



**Minutes of the Open Session of the
Special Meeting of the El Camino Healthcare District Board of Directors
Monday, May 15, 2017
El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040
Conference Rooms E, F & G (ground floor)**

Board Members Present

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

Board Members Absent

None

Members Excused

None

Agenda Item	Comments/Discussion	Approvals/Action
1. CALL TO ORDER	The open session meeting of the El Camino Healthcare District Board of Directors (the "Board") was called to order at 5:29 pm by Chair Fung.	
2. SALUTE TO THE FLAG	Director Fung led the Board members, staff, and members of the public present in the Pledge of Allegiance.	
3. ROLL CALL	A silent roll call was taken. All Board members were present. Cindy Murphy, Board Liaison, noted that outside counsel, Mitchell J. Olejko of Buchalter Nemer, was participating via teleconference if the Board members required any legal advice.	
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. CONSENT CALENDAR	<p>Chair Fung asked if any member of the Board or the public wished to remove an item from the consent calendar. No items were removed.</p> <p>Motion: To approve the consent calendar: Minutes of the Open Session of the Special District Board Meeting (March 8, 2017); Minutes of the Open Session of the District Board Meeting (March 14, 2017); Resolution 2017-03.</p> <p>Movant: Reeder Second: Chiu Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent calendar approved</i>
7. EL CAMINO HOSPITAL GOVERNANCE: PRESENTATION OF BOARD STRUCTURE MODELS	<p>JoAnn McNutt of Nygren Consulting presented an overview of the proposed El Camino Hospital Board structure models.</p> <p>She outlined the case for change (adapting to a rapidly evolving and increasingly complex healthcare market, serving the broader community, overseeing strategic initiatives) and three proposed models:</p> <p>Model A: Current 5 District Director Model, where all 5 District Directors serve on the Hospital Board with 3 appointed subject matter experts.</p> <p>Model B: Expanded 5 District Directors model, where all 5</p>	

	<p>District Directors serve on the Hospital Board with 5 appointed subject matter experts.</p> <p>Model C: New 3 District Directors Model, where 3 District Directors serve on the Hospital Board with 5 appointed subject matter experts.</p> <p>In all three models, the CEO is ex-officio, with voting privileges to be determined.</p> <p>Ms. McNutt emphasized that none of the proposed changes would affect the reserved rights of the District or structure of the District Board.</p> <p>She reviewed the comparison of the models and how each would affect 1) the distinction between the District and Hospital Boards, 2) balance of influence and decision making, 3) competency basis for running a health system, and 4) clinician involvement in governance.</p>	
<p>8. EL CAMINO HOSPITAL GOVERNANCE: PUBLIC COMMENT</p>	<p>Chair Fung reported that all written public comments received by the District up until to 3pm were included in the written materials available to the Board and the public. Cindy Murphy, Board Liaison, reported that the Board members had been provided with all written public comments received up to 5pm. She explained that comments received were categorized by which proposed governance model, if any, they supported.</p> <p>A member of the public (a District resident and ECH employee) requested that the Board consider the input and knowledge of the ECH staff and voiced her support of Model A.</p> <p>Bruce Euzent spoke regarding qualifications to serve on the Board and commented that the Board should represent the local community.</p> <p>Kary Lynch spoke regarding the current Hospital Board's investments in behavioral health and expressed concerns that appointed Board members would not share these values, as behavioral health units often do not generate large profits.</p> <p>Paul Donahue spoke regarding accountability to the public and encouraged the Board to choose Model A and instead strengthen the advisory committees.</p> <p>Swamy Thangamuthu recommended that the Board explicitly refine the position descriptions have a prescribed number of physicians and those with expertise in strategic planning, finance, operations, etc. to have a good balance of skills on the Board.</p> <p>Bill James spoke regarding accountability to the public and requested that the Hospital remain under community control and that the Board choose Model A.</p> <p>Jim Abraham spoke regarding accountability to the public and requested that the Board choose Model A.</p> <p>Terry Sandoval spoke regarding open negotiations and good faith bargaining and requested that the Board choose Model A.</p> <p>Lynette Rodrigo expressed concerns about transparency and requested that competent candidates be selected from public elections.</p> <p>Patty Einarson spoke regarding her experience serving on the District and Hospital Boards and requested that the Board choose Model C.</p>	

	<p>Teri Eyre spoke regarding the viability of the Hospital and the Board composition at other local health care organizations and requested that the Board choose Model C.</p> <p>Chair Fung read written communication from Vivien D’Andrea, the Mountain View campus’ past Chief of Staff, which expressed her support for Model C.</p> <p>Manuel Masias spoke regarding the reasons for changing the Board structure and requested that the Board choose Model A.</p> <p>Carlos Urrutia spoke regarding past labor disputes and requested that the Board choose Model A.</p> <p>Carol Diamante spoke regarding accountability to the public and requested that the Board choose Model A.</p> <p>David Urhausen expressed concerns about a non-public entity being unjustly enriched by public monies.</p>	
<p>9. EL CAMINO HOSPITAL GOVERNANCE: BOARD DISCUSSION AND POSSIBLE ACTION</p>	<p>Director Chiu commented on questions raised by members of the public including those regarding ownership of the land and the Hospital. He expressed concerns about having a majority of appointed and not publicly elected Board members, especially how that might impact programs that benefit the community but are not necessarily profitable.</p> <p>Motion: To approve Model A, to continue the governance structure as it is now.</p> <p>Movant: Chiu Second: Miller</p> <p>Director Reeder thanked the members of the public attending the meeting. He discussed his background and service on the Board, the complexity and evolution of the healthcare industry, and the reserved powers of the District to represent the community.</p> <p>Director Zoglin discussed his background, improvements of the Board in the last five years, and the need to compete with for-profit entities while maintaining a forward-thinking, independent community institution. He noted that appointed Board members can be dismissed at any time by the District Board.</p> <p>Director Miller thanked the public for attending and submitting comments. She discussed her background, her support of Model A, and whether or not the CEO should have a voting role on the Board.</p> <p>Director Fung thanked Ms. McNutt and David Nygren, the Board members, staff for their help with the communications, and the members of the public for their comments. He discussed his service on the Hospital and District Boards, the viability of health care organizations in this challenging climate, and the transparency of both Boards.</p> <p>A member of the public commented that BPCI team has been cut while the delivery of healthcare is moving toward bundled payments; she requested that the Board keep the current structure as in Director Chiu’s motion.</p> <p>Ayes: Chiu, Miller Noes: Fung, Reeder, Zoglin Abstentions: None Absent: None</p>	

Recused: None

The motion failed.

Director Reeder expressed concerns about the lack of subject matter experts running for elected office, citing past uncontested elections and his concerns about the role of money in elections.

In response to Director Fung's question, Mr. Olejko clarified the conflict of interest issue raised and the grand jury report referenced during the public comment. He noted that LAFCO staff and consultants suggested that there be a complete separation between the Hospital and District Boards.

Motion: To approve Model A, but modified to drop the CEO as a voting member and include an additional appointed voting member (4 appointed members, 5 elected members).

Movant: Miller

Second: Chiu

The Board discussed whether or not the proposal would provide sufficient expertise on the Board.

Bill James voiced his support of Director Miller's motion and its hybrid approach that would allow for an incremental step to include more expertise while maintaining public control.

Directors Miller and Chiu commented that the attendees who spoke in the public comment period support Model A.

Ayes: Chiu, Miller

Noes: Fung, Reeder, Zoglin

Abstentions: None

Absent: None

Recused: None

The motion failed.

Motion: To adopt Model C.

Movant: Reeder

Second: Fung

The Board discussed public opinion concerning Model C, reserved powers of the District, the voice of the community, and the balance of public and expert perspectives.

Bill James expressed concerns about Model C and conflict over which District Board members would sit on the Hospital Board.

Jim Abraham commented that an individual does not have to be an expert to serve on the Board.

Bruce Euzent commented the expertise is not needed on the Hospital Board; it is needed in the Hospital staff.

Manuel Masias expressed concern over whether the Board was taking public input seriously.

Ayes: Fung, Reeder

Noes: Chiu, Miller, Zoglin

Abstentions: None

Absent: None

Recused: None

The motion failed.

Motion: To adopt Model B.

Movant: Zoglin
Second: Reeder

Motion to Amend: To modify Model B, to have the Hospital CEO be a non-voting member.

Movant: Fung
Second: Miller

Director Zoglin expressed concerns about precluding the option of a voting CEO on the Board in the middle of the recruitment of a new CEO. Director Miller noted that she did not believe this would create any difficulty with recruitment.

Ayes: Fung, Miller
Noes: Chiu, Reeder, Zoglin
Abstentions: None
Absent: None
Recused: None

The motion failed.

In consultation with outside counsel, Director Chiu requested to reconsider his vote.

The vote was retaken on the motion to amend:

Ayes: Chiu, Fung, Miller
Noes: Reeder, Zoglin
Abstentions: None
Absent: None
Recused: None

The motion passed.

Motion: To adopt Model B with the CEO as a non-voting member of the Hospital Board.

Carol Diamante spoke regarding responses in favor of each model and consideration of the public present.

Teri Eyre expressed concerns about a model with CEO as a non-voting member and the ability to attract top talent.

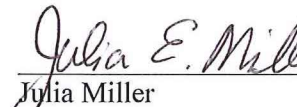
Ayes: Chiu, Fung, Miller, Reeder, Zoglin
Noes: None
Abstentions: None
Absent: None
Recused: None

The motion passed.

10. APPOINTMENT TO INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE OF THE SANTA CLARA COUNTY LAFCO	<p>Cindy Murphy, Board Liaison, explained that the Independent Special District Selection Committee of the Santa Clara County LAFCo will meet on May 16, 2017. Director Fung noted that he is unable to attend the meeting and asked if any of the other Board members would like to volunteer to be appointed to attend in his absence. All of the Board members reported that they are unable to attend. Staff will attend the meeting (in a non-voting capacity) and report back to the Board Chair.</p> <p>Mr. Olejko discontinued participation in the meeting.</p>	
11. ADJOURN TO CLOSED SESSION	<p>Motion: To adjourn to closed session at 7:31 pm pursuant to <i>Gov't Code Section 54957.2</i> for approval of the Minutes of the Closed Session of the District Board Meeting (March 14, 2017); pursuant to <i>Gov't Code Section 54957</i> for discussion and report on personnel performance matters: Executive Session.</p> <p>Movant: Miller Second: Chiu Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting adjourned to closed session at 7:31pm.</i></p>
12. AGENDA ITEM 16: RECONVENE OPEN SESSION/ REPORT OUT	<p>Open session was reconvened at 7:53 pm. Agenda items 12-15 were covered in closed session.</p> <p>During the closed session, the Board approved the Minutes of the Closed Session of the District Board Meeting of March 14, 2017 by a unanimous vote in favor of all Directors present (Directors Chiu, Fung, Miller, Reeder, Zoglin).</p>	
13. AGENDA ITEM 17: PACING PLAN	<p>In response to Director Miller's question, Director Fung and staff clarified that the ACHD agenda item planned for the May 22, 2017 District Board meeting is for Director Miller's report; there will not be a request for a motion to decide on ACHD membership at that time.</p>	
14. AGENDA ITEM 18: BOARD COMMENTS	<p>Julia Miller reported that she attended a function for Community Benefit grantee Bay Area Women's Sports Initiative (BAWSI). She encouraged her fellow Board members to attend their future events.</p>	
15. AGENDA ITEM 21: ADJOURNMENT	<p>Motion: To adjourn at 7:56 pm.</p> <p>Movant: Reeder Second: Miller Ayes: Chiu, Fung, Miller, Reeder, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting adjourned at 7:56 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


Julia Miller
ECHD Board Secretary

Prepared by: Cindy Murphy, Board Liaison
Sarah Rosenberg, Contracts & Board Services Coordinator