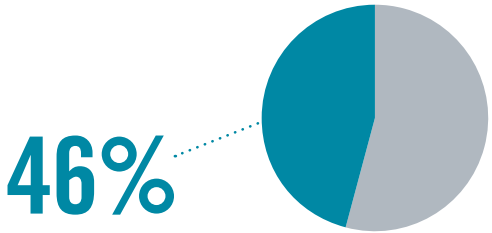


Our approach to community health begins with a strong commitment to prevention problems before they occur. We assess and address emerging health issues and then support programs that equip residents with information and tools they need to be and stay well.

Diabetes is an epidemic nationally and in our area

Studies show that eliminating risk factors for chronic disease could prevent 80 percent of heart disease, stroke, and type 2 diabetes, and 40 percent of cancer cases. El Camino Hospital Community Benefit is addressing prediabetes by funding programs that help people manage their blood sugar and reduce their risk of developing type 2 diabetes.

TYPE 2 DIABETES, once known as adult-onset or noninsulin-dependent diabetes, is a chronic condition that affects the way your body metabolizes sugar (glucose), your body's important source of fuel.



of adults in SANTA CLARA COUNTY have prediabetes or undiagnosed diabetes

11% OF LATINOS in Santa Clara County have type 2 diabetes compared to just 8% of the general population

We're fighting back with programs that create awareness, provide screenings, and help prevent and manage diabetes

Spearheaded by El Camino Hospital, **Challenge Diabetes Program (CDP)** is a partnership offering clients at **Community Services Agency Mountain View, Sunnyvale Community Services**, and **West Valley Community Services** the opportunity to learn about their risk for prediabetes and diabetes. Free on-site screenings help identify individuals who can benefit from CDP's multilingual workshops on healthy lifestyles, physical activity classes, and access to nutritious foods provided by the Second Harvest Food Bank.



Prediabetic and diabetic participants in the **Down with Diabetes Program** at **Gardner Family Health Network** met with physicians and specially trained dietitians to integrate proven exercise and diet recommendations with the aim of managing their condition.

The **Prediabetes Initiative** was a culturally relevant radio and television social marketing initiative to encourage at-risk community members to get screened using the promotores (community health worker) model.

GreatNonprofits' innovative texting program gathered insights from underserved community members as research to help plan for targeted diabetes prevention programs promoting behavior change.

Our support drove key strategies to prevent diabetes



Improve Disease Management Skills



Lose Weight



Lower A1c

Test that identifies average blood sugar rates over a few months

We placed AEDs in the community to help reduce deaths from heart attack

A strategically located automated external defibrillator (AED) delivers help in a hurry when a heart attack strikes. Offered in partnership with the Santa Clara County Public Health Department and the Santa Clara County Board of Supervisors, **Racing Hearts** raised awareness of AEDs and placed them in strategic locations around the community, such as schools and county shelters.



92% of local schools now have AEDs –

Santa Clara County has the largest deployment of AEDs in public schools in California



We delivered culturally focused care to groups with specific health risks

Our local communities are increasingly diverse and so are the health problems that affect them. We supported key programs that identify and address serious health disparities affecting specific ethnicities.

The **Chinese Health Initiative** hosted lectures, workshops, and screenings focusing on hypertension, prediabetes, and other health issues. The initiative also referred patients to physicians who are fluent in Mandarin or Cantonese. We supported the organization’s efforts to educate the Chinese community about common risks. For example, most people with hypertension (high blood pressure) have no symptoms, yet left untreated, it can damage blood vessels and the heart.

El Camino Hospital’s **South Asian Heart Center (SAHC)** is dedicated to halting the twin epidemics of heart disease and diabetes in people of South Asian descent. This year, our support helped the center launch STOP-D, a diabetes prevention program for participants diagnosed with prediabetes. In an effort to get the word out on this population’s unique risk factors, SAHC conducted free screenings at large community health fairs all over the South Bay.

We provided the community with vetted, evidence-based medical information

Researching health conditions on the internet can lead to misinformation and confusion. The **El Camino Hospital Health Library & Resource Center** provided free access to accurate health information, along with assistance from friendly medical librarians to help guide or conduct targeted searches. Our support helped patrons communicate effectively with providers, make more informed decisions, and potentially avoid adverse events.



Nurturing Children at School

Many underserved children in our community don’t have a regular pediatrician to oversee their development. Vision, hearing, and dental issues may go undiagnosed. Obesity and inactivity, if not addressed, can also lead to lifelong health issues.

We’re funding school nurses to attend to children’s vital needs

School Nurses and On-Site Programs

The School Nurse Program in **Cupertino Union School District** targeted schools with very diverse populations and a high percentage of English learners. El Camino Hospital Community Benefit funding provided:

- On-site dental screenings for kindergartners
- Hearing tests
- Staff training for severe allergies, anaphylaxis, and EpiPen® usage
- Promotion of the **GoNoodle** program to alert staff about its benefits
- **Vision to Learn** eye exams and free glasses for students at low-income schools



Vision to Learn’s mobile van offered free eye exams and glasses at Blackford Elementary School in San Jose, part of the Campbell Union School District.

School nurses at **Campbell Union School District** served nearly 4,000 students with El Camino Hospital Community Benefit funding, which provided:

- Follow-up with students who failed health screenings to ensure ongoing care
- Case management for students with chronic diseases and the medically fragile
- Bicycle safety programs for students, and CPR and first-aid training for staff
- Fluoride varnish program
- Families with connection to insurance enrollment
- **Vision to Learn** eye exams and glasses



Vision Screenings



Hearing Tests



CPR Training



Allergy Training



Bicycle Safety



Fluoride Program

“Since my daughter started wearing her new glasses, I have noticed newfound confidence. This brings me so much joy and also means a brighter future for her.”

Parent of student who received free eye exam and glasses from Vision to Learn



97% of teachers said **PLAYWORKS** increased student cooperation on the playground and in the classroom



Poor nutrition and inadequate exercise harm children’s health

We’re encouraging children to eat right and move more, which improves their focus

Exercise and Nutrition to Grow Up Healthy

Playworks helped children in the **Campbell Union School District** get safe, active play at recess and throughout the school day. The program also decreased bullying by teaching conflict resolution on the playground.

The **5210 Health Awareness Program** is an easy mnemonic device for youngsters to remember what to do — and not do — every day. Eat **five** or more fruits and vegetables, spend **two** hours or less on recreational screen time, be active for at least **one** hour, and drink **zero** sweetened beverages. This program served 8,800 elementary and middle schoolers.

Community Benefit funds made it possible for the **Cristo Rey Network** to conduct daily physical fitness sessions during school hours for the many students who have unhealthy diets and struggle with obesity.

BAWSI (Bay Area Women’s Sports Initiative) helped elementary school girls improve their fitness and overall confidence. Female college athletes coached the students, serving as positive role models.

“GoNoodle helps my kids through guided meditation to reconnect to their minds. The content-driven activities help to provide an additional avenue for teaching.”

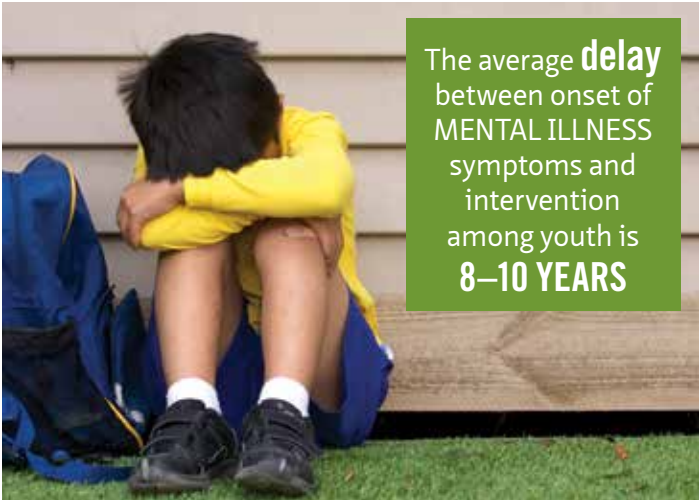
1st grade teacher, Anderson Elementary, Moreland School District

GoNoodle, in 183 local schools thanks to Community Benefit funds, is a suite of movement games and videos designed to bring mindfulness and physical activity breaks into elementary classrooms. The games were built on research showing short bursts of physical activity positively impacts academic achievement, cognitive skills, and behavior, as well as overall health. Kids and teachers love GoNoodle.



GoNoodle App Takes Off!

The debut of the GoNoodle Kids app was impressive! Within the first couple of weeks, it was ranked the #1 free app in both the Kids and Education categories and, most excitingly, it was named overall #1 free iPad app in the Apple Store! This is an exciting step in bringing GoNoodle from the classroom to the living room.



The average **delay** between onset of **MENTAL ILLNESS** symptoms and intervention among youth is **8–10 YEARS**



Vulnerable children and teens lack the counseling and support they need

We’re funding counselors for students in our schools

School-based Counseling

Cliques. Bullying. Family problems. Middle school and high school — and even elementary school — can be challenging times. Our school-based mental health program partners address a critical unmet need in our community. At 16 schools in the **Cupertino Union School District**, **Santa Clara Unified School District**, and the **Campbell Union High School District** (through **Uplift Family Services**), students and school communities had access to:

- Individual and group counseling
- Crisis intervention
- Case management
- Support and education for parents and teachers

We also supported social skills development among elementary school children through **Almaden Valley Counseling Service**. This program provided group sessions, in English and Spanish, to children with identified emotional or behavioral challenges at 16 schools in three school districts: **San Jose Unified, Union, and Cambrian**.

HELPING TROUBLED YOUTH GET BACK ON TRACK

A 15-year-old girl in the **Campbell Union High School District** was experiencing daily panic attacks. Her anxiety caused her to leave class crying, breathing quickly, and feeling that her heart was beating too fast. A school-based counselor from **Uplift Family Services** worked with her to build coping and grounding skills to focus on the present moment. Cognitive Behavior Therapy also helped the teen reduce negative self-talk. By the end of the semester, she was able to stay in class most days by using her coping skills, and challenging negative self-talk to reduce her anxiety. Ultimately, the student was able to end the year with academic success.

Supporting Youth Outside of School



Many children and teens in our area do not receive the healthcare and special attention they need to be well, stay well, and do well. Community Benefit funding supports key programs that bring young people and their parents information and services to help them be at their best.

Community Benefit funds helped parents and kids alike to smile and breathe easier

The Superior Court of the County of Santa Clara gave foster youth new smiles and a confidence boost, thanks to its Foster Care Orthodontic Program and assistance from Community Benefit funds.

Underserved young families learned to oversee their child’s physical and dental health through Santa Clara County Office of Education – Early Head Start. Families got help finding insurance and medical homes for their children.

Through asthma education, on-site assessments for respiratory hazards, and even free respiratory therapy equipment, Breathe California helped young asthma sufferers stay safe.

- > 500+ had lung health screenings
- > 400 received asthma education
- > 100 got FREE asthma devices



NEW SMILES



14%
of children in
Santa Clara County
HAVE ASTHMA

Helping Older Adults Live Fuller Lives

Seniors are becoming a larger portion of our population, and they face unique health risks. Our grant programs are working to remove the barriers that make it hard for many older community members to remain healthy, independent, and connected to others.

We’re taking on issues like depression, loneliness, and fear of falling to help seniors get more out of life

Falls Prevention of Santa Clara County provided evidence-based classes that helped seniors build strength, reduce fear of falling, promote balance, and avoid falls. This program also raised awareness about falls prevention throughout the county.

Low-income and homeless seniors received assistance with self-sufficiency, case management, health and financial education, benefits clinics, and emergency assistance through the West Valley Community Services Senior CARE Program.

Working with the Palo Alto Medical Foundation and other local partners, linkAges’ community-based multigenerational network arranged friendly home visits for isolated homebound seniors.



At-risk seniors are getting help with depression and isolation through Asian Americans for Community Involvement’s (AACI) Healthy IDEAS (Identifying Depression, Empowering Activities for Seniors) program. This culturally sensitive, evidence-based program offered bilingual depression screening and education.

24% OF ASIAN AMERICAN SENIORS REPORTED ISOLATION as a serious concern as compared to 11% of seniors in the general population



We’re giving caregivers some well-deserved quality time

Chronic stress and isolation put caregivers at risk for a variety of health conditions. Meet and Move organized monthly lectures on topics relevant to caregivers, and hosted weekly walks to help them get out of the house and make new friends.

Caring for Our Community's Most Vulnerable



Where do you go for care if you're uninsured? How do you get coverage? What if your family is food- or housing-insecure? We offer guidance for navigating social benefits and accessing essential resources.

We're working hard to ensure vulnerable populations don't miss out on valuable resources

Medical Respite provided services for homeless patients who needed support after leaving the hospital, including medical care, counseling, help with housing, and, most importantly, a place to rest and recover.

West Valley Community Services CARE offered a lifeline to vulnerable families by providing case management, food pantry access, help with public benefit applications, and other basic needs to promote self-sufficiency.

The damage caused by domestic violence isn't just physical: It includes depression, anxiety, PTSD, memory loss, personality changes, and suicidal ideation. Children often suffer emotional consequences, even if they are not directly abused themselves. **Next Door Solutions to Domestic Violence** provided counseling, safety planning, and shelter for victims and their children.

Nutrition is an important issue for cancer patients, both because they need to maintain their strength and because chemo can make certain foods taste unpleasant. **Cancer CAREpoint** provided nutrition classes for cancer survivors, their families, and caregivers.

Peninsula Healthcare Connection provided homeless or housing-insecure community members with psychiatric treatment, medication management, and social work support.

Community Benefit funds enabled **Momentum for Mental Health** to provide critical psychiatric evaluations, medication management, and counseling to uninsured community members.

Peninsula Healthcare Connection and **Momentum for Mental Health** did critical work to help vulnerable people with mental health conditions achieve and maintain stability.

"The nutrition and exercise recommendations I received as part of the Down with Diabetes program are helping me achieve my goal to reduce my risk of diabetes. I have lost 10 pounds in four months. I learned that healthy eating is a way of life, and not a restricted diet."

Patient, Gardner Family Health Network

"If El Camino Hospital is willing to provide such a great service to so many students in the area, it really shows they care for the well-being and health of our children."

2nd grade teacher, Matsumoto Elementary, Evergreen Elementary School District, where El Camino Hospital funds GoNoodle

"We use GoNoodle to improve transitions into subjects like math — the students are more focused and ready to learn when they do the program's cross-lateral activities and brain-ercise activities."

5th grade teacher, Daves Elementary, Los Gatos Union School District where El Camino Hospital funds GoNoodle

"Since we are a Title 1 school, we have a higher percentage of students who are socioeconomically disadvantaged and English learners. Having a school nurse benefits our students in many ways. This year, with our school nurse's hard work, we were one of the first schools in the county to pilot a Fluoride Varnish and Dental Screening Program. We are grateful to El Camino Hospital for funding nursing services to our students and families in need."

Anne Ajlouni, Vice Principal of Lynhaven Elementary School in San Jose, Campbell Union School District

"We had so many kids who for so long needed glasses. Vision to Learn sees them, gets them the exam, gets them glasses, even a referral for additional care, as needed. This program is a godsend because these are kids that we couldn't help."

Nurse, Campbell Union School District, where Vision to Learn provided services

"If I didn't have Next Door Solutions in my life, I think I wouldn't have made it. A year has passed since I ended my domestic violence relationship. My two sons and I are survivors of domestic violence. Truly, I can say that with no emotion NOW. Thanks for always being my safe zone."

Client, Next Door Solutions to Domestic Violence

Vital Support Beyond Community Benefit Grants

We’re finding ways to make care better, more affordable, and more accessible

This report focuses primarily on the work our grants partners do to make a positive impact on individuals, families, and the greater community. El Camino Hospital also provides substantial financial support through other channels, including subsidizing professional training and research, and providing financial assistance to those who cannot afford to pay. Here are a few examples.



Financial Assistance

Under the hospital’s financial assistance (Charity Care) guidelines, qualifying individuals who can’t pay for medically necessary hospital services are eligible for a fee reduction. Some may qualify for elimination of their hospital bill. This policy applies to both inpatients and outpatients whose family income is up to 399 percent of the federal poverty level.

“El Camino Hospital is deeply committed to research and providing access to leading-edge therapies that will ultimately advance healthcare and help to improve community health.”

Ryan Schroeder
Director, Taft Center for Clinical Research

“The students are often amazed at how many things respiratory therapists can do, as well as the varied directions that a career in respiratory care can provide. They invigorate the staff to keep pace with national trends in the industry.”

Jolie M. Fournet, MBA, RRT-NPS,
Director, Respiratory Care Services



Clinical Research

Participating in clinical research allows us to bring the latest advances in medical science to our patients. Community Benefit support enabled the Clinical Research Program to provide a robust service that would not typically be available in a community hospital setting.

The Taft Center for Clinical Research is currently conducting trials in the fields of oncology, cardiology, pulmonology, gastroenterology, and robotic technologies.

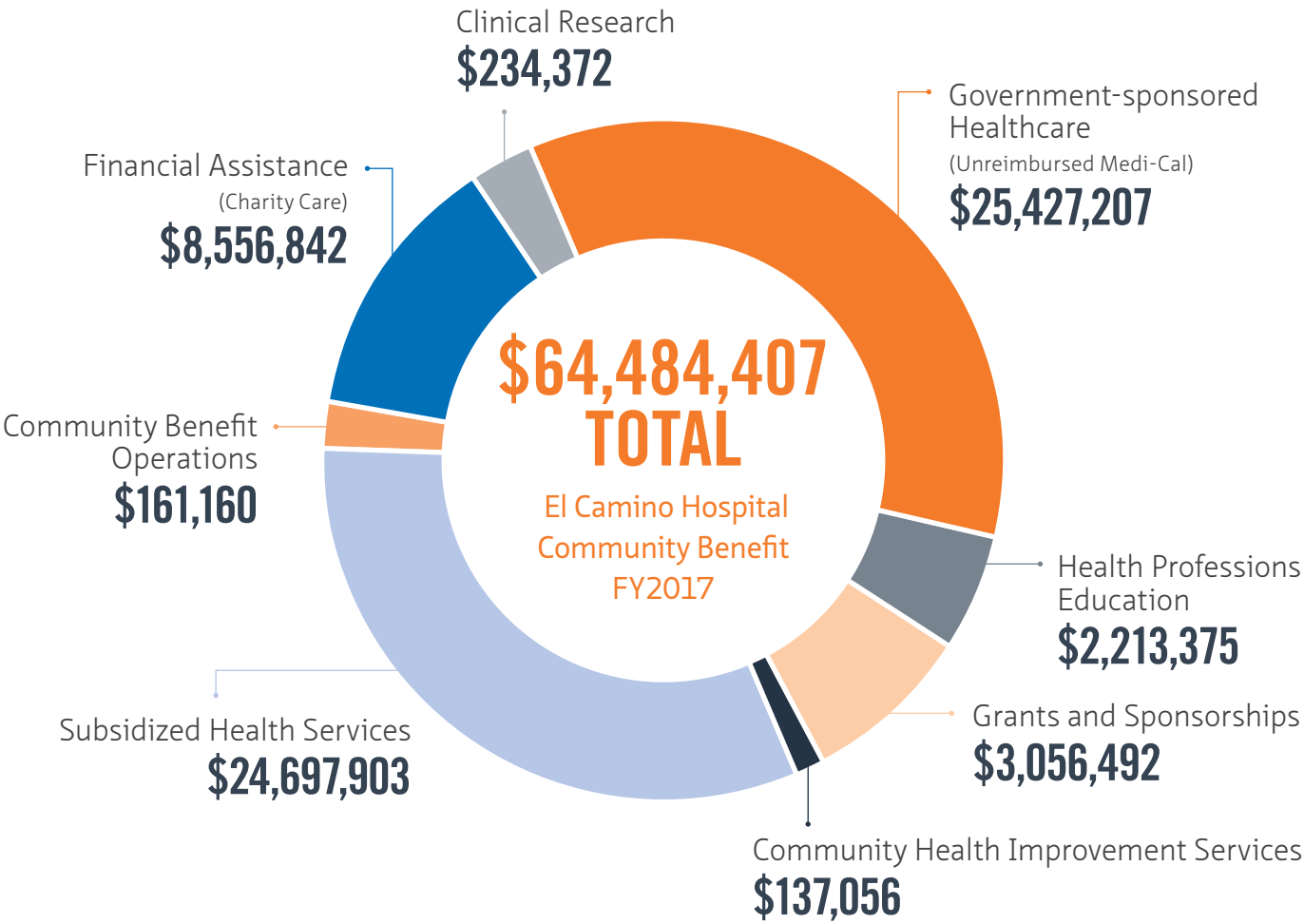


Healthcare Professionals Education

El Camino Hospital provided 441 trainee positions in respiratory care services, nursing, clinical laboratory, behavioral health, and other specialties. This provides new health workers with valuable experience and ensures our community has highly trained healthcare professionals. The hospital also supports interns, practicum students, and postdoctoral fellows in mental health services.

“El Camino Hospital strives to provide excellent patient care. We also know that much of healthcare happens outside of hospitals. That’s why our Community Benefit program provided \$64.4 million this year to address unmet health needs, including nearly \$3.1 million in grants and sponsorships. Whether it’s providing nurses and counselors in schools, safe housing for domestic violence victims, or care after hospitalization for homeless individuals, our steadfast commitments make the entire community healthier.”

Barbara Avery, Director, Community Benefit, El Camino Hospital



In addition, total uncompensated Medicare for FY2017 was \$105,413,699

El Camino Hospital Fiscal Year 2017 Sponsorships Recipients

- AACI (Asian Americans for Community Involvement)

Abilities United

Aging Services Collaborative

Alum Rock Counseling Center

Alzheimer’s Association

American Diabetes Association

Bay Area Older Adults

Congregation Shir Hadash Health Fair

Cystic Fibrosis Foundation

Indian Health Center

Los Gatos Lions Club Mental Health Event

Lung Cancer Foundation

NAMI (National Alliance on Mental Illness)
- Next Door Solutions to Domestic Violence

PACT (People Acting in Community Together)

Planned Parenthood Mar Monte

Preeclampsia Foundation

Project Cornerstone

Saratoga Area Senior Coordinating Council

Silicon Valley Council of Nonprofits

Silicon Valley Leadership Group – Turkey Trot and Heart & Sole Run

Strides for Life Colon Cancer

Synchronized Swimming Athletes with Disabilities

Uplift Family Services

West Valley Community Services

YWCA Silicon Valley

Community Health Is a Team Effort

Community Benefit Advisory Council Members

Barbara Avery**
Chair, Director, Community Benefit, El Camino Hospital

Cynthia Bojorquez*
Library and Community Services Director, City of Sunnyvale

Bonnie Broderick, RD, MPH**
Director, Chronic Disease and Injury Prevention, Santa Clara County Public Health Department

Cecile Currier,** Vice President, Corporate and Community Health Services, El Camino Hospital

Rhonda Farber, PhD**
Past Superintendent, Campbell Union High School District

Laura Macias**
Past Mayor/Councilmember, City of Mountain View

Kathi McShane*
Senior Pastor, Los Altos United Methodist Church

Naomi N. Nakano-Matsumoto, LCSW,** Assistant Director, Social Sector Ethics, Markkula Center for Applied Ethics, Santa Clara University

James Ramoni, LCSW,* Director, Department of Aging and Adult Services, Santa Clara County

Anil Singhal, MD,** Physician, Past El Camino Hospital Foundation Board of Directors

Paul Taylor*
Past CEO of Momentum for Mental Health

Marilyn Winkleby, PhD, MPH,** Professor of Medicine and Director of the Office of Community Health, Stanford University School of Medicine

*Member of the El Camino Hospital Community Benefit Advisory Council

**Member of both the El Camino Hospital and the El Camino Healthcare District Community Benefit Advisory Council

Community Benefit Advisory Council Board Liaisons

Peter C. Fung, MD, MS, FACP, FAAN, FAHA
El Camino Hospital Board of Directors, Secretary/Treasurer, CBAC Liaison
El Camino Healthcare District Board of Directors, Chair

Julia E. Miller
El Camino Hospital Board of Directors, Member
El Camino Healthcare District Board of Directors, Secretary/Treasurer, CBAC Liaison

Community Benefit Staff

Cecile Currier, Vice President, Corporate and Community Health Services, El Camino Hospital

Barbara Avery, Director, Community Benefit

Anne Boyd Rabkin, Senior Community Benefit Specialist

Sharan Johal, Senior Community Benefit Specialist

Laurie Withers, Sponsorship Coordinator

El Camino Healthcare District Board of Directors

Peter C. Fung, MD, MS, FACP, FAAN, FAHA, FY17 Chair

Dennis W. Chiu, JD, FY17 Vice Chair

Julia E. Miller, FY17 Secretary/Treasurer

David Reeder, MS

John L. Zoglin

El Camino Hospital Board of Directors

Neal H. Cohen, MD, MPH, MS, FY17 Chair

Dennis W. Chiu, JD, FY17 Vice Chair

Peter C. Fung, MD, MS, FACP, FAAN, FAHA, FY17 Secretary/Treasurer

Lanhee J. Chen, JD, PhD

Jeffrey M. Davis, MD

Julia E. Miller

David Reeder, MS

John L. Zoglin

Don Sibery, Interim CEO, El Camino Hospital

Community Benefit Fiscal Year 2017 Grant Program Recipient Contact Information†

5210 Health Awareness Program Palo Alto Medical Foundation 701 E. El Camino Real Mountain View, CA 94040	Acknowledge Alliance 2483 Old Middlefield Way, Suite 208 Mountain View, CA 94043	Almaden Valley Counseling (AVCS) 6529 Crown Blvd., Suite D San Jose, CA 95120
Alzheimer’s Association 2290 N. First Street, Suite 101 San Jose, CA 95131	American Heart Association Silicon Valley One Almaden Boulevard, Suite 500 San Jose, CA 95113	Asian Americans for Community Involvement (AACI) 2400 Moorpark Avenue, Suite 300 San Jose, CA 95128
BAWSI (Bay Area Women’s Sports Initiative) 1922 The Alameda, Suite 420 San Jose, CA 95126	Breathe California 1469 Park Avenue San Jose, CA 95126	Campbell Union School District 155 N. Third Street Campbell, CA 95008
Cancer CAREpoint 2505 Samaritan Drive, Suite 402 San Jose, CA 95124	CHAC (Community Health Awareness Council) 590 W. El Camino Real Mountain View, CA 94040	Chinese Health Initiative 2500 Grant Road Mountain View, CA 94040
Community Services Agency Mountain View 204 Stierlin Road Mountain View, CA 94043	Cristo Rey Network 1390 Five Wounds Lane San Jose, CA 95116	Cupertino Union School District 10301 Vista Drive Cupertino, CA 95014-2091
Day Worker Center of Mountain View 113 Escuela Avenue Mountain View, CA 94040	Eating Disorders Resource Center 15891 Los Gatos-Almaden Road Los Gatos, CA 95032	Falls Prevention of Santa Clara County One Washington Square San Jose, CA 95192-0257
Family & Children Services of Silicon Valley 375 Cambridge Avenue Palo Alto, CA 94306	Farewell to Falls 300 Pasteur Drive MC 5898 Stanford, CA 94305	Fresh Approach 5060 Commercial Circle, Suite C Concord, CA 94520
Friends for Youth 1741 Broadway Redwood City, CA 94063	Gardner Family Health Network 160 E. Virginia Street San Jose, CA 95112	GoNoodle 209 Tenth Avenue S., Suite 350 Nashville, TN 37203
Great Nonprofits 330 Twin Dolphin Drive, Suite 131 Redwood City, CA 94065	Health Library & Resource Center, Mountain View – El Camino Hospital 2500 Grant Road Mountain View, CA 94040	Health Mobile 1659 Scott Blvd., #4 Santa Clara, CA 95050
Healthier Kids Foundation 4010 Moorpark Avenue, Suite 118 San Jose, CA 95117	Hope’s Corner 748 Mercy Street Mountain View, CA 94041	International Association for Human Values (IAHV) 495 Blossom Hill Road San Jose, CA 95123
Law Foundation of Silicon Valley 152 N. Third Street, 3rd Floor San Jose, CA 95112	Living Classroom P.O. Box 3501 Los Altos, CA 94024	Los Altos School District 201 Covington Road Los Altos, CA 94024
Lucile Packard Foundation for Children’s Health 400 Hamilton Avenue, Suite 340 Palo Alto, CA 94301	linkAges 2350 W. El Camino Real Mountain View, CA 94040	Maitri P.O. Box 697 Santa Clara, CA 95052
Matter of Balance 300 Pasteur Drive MC 5898 Stanford, CA 94305	MayView Community Health Center 270 Grant Avenue Palo Alto, CA 94306	Medical Respite 1215 K Street, Suite 800 Sacramento, CA 95814
Meet and Move 2350 W. El Camino Real Mountain View, CA 94040	Momentum for Mental Health 438 N. White Road San Jose, CA 95127	Mountain View Los Altos Union High School District 1299 Bryant Avenue Mountain View, CA 94040
Mountain View Police Department Youth Services Unit 1000 Villa Street Mountain View, CA 94041	Mountain View Whisman School District 750-A San Pierre Way Mountain View, CA 94043	National Alliance on Mental Illness (NAMI), Santa Clara County 1150 S. Bascom Avenue, Suite 24 San Jose, CA 95128
New Directions 33 Encina Avenue, Suite 103 Palo Alto, CA 94301	Next Door Solutions to Domestic Violence 234 E. Gish Road, Suite 200 San Jose, CA 95112	Pathways Home Care and Hospice 585 N. Mary Avenue Sunnyvale, CA 94085
Peninsula HealthCare Connection 33 Encina Avenue, Suite 103 Palo Alto, CA 94301	Playworks 2155 S. Bascom Avenue, Suite 201 Campbell, CA 95008	Prediabetes Initiative 1290 B Street, Suite 201 Hayward, CA 94541
Prevention Partnership International 15040 Encina Court Saratoga, CA 95070	Racing Hearts info@racinghearts.org 650-308-4183	Rebuilding Together 841 Kaynyne Street Redwood City, CA 94063
RoadRunners Mountain View – El Camino Hospital 2500 Grant Road Mountain View, CA 94040	Santa Clara County Office of Education 1290 Ridder Park Drive MC 225 San Jose, CA 95131-2304	Santa Clara Unified School District 1889 Lawrence Road Santa Clara, CA 95052
Seniors Council 234 Santa Cruz Avenue Aptos, CA 95003	South Asian Heart Center 2500 Grant Road Mountain View, CA 94040	Superior Court of California, Santa Clara County 191 N. First Street San Jose, CA 95113
Sunnyvale Community Services 725 Kifer Road Sunnyvale, CA 94086	Sunnyvale School District 819 W. Iowa Avenue Sunnyvale, CA 94086	Uplift Family Services 251 Llewellyn Avenue Campbell, CA 95008
Valley Health Center Sunnyvale 2325 Enborg Lane, Suite 320 San Jose, CA 95128	Vision to Learn 11611 San Vicente Blvd., #500 Los Angeles, CA 90049	West Valley Community Services 10104 Vista Drive Cupertino, CA 95014
Working Partnerships USA 2102 Almaden Road, Suite 112 San Jose, CA 95125	YMCA Silicon Valley 2500 Grant Road Mountain View, CA 94040	

† Some organizations have offices outside of the El Camino Hospital service area or the El Camino Healthcare District boundaries; however, all grants awarded support programs providing services within these geographic areas.

EL CAMINO HEALTHCARE DISTRICT BOARD

FY2018 PACING PLAN

Updated September 25, 2018

FY18 Q1		
JULY 2017	AUGUST 2017	SEPTEMBER 2017
No Meeting	<p>August 16, 2017 – District Director Applicant Interviews and Appointment</p> <p>August 23, 2017 – District Director Administration of Oath, ECH Board Member Election</p>	No Meeting
FY18 Q2		
OCTOBER 17, 2017	NOVEMBER 2017	DECEMBER 2017
<ul style="list-style-type: none"> ▪ FY18 YTD ECHD Financials ▪ FY17 Community Benefit Year End Report ▪ FY17 Stand-Alone Financials ▪ FY17 Financial Audit Presentation – Consolidated ECH District Financials ▪ Approve FY17 Hospital Audit ▪ Adopt Resolution Setting Calendar Year 2018 Meeting Dates ▪ Hospital Board Member Election Ad Hoc Committee Report ▪ District Director Vacancy Policy ▪ CBAC Structure ▪ Pacing Plan ▪ Minutes: 6/20 (closed) 8/16 and 8/23 ▪ Approval of Revised Budgets for ECH Major Capital Projects 	No Meeting	No meeting

FY18 Q3		
JANUARY 16, 2018	FEBRUARY 2018	MARCH 20, 2018
<ul style="list-style-type: none"> Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY18 YTD ECHD Financials Hospital Board Member Election Ad Hoc Committee Report (if necessary) Pacing Plan ECHD Bylaws Review 	No Meeting	<ul style="list-style-type: none"> Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY18 YTD ECHD Financials Hospital Board member Election Ad Hoc Committee Report (if necessary). Prepare for November Election Board Chair Assessment Pacing Plan
FY18 Q4		
APRIL 2018	MAY 15, 2018	JUNE 19, 2018
No Meeting	FY 19 Community Benefit Plan Study Session	<ul style="list-style-type: none"> Recognition (As Needed) Community Benefit Spotlight (If Time Allows) FY18 YTD ECHD Financials Tax Appropriation for FY19 District Capital Outlay Fund Review and Approve FY19 Pacing Plan Approval of FY19 Community Benefit Plan Approve ECH FY19 Budget Approve ECHD FY19 Budget Appoint Hospital Board Member/ Election Ad Hoc Committee Report Appoint FY 19 Hospital Board Member Election Ad Hoc Committee

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

	Item:	Community Benefit Advisory Council Structure and Operation El Camino Healthcare District Board of Directors October 17, 2017
	Responsible party:	Cecile Currier, VP Corporate and Community Health Services; Barbara Avery, Director Community Benefit
	Action requested:	For Discussion and Possible Motion
	<p>Background:</p> <p>The Community Benefit Advisory Council has long operated as a staff committee, reviewing and advising staff with regards to both District and El Camino Hospital Community Benefit Grant Applications. Staff brings proposed grant funding to both Boards annually for discussion and funding approval.</p> <p>The District Board held a Community Benefit Study Session in May 2017 to provide additional time for the District Board to review and discuss grant proposals.</p> <p>August 12, 2015 – The El Camino Hospital Board adopted motions 1) confirming CBAC is a staff committee and 2) the Board liaisons to the CBAC serve as liaisons not as members of the CBAC.</p> <p>March 2017 – The District Board asked staff to bring back proposals for scenarios for CBAC structures.</p> <ol style="list-style-type: none"> 1. <u>Option 1</u> – Terminate the current ECHD Charter and confirm the CBAC is a staff committee advisory to staff. 2. <u>Option 2</u> – Create a Board committee for the purpose of reviewing District grant proposals comprised of Board members and community members with specific expertise in this area that is advisory to the Board. Points to consider: <ul style="list-style-type: none"> - The CBAC structured as a staff committee is consistent with the Hospital Board action, allowing one body to continue to review grant applications for both the Hospital and the District. - If the District Board decides the CBAC should operate as a Board committee for the purpose of reviewing District Grant proposals, this will result in two separate bodies operating under two different sets of rules (Brown Act). Of note, the District Board Committee would need to comply with the notice and public meeting requirements of the Brown Act. - CBAC operation as a staff committee protects Board members from being lobbied. The CBAC as a Board committee creates the potential to politicize what is currently a criteria and metric driven grant application process. 	

ECHD BOARD MEETING AGENDA ITEM COVER SHEET

	Board Advisory Committees that reviewed the issue and recommendation, if any: None.
	Summary and session objectives : <ul style="list-style-type: none">• Discuss the current role of the Community Benefit Advisory Council (CBAC).• Facilitate discussion of CBAC structure as a Staff Committee.
	Suggested discussion questions: None.
	Proposed board motion, if any: To terminate the current ECHD Community Benefit Advisory Council Charter and confirm that the CBAC is a committee advisory to staff.
	LIST OF ATTACHMENTS: <ol style="list-style-type: none">1. ECHD Community Benefit Charter



2500 Grant Road
Mountain View, CA 94040
Phone: 650-962-5853
www.elcaminohospitaldistrict.org

Community Benefit Advisory Council Charter

BOARD OF DIRECTORS

Dennis W. Chiu, JD
Patricia A. Einarson, MD, MBA
Julia E. Miller
David Reeder
John L. Zoglin

Purpose

The Community Benefit Advisory Council was established to provide an informed perspective, guidance and support for the District's community benefit program. The advisory council ensures broad engagement in the development of the ECHD annual Community Benefit Plan.

Membership

Council Composition:	The CBAC will be composed of representatives from the community, up to two ECHD Board Members, physicians and senior management staff. Representatives may include professionals from public health, epidemiology, mental health, local government and community service organizations.
Appointment:	The CBAC and Community Benefit (CB) staff will screen and recommend potential new members to the ECHD Board of Directors. The Board approves the final selection of new members.
Term of Service:	CBAC members will serve a three year term and can be reappointed for one additional term. The Director of Community Benefit and the Vice President of Corporate & Community Health Services are standing members.
Desired Competencies:	Knowledge/experience in understanding unmet health needs of underserved populations, experience with community based organizations in the District and knowledge of population health, primary prevention and the delivery of healthcare services.
Desired Characteristics:	Council members should represent a diverse cross-section of the community. There should also be representation from the larger cities in the district. These are goals to achieve over time.
Size of the CBAC:	15 is the maximum number of members for the Council.

Authority and Responsibility

The CBAC will provide direction to support the development of El Camino Healthcare District's Community Benefit Plan. In carrying out these responsibilities, the CBAC will:

- Review needs assessment data and provide input into the health related needs of youth and adults in the District
- Review identified health priorities for health improvement initiatives
- Provide suggestions on programs to be included in the annual Community Benefit Plan
- Provide input on best practices for meeting the health needs of the community
- Review the annual CB Plan
- Attend CBAC meetings
- Respond in a timely manner to electronic requests for input
- Serve as an ambassador for the District in the community, by attending CB sponsored events

Meetings

Frequency: The Community Benefit Advisory Council will convene at least three times a year. Additional meetings will be scheduled as needed.

Attendance: CBAC members are strongly encouraged to attend all meetings. Members absent for two consecutive meetings, will be removed from the CBAC. Absences will not be counted if members join the meeting via the conference line or submit written comments prior to the meeting.

Agenda: The Director of Community Benefit will send the agenda and pertinent materials to the CBAC for review at least one week prior to the meeting. Drafts of the annual Community Benefit Plan will be sent two weeks in advance of the meeting.

Potential Conflict of Interest: Any CBAC member employed by or sitting on the Board of an organization being discussed will recuse themselves from the conversation.