



**LAFCO MEETING: June 5, 2013**  
**TO: LAFCO**  
**FROM: Neelima Palacherla, Executive Officer**  
**Dunia Noel, Analyst**  
**SUBJECT: EL CAMINO HEALTHCARE DISTRICT**

**8.1 LEGISLATIVE COUNSEL'S OPINION REGARDING APPLICABILITY OF GANN APPROPRIATIONS LIMIT TO HEALTH CARE DISTRICTS**

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**Recommendation**

Accept report and provide direction to staff, as necessary

**Discussion**

LAFCO Counsel has reviewed the Legislative Counsel's opinion on the applicability of the Gann Appropriations limit (GAL) to healthcare districts and based on that opinion has concluded that the El Camino Healthcare District is subject to limits on its appropriations of certain sources of revenue. **Please see attached memo (Attachment A) from LAFCO Legal Counsel.**

As next steps in addressing this issue, LAFCO may consider seeking an AG opinion on the matter in order to have more resolution of the issue, as discussed by the Commission at its April 3, 2013 meeting.

Additionally, since the El Camino Healthcare District regularly exceeds and will continue to exceed its GAL limit, it may be appropriate for the District to consider (1) amending its GAL to better reflect the revenues it receives, (2) using its revenue for other expenditures (such as paying off debt) that are exempt from the GAL, and that would provide more direct benefit to the district's residents or (3) returning excess funds to its tax payers.

**8.2 UPDATE ON EL CAMINO HEALTHCARE DISTRICT'S IMPLEMENTATION OF THE RECOMMENDATIONS IN LAFCO'S AUDIT AND SERVICE REVIEW OF THE DISTRICT**

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**For Information Only**

On May 7, 2013, the El Camino Healthcare District submitted its response (**Attachment B**) to LAFCO recommendations related to the Audit and Service Review of the District. No action will be taken on this item at this time. LAFCO staff will review this

information and prepare a report for the Commission's consideration at the August 7, 2013 LAFCO meeting.

**ATTACHMENTS**

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- Attachment A: Memo From Mala Subramanian, LAFCO Legal Counsel, dated April 15, 2013 regarding Legislative Counsel Bureau Opinion Regarding Application of Gann Limit to Health Care Districts
- Attachment B: El Camino Healthcare District's Response to LAFCO Requests Related to 2012 Audit and Service Review



**MEMORANDUM**

**TO:** LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY  
**FROM:** MALA SUBRAMANIAN, GENERAL COUNSEL  
**DATE WRITTEN:** APRIL 15, 2013  
**RE:** LEGISLATIVE COUNSEL BUREAU OPINION REGARDING APPLICATION OF GANN LIMIT TO HEALTH CARE DISTRICTS

**Background**

On March 14, 2013, the Legislative Counsel Bureau (“Bureau”) drafted an opinion titled “Gann Limit: Health Care District - # 1301612” (“Opinion”) regarding whether a health care district, organized under the Local Health Care District Law, is subject to the spending limitation imposed by article XIII B of the California Constitution. This Opinion was prompted by requests to clarify whether article XIII B applies to health care districts in California; at present, some California health care districts in California set appropriation limits for themselves in accordance with article XIII B while others assert that health care districts are not subject to article XIII B. You have asked for further analysis of the Bureau’s Opinion and how the Opinion applies to the El Camino Hospital District (“District”).

**Analysis**

**1. The Gann Limit And Special Districts**

In November 1979, California voters passed Proposition 4, which created article XIII B of the California Constitution, and imposed a limit on most state and local government expenditures from tax sources. This limit is often called the “Gann Limit.” The Gann Limit is calculated annually according to a formula based on the amount of revenue from the proceeds of taxes that the state or local government entity appropriated in the prior fiscal year, adjusted for change in population and the cost of living; when the Gann Limit is exceeded, the surplus must be returned to the taxpayers within two years. (Cal. Const., art. XIII B, §§ 1-3.)

A “local government entity” is defined for purposes of the Gann Limit as including special districts in California. (Cal. Const., art. XIII B, § 8, subds. (b)-(d); Gov. Code, § 7901, subd. (e).) The uncertainty about health care districts arises from the fact that the creation of a health care district is specifically authorized under the Local Health Care District Law. (See Health & Saf. Code, § 32000 et seq.) It has been unclear if, under article XIII B and the implementation of article XIII B in the Government Code, health care districts are distinct from the other special districts in the state that are subject to appropriation limits.

The Bureau’s Opinion states a health care district is considered a special district that is subject to the Gann Limit. The Bureau explains that appropriation limits apply to health care districts



because the Local Health Care District Law “authorizes the creation of a type of special district known as a local health care district.” (Ops. Cal. Legis. Counsel, No. 1301612 (March 14, 2013) p. 2.) Unfortunately, the Bureau offers no additional explanation or support for how it came to its conclusion.

For those health care districts that have been operating under the assumption that the Gann Limit does not apply to health care districts, there may be significant issues with now calculating a Gann Limit for those districts and ensuring their appropriations are kept below that limit. As we understand it, El Camino Hospital District currently calculates a Gann Limit for its annual appropriations. Therefore, the Bureau’s Opinion should have a minimal impact, if any, on the District’s future calculations of its appropriation limit.

## **2. Determining Appropriations Subject To The Gann Limit**

Because the Bureau concludes that health care districts are considered special districts subject to the Gann Limit, the second half of the Opinion describes as noted below what types of revenue collected by health care districts are subject to appropriation limits.

### **a. Gann Limit Exemptions**

Special districts are exempt from the Gann Limit in two circumstances: 1) If the special district existed on January 1, 1978 and did not as part of the 1977-1978 fiscal year levy an ad valorem tax on property in excess of 12 ½ cents per \$100 of assessed value, or 2) If the special district is completely funded by revenues other than the proceeds of taxes. (Cal. Const., art. XIII B, § 9, subd. (c); Gov. Code, § 7901, subd. (e).) As we understand it, neither of these exemptions are applicable to the District; therefore, the Gann Limit applies to the District.

### **b. Determining Appropriations Subject To Gann Limit**

If the Gann Limit applies to a special district, then, according to the Bureau, the following sources of revenue are subject to the appropriations limit for that special district:

- Revenue from an ad valorem property tax collected by the county and distributed to the special district; revenue earned by the investment of tax revenues; and revenue from state subventions . (Cal. Const., art. XIII B, § 8, subd. (b).)
- Revenue from a special tax levied for a specific purpose by the special district. (Ops. Cal. Legis. Counsel, No. 1301612 (March 14, 2013) p. 7.)
- Revenue from any excessive regulatory license fees and user charges or fees. (Cal. Const., art. XIII B, § 8, subd. (c).)

The total amount of revenue from these sources must be less than the determined appropriation limit for the special district in that fiscal year.

There are also some revenues sources or uses that are not subject to a special district’s Gann



Limit. A special district's appropriation of revenue from the following specific sources or for the following reasons is not subject to the Gann Limit:

- The appropriation of revenue to pay the principal and interest of certain types of indebtedness. (Cal. Const., art. XIIB, § 8, subd. (g), § 9, subd. (a).)
- The appropriation of revenue earned from a special assessment. (Ops. Cal. Legis. Counsel, No. 1301612 (March 14, 2013) p. 8.)
- Subventions from the state to reimburse the special district for the costs of a state-mandated new program or increased level of service. (Cal. Const., art. XIIB, § 6.)

### **Conclusion**

According to the Bureau, health care districts are special districts under article XIIB of the California Constitution, and therefore, El Camino Hospital District is subject to limits on its appropriations of certain sources of revenue. The District already limits its appropriations according to its Gann Limit, which as of July 11, 2012, was calculated at \$21.2 million. (Harvey M. Rose Associates, LLC, "Audit and Service Review of the El Camino Hospital District," July 11, 2012, p. 6-2.) Assuming that the District complies with the requirements of article XIIB in determining which appropriations are subject to the Gann Limit, the Bureau's Opinion should not affect the District.





**ITEM # 8**  
**Attachment B**

2500 Grant Road  
Mountain View, CA 94040  
Phone: 650-962-5853  
[www.elcaminohospitaldistrict.org](http://www.elcaminohospitaldistrict.org)

**BOARD OF DIRECTORS**

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

# ECHD – LAFCo Response

## May 7<sup>th</sup>, 2013



2500 Grant Road  
Mountain View, CA 94040  
Phone: 650-962-5853  
www.elcaminohospitaldistrict.org

May 7, 2013

Santa Clara County Local Agency Formation Commission  
70 West Hedding Street  
11<sup>th</sup> Floor, East Wing  
San Jose, CA 95110  
Attention: Chairperson Mike Wasserman and Honorable Commissioners

**BOARD OF DIRECTORS**

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

Re: El Camino Healthcare District Response to LAFCo Requests Related to 2012 Audit and Service Review

To LAFCo Commissioners:

The Board of Directors of the El Camino Healthcare District (formerly known as the El Camino Hospital District) is pleased to share the attached report detailing the District's plan to implement improvements to governance, accountability and transparency based on the LAFCo Service Review recommendations.

The LAFCo service review process prompted us to examine every aspect of our governance, accountability and communications in a rigorous and comprehensive way, and we are a better organization for it. Most importantly, we believe these changes will better connect us with the communities and individuals our hospital has been committed to serve for over 50 years. The Board of Directors of El Camino Healthcare District understands that the quality and transparency of our governance is an integral part of our core mission to provide exemplary health care and community benefit programs which truly serve the needs of individuals and families in the District.

The attached report details the actions we have taken to implement the recommendations of LAFCo. These actions, and other related improvements in the past year, include:

- A review of the governance and organization processes of the Healthcare District and the Hospital Corporation, which led to an expansion of the Hospital Corporation Board of Directors to nine individuals, as well as the addition of 21 new members who are spread out among the Hospital Corporation's Finance, Governance, Corporate Compliance/Privacy & Audit, Investments, Executive Compensation, and the Quality Patient Care & Patient Experience Committees who bring a breadth and depth of subject-matter expertise and community connection. The expansion of the Hospital Corporation Board and the new committee structure further distinguishes the composition of the Boards.
- District Board agendas and meeting materials are posted to the District's web site. Also, Hospital Corporation Board agendas and materials are posted to the Hospital Corporation web site, and soon Hospital Corporation committee agendas and materials will also be posted to the Hospital Corporation web site.
- Creation of a process to provide District stand-alone supplemental schedules in the consolidated financial statements and to post preliminary and final District budgets on the District web site as future budgets are developed, to inform and invite greater public input in the budget planning process.
- A review and clarification of the District's policy for funding of capital and reserve policies.
- An examination and explanation of the rigorous oversight, administration and reporting process used by our community benefit program and the role of the Community Benefit Advisory Council.
- Establishment of a separate District bank account for District tax revenues, which will allow the District to make Community Benefit program disbursements directly to recipients.

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

- Creation of a Statement of Work under the existing Management Services Agreement between the Hospital and District to ensure that each person providing services to the District has clearly defined roles and responsibilities.
- Creation of a separate District web site and other communications materials which clearly delineate the structure and roles of the Healthcare District and the Hospital Corporation.
- Ongoing work to rename and rebrand the "El Camino Hospital District" as the "El Camino Healthcare District" to further distinguish it from the Hospital Corporation.

In addition, since the LAFCo Service Review was approved, two new members have been elected to the District Board of Directors who add valuable expertise, new ideas, and community knowledge to our organization.

The attached report provides further details and corresponding documents related to the LAFCo recommendations. We welcome your questions and guidance.

Regards,

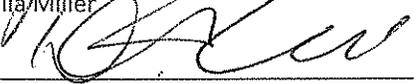
The El Camino Healthcare District Board of Directors:

  
\_\_\_\_\_  
John Zoglin, Chairman

  
\_\_\_\_\_  
Patricia Einarson, MD, Vice Chair

  
\_\_\_\_\_  
Dennis Chiu

  
\_\_\_\_\_  
Julia Miller

  
\_\_\_\_\_  
David Reeder

cc: Vice-Chairperson Susan Viçklund Wilson  
Commissioner Pete Constant  
Commissioner Sequoia Hall  
Commissioner Margaret Abe-Koga  
Commissioner Linda J. Lezotte  
Neelima Palacherla, LAFCo Executive Officer  
Emmanuel Abello, LAFCo Clerk  
Malathy Subramanian, LAFCo Counsel

**EL CAMINO HEALTHCARE DISTRICT**  
**RESPONSES**  
**TO**  
**SANTA CLARA COUNTY LOCAL AGENCY FORMATION COMMISSION**  
**REQUESTS**  
**RELATED TO**  
**2012 AUDIT AND SERVICE REVIEW OF THE EL CAMINO HOSPITAL DISTRICT**  
**(NOW EL CAMINO HEALTHCARE DISTRICT)**

**DATED: May 7, 2013**

**EL CAMINO HEALTHCARE DISTRICT RESPONSES  
TO  
SANTA CLARA COUNTY LOCAL AGENCY FORMATION COMMISSION  
REQUESTS RELATED TO  
2012 AUDIT AND SERVICE REVIEW OF THE EL CAMINO HOSPITAL DISTRICT  
(NOW EL CAMINO HEALTHCARE DISTRICT)**

This document is being submitted by the El Camino Healthcare District (formerly known as the El Camino Hospital District, and referred to herein as the “District”) in response to Santa Clara County Local Agency Formation Commission (“LAFCo”) Resolution No. 2012-05 (the “Resolution”) passed and adopted by LAFCo on August 1, 2012. Specifically, Section 6 of the Resolution includes LAFCo requests to the District. The requests from Section 6 of the Resolution, and the District’s responses thereto, are set forth below.

**LAFCo Resolution Section 6, Request (a) #1 (Part 1)**: Request that the District limit its financial contributions to El Camino Hospital Corporation (the “Corporation” or the “Hospital Corporation”) to payments for principal and interest on debt incurred by the District for the El Camino Hospital Mountain View Rebuild (i.e., a balance of \$143.8 million in General Obligation Bonds). In addition, request that the District cease all automatic contributions to the El Camino Hospital Corporation to support the Hospital capital improvement program or be used as a general revenue source.

**District Response**: The District agrees with the recommendation that there will be no automatic contributions to the Hospital Corporation to support the Hospital capital improvement program or be used as a general revenue source. District revenues will continue to be used to make payments for principal and interest on debt incurred by the District for the El Camino Hospital Mountain View Rebuild (i.e., a balance of \$143.8 million in General Obligation Bonds). In addition, to the extent approved by the District Board at a public District Board meeting, District revenues may continue to be contributed to the Hospital Corporation: (i) for capital improvements for the Mountain View Hospital or other facilities within the District, or (ii) for Hospital Corporation community benefit programs that have applied for and been selected to receive District community benefit grants following all of the same procedures and selection criteria applicable to other community benefit program applicants (as discussed further below in response to LAFCo Resolution Section 6, Request (a), #2), to the extent the District Board determines that such use of District funds best serves the District and the people served by the District.

District Resolutions 2013-01 and 2013-02, and the District Financial Reserves Policy, provide that other than (a) tax receipts committed to a specific purpose such as the payment of debt and (b) transfers to El Camino Hospital Corporation made for uses consistent with the Gann appropriations limit, District net receipts are to be retained by and managed exclusively by the District.

Please see the following documents referred to in this response which are attached hereto and incorporated herein by this reference:

**Attachment 1:** Santa Clara County LAFCo Resolution No. 2012-05

**Attachment 2:** District Resolution 2013-01

**Attachment 3** District Resolution 2013-02

**Attachment 4** District Financial Reserves Policy

**LAFCo Resolution Section 6, Request (a), # 1 (Part II)**: LAFCo has directed staff to obtain an opinion from the California Attorney General considering whether the Gann appropriations limit applies to health care districts. LAFCo proposes that if the Gann appropriations limit does not apply to health care districts, then the District should dedicate all funds to community benefit programs “that more directly benefit residents of the District.”

**District Response**: The District agrees that, to the extent the California Attorney General opines that the Gann appropriations limit does not apply to health care districts, then the District Board’s discretion with respect to use of District tax revenues will be expanded so that none of the revenues will be required to be used for capital expenditures.

Should such an opinion be issued, the District will consider the matter and determine, as is the District Board’s statutory obligation, the best use for the District’s funds. While the District Board cannot agree to limit its discretion and commit future District tax revenues to specific community benefit programs, the District does agree to continue to exercise its responsibilities to ensure that funds are spent in ways that the District believes best provide health benefits to the District and people served by the District. The District Board will also continue to ensure that any capital improvement projects that receive District funds will be for benefit of the District and the people served by the District.

District Resolution 2013-01 (i.e., **Attachment 2** to this document) sets forth the District’s intent to continue to comply with the requirements of the Gann appropriations limit unless and until the Attorney General of the State of California opines that the Gann appropriations limit does not apply to the District or legislation is enacted which makes clear that this constitutional and statutory requirement does not apply to the District.

**LAFCo Resolution Section 6, Request (a), # 2:** Request that the District cease all automatic payments to the El Camino Hospital Corporation or its affiliates to support the Corporation's community benefit program and divert these funds to other programs that more directly benefit the residents of the District. Under this approach, the District Board should consider establishing a Community Benefit Trust Fund for the purpose of awarding District funded community benefit grants to public and private non-profit organizations that would provide healthcare related services to District residents. While the Corporation and its affiliates should not be barred from receiving community benefit grants from the District, the organization should be required to compete for dollars along with other providers that might offer services.

**District Response:** The District agrees with and implements the recommendation that there will be no automatic payments to the Hospital Corporation or its affiliates to support the Hospital Corporation's community benefit program. The District further agrees that the Hospital Corporation and its affiliates should not be barred from receiving community benefit grants from the District, and implements policies to ensure that the Hospital Corporation is required to compete for dollars along with other providers that might offer services.

The District also agrees with the recommendation for the District to establish a separate bank account for District funds. The District has established such a separate bank account and will be making disbursements to community benefit recipients directly from that account after July 1, 2013 which is the beginning of its next fiscal year. District Resolution 2013-02 (i.e., **Attachment 3** to this document), among other things, establishes the District's Community Benefit Fund and sets forth certain parameters regarding its annual funding.

A more detailed description of the District's community benefit program is set forth in **Attachment 5** to this document.

Please see the following documents referred to in this response and related to the District's community benefit program which are attached hereto and incorporated herein by this reference:

- Attachment 5:** Overview of District Community Benefit Program
- Attachment 6:** District Community Benefit Grant Making Policies and Procedures, implementing Community Benefit Policies adopted by the District Board on May 1, 2013.
- Attachment 7:** District Community Benefit Advisory Council Charter, adopted by the District Board on May 1, 2013.
- Attachment 8:** List of Community Benefit Advisory Council Members
- Attachment 9:** District Fiscal Year 2012 Community Benefit Report.
- Attachment 10:** District Community Benefit grant application.

**LAFCo Resolution Section 6, Request (a), # 3:** Request that the District implement changes to the budget and financial reporting structure of the District, to provide clear and distinct segregation of budget priorities and reporting of financial activities. The budget process should be restructured to enhance transparency and public accountability, including clear presentation of financial policies, including those related to reserves, as well as projected and actual revenues and expenditures by purpose and program. The budget should report on specific line items financed by the District, including appropriations that support Mountain View hospital debt service, capital improvements (for example, the District should adopt a capital improvement plan), staffing and operations (including compensation paid to District Board members and/or employees and consultants, if any), and community benefit programs by grant category and recipient. In addition, the District Board should routinely appropriate all property taxes and non-operating revenues each fiscal year to prevent accumulation of resources, except in designated reserves or trust funds. A strengthened budget monitoring and reporting system should be established to ensure funds, such as community benefit grants, are being spent in accordance with Board policy.

**District Response:** The District agrees with the recommendation and has implemented changes to the budget and financial reporting process to enhance transparency and public accountability.

Although accounting standards require that the District prepare consolidated financial statements, the District has implemented processes to provide supplemental schedules in the consolidated financial audit, including itemized financial information describing the revenues, expenditures, assets, and liabilities of the District separately from those of the Hospital Corporation. In addition, both consolidated and separate unaudited financial information of the District is now prepared and presented to the District Board at its regularly scheduled Board meetings and is publicly available. The District will now also obtain a separate report on all District fund flows, which will be publicly available.

The District Board has adopted the District Financial Reserves Policy (i.e., **Attachment 4** to this document) which has been posted on the District web site. The FY2013 District budget is also posted on the District web site.

As future District budgets are being developed, the District will post both its preliminary and final budget material on its web site. The District actively solicits public commentary by providing means for the public to provide input via its web site and by continuing its long-standing practice of asking for public input at each District Board meeting. Comments received via the web site are provided to the District Board at each meeting. The names, titles, and telephone numbers of the contracted District staff members have been posted on the District web site to further increase the public's accessibility to information about the District. Please also see District Response to LAFCo Resolution Section 6, Request (a), # 4 (Part I) below.

Please see the following documents referred to in this response and related to the District's budget and financial reporting process which are attached hereto and incorporated herein by this reference:

**Attachment 11:** Excerpt from independent audit of the District for FY 2012, including supplemental schedules which provide financial information for the “stand-alone” District.

**Attachment 12:** Separate unaudited financial information of the District for FYTD 2013.

**Attachment 13:** FY2013 District budget.

**Attachment 14:**

- a. Public Comment; District Board Agenda
- b. Website Screen
- c. District Bylaws
- d. Rules of Order

**LAFCo Resolution Section 6, Request (a), # 4 (Part I):** Request that the District evaluate current and otherwise necessary professional services agreements with entities and individuals (including the Hospital Corporation) used by the District for services to ensure that District receives the administrative and legal support necessary to conduct business and to differentiate between the two entities.

**District Response:** The District agrees with this recommendation and has evaluated current and otherwise necessary professional services agreements with entities and individuals (including the Hospital Corporation) used by the District for services to ensure that District receives the administrative and legal support necessary to conduct business and to differentiate between the two entities.

The District and Hospital Corporation have entered into a Statement of Work under which certain services are provided by the Hospital Corporation to the District pursuant to the existing Management Services Agreement between the District and the Hospital Corporation, and has determined that continuing the Management Services Agreement is financially beneficial to the District given the broad scope of services provided to the District and the relatively small amount of compensation required to be provided by the District.

In addition, to further enhance and emphasize the distinction between the District and the Hospital Corporation, the District Board on May 1, 2013 changed the name of the El Camino Hospital District to the El Camino Healthcare District and adopted a new and distinct logo for the District.

The District has also examined, and will continue to periodically examine, the professional service agreements with third party professionals, to ensure that the District receives the administrative and legal support necessary to conduct business and to differentiate between services provided to the District and those provided to the Hospital Corporation. When potential conflicts are identified, separate representation of the District will be obtained as it has been in the past.

Please see the following documents referred to in this response which are attached hereto and incorporated herein by this reference:

**Attachment 15:** Statement of Work under Management Services Agreement.

**Attachment 16:** Collateral materials regarding new District name, logo and business cards

**LAFCo Resolution Section 6, Request (a), # 4 (Part II)**: Request that the District review and revise the District's Code of Ethics and Conflict of Interest policy to ensure that the District avoids circumstances of perceived or actual conflicts of interest.

**District Response**: The District agrees with this recommendation, and on July 17, 2012, the District completed review of its existing conflict of interest policy. The District's Conflicts of Interest Policy adopts by reference the Model Conflicts of Interest Code set forth in Title 2, Section 18730 of the California Code of Regulations, including any amendments to the Model Conflict of Interest code subsequently adopted by the Fair Political Practices Commission. This is the same Conflicts of Interest Policy that has been adopted by many other governmental agencies, including LAFCo. The policy, as reviewed, was filed with Santa Clara County which accepted the policy as being in compliance with law. As part of its regular practice, the District Board (and the Hospital Corporation Board) includes an item on each agenda which asks that Board members declare any conflicts that they may have with respect to matters on the agenda and invites the public to identify potential Board conflicts. Conflicts that are identified at the District are reviewed internally by the District and advice sought from a law firm retained to represent the District on such matters. The District also considered the request to review whether it is appropriate to have the District adopt a separate Code of Ethics policy and determined that in light of the significant requirements already applicable to the District as a public agency no such separate policy was necessary.

Please see the following documents referred to in this response which are attached hereto and incorporated herein by this reference:

**Attachment 17**: District Conflicts of Interest Policy, adopted by the District on July 17, 2012.

**LAFCo Resolution Section 6, Request (b).** Request that the District provide a report back to LAFCo within 12 months regarding implementation of the above improvements.

**District Response:** This document is the District's report back to LAFCo.

**LAFCo Resolution Section 6, Request (c)**: Request that the District clearly demonstrate to LAFCo that no District funds will be used if El Camino Hospital Corporation plans to purchase property outside of the District's boundary and provide an explanation for how the purchase will benefit the District since the District's contributions to the Corporation over the years have benefited the Corporation's reserves and financing standing. This analysis should be specific to the particular purchase.

**District Response**: The District has not in the past provided, and does not intend in the future to provide, any District funds to the Hospital Corporation to acquire real property located outside of the District's boundaries. All District funds that are transferred to the Hospital Corporation have been, and will continue to be, earmarked and used as directed by the District for specific purposes approved by the District Board of Directors.

Although the District has no current plans to acquire real property located outside of the District's boundaries, any such acquisition by the District would, among other things, require the District to make findings that such an acquisition would benefit the District and the people served by the District. (*See* Health and Safety Code Section 32121). That requirement does not apply, however, to any real property acquisition by the Hospital Corporation using Hospital Corporation funds only (i.e., no District funds).

The District will continue to inform LAFCo about any actions that involve use of District funds outside the District's boundaries or sphere of influence to the full extent required by applicable law. In addition, although the Hospital Corporation has no current plans to acquire real property outside of the District's boundaries, as a courtesy, the District will continue to notify LAFCo if the Hospital Corporation in the future plans to acquire property outside of the District's boundaries even if no District funds are used for the proposed acquisition.

INDEX OF ATTACHMENTS

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**Attachment 1**

Copy of Santa Clara County LAFCo Resolution No. 2012-05

(Attached)

**RESOLUTION NO. 2012-05**

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CLARA COUNTY**

**AUDIT AND SERVICE REVIEW OF THE EL CAMINO HOSPITAL DISTRICT**

**RESOLVED** by the Local Agency Formation Commission of Santa Clara County, State of California, that

**WHEREAS**, Government Code Section 56430 requires the Commission to conduct service reviews in order to prepare and update spheres of influence in accordance with Government Code Section 56425; and

**WHEREAS**, the Commission previously authorized the Audit and Service Review of the El Camino Hospital District (ECHD) to be prepared; and

**WHEREAS**, the Executive Officer set May 30, 2012 and August 1, 2012 as public hearing dates for the Audit and Service Review; and

**WHEREAS**, the Commission considered the report of the Executive Officer; and the attachments thereto, the comments received in writing and comments presented at the May 30, 2012 and August 1, 2012 public hearings;

**WHEREAS**, the Commission, as Lead Agency has complied with the California Environmental Quality Act (CEQA), as described below;

**NOW THEREFORE**, the Local Agency Formation Commission of Santa Clara County does hereby resolve, determine, and order as follows:

**SECTION 1:**

The El Camino Hospital District Audit and Service Review is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the following sections of the State CEQA Guidelines: §15306 Class 6; §15061(b)(3) General Rule; and §15378(b)(5);

**SECTION 2:**

Comments on the ECHD Audit and Service Review are hereby accepted and requests for revisions to the Revised Draft Report are hereby considered.

**SECTION 3:**

The El Camino Hospital District Audit and Service Review Report is hereby accepted without revisions and Exhibit 1 in the ECHD's July 30, 2012 letter is hereby accepted.

## **SECTION 4:**

The Service Review determinations for the El Camino Hospital District, as included in the Audit and Service Review Report, are hereby adopted as follows:

### **1. Growth and population projections for the affected area.**

The District and Sphere of Influence (SOI) are expected to experience a five-year population growth rate of 2.8 percent compared with a countywide population growth rate of approximately 5.0 percent. Also, because of the differences in the populations by age cohort, the District and SOI will experience a lower 5.8 percent inpatient volume increase compared with a 9.0 percent inpatient volume increase for the county overall.

### **2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.**

With the exception of ICU beds, it is unlikely that growth in local demand will lead to capacity concerns at the Mountain View hospital in the next five years. In addition, current facility plans under consideration for the Mountain View campus include the possibility of relocating physician offices in the Women's Hospital to make approximately 40,000 square feet available for inpatient use in 2013-14.

### **3. Financial ability of agency to provide services.**

The District, Corporation and five affiliated non-profit entities collectively held Unrestricted Net Assets of approximately \$440 million as of June 30, 2011, which was 76.3% of annual operating expenses in that year. Of this amount, \$408 million was reportedly held in cash and investments. Other financial indicators suggest that the combined organization is in a strong position compared with Standard and Poors (S&P) A+ rated hospitals: (a) the Hospital operating margin is 9.4% vs. 3.8% for the S&P group; (b) the Hospital profit margin is 8.3% compared with 6.0% for the S&P group; and, (c) the Hospital debt to capitalization ratio is 17.0% compared with 30.9% for the S&P group (i.e., for this indicator, a lower percentage suggests better performance). Therefore, the District's financial ability to provide services is strong.

### **4. Status of, and opportunities for, shared facilities.**

No opportunities for shared facilities were identified during the service review.

### **5. Accountability for community service needs, including governmental structure and operational deficiencies.**

To improve accountability, the District and the Corporation should establish enhanced budgetary reporting and controls on an accrual basis in order to better reflect the use of District resources. This should include detailed reporting of transfers between entities

as well as debt service requirements. In addition, budgetary and financial information should be reported on a component unit level (i.e., separate budgets and financial reports for the District, Corporation and each of the five non-profit entities). These budgets should provide character level detail and be reviewed, discussed and adopted by the respective boards at public hearings.

The governance structure of the District, the Corporation and the five affiliated non-profit entities blurs the distinctions between the organizations. As the "sole member" of the Corporation, the District is able to directly impose its will, financial benefit and financial burden on the Corporation, which link the boards together and create fiscal dependency. In addition, the Corporation serves as the manager and administrator, not only for the Hospital as a nonprofit public benefit corporation, but also for the District, the Foundation, and the additional affiliated entities. Accordingly, all financial transactions and activities occur through the accounts and records of the Hospital, further blurring distinctions between the entities.

The District should consider changes that would clearly distinguish between the entities for governance and management purposes. This is discussed more fully in Section 6 of this Audit and Service Review Report. In addition, the District should enhance processes for monitoring expenditures for capital improvements and community benefits, through improved budgeting and more transparent financial reporting.

## **SECTION 5:**

The existing Sphere of Influence for the El Camino Hospital District, as recommended in the Audit and Service Review Report, is hereby retained.

The Sphere of Influence (SOI) determinations for the El Camino Hospital District, as included in the Audit and Service Review Report, are hereby adopted as follows:

**1. The present and planned land uses in the area, including agricultural and open space lands.**

The ECHD has well-developed suburban land use designations without plans for significant changes that would affect the purpose and mission of the District.

**2. The present and probable need for public facilities and services in the area.**

The El Camino Hospital Mountain View campus provides a vital healthcare service in the community. A review of population projections for the District and the County, as well as analysis and capacity by major service, indicates that additional healthcare capacity is not required at this time. Overall, the County is using only 60.9 percent of

its licensed beds and El Camino Hospital Mountain View is using only 60.7 percent of its licensed beds, suggesting sufficient medical facility capacity in the County and District.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

See Statement Number 2.

**4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**

The Commission did not identify any social or economic communities of interest in the area and none were identified as part of the Service Review.

**5. The nature, location, and extent of any functions or classes of services provided by the existing district.**

Although the District does not directly operate El Camino Hospital, it leases the land, transferred and sold assets, and entered into various agreements with the El Camino Hospital Corporation to operate a hospital on property that it owns in Mountain View. In addition, the District has contributed approximately \$110 million to the Corporation in the past five years to pay for debt service related to the rebuilding of the Mountain View hospital, other capital improvements and community benefits.

El Camino Hospital is a full service acute care hospital located on a 41-acre campus in Mountain View, California. The campus in Mountain View includes the main hospital, the Women's Hospital, the El Camino Surgery Center, the Breast Health Center, the Oak Dialysis Center, the CyberKnife Center, the Cancer Center in the Melchor Pavilion, the Taft Center for Clinical Research, and the Genomic Medicine Institute. El Camino Hospital Corporation (EHC) also owns the El Camino Surgery Center, LLC, and Silicon Valley Medical Development, LLC, and has 50 percent ownership of Pathways HomeCare and Hospice.

El Camino Hospital is licensed for 374 General Acute Care beds and 25 Psychiatric beds, for a total of 399 beds, based on data available from the California Office of Statewide Health Planning and Development (OSHPD). In 2012, the number of medical-surgical beds at the Hospital will be reduced by 99 beds in the old hospital, from 279 to 180 licensed beds. The total inpatient bed capacity of the Hospital will be reduced to 310, including 285 Acute Care and 25 Acute Psychiatric beds.

**SECTION 6:**

The ECHD is hereby requested to do the following:

- a. Implement improvements in governance, transparency and public accountability as recommended in the Audit and Service Review Report and included in Attachment "A."
- b. Provide a report back to LAFCO within 12 months regarding implementation of the above improvements. At the end of the 12 month period, LAFCO shall reevaluate the ECHD and its Sphere of Influence, and consider the need for further changes or follow-up actions.
- c. Clearly demonstrate to LAFCO that no ECHD funds will be used if the El Camino Hospital Corporation plans to purchase property outside of the ECHD's boundary and provide an explanation for how the purchase will benefit the ECHD since the ECHD's contributions to the Corporation over the years have benefitted the Corporation's reserves and financial standing. This analysis should be specific to the particular purchase.

**SECTION 7:**

LAFCO staff is directed to seek the State Attorney General's opinion on the applicability of the Gann Limit to Health Care Districts.

**SECTIONS 1, 2 & 3**

**PASSED AND ADOPTED** by the Local Agency Formation Commission of Santa Clara County, State of California, on August 1, 2012 by the following vote:

**YES:** CONSTANT, ABE-KOGA, WILSON, WASSERMAN, KNISS

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

**SECTIONS 4, 5, 6 & 7**

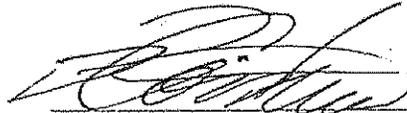
**PASSED AND ADOPTED** by the Local Agency Formation Commission of Santa Clara County, State of California, on August 1, 2012 by the following vote:

**AYES:** CONSTANT, ABE-KOGA, WILSON, WASSERMAN

**NOES:** KNISS

**ABSENT:** None

**ABSTAIN:** None



Pete Constant, Chairperson  
LAFCO of Santa Clara County

**ATTEST:**

  
Emmanuel Abello, LAFCO Clerk

**APPROVED AS TO FORM:**

  
Malathy Subramanian, LAFCO Counsel

**Attachment to Resolution No. 2012-05**

Attachment "A" – Recommendations to the El Camino Hospital District for Improvements in Governance, Transparency and Public Accountability

**RESOLUTION 2012-05**

**ATTACHMENT "A"**

**RECOMMENDATIONS TO THE EL CAMINO HOSPITAL DISTRICT  
FOR IMPROVEMENTS IN GOVERNANCE, TRANSPARENCY  
AND PUBLIC ACCOUNTABILITY**

1. The El Camino Hospital District should limit its financial contributions to El Camino Hospital Corporation to payments for principal and interest on debt incurred by the District for the El Camino Hospital Mountain View Rebuild (i.e., a balance of \$143.8 million in General Obligation Bonds, discussed in Section 4). In addition, the District should cease all automatic contributions to the El Camino Hospital Corporation to support the Hospital capital improvement program or to be used as a general revenue source. Instead, LAFCo should seek a legal interpretation of the applicability of GAL to the District and, if permitted by law, the District should divert these funds to community benefit programs that more directly benefit the residents of the District. Had this been the practice over the past five years, additional community benefit dollars amounting to approximately \$73.7 million would have been available to directly benefit District residents. Should contributions exceed the 50% threshold pursuant to Health and Safety Code 32121 (p)(1), a vote may be required.
2. Cease all automatic payments to the El Camino Hospital Corporation or its affiliates to support the Corporation's community benefit program and divert these funds to other programs that more directly benefit the residents of the District. Under this approach, the District Board should consider establishing a Community Benefit Trust Fund for the purpose of awarding District funded community benefit grants to public and private non-profit organizations that would provide healthcare related services to District residents. While the Corporation and its affiliates should not be barred from receiving community benefit grants from the District, the organizations should be required to compete for dollars along with other providers that might offer services.
3. Implement changes to the budget and financial reporting structure of the District, to provide clear and distinct segregation of budget priorities and reporting of financial activities. The budget process should be restructured to enhance transparency and public accountability, including clear presentation of financial policies, including those related to reserves, as well as projected and actual revenues and expenditures by purpose and program. The budget should report on specific line items financed by the District, including appropriations that support Mountain View hospital debt service, capital improvements (for example, the district should adopt a capital improvement plan), staffing and operations (including compensation paid to District Board members and/or executive staff, other employees and consultants, if any), and community benefit

**RESOLUTION 2012-05**

**ATTACHMENT "A"**

programs by grant category and recipient. In addition, the District Board should routinely appropriate all property taxes and non-operating revenues each fiscal year to prevent accumulation of resources, except in designated reserves or trust funds. A strengthened budget monitoring and reporting system should be established to ensure funds, such as community benefit grants, are being spent in accordance with Board policy.

4. Evaluate current and otherwise necessary professional services agreements with firms or individuals (including the corporation) used by the district for services, to ensure that the District receives the administrative and legal support necessary to conduct business and differentiate between the two entities. Review and revise the District's code of ethics and conflict of interest policy to ensure that the District avoids circumstances of perceived or actual conflicts of interest.

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**Attachment 2**

Copy of District Resolution 2013-01

(Attached)

**EL CAMINO HEALTHCARE DISTRICT  
RESOLUTION 2013-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
EL CAMINO HEALTHCARE DISTRICT  
REGARDING FUNDING OF CAPITAL**

**WHEREAS**, El Camino Healthcare District (the "District") has, for more than 50 years, played an important role in providing healthcare for members of the community, including those community members who are uninsured, under-insured and underserved;

**WHEREAS**, the District has complied with the Gann Appropriations Limit ("GAL") since the GAL became effective;

**WHEREAS**, recently, in response to a recommendation by a Local Agency Formation Commission that a health care district follow the GAL, a district hospital took the position that the GAL does not apply to health care districts;

**WHEREAS**, compliance with the GAL eliminates the possibility that the District could be found to be in violation of this constitutional and statutory requirement;

**WHEREAS**, the Board of Directors of the District is committed to providing services to address healthcare needs in the community;

**WHEREAS**, the Board of Directors of the District on the 14<sup>th</sup> of May 2008 adopted Resolution 2008-2 to establish annual funding of the District's Community Benefit Programs and Services;

**WHEREAS**, the Board of Directors of the District intends that any and all expenditures of tax receipts be made in a manner consistent with all laws and regulations;

**NOW THEREFORE BE IT:**

**RESOLVED**, that District Resolution 2008-2 is hereby rescinded; be it further

**RESOLVED**, that until the Attorney General of the State of California issues an opinion that the GAL does not apply to health care districts or legislation is enacted by the State Legislature to the same effect, the District shall observe and comply with the requirements of the GAL and that after any such action by the Attorney General or the Legislature the District shall follow such opinion or law; be it further

**RESOLVED**, that any and all District capital expenditures in accordance with the GAL shall be for capital improvements within the District and shall be individually approved at a District Board meeting.

**DULY PASSED AND ADOPTED** at a meeting held on the 1st day of May, 2013  
by the following votes:

**AYES:** 4 Chiu, Miller, Zoglin, Reeder

**NOES:** 0

**ABSENT:** Einarson

**ABSTAIN:** 0

  
\_\_\_\_\_

David Reeder

Secretary, Board of Directors El Camino Healthcare District

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**Attachment 3**

Copy of District Resolution 2013-02

(Attached)

**EL CAMINO HEALTHCARE DISTRICT  
RESOLUTION 2013-02**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
EL CAMINO HEALTHCARE DISTRICT  
TO ESTABLISH CERTAIN DISTRICT FUNDS**

**WHEREAS**, El Camino Healthcare District (the "District") has, for more than 50 years, played an important role in providing healthcare for members of the community, including those community members who are uninsured, under-insured and underserved;

**WHEREAS**, the District has heretofore contracted with El Camino Hospital to perform all banking and accounting functions for the District;

**WHEREAS**, the District has now established a depository relationship with a commercial bank;

**WHEREAS**, all District monies managed by El Camino Hospital will be transferred to the District's depository account on or before July 1, 2013, which is the first business day of the District's fiscal year 2014;

**WHEREAS**, the District has determined that certain funds should be established in order to further increase transparency in the reporting of all financial and other activities of the District;

**WHEREAS**, the District intends for these funds to be managed within certain parameters to continue to ensure that District resources are used as intended and that adequate reserves are kept for the necessary functions of the District;

**NOW THEREFORE BE IT:**

**RESOLVED**, that the District hereby creates and establishes the District Operating Fund, the District Capital Appropriation Fund, the District Capital Replacement Fund and the District Community Benefit Fund with the specific attributes described on Attachment 1 and delegates certain authority to the District CFO to take the actions described in Attachment 1 with respect to those funds; be it further

**RESOLVED**, the District CFO shall include in each financial report the balances in each such fund and the total deposits and withdrawals from each such fund in regular reports to the District Board.

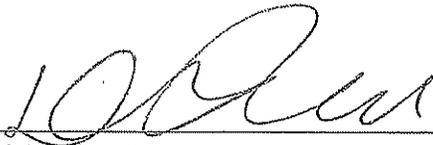
DULY PASSED AND ADOPTED at a meeting held on the 1st day of May, 2013  
by the following votes:

AYES: 4 Chiu, Miller, Reeder, Zoglin

NOES: 0

ABSENT: Einarson

ABSTAIN: 0



\_\_\_\_\_  
David Reeder, Secretary  
El Camino Healthcare District Board of Directors

## ATTACHMENT 1

### Certain District Funds and Delegation of Authority

1. **DISTRICT OPERATING FUND.** The District hereby establishes a District Operating Fund. The purpose of the District Operating Fund is to provide a designated fund from which the routine operating expenses of the District will be paid, and into which will be transferred all District receipts and from which all disbursements of the District will be made except: (1) receipts and expenditures which by law or by contract must be handled by a third party, such as receipts and expenditures relating to the General Obligation bonds authorized by Measure D, (2) receipts and disbursements related to investment accounts of the District, and (3) receipts and disbursements within the other named funds created by District Resolution 2013-02 or another District resolution.

The amount initially placed into the Operating Fund will be \$1.5 million, which approximates the District's fiscal year 2012 operating expenses, plus an additional amount equal to 120 days of these expenses. The District CFO is responsible to manage the Operating Fund and to make changes to the amount therein, as deemed prudent and as is appropriate to its purpose.

2. **DISTRICT CAPITAL APPROPRIATION FUND.** The District hereby establishes a District Capital Appropriation Fund. The purpose of the District Capital Appropriation Fund is to ensure that the District has adequate resources to fund its obligations under the Gann Appropriations Limit. Initially, the amount placed into the District Capital Appropriation Fund shall be set as the amount then in the District's Capital Outlay general ledger account. The District CFO shall thereafter maintain the amounts in the District Capital Appropriation Fund at a level which ensures adequate funds exist to ensure full compliance with the Gann Appropriation Limit.
3. **DISTRICT CAPITAL REPLACEMENT FUND.** The District hereby establishes a District Capital Replacement Fund. The purpose of the District Capital Replacement Fund is to ensure that the District has adequate resources to fund repair and replacement of its capital assets. The District previously established a general ledger account entitled "Funded Depreciation" and directed that 130% of annual depreciation expense be placed into the account. The District CFO is directed (a) to fund the District Capital Replacement Fund in an amount equal to the balance in the existing Funded Depreciation account and (b) thereafter to place 130% of the annual depreciation expense into the District

Capital Replacement Fund on an ongoing basis. The District CFO shall manage this fund and suggest any changes to the amounts placed therein, as deemed prudent and as is appropriate to its purpose.

4. **DISTRICT COMMUNITY BENEFIT FUND.** The District hereby establishes a District Community Benefit Fund. The purpose of the District Community Benefit Fund is to ensure that the District has adequate resources to fund community benefit expenditures, to help minimize the possibility that community benefit funding would be diminished by unforeseen financial challenges within the District, and to provide a designated fund from which community benefit funding will be made. The amount initially placed into this fund shall be determined by subtracting from the total cash funds of the District the amounts deposited in the District Operating Fund, the District Capital Appropriation Fund, and the District Capital Replacement Fund, and the remaining amount shall be placed in the Community Benefit Fund.

The District CFO, in coordination with the Community Benefit Staff providing services to the District, shall work together to balance the amount held in the District Community Benefit Fund in order to meet the objectives of the District Community Benefit Fund. While it is recognized that the balance held in District Community Benefit Fund will fluctuate as funding is received and as the District disburses funds to the various community benefit recipients, in the absence of an unforeseen financial challenge the target balance for the Fund is the prior year's Ongoing Programmatic Funding. For purposes of this resolution, the term "Ongoing Programmatic Funding" means amounts paid from this fund to meet the operating expenses of a community benefit recipient organization; amounts expended by community benefit recipients to acquire capital assets shall not be considered Ongoing Programmatic Funding.

It is recognized that in any given year, the Community Benefit Advisory Council may not receive appropriate requests for the full amount of funding available from the District, or the District may disapprove some requests, resulting in the disbursement of less than the desired amounts. All amounts not appropriated remain in the Community Benefit Fund unless a transfer to another District fund is approved by the District.

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**Attachment 4**

Copy of District Financial Reserves Policy

(Attached)



2500 Grant Road  
Mountain View, CA 94040  
Phone: 650-962-5853  
[www.elcaminohospitaldistrict.org](http://www.elcaminohospitaldistrict.org)

**BOARD OF DIRECTORS**

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

**FINANCIAL RESERVES POLICY**

A. Coverage:

El Camino Healthcare District (the "District")

B. Policy Summary:

The purpose of this policy is to set forth the financial reserve guidelines that will enable the District to maintain its financial ability to accomplish its mission to meet the community's future healthcare needs.

C. Policy:

1. The District will maintain such funds as have been approved by resolution of the Board of Directors of the District.
2. On or before July 1, 2013, and with two exceptions, all funds of the District will be held in the District's commercial bank account. The two exceptions are (1) receipts and expenditures which by law or by contract must be handled by an external party, such as those funds received and expended pursuant to the agreements entered into as part of the General Obligation bonds issued as authorized by Measure D, and (2) amounts held in the District's investment accounts.
3. The District CFO shall be charged with the operational management of the established funds and shall regularly report to the District Board the activities and balances of each.
4. The District Board maintains ultimate authority over all District funds and nothing in this policy shall be taken to require the District to allocate funds for any particular purpose during any given period; this is always a prerogative of the District Board.

---

**Attachment 5**

Overview of District Community Benefit Program

## Attachment 5

### Overview of District Community Benefit Program

The District has well-defined, effective structures and processes in place to distribute community benefit funds. These include involvement of an advisory council, grant criteria, a formal proposal process, an annual plan and a comprehensive report to the community. The Community Benefit Advisory Council (CBAC) was established to ensure broad engagement in the development of the District Community Benefit Plan. The CBAC is composed of representatives from the District Board of Directors, community leaders and physicians. The CBAC provides input on unmet needs in the District, input on current and prospective community benefit partners and recommendations on programs to include in the annual Community Benefit Plan. There is a charter for the advisory council which outlines the purpose, membership, authority and responsibility.

The current District Community Benefit structure enables the District to administer a robust, strategic and metrics based Community Benefit Program. This program identifies through community wide collaboration the high priority health needs, and has a transparent and open process to select community partners that can deliver services to meet those health priorities. Programs operated by the Hospital Corporation can apply for funds and they follow all of the same procedures including proposal submission, developing impact metrics and providing regular reporting. The CBAC and the District review process ensures that any Hospital Corporation programs applying for District community benefit funds are evaluated using the same criteria as other applicants. The District focuses the delivery of services to provide maximum benefit to those who “live, work or go to school in the District.” The District has specific policies and procedures which define all aspects of the grant making process including: assessing community health needs, grantee selection process, grant monitoring, program reporting and data dashboards. The District is one of the only California health care districts with impact metrics and one of very few that provides a comprehensive annual report to the community which is widely distributed.

The District has excellent processes in place to distribute community benefit funds. The District compares very favorably in all aspects of community benefit administration relative to other districts. The District Board has strong and loyal relationships throughout the community and the District is highly regarded as a result of its community benefit commitment.

---

**Attachment 6**

Copy of District Community Benefit Grant Making Policies and Procedures

(Attached)



2500 Grant Road  
Mountain View, CA 94040  
Phone: 650-962-5853  
[www.elcaminohospitaldistrict.org](http://www.elcaminohospitaldistrict.org)

**BOARD OF DIRECTORS**

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# El Camino Healthcare District Community Benefit

## *Grant-making Policies and Procedures*

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3	District Funding: Annually, the District CFO will recommend the level of expenditures for grants and sponsorships to be authorized for the District's Community Benefit program. The District Board of Directors will approve or modify this amount as it deems appropriate.	3
4	Assessments: A formal, collaborative process to identify community health needs is used as a foundation for the District's Community Benefit program.	5
5	Distribution of Funds: Funds are distributed to recipients following approval of the Community Benefit Plan by the District Board of Directors. The Board's approval of the plan is Board authorization for distribution of funds, subject to the receipt of appropriate grant agreements.	12
6	Public Access to Information: The District will post information on its website in order to ensure the public has access to data regarding all grants and sponsorships it awards.	14

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# Overview of Community Benefit Program

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The El Camino Healthcare District (ECHD) Community Benefit Program significantly impacts the health of the community through yearly allocation of ECHD tax receipts to local nonprofit agencies and other community partners. The mission of the District's Community Benefit Program is to *significantly impact persistent unmet health needs in the District.*

## **Definition of Community Benefit**

Community Benefit encompasses the programs or activities that provide health services and/or promote health and well-being as a response to identified community needs.

**Policy 1. What Qualifies as Community Benefit: To qualify as Community Benefit, expenditures must: improve access to health care services; enhance the health of the community; advance health knowledge; or relieve or reduce the burden of government.**

**Policy 2. Geographic Scope: The El Camino Healthcare District Community Benefit Program is focused on the District's geographical area, which includes Mountain View, Los Altos, Los Altos Hills, a major portion of Sunnyvale, and portions of Cupertino, Santa Clara, and Palo Alto. While the primary intent is to serve individuals who live, work, or go to school in the District, it is recognized that the program may on occasion benefit visitors to the District.**

## **Sources of Community Benefit Funding**

In 2008, the ECHD Board of Directors voted to formalize its commitment to the health of the community through a resolution establishing set funding for the District's Community Benefit investment thereby allowing for long-term planning to address unmet health needs. As a hospital district, the Board believes its duty and privilege is to develop partnerships that improve the health of community members, especially the most vulnerable. In 2013, the ECHD Board of Directors adopted resolution 2013-01, which replaced its 2008 resolution. The new resolution establishes that beginning in its 2014 fiscal year, the District will begin funding Community Benefit programs directly, without first passing funds to its El Camino Hospital. In addition, the resolution sets certain parameters for decision making on the disbursement of funds to applicants and further clarifies how the amount of available funding will be set each year.

**Policy 3. District Funding: Annually, the District CFO will recommend the level of expenditures for grants and sponsorships to be authorized for the District's Community Benefit program. The District Board of Directors will approve or modify this amount as it deems appropriate.**

## **Role of El Camino Healthcare District Board of Directors**

The El Camino Healthcare District Board of Directors is responsible to ensure the District tax receipts are used to benefit the health and well-being of District residents.

- The Board approves the level of expenditures designated for Community Benefit.
- The Board approves the Community Benefit Annual Plan as prepared by the Community Benefit staff.
- The Board approves additional Community Benefit funding above the annual Community Benefit budget.
- The Board approves new Community Benefit Advisory Council members.
- A District Board member may sit on the Community Benefit Advisory Council.
- Board members may attend community events sponsored by ECHD as ambassadors of the District.
- Board members inform other community leaders about the mission and work of ECHD's Community Benefit program.

## **Role of Community Benefit Staff**

The District Community Benefit program is administered by El Camino Hospital's Community Benefit staff, under contract to the District. The role of the Community Benefit staff is to:

- Assess community health needs in collaboration with health organizations and coalitions. (*See Process to Assess Community Health Needs.*)
- Identify and learn about services addressing the health needs of the community, particularly for the underserved and vulnerable population.
- Identify services and collaborations that further advance El Camino Healthcare District's established Community Benefit health priorities.
- Evaluate potential grantees with regard to the quality of their services, measurement system, staffing and budget prior to presenting the program to the Community Benefit Advisory Council.
- Monitor progress of grant funded programs. (*See Grants Monitoring section for more information on this topic.*)
- Ensures the community has access to information on the District's grants and sponsorships.

## **Role of Community Benefit Advisory Council Members**

The Community Benefit Advisory is composed of ECHD Board representation, members of the community, physicians, and senior management. The CBAC was established to provide an informed perspective, guidance and support for the District's Community Benefit Program.

The CBAC provides direction for the development and implementation of the ECHD Community Benefit Plan. In carrying out these responsibilities, the CBAC members will:

- Review needs assessment data and provide input into the health related needs of youth and adults in the District

- Review health improvement initiatives as they relate to health priorities
- Provide input on programs to include in the annual Community Benefit Plan
- Provide input on best practices for meeting the health needs of the community
- Review the annual Community Benefit 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 Community Benefit sponsored events. Members inform other community leaders about the mission and work of ECHD's Community Benefit program.

### **Process to Assess Community Health Needs**

**Policy 4. Assessments: A formal, collaborative process to identify community health needs is used as a foundation for the District's community benefit program.**

The foundation of ECHD's Community Benefit Program is the Community Health Needs Assessment. The process to conduct the assessment is described below.

- Participate in the Santa Clara County Community Benefit Coalition and serve on the Coalition's Executive Council to conduct a triennial county health assessment, which includes a compilation and analysis of secondary data sources along with primary data from focus groups and key informant interviews. The health assessment report includes federal, state and local data.
- Solicit input from current Community Benefit partners and the Community Benefit Advisory Council on the most pressing local health needs.
- Review relevant health data from a wide-range of sources, such as the *California Healthy Kids Survey*, *Healthy People 2020*, and data from the Santa Clara County Public Health Department.

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## Community Benefit Guiding Principles and Health Priorities

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The guiding principles were developed with input from the ECHD Board, discussions with community benefit leaders and public health officials and a review of the Catholic Health Associations Community Benefit Guidelines. The guidelines incorporate the overarching values that focus our efforts for community benefit funding.

The ECHD health priorities are drawn from the most recent Santa Clara County Community Benefit Coalition's prioritized health needs for the County. The process that the Community Benefit Coalition engages in to arrive at prioritized health needs is described below, and may change with future assessments:

- Step 1: Health data are gathered from an extensive array of secondary and primary sources. The primary sources of data include:
  - Focus groups with providers that have expertise in a wide-range of health issues/populations; and
  - Focus groups with underserved residents representing various geographies across the County; and
  - Key informant interviews with health leaders.
- Step 2: The secondary and primary data are analyzed to generate a preliminary list of health needs that met a pre-established criterion (e.g., met definition of a need; was worse than an established benchmark; and are supported by multiple data sources).
- Step 3: The preliminary list of health needs are further narrowed by the Community Benefit Coalition by applying the following criteria:
  - Clear disparities or inequities
  - Prevention/early intervention opportunity
  - Multiplier effect (addressing health need has potential for solving multiple problems)
  - Community priority

From this process, health needs are prioritized for Santa Clara County. ECH Community Benefit staff will engage in a process involving the Community Benefit Advisory Council to review the countywide and District-specific health needs findings. The staff will periodically update the existing Community Benefit Program's health priorities, along with the program's guiding principles which are shown below.

## **Guiding Principles**

- **Community Benefit Advisory Council provides key guidance in development of Community Benefit initiatives.**
- **Address identified health priorities as the primary criteria for Community Benefit funding.**
- **Provide access to care through direct services or prevention programs.**
- **Work to reduce health disparities in the District.**
- **Develop long-term commitments with effective partners to reduce persistent health needs and ensure maximum impact of resources.**
- **Require rigorous accountability from partners to ensure optimal investment of Community Benefit funds.**
- **Build capacity in organizations that are effective in responding to community health needs.**
- **Focus on collaboration to enhance program effectiveness, avoid duplication of services and leverage Community Benefit funds.**
- **Develop a grants portfolio with significant funding for a modest number of organizations to build capacity and ensure impactful outcomes. The minimum funding for the majority of grants will be \$25K. There is flexibility, on occasion, to fund at lower levels for needed and effective programs that have small resource requirements.**
- **Provide not only financial support, but also guidance and expertise in areas including evaluation methodology, impact metrics, process improvement, streamlining operations and linkages to other community organizations.**

## Health Priorities Matrix

	Community Health Education and Health Literacy	Health Care Access (Primary, Oral, and Chronic Conditions Care)	Mental Health Access	Healthy Eating, Physical Activity, and Obesity Reduction	Special Focus Areas (TBD)
<b>Strategic Focus</b>	<p>To enhance the overall health of district residents by promoting their health literacy.</p> <p>Health Literacy is the degree to which individuals have the capacity to obtain, process and understand basic health information and services needed to make appropriate health decisions.</p>	<p>To improve health and prevent the onset of disease of district residents through enhanced access to primary medical care, immunization services, chronic disease management, oral health, and health insurance coverage.</p>	<p>To improve the mental health and well-being of district residents by providing screenings, education and access to services that address domestic violence, substance use, bullying and other issues.</p>	<p>To encourage healthy living and reduce obesity in district residents by providing education and access to nutritious food, physical activity and behavior change support.</p>	
<b>Potential Strategies</b>	<ul style="list-style-type: none"> <li>▫ Information and referral</li> <li>▫ Health fairs</li> <li>▫ Consultations</li> <li>▫ School health curriculum</li> <li>▫ Community health presentations</li> <li>▫ Health disparities education and screenings</li> </ul>	<ul style="list-style-type: none"> <li>▫ Primary care through medical home model</li> <li>▫ Healthcare coverage</li> <li>▫ Health screenings</li> <li>▫ Immunizations</li> <li>▫ School-based health interventions: screenings, case management, and resource and referral</li> <li>▫ Management of chronic conditions: diabetes, cardiovascular, and other conditions</li> </ul>	<ul style="list-style-type: none"> <li>▫ Counseling, developmental asset building, and crisis intervention for youth</li> <li>▫ Counseling, psychiatric services, and crisis intervention for adults</li> </ul>	<ul style="list-style-type: none"> <li>▫ Nutrition literacy</li> <li>▫ Physical activity</li> <li>▫ Food security</li> <li>▫ Health awareness campaigns in the schools</li> <li>▫ Behavior change education</li> <li>▫ Create organizational culture of wellness</li> </ul>	

# Community Benefit Grantee Eligibility and Selection Criteria

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In order for a potential grantee to be considered eligible for ECHD Community Benefit funding, the grantee must: provide services addressing the identified health priorities; and serve individuals who “Live, Work or Go to School in the District.” Potential grantees that meet these requirements are evaluated based on the following selection criteria.

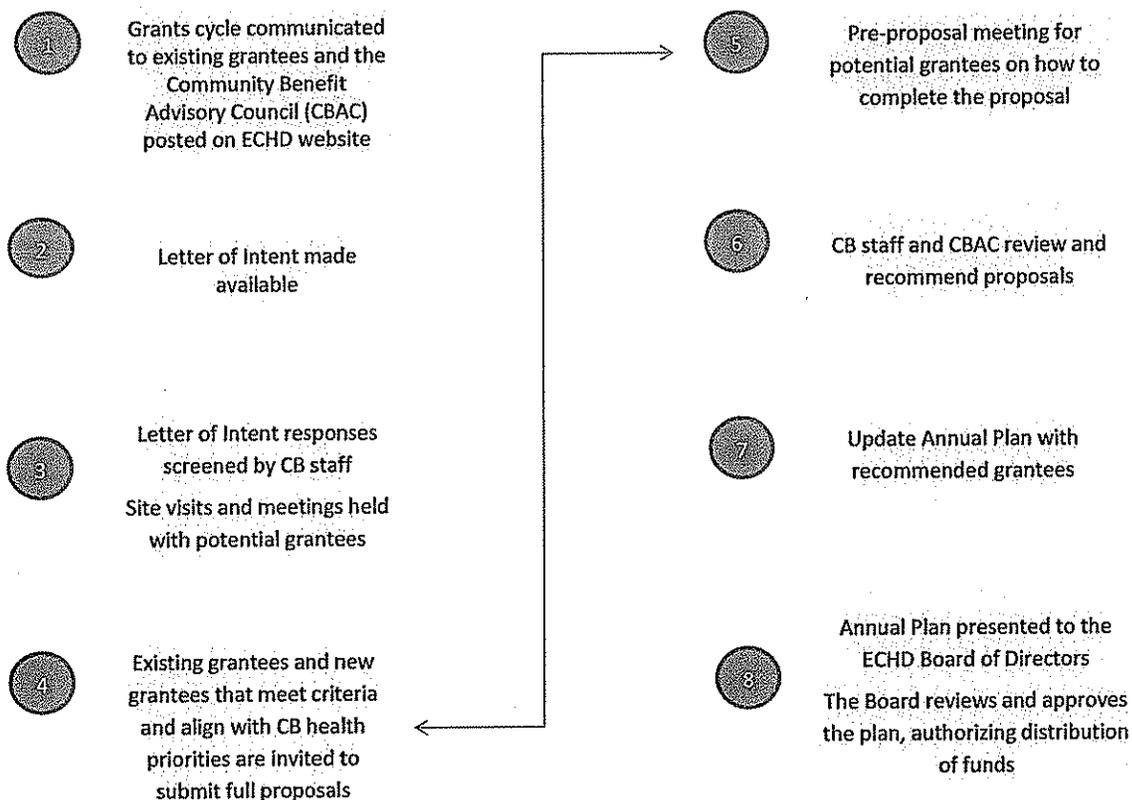
## Selection Criteria

1. Health-related, nonprofit organization, government-sponsored health program, school district, or community coalition.
2. Well-established and respected, with a history of strong service to the community.
3. Focus is to serve the underserved, address health disparities, and meet documented health needs.
4. The organizations must demonstrate a competence and capacity to address identified health needs.
5. Clear program design that includes goal statements, program activities, evaluation methods, and metrics.
6. Provides appropriate reach including number of individuals served and number of services provided.
7. Capacity to evaluate outcomes that includes the administration of evaluation tools such as surveys, case management forms, and registries.
8. Financially strong process that includes detailed budgets and other sources of funding.

# Grantee Selection Process

The grantee selection process of the Community Benefit Program is outlined in the diagram below and is described in more detail in the following sections.

## Synopsis of Grant-Making Process



## Proposal Process

### *Potential Grantees*

Each year, the grants cycle is communicated to current grantees and to members of the Community Benefit Advisory Council (CBAC). Additionally, information about the Community Benefit Program's grants cycle is posted on the ECHD website. Potential grantees are invited to submit a brief Letter of Intent. Community Benefit staff review responses to the Letter of Intent and conduct a further review of potential grantees by meeting with program directors, which may include site-visits. Potential grantees strongly aligned with the Community Benefit Program's health priorities and that meet the selection criteria are invited to submit a grant proposal.

**Proposal Submission**

Each potential grantee must submit a proposal that includes;

- An overview of the specific program for which the funds are requested
- A description of the measurable impact of the program
- Interventions
- Budget including other sources of funding
- Key personnel
- Scope of Work Matrix (goal statement, program activities, evaluation methods and metrics)

**GRANTEE SCOPE OF WORK TEMPLATE**

**Goal Statement:**

Program Activity	Metrics		Method of Evaluation	Metric Description	6 Month Target	Cumulative 12 Month Target
	Volume	Individuals Served				
		Encounters or Services				
	Impact					

**Pre-Proposal Meeting**

A pre-proposal meeting is held for potential grantees who were invited to submit a grant proposal. At the meeting, potential grantees receive an overview of the proposal, Scope of Work Matrix, and grant requirements.

**Selection Process**

Grant proposals are reviewed by the Community Benefit staff, which involves consideration of funding amounts as it relates to the scope of the program; the most effective use of resources; and the impact the program is expected to have. The Community Benefit staff make funding recommendations to the CBAC. Programs that are recommended by the CBAC become part of the annual Community Benefit Plan described in the section below.

**Process to Develop Community Benefit Plan**

Each year, Community Benefit staff prepares the ECHD Community Benefit Plan. To ensure that the evolving health needs are reflected in the Plan, ECHD follows a formal planning process that includes the following steps.

- As a member of the Executive Council of the Santa Clara County Community Benefit Coalition, develop a comprehensive Community Health Needs Assessment every three years.
- Obtain input from the CBAC, additional available data sources, and information from community collaborations and discussions with community leaders.
- Identify organizations to address the prioritized health needs. Selected programs with a description of their interventions, goals and metrics, comprise the Community Benefit Plan.
- The Community Benefit Plan is submitted to the ECHD Board of Directors for recommendations and final approval.

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## **Policy - Authorization to Distribute Funds**

**Policy 5. Distribution of Funds:** Funds are distributed to recipients following approval of the Community Benefit Plan by the District Board of Directors. The Board's approval of the plan is Board authorization for distribution of funds, subject to the receipt of appropriate grant agreements.

In the event that an approved grant requires an increase or decrease in appropriated funds due to documented and approved changes to the program, the Community Benefit Staff, under the signature of the VP of Corporate and Community Health Services, may adjust funded amount. Additional funds would be drawn from the Board approved place holder reserve. Additional funds may not exceed the total placeholder fund and no grant can receive an increase of more than 20% of the Board approved amount.

Organizations that are selected as Community Benefit grantees receive an awards notification letter, Grant Agreement and an approved Scope of Work document.

## **Reporting Requirements**

Once selected, partners are given reporting guidelines which include:

- Quarterly volume reports
- Midterm report at six months
- Annual report at 12 months

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## Grants Monitoring

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Community Benefit staff are responsible for monitoring the progress of grant funded programs, which entails orienting grantees; providing assistance; reviewing reports; and maintaining relationships with grantees through site visits and phone calls. Grantee progress is reported to the ECHD Board of Directors by Community Benefit staff through the presentation of midterm and annual reports. These activities are described in more detail below.

### **Grantee Orientation**

An orientation is held with grantees soon after they are notified of their grant award. The purpose of the orientation is to:

- Provide a review of the ECHD mission and purpose for Community Benefit,
- Provide an opportunity to meet with other grantees and identify areas for collaboration,
- Explain grantee reporting requirements,
- Review grantees' Scope of Work, and
- Provide general assistance (e.g., address questions about evaluation tools, budget, and midterm/annual reporting requirements).

The orientation will also provide the opportunity to discuss program implementation with grantees and how to meet and measure goals.

### **Monitoring**

Monitoring consists of Community Benefit staff reviewing grantee reports (quarterly volume, midterm, and annual), and conducting phone consultations and site visits.

### **Data Dashboards**

Community Benefit staff compile data from grantee reports into midterm and annual dashboards, which are presented to the ECHD Board of Directors. The review of dashboards allows the Community Benefit Program to assess the progress of grantees toward meeting their volume and impact targets. The dashboard includes a rating section that shows whether grantees met or fell below their targets as shown in the following table. The dashboard allows for grantees to explain why expected targets were not reached.

**Rating Scale: Met (95%-100% plus) or Below (<95%)**

Metrics	6 month target	6 month total	Rating Value (Total/Target)	Rating Result
Students served	65	67	103%	◦ Met
Students failing health screening, who saw a provider	80%	75%	94%	◦ Below
Uninsured students who have applied for healthcare coverage	100%	50%	50%	◦ Below

**Policy 6. Public Access to Information: The District will post information on its website in order to ensure the public has access to data regarding all grants and sponsorships it awards.**

**Community Benefit Reporting**

All program results are summarized in a six-month and a year-end report with a dashboard. These reports are presented to the ECHD Board of Directors. A comprehensive annual report for the community is produced that includes a summary of community benefit goals, program description, impact metrics and financial overview. Community Benefit reports are sent to elected officials, community leaders and community benefit partners. The report is also available on the ECHD website along with data regarding all awarded grants and sponsorships.

## Sponsorships

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The District's Community Benefit program includes both grants and sponsorships, both of which support relevant community organizations that impact the health and well-being of the community. Grants have a formal agreement with specific goals, accountability metrics and require regular reporting, while sponsorships support a single event and require submission of an application, but not a formal agreement or standardized reporting.

Criteria and the process to apply for sponsorships is described below

### Criteria

- Non-profit organization or government agency promoting the health and well-being of District residents.
- Established and well respected with a history of strong service to the community.
- Mission to serve the underserved, those in need, reduce or prevent disease and address health disparities.
- Organization is located in the District or will agree that ECHD funds will serve those who "live, work or go to school in the District."

### Process

- Organizations submit a request to the Community Benefit program.
- Staff reviews the request and determines the appropriate level of sponsorship.
- Staff coordinates with the organization regarding how the ECHD sponsorship will be communicated and promoted.
- Board, CBAC members or community members attend sponsored events.
- Sponsor provides information on meal costs. This expense will be deducted to adhere to Community Benefit reporting standards.
- Consideration is given to the frequency and amount of the sponsorship to determine year over year continued support.

Note: The District produces various documents enumerating specific procedures of its Community Benefit program. These documents may also contain summarized statements of the District's policies. In the event of any conflict between those materials and District policy, District policy shall control.

**Attachment 7**

Copy of District Community Benefit Advisory Council Charter

(Attached)



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 El Camino Healthcare District (ECHD) Community Benefit Advisory Council was established to provide an informed perspective, guidance and support for the District's community benefit programs. The advisory council ensures broad engagement in the development of the ECHD annual community benefit plan.

The Community Benefit Advisory Council (CBAC) is responsible for making recommendations for expenditure of ECHD's tax receipts for community benefit.

## 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, education, mental health, local government and community service organizations.
- Appointment:** The Advisory Council and Community Benefit 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 implementation of the 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 include 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 meet three times a year or as needed.

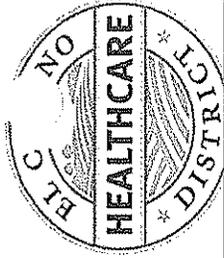
**Agenda:** The Director of Community Benefit will send the agenda and pertinent materials for review in advance.

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**Attachment 8**

List of Community Benefit Advisory Council Members

(Attached)



Community Benefit/Advisory Council Members

Community Members Name	Title	Email address	Phone	Mail Stop/Address	Years of Service
Wes Alles, Ph.D	Director, Stanford Health Improvement Program, Stanford University	<a href="mailto:walles@stanford.edu">walles@stanford.edu</a>	(650) 725-4403	211 Quarry Road Stanford, CA 94305	1 year
Bonnie Broderick, R.D., M.P.H.	Director, Chronic Disease & Injury Prevention Program, Santa Clara County Public Health Department	<a href="mailto:Bonnie.Broderick@PHD.SCCGOV.ORG">Bonnie.Broderick@PHD.SCCGOV.ORG</a>	(408) 793-2706	1400 Parkmoor, Suite 1208, San Jose, CA 95126	< 1 year
Julia E. Miller	Director, El Camino Hospital Board of Directors; Director El Camino Healthcare District Board of Directors	<a href="mailto:Julia@juliamiller.net">Julia@juliamiller.net</a>	(408) 739-8789	1611 New Brunswick Ave. Sunnyvale, CA 94087	< 1 year
Rhonda Farber, Ph.D	Past Superintendent, Campbell Union High School District	<a href="mailto:rfarber50@gmail.com">rfarber50@gmail.com</a>	(408) 323-1743- home (408) 335-5736- cell	1515 Redmond Avenue San Jose, CA 95120	< 1 year
Naomi Nakano-Matsumoto	Executive Director, West Valley Community Services	<a href="mailto:naomin@wvcommunityservices.org">naomin@wvcommunityservices.org</a>	(408) 866-3908	10104 Vista Drive Cupertino, CA 95014	1 year
Randy Tsuda	Director City of Mountain View	<a href="mailto:randal.tsuda@mountainview.gov">randal.tsuda@mountainview.gov</a>	(650) 903-6456	500 Castro Street Mountain View, CA 94039	< 1 year
Mariyn Winkleby, Ph.D. M.P.H.	Professor of Medicine and Director of the Office of Community Health, Stanford University School of Medicine	<a href="mailto:winkleby@stanford.edu">winkleby@stanford.edu</a>	(650) 723-7055	251 Campus Drive Stanford, CA 94035	< 1 year

Staff Name	Title	Email address	Phone	Mail Stop/Address	Years of Service
Barbara Avery	Director, Community Benefit (Chair)	<a href="mailto:barbara_avery@elcaminohospital.org">barbara_avery@elcaminohospital.org</a>	x7412	PARG20	3 years
Cecile Currier	President CONCERN-EAP; VP, Corporate & Community Health Services	<a href="mailto:cecile_currier@concern-eap.com">cecile_currier@concern-eap.com</a>	x7401	GRA1F	3 years
Chris Ernst	VP, Marketing & Corporate Communications	<a href="mailto:chris_ernst@elcaminohospital.org">chris_ernst@elcaminohospital.org</a>	x5853	WIL214	2 years
Cesar Molina, MD	Physician	<a href="mailto:armolina@pachbell.net">armolina@pachbell.net</a>	(650) 823-3303	SOJ23	3 years
Carla Paul	Director, Community Health Services	<a href="mailto:carla_paul@elcaminohospital.org">carla_paul@elcaminohospital.org</a>	x7633	1C37	3 years
Cheryl Reinking	Vice Chief, Clinical Operations; MV	<a href="mailto:cheryl_reinking@elcaminohospital.org">cheryl_reinking@elcaminohospital.org</a>	x7121	1C34NSO	3 years
Anil Singhal, MD	Physician, RotaCare & ECH Foundation	<a href="mailto:asinghalmd@gmail.com">asinghalmd@gmail.com</a>	(408) 365-4271	449 London Park Court San Jose, CA 95136	2 years
Pat Wolfram	Vice President/ Hospital Administrator ECH LG	<a href="mailto:pat.wolfram@elcaminohospital.org">pat.wolfram@elcaminohospital.org</a>	(408) 866-3908	LGH205	2 years

**Attachment 9**

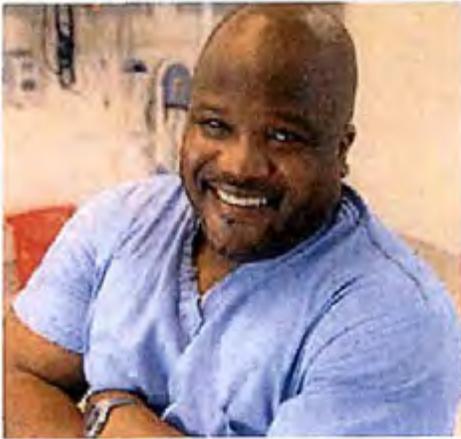
Copy of District Fiscal 2012 Community Benefit Report

(Attached)



# 2012 Community Benefit Report

FOR THE FISCAL YEAR ENDING JUNE 30, 2012



# 2012

This publication includes a report of Community Benefit activities for fiscal year 2011-2012 for both the El Camino Hospital District and El Camino Hospital. For clarity, the report is divided into two sections, each with a description of programs, highlights of the year's accomplishments, and a financial summary.

El Camino Hospital District and El Camino Hospital's Community Benefit Programs are funded separately, and each is focused on a distinct geographical area. The goal is the same: to make meaningful investments in the community that will help ensure individuals — especially the less fortunate — receive the health care they need, and to fund programs and activities that are working to improve the health and wellbeing of the community as a whole.

**More detailed information — including 2012 Community Benefit Plans for both El Camino Hospital District and El Camino Hospital, the 2012 Community Benefit Reports for both, as well as past Community Benefit Reports — can be found at [www.elcaminohospitaldistrict.org/Community\\_Benefit](http://www.elcaminohospitaldistrict.org/Community_Benefit) and [www.elcaminohospital.org/BenefitReport](http://www.elcaminohospital.org/BenefitReport).**

## 2012 COMMUNITY BENEFIT REPORT

- p. 9** District-funded Programs
- p. 21** Total District Community Benefit – Fiscal Year 2011–2012
- p. 23** Hospital-funded Programs
- p. 33** Total Hospital Community Benefit – Fiscal Year 2011–2012

# TWO COMMUNITY BENEFIT REPORTS, ONE GOAL: BETTER HEALTH FOR THE COMMUNITY

## EL CAMINO HOSPITAL DISTRICT COMMUNITY BENEFIT PROGRAM

The El Camino Hospital District has made a major commitment to the community through its yearly allocation of funds to local nonprofit agencies, school districts, and government-funded programs. The goal is to make a meaningful impact on the health of the community — specifically, underserved residents of the El Camino Hospital District.

El Camino Hospital District Community Benefit funds, which focus on programs that serve residents of the District, are approved each year by the El Camino Hospital District Board of Directors and administered by the hospital's Community Benefit staff.

## EL CAMINO HOSPITAL COMMUNITY BENEFIT PROGRAM

As a nonprofit organization, El Camino Hospital upholds its responsibility to give back to the community through designated community benefit activities such as charity care, subsidized health services, education, training for health professionals, and addressing shortfalls in reimbursement from government programs such as Medi-Cal. In addition, the hospital collaborates with local nonprofit agencies and other community partners to provide care and promote health in response to the documented health needs of the community.

El Camino Hospital Community Benefit funds — which focus on programs serving residents in the hospital's wider service area including West San Jose, Campbell, and Los Gatos — are approved each year by the El Camino Hospital Board of Directors and administered by the hospital's Community Benefit staff.

"Both the El Camino Hospital District and El Camino Hospital take one of the most thorough and thoughtful approaches to grant-making in the community. Through this strategic and metrics-based approach, organizations dedicated to serving those in need in our community are better able to evaluate the impact of their work and can then leverage these strengths as they go forward in this most vital work."

– Cecile Currier, vice president of Corporate & Community Health Services, El Camino Hospital, and CEO of CONCERN: EAP



## COMMUNITY BENEFIT

Both the El Camino Hospital District and El Camino Hospital follow national guidelines\* when planning their annual Community Benefit Programs. To qualify as community benefit, programs and activities must do the following:

- Improve access to health care services
- Enhance the health of the community
- Advance medical or health knowledge
- Relieve or reduce the burden of government or other community efforts
- Provide charity care that does not include bad debt, contractual allowances, or quick-pay discounts

\*Developed by the Catholic Health Association.

## A COMMON FOUNDATION

The foundation of El Camino Hospital District and El Camino Hospital's Community Benefit Programs is the Community Health Needs Assessment, conducted every three years by the Santa Clara County Community Benefit Coalition led by the Public Health Department. El Camino Hospital is a member of this coalition and sits on the executive committee. The most current needs assessment is the 2010 Santa Clara County Health Profile Report. A new assessment will be completed in 2013.

Each year, El Camino Hospital Community Benefit staff, who oversee and administer the two Community Benefit Programs, prepare individual Community Benefit plans for the District and the hospital. The Community Benefit Advisory Council, which consists of board representation, members of the community, and hospital leadership provide input.

Each plan is developed using data from the Health Profile Report as well as information brought forward by existing and potential funding partners. The El Camino Hospital District Community Benefit Plan outlines programs that will serve residents of the District, which includes Mountain View, Los Altos, Los Altos Hills, Sunnyvale, and a portion of Cupertino. The El Camino Hospital Community Benefit Plan outlines the programs the hospital will support in the coming year in communities outside the El Camino Hospital District, which include Campbell, Los Gatos, Saratoga, West San Jose, and parts of Cupertino.

Both plans focus on the following areas of need:

- Increasing access to primary and preventive care services
- Reducing obesity and encouraging healthy active lifestyles for long-term health
- Enhancing emotional wellbeing by increasing access to mental health services
- Meeting the special needs of vulnerable populations such as seniors and the homeless



# OUR COUNTY'S HEALTH AT A GLANCE

Santa Clara County residents, as a whole, enjoy better health than most of California and the rest of the country, according to the Santa Clara County 2010 Health Profile Report — yet negative trends and disparities exist. Low-income individuals typically have inadequate access to medical and dental services. Disparities also exist due to gender, race, and ethnicity. The data also shows that risk factors affecting the local population include obesity, poor nutrition, and untreated mental and emotional problems.

## 1 **ISSUE:** Increasing access to primary and preventive care services

- Santa Clara County has one of the highest median incomes in the nation, but one in 10 children and one in 12 adults live below the federal poverty level
- About two in 10 adults ages 18–64 in Santa Clara County do not have health insurance, including three in 10 African Americans and four in 10 Hispanics
- Over the past decade, the percentage of uninsured adults has more than doubled
- In 2012, the unemployment rate was 8.2 percent; 74,000 adults did not have jobs
- One-third of adults do not have dental insurance
- The percentage of adults not able to see a doctor due to cost or lack of insurance (5 percent in 2000) has more than doubled (13 percent in 2009)

## 2 **ISSUE:** Reducing obesity and encouraging healthy active lifestyles for long-term health

- More than half of adults and a quarter of middle and high school students in the county are either overweight or obese
- Only 37 percent of students attend daily physical education classes
- 10 percent of adults and nine percent of middle and high school students are smokers
- One in four adults and nearly one in eight middle and high school students engage in binge drinking

## 3 **ISSUE:** Enhancing emotional wellbeing by increasing access to mental health services

- 33 percent of individuals surveyed reported their mental health was not good at least one day in the past 30 days
- This number is higher among adults ages 18–24 (55%), women (35%), Hispanics (41%), and African American adults (47%)
- 77 percent of youth said access to and use of drugs and alcohol were a serious threat to their success

## 4 **ISSUE:** Meeting the special needs of vulnerable populations such as seniors and the homeless

- Seniors, especially those who are low-income or medically frail, experience multiple, critical medical and social needs
- More than one in 10 Santa Clara County residents are age 65 and older; the number of seniors is expected to double by 2050
- Approximately 5 percent of seniors reported they had more than 15 days of poor mental health
- About 6 percent of seniors reported that they were currently receiving counseling from a mental health professional
- 18 percent of all suicides in Santa Clara County are committed by seniors
- Seniors have an average of three chronic conditions requiring medical care

### How the plans are developed

A strength of both the El Camino Hospital District and the El Camino Hospital Community Benefit Programs is the thorough selection process used to determine each year's grantees. Community Benefit staff review the grant applications and schedule meetings and onsite visits with existing and potential partners.

Staff then work collaboratively with potential partners to develop plans that reflect both local health needs and those outlined in the Health Profile Report.

### Criteria for selecting partners

- Must be a health-related, local nonprofit organization, government-sponsored health program, school district, or community coalition
- Must be well-established and respected, with a history of strong service to the community
- Mission must be to serve the underserved, address health disparities, and meet documented health needs
- Program directors should be respected and highly competent; the organizations themselves must demonstrate a competence to address the identified needs
- High value goes to funding programs and partnerships that emphasize collaboration as a way to enhance effectiveness and avoid duplication of services



### Expectations of partners

Partners must demonstrate rigorous accountability in return for investment of El Camino Hospital District and El Camino Hospital Community Benefit funds. Each prospective partner must submit a proposal that includes an overview of the specific program for which the funds are requested, a description of the measurable impact of the program being funded, activities, budget, and key personnel.

Once selected, partners are given reporting guidelines which include quarterly volume reports, an interim report at six months with metrics, and an annual report with a full year of data and metrics. All program results are summarized in a six-month and a year-end report. Annual Community Benefit Reports are submitted to the Office of Statewide Health Services Planning and Development (OSHPD) and are also distributed to the community.

## DEAR FRIENDS,

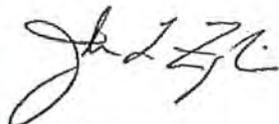
The El Camino Hospital District was established by voter approval in 1956 in response to the need for a hospital that would serve the health care needs of residents living in Mountain View, Los Altos, Sunnyvale, and surrounding communities. In the years since El Camino Hospital opened, the District's five publicly elected or appointed representatives, as stewards of this valuable asset, have always had the health of the community as their highest priority.

Five years ago, the El Camino Hospital District Board took this commitment even further by establishing a robust Community Benefit Program, funded through annual District tax receipts, that would help meet the health care needs of residents of the District with limited access to care. Through these Community Benefit funds, local nonprofit agencies, school districts, and government-funded programs have been able to expand the scope and size of their programs, especially important during the recent economic downturn.

The Board's innovative approach to Community Benefit funding — asking partners to establish annual goals and measure the effectiveness of their programs — has led to partners themselves seeking new and innovative ways to improve the health of our fellow District residents. School programs such as Playworks and HealthTeacher, for example, focus on the health of children now, but with an eye to their futures as well. When children are encouraged and taught to make good food choices and to be more active, they will be less likely to be obese as adults. Obesity, as we know, is one of our country's most pressing health concerns.

Improving the community's health is a team effort — no one provider, agency, or program can do it alone. As this important mission continues, the El Camino Hospital District remains committed to the work that began five years ago: using our resources to make a meaningful difference in the health and quality of life for members of our community.

Sincerely,



John Zoglin  
Chairman  
El Camino Hospital District Board of Directors



## EL CAMINO HOSPITAL DISTRICT 2012 COMMUNITY BENEFIT REPORT



The El Camino Hospital District is committed to closing gaps in health care access that adversely affect the health and wellbeing of individuals in our community and is a vital funding partner for school districts, non-profit organizations, safety net clinics, and government programs. These organizations are working with the El Camino Hospital District to achieve a common goal: to significantly impact persistent unmet health needs in our community.

Funds for these community health improvement programs come from a portion of annual property taxes collected by the District, which are then awarded to programs that serve residents within the boundaries of the El Camino Hospital District (see map, page 35).

"The El Camino Hospital District was established by voters 50 years ago to create a hospital close to home, where District residents could receive quality medical services in a hospital that was owned and governed by the residents of the District. Like every public agency, we are continuously seeking to improve our transparency and public accountability. As trustees of this valuable asset, we are proud of our ability to continue delivering on the District's mission to provide medical facilities and quality health care services for the people we serve."

- Wes Alles, member, El Camino Hospital District Board of Directors

**1 ISSUE:** Increasing access to primary and preventive care services

In 2012, the El Camino Hospital District invested more than \$5.5 million in community partnerships that help individuals in the District who lack adequate resources to get the health care they need for themselves and their families.

**MEETING BASIC NEEDS**

**RotaCare Clinic, Mountain View**

The RotaCare Clinic on the campus of El Camino Hospital in Mountain View provides primary care and specialty services to area residents in need, such as families of the working poor, individuals who are temporarily out of work and uninsured, as well as individuals who cannot afford health insurance. The clinic also provides health screenings and chronic disease management. A dedicated staff and volunteer physicians, nurses, pharmacists, and interpreters provide medical services. The clinic is dependent on a number of funding sources, a major portion of which is El Camino Hospital District Community Benefit funds.

- Patients served: 2,700
- Services provided: 16,031
- Patients complying with mammography referrals: 85%

**MayView Community Health Center**

In Mountain View, home of some of Silicon Valley's most successful high-tech companies, one in five residents is living below 200 percent of the federal poverty level. MayView Community Health Center, a nonprofit community clinic providing primary care services to low-income families, is an essential part of the health care safety net and a medical home for many low-income patients. El Camino Hospital District Community Benefit Program helps to fund a primary care physician and vaccinations for more than a thousand people annually.

- Patients served: 1,145
- Chronic asthma patients on long-term medications: 87%

**El Camino Hospital Immunization Program**

The risk of communicable disease is a significant problem in the community, especially among the underserved. Santa Clara County has the third-highest tuberculosis (TB) rate in California; four in five TB cases are among Asian Pacific Islanders. El Camino Hospital District Community Benefit Program funds help prevent the spread of infectious diseases such as tuberculosis, flu, pneumonia, and hepatitis in the community.

- Patients served: 3,244
- Immunizations provided: 9,666



### Valley Health Center, Sunnyvale

Valley Health Center, a community clinic that serves low-income families in northern Santa Clara County, has developed a “medical home” where patients receive all the care they need in one place. The clinic also offers full-service dental care, a vital resource not readily available to individuals without insurance or funds to pay for the care.

Now in its third year, El Camino Hospital District’s partnership with Santa Clara Valley Medical Center was recently recognized in a resolution from the Santa Clara County Board of Supervisors (on page 12).

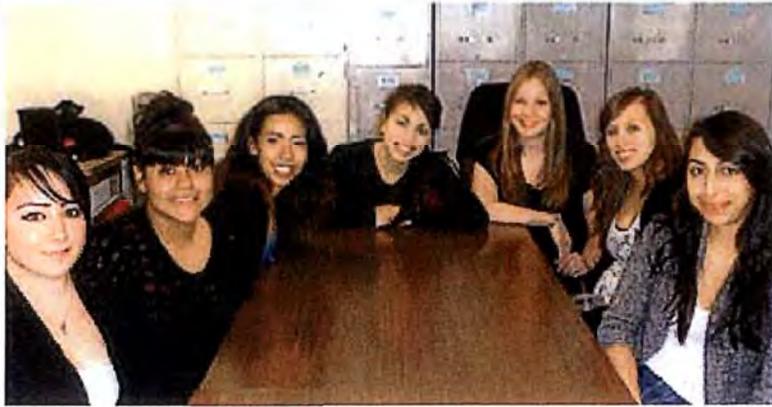
- Patients served: 4,229
- Number of encounters: 10,360

### A ROUTINE GYNECOLOGICAL EXAM SAVED SARA’S LIFE.

Sara, 37, had come to the RotaCare Clinic for another health issue but also signed up for a gynecological exam. When she saw the volunteer gynecologist, she mentioned a lump in her left breast, which was verified during the examination. Sara was sent to get a diagnostic mammogram, which was then interpreted by an El Camino Hospital radiologist who recommended an urgent biopsy.

Immediate action was needed but several hurdles arose: a large case load at Valley Medical Center as well as financial issues that were frightening to the unemployed Sara. Fortunately, just at this time, RotaCare was planning a Surgery Day for its patients in partnership with Palo Alto Medical Foundation (PAMF). PAMF not only agreed to do the diagnostic surgery for free but also to handle Sara’s case from there on out. They assembled an oncology team to review her condition and develop a plan of action, which included blood work, x-ray, biopsy, chemotherapy, MRI, and a follow-up with an oncologist.

Sara reports that she feels good (and tremendously relieved) and her doctors can no longer detect any lumps in her breast. Her routine gynecological appointment at RotaCare caught the cancer when there was still a very good chance of successful treatment.



## RESOLUTION

WHEREAS, cuts in California's state budget have resulted in reductions in coverage for critically important preventive services for Santa Clara County residents using Medi-Cal, and many more people have recently been left without health care coverage due to recent economic constraints across the country, and...

WHEREAS, El Camino Hospital District has donated \$3,814,000 over the past three years to underwrite otherwise unfunded services at Valley Health Center in Sunnyvale, and...

WHEREAS, the partnership between El Camino Hospital District and Santa Clara Valley Medical Center is a model of collaboration between a public health system and a nonprofit hospital district to meet their shared goal of improving our community's health...

BE IT RESOLVED that the Board of Supervisors of the County of Santa Clara of the State of California does hereby commend and thank the El Camino Hospital District for its dedication to the health of the people of Santa Clara County and the partnership it has undertaken to make the most cost-effective, direct use of its funds to benefit the health of our community.

### Children's Dental Center, Sunnyvale

Now in its second year of operation, the Children's Dental Center of Sunnyvale is serving low-income families who have little or no access to much-needed oral health services. The clinic is sponsored by the Health Trust, with funding from the El Camino Hospital District and First 5 Santa Clara County.

- Number of visits: 5,814
- Treatments and procedures: 23,237

### Sunnyvale Community Services

According to the Santa Clara County Health Profile, 16 percent of Sunnyvale residents and one-fifth of children under age 18 are living below 200 percent of the federal poverty level. The impact of the recession, with layoffs and home foreclosures, has likely made these numbers higher. Support from El Camino Hospital District Community Benefit funds allows Sunnyvale Community Services to provide financial aid for food, medicine, and medical supplies for low-income residents in Sunnyvale.

- Clients served: 622



### Lucile Packard Teen Health Van

Twenty percent of children under the age of 18 in Mountain View live below 200 percent of the federal poverty level. The Lucile Packard Teen Health Van, with its mobile health care services, is a critical health care safety net program in the community. The Teen Health Van makes regular visits to schools in the Los Altos-Mountain View High School District, providing primary and preventive health care services for homeless and at-risk students. In collaboration with Lucile Packard Children's Hospital, El Camino Hospital District Community Benefit Program funds support the service at one high school.

- Students served: 128
- Services provided: 376

### Healthy Kids

Healthy Kids is a locally funded health insurance program that covers children who do not qualify for Medi-Cal or the Healthy Families program. With budget cuts and the defeat of Measure A in 2010, coverage has been available to fewer children. Because of funds from the El Camino Hospital District Community Benefit Program, 200 low-income children have comprehensive health care coverage.

"We cannot do our work without the support of the El Camino Hospital District, which brings not only an unparalleled understanding of the District's health care needs, but the funding that made this dental clinic a reality."

– Todd Hansen, chief operating officer,  
The Health Trust

### A THANK YOU FROM SCHOOL NURSES

Barbara Avery, director of Community Benefit, was chosen as the 2012 recipient of the California School Nurses Organization's Lyda Smiley Award, which honors an outstanding person, other than a school nurse, who has made a significant contribution to the wellbeing of children and the practice of school nursing.

"Barbara, you have been the 'face' of the El Camino Hospital District and El Camino Hospital as you implemented the Community Benefit Program," the award reads. "The services represented make a significant difference for those who are at risk and vulnerable in our community. With the increase in school nurse staffing made possible by the El Camino Hospital District and El Camino Hospital, approximately 38,000 students and their families in Santa Clara County have benefited from increased access to vision care, dental care, and better management of chronic diseases."

– Katherine Waugh, RN, MS, CNS, president,  
California School Nurses Organization

**"As a grantee of the El Camino Hospital District Community Benefit Program for three years, we have been able to make a difference in the lives of more than 14,000 Mountain View students at a critical point in their lives. The grants have enabled us to provide school nursing services, counseling, and crisis intervention. In today's challenging funding environment, it is rare to find a granting organization so integrated and involved in the health of the community."**

**– Craig Goldman, superintendent, Mountain View-Whisman School District**

## **SCHOOL HEALTH PROGRAM**

A centerpiece of the El Camino Hospital District's Community Benefit Program is the school health program, which funds additional school nurses and health aides for elementary and middle schools in the District. The District's Community Benefit Program also funds children's school programs that are working to promote health education and active, healthy lifestyles for long-term health.

### **School nurses**

Schools are a hub where many students and their families receive needed health care services. In today's schools, where mainstreaming (in which special-needs students are incorporated into traditional classrooms) is the norm, school nurses see more medically fragile children, including cancer patients, diabetics, or handicapped children needing special procedures. School nurses provide first aid as well as immediate emergency care such as when a child suffers from a severe food allergy. These additional nurses ensure children are safer in their schools than they were before. With screening and follow-up services, children are receiving the help they need to be healthier physically, mentally, and emotionally.

#### **Mountain View-Whisman School District**

The school district has seven elementary schools and two middle schools. The school population is highly diverse, with a large percentage coming from low-income, underserved families. El Camino Hospital District Community Benefit funds have made it possible to add two nurses and a health aide to the staff.

• **Students served: 3,353**

#### **Sunnyvale School District**

With funding from the El Camino Hospital District Community Benefit Program, the Sunnyvale Unified School District has been able to hire an additional school nurse as well as a health aide for students in eight elementary and two middle schools. School district leaders also report that one of the greatest problems among the schools is the lack of mental health services. This is especially true in low-income schools, where many children struggle with emotional difficulties and there are few resources available to help them. Other issues facing the schools are truancy and bullying. With El Camino Hospital District Community Benefit funds, mental health and counseling services provided by the Community Health Awareness Council are now available to at-risk students in all 10 Sunnyvale School District's schools.

• **Students served: 3,404**

#### **Cupertino Union School District**

The Cupertino School District includes schools that fall both within and outside of the El Camino Hospital District boundaries. Funding for the salary of a nurse and a health aide is split between El Camino Hospital and the El Camino Hospital District. The increased staffing has helped to expand student access to health, dental, and vision screenings, as well as health education programs and services for special-needs students.

## 2 ISSUE: Reducing obesity and encouraging healthy active lifestyles for long-term health

According to the Centers for Disease Control and Prevention, childhood obesity has more than doubled in the past 30 years. In 2008, more than one-third of children and adolescents were overweight or obese. Obesity has a major impact on health, both short and long term. Doctors are seeing more children with prediabetes, high cholesterol, and elevated blood pressure. Children who are obese also suffer from social and psychological problems such as not being accepted among peers, bullying, and low self-esteem. In the long term, obesity can lead to heart disease, diabetes, cancer, and arthritis.

Responding to this growing public health concern, the El Camino Hospital District Community Benefit Program each year funds programs that are working to lower the risk of obesity among children. These programs emphasize healthy lifestyle habits — such as good nutrition and physical activity — and reinforce the impact that school nurses have on children's health.

## INVESTING IN CHILDREN'S LONG-TERM HEALTH

### Bay Area Women's Sports Initiative (BAWSI)

Bay Area Women's Sports Initiative (BAWSI) is an after-school fitness and confidence-building program that introduces young girls to physical activity. The girls are coached by college and high school female student athletes. An exercise and nutrition program provided at school helps mothers become physically active and learn better ways to cook, shop, and eat. BAWSI is offered at Theuerkauf Elementary School in Mountain View, a Title I school.

### 5210 Program

In collaboration with the Palo Alto Medical Foundation, El Camino Hospital District funds are supporting a school-wide health campaign called 5210 in four low-income elementary schools in the Sunnyvale School District and one school in the Mountain View-Whisman School District.

The program promotes certain daily activities that enhance health. Children pledge to eat five or more fruits and vegetables, have two hours or less of screen time, one hour of physical activity, and no sweetened beverages.

5210 also includes school assemblies, meetings with parent groups, goal setting with achievement prizes, and integration into the Playworks program.

## A SUCCESSFUL END TO A YEAR OF MENTORING

The BAWSI girls, all wearing their purple t-shirts, threw a thank you party for Miyoko, their head coach, at the end of the season. During her frequent recess and lunch visits, Miyoko had talked about the importance of eating lots of fruits and vegetables. So it was a pleasant surprise for Miyoko to see the girls bring a variety of fruit and other healthy snacks instead of traditional party food. In response to the program and the coaching they are receiving from their mentors, the girls have been positive, saying they like the exercise, are having fun, and are making new friends. "I feel like a winner," one girl said.





**The 5210 Program has had a huge impact on Lakewood Elementary School. Teachers continue to comment about how their students' attitudes have changed in regards to health and fitness.**

**"When a first grader approaches you and says, 'Look, I am eating an apple for a snack,' you know the program is working."**

**– Kevin Davis, 5th grade teacher, Lakewood**

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**"Thank you for providing my daughter and me with the opportunity to participate in the cooking classes. We're learning to make great meals."**

**– Leticia, parent, San Miguel Elementary**

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**"It is very surprising how much sugar can be in what I think are healthy drinks!"**

**– 5th grader, San Miguel Elementary**

### **Playworks**

Playworks, a nonprofit organization that first started in Berkeley and is now in schools nationwide, works to give children plenty of opportunities for physical activity and safe, meaningful play during their school days. The goal is to increase children's physical activity and foster a better social climate.

El Camino Hospital District Community Benefit Program funds the Playworks program at several local schools in the District.

- Students served: 2,084
- Principals reporting decrease in suspensions, referrals, and/or fights: 94%

### **HealthTeacher**

An online health education curriculum for K–12 teachers, HealthTeacher gives them an opportunity to fit important health information into the day's learning. The various lessons help students increase their health literacy and learn how to avoid risky behaviors such as alcohol consumption, tobacco use, poor nutrition, and inactivity. El Camino Hospital District partners with Lucile Packard Children's Hospital to provide HealthTeacher to local schools in the District.

- Schools served: 31
- Teachers reporting satisfaction with program: 90%

### **West Valley Community Services**

A nonprofit agency located in Cupertino, West Valley Community Services (WVCS) provides basic services for individuals in need. Low-income families and individuals have access to food pantries through the Raising a Healthy Eater Program, and they learn about nutrition, the causes of obesity, and how healthy lifestyle choices are possible, even when resources are scarce. El Camino Hospital District funds help support this program and other services that assist families and children in need.

- Clients served: 714
- Clients enrolled in CARE Case Management Program: 81%



### 3 **ISSUE:** Enhancing emotional wellbeing by increasing access to mental health services

Through partnerships with local mental health services agencies, the El Camino Hospital District Community Benefit Program provides psychiatric treatment and counseling for individuals in its community who have emotional issues such as stress and anxiety. When mental health and emotional issues are neglected, physical health can suffer.

#### **SUPPORT FOR OUR TEENS** **Community Health Awareness Council**

The 2010 Health Profile Report documented an unhealthy level of serious, risk-taking behaviors among the county's youth. To address this issue, the Community Health Awareness Council, a nonprofit mental health services agency in Mountain View, offers a number of counseling and therapy programs for children, adults, and families.

El Camino Hospital District Community Benefit Program funds support the Teen Talk and Prevention Plus programs in the Mountain View-Whisman and Sunnyvale School Districts. Through these programs, students and families work on issues such as smoking, substance use, bullying, family problems, and depression.

- Students served in Teen Talk program: 614
- Students served in Prevention Plus program: 922

#### **FILLING THE GAPS IN MENTAL HEALTH SERVICES**

##### **Momentum for Mental Health**

Momentum for Mental Health helps people achieve mental and emotional wellbeing. El Camino Hospital District Community Benefit funds support psychiatric evaluations, medication management, and case management for individuals with no insurance or resources to access mental health services.

- Patients served: 161
- Services provided: 1,601

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#### **ISSUE: Meeting the special needs of vulnerable populations such as seniors and the homeless**

Fulfilling its responsibility to all citizens in the community, El Camino Hospital District Community Benefit funding provides help for vulnerable populations such as seniors, the homeless, and individuals with barriers — such as cultural differences — that make it hard to access basic medical care.

#### **CULTURALLY SENSITIVE PROGRAMS**

##### **Alzheimer's Association**

El Camino Hospital District Community Benefit Program funds support the efforts of the Alzheimer's Association through its Chinese Dementia Initiative to increase awareness of the disease among the local Chinese community and to build a network of care for Chinese families coping with the disease. Funds support staffing, the development of educational materials, public awareness efforts, and a half-day Chinese Caregiver Conference.

- Participants served: 750
- Chinese caregivers given training and resources for dementia care: 538

##### **South Asian Heart Center**

Research shows that individuals of South Asian descent are disproportionately affected by coronary artery disease and diabetes, compared with the general population. A large number of South Asians live in the communities served by the El Camino Hospital District. District Community Benefit Program funds help the center screen and educate members of this group about how to manage their cardiac risk factors. Special emphasis is placed on screening underserved or uninsured individuals.

- Participants: 928
- Underserved/uninsured individuals screened: 250

#### **GIVING SENIORS A HAND**

##### **RoadRunners Transportation Program**

Lack of transportation has a huge impact on the health and safety of many seniors. Not being able to drive or access public transportation is a major barrier for seniors in keeping medical appointments and remaining independent. For 26 years, the RoadRunners Transportation Program, with its corps of experienced, friendly volunteer drivers, has provided thousands of rides a year to seniors and others in need.

- Clients served: 1,133
- Rides provided: 13,054



### Mountain View Community Services Agency

By 2050, Silicon Valley will see a 50 to 75 percent increase in the number of residents over 65, with the fastest rate of growth among individuals 85 or older. Seniors typically develop multiple chronic medical conditions requiring many health services. El Camino Hospital District Community Benefit Program funds provided a case management program for seniors with chronic illnesses, helping them find community resources. This service helps seniors avoid unnecessary emergency department visits, hospitalization, and institutionalization, allowing them to remain independent.

- Patients served: 78
- Patients maintaining independent living outside institutional setting: 97%

### PROVIDING A SANCTUARY

#### Medical Respite Program

The Medical Respite Program provides a clean, safe place for homeless patients to receive medical care when they are discharged from the hospital. The objective is to link the homeless patient to a primary care home and help them access benefits, including housing. Such programs benefit the community by decreasing the number of homeless people living on the streets.

### PROGRAM RESTORED HEALTH AND DIGNITY

Richard, who has been homeless for more than 20 years, was recently living in his wheelchair behind a gas station. Because he was suffering from a severe infection in both legs, he was spending 24 hours a day in the chair. His hygiene was so poor that bus drivers would not let him on the bus.

Richard was eventually admitted to the hospital. At discharge, he was referred to the Medical Respite Program, where he spent six weeks recovering from the wounds on his legs. While at Medical Respite, he worked with his case manager and the Medical Respite staff to apply for benefits and find housing. He is now living in a studio apartment of his own. His case manager has connected him to critical medical services and Richard has gone from being unable to move from his wheelchair to being able to stand and walk on his own for short periods of time.

### New Directions

Among the medically underserved are individuals who are homeless or who live in unstable housing. Two-thirds of these individuals also have mental health and/or substance abuse problems, and most are disabled. They are frequent users of hospitals' emergency departments, some making eight or more visits a year to one or more hospitals. New Directions is a collaboration between the Hospital Council of Northern and Central California and local hospitals. The program helps individuals find medical care, mental health services, substance abuse services, and assistance in finding permanent housing and employment. El Camino Hospital District funding enabled the program to expand its capacity by 50 percent this year.

- Patients served: 27
- Services provided: 596

### Pathways Home Health and Hospice Agency

El Camino Hospital District Community Benefit funds enable Pathways to serve patients who need — but are unable to afford — hospice care.

- Patients/families served: 77
- Patient/family satisfaction with hospice services: 96%



### **SENIORS CALL ROADRUNNERS' DRIVERS THEIR "SAVIORS"**

For one client, the service provided by RoadRunners is not just convenient, it's essential to her survival. In frail health for many years, she's scheduled a trip to the hospital every two weeks for a lab procedure or to check in with her doctor. In addition, she's had several unscheduled hospital admissions and has had to depend on RoadRunners to get her there.

"Because we know her situation, we drop what we're doing if she calls," says Betty Smith, RoadRunners office coordinator. "We know how much she is depending on us.

"Despite living in a large population area, many seniors find themselves without family or good friends nearby. Often they have no one to depend on for transportation. Betty continues, "That's where RoadRunners comes in. Our drivers are volunteers, but they're known as 'saviors' to many of our clients. The thanks go both ways, however. The people we meet in this service, with all their wisdom and experience, give us so much in return."

## SPONSORSHIPS

El Camino Hospital District's Community Benefit Program also sponsors a number of local nonprofit organizations and government agencies that fill critical gaps in health care services and address health disparities.

- Association of Fundraising Professionals – Philanthropy Day
- Aging Services Collaborative
- Alzheimer's Association
- Bay Area Women's Sports Initiative (BAWSI)
- Cancer Support Community
- Chinese American Coalition for Compassionate Care
- City of Sunnyvale – Senior Center
- Community Health Awareness Council
- Community Service Agency – Mountain View
- K.I.D.S. 5K Run
- Los Altos Rotary Endowment – Senior Health Fair
- Mountain View Police Activities League – Youth Camp
- National Alliance for Mental Health (NAMI)
- Pathways Hospice Foundation
- RotaCare Bay Area
- Santa Clara Family Health Foundation – Healthy Kids
- Sunnyvale Community Services
- Sunnyvale Senior Center
- VMC Foundation



## FINANCIAL ACCOUNTING

Grants .....	\$5,152,570
<b>Sponsorships .....</b>	<b>\$154,469</b>
Government-sponsored health care (Healthy Kids program) .....	\$200,000
<b>Total Fiscal Year 2011–2012 El Camino Hospital District Community Benefit .....</b>	<b>\$5,507,039</b>

## DEAR FRIENDS,

Throughout our 50-year history, El Camino Hospital has been a trusted resource in the community for emergency and medical care. As a nonprofit organization, we have taken this responsibility further by offering a number of programs and services that allow us to give back to the community that supports us. Among these are Community Benefit programs that include charity care, free and low-cost services, education and training for future providers, and partnerships with community organizations that are striving to ensure that all individuals have a chance to get the health care they need for themselves and their families.

This 2012 Community Benefit Report shows the work that El Camino Hospital is doing to respond to the documented health needs of our community — especially the needs of people who lack resources and access to health care. The report also shows some of the community outreach activities we are investing in which we believe will impact the lives and health of future generations. For example, we are investing funds to help young children from low-income families get off to a healthier start through the Early Head Start program. With the additional school nurses funded by our Community Benefit Program, elementary school children have preventive screenings and follow-up care. Our high schoolers, who are vulnerable to risky behaviors such as drug and alcohol abuse, are able to get counseling during crisis situations through EMQ (formerly Eastfield Ming Quong) FamiliesFirst programs.

Our commitment to the health of the community starts with Community Benefit, but does not stop there. We partner with other community providers, working together to improve the health of individuals throughout their lives — through prevention, education, access to primary care, chronic disease management, and help with decision-making for end-of-life care. Keeping yourself well is very much a personal responsibility; nevertheless, we want to be your partner in helping you achieve your own health goals.

Sincerely,



**Tomi Ryba**  
CEO and president  
El Camino Hospital



## EL CAMINO HOSPITAL 2012 COMMUNITY BENEFIT REPORT



### SERVING THE COMMUNITY FOR MORE THAN 50 YEARS

Throughout its history, El Camino Hospital has been a community hospital in every sense of the word, ensuring that residents of the community have access to the health care they need — including 24/7 emergency services, mental health programs, maternity care, expert medical and surgical treatment, as well as health promotion activities such as access to care, screenings, mental health services, and community education.

As a nonprofit organization, El Camino Hospital upholds its responsibility to give back to the community through designated Community Benefit activities, as well as through community health improvement programs, which are developed to provide treatment or promote health and healing in response to the documented health needs of the community.

## WHEN EXTRA HELP IS NEEDED

"In El Camino Hospital's Patient Financial Services Department last fiscal year, we were able to help 77 patients obtain Medi-Cal eligibility through our Medi-Cal eligibility assistance program. These patients presented through the Emergency Department or were direct admissions and were uninsured.

"We meet with all uninsured patients who are admitted to the hospital and conduct an initial screening to determine if the patient is eligible for Medi-Cal. If the patient is a potential candidate for these programs, we will assist them with the application process, interviews, and anything else they need.

"I remember one patient especially who came to the Emergency Department for treatment. He had lost his job and was homeless. We helped him successfully apply for Medi-Cal and state disability. His health care needs were taken care of, his health has recovered, and he is back to work. It is so satisfying to be able to help."

– Ted Smith,  
interim director, Patient Financial Services



## 1 ISSUE: Increasing access to primary and preventive care services

Lack of access to basic health care is a serious issue for people in our community. Individuals and families forgo medical treatment because paychecks often will not stretch far enough to afford visits to a doctor. When a serious problem arises, people who cannot afford treatment go to hospital emergency departments, underlying conditions go untreated, and chronic conditions go unmanaged. El Camino Hospital provides care for individuals in need through hospital services as well as through community programs. Both support the hospital's commitment to Community Benefit.

## MAKING SURE NO ONE GOES WITHOUT CARE

### Charity care

Any individual who cannot pay the bill for emergency services or the cost of a hospital stay and who meets the hospital's guidelines for charity care is eligible for a reduction or even the elimination of a hospital bill. The policy for both inpatients and outpatients applies to patients who are uninsured, underinsured, ineligible for government programs, or are otherwise unable to pay for their medical services.



### Medi-Cal

Medi-Cal is a public health insurance program that provides needed health care services for low-income individuals, including families with children, seniors, persons with disabilities, children in foster care, pregnant women, and low-income people with specific diseases such as tuberculosis, breast cancer, or HIV/AIDS. Medi-Cal is financed equally by the state and federal government.

- **Number of Medi-Cal patients served (Mountain View and Los Gatos campuses): approximately 1,119 inpatient admissions; 108,000 outpatient visits.**

### INVESTING IN THE FUTURE

#### Education and training

Without sufficient opportunities to complete internships/externships and other student trainee programs, tomorrow's health care workers will not be ready to fill the positions required to ensure future patients will have the quality care they need. El Camino Hospital offers a significant number of trainee positions in nursing, radiology, clinical laboratory, cardiac and pulmonary rehabilitation, and respiratory medicine. Nursing students from universities and community colleges are placed in areas of the hospital where they can receive hands-on experience with patients while being mentored by the nursing staff.

- **Health care students trained in fiscal year 2011-2012: 299**
- **Cost to train students, including percentage of staff salaries, as well as supplies: \$919,620**

## SCHOOL HEALTH PROGRAM

Fulfilling a commitment to improve the health and wellbeing of youth, the hospital is providing support to many of the community's public schools, often the only place where children from low-income families receive basic health care.

### School nurses

In this time of shrinking school budgets, school nurses are stretched thin, often having to divide their time between many schools within a school district and unable to provide necessary follow-up care. In addition, school nurses today are increasingly called upon to deal with serious conditions such as asthma, diabetes, and mental health issues. They are also responsible for the care of medically fragile children in our school districts.

Many children, especially those who come from underserved households, often have no health care provider outside of the school nurse. Through the El Camino Hospital Community Benefit Program, school districts in Campbell, Cupertino, and Santa Clara have been able to add full-time nurses and health aides. These nurses have been able to substantially increase the scope and quality of health care services for students. Nurses audit student health records, follow up after vision, hearing, scoliosis, and dental screenings, and provide case management for students with chronic illnesses. They also connect students and families with other health-related services available in the community, including low-cost health insurance.

### Campbell Union School District

Community Benefit funds have made possible the addition of two full-time school nurses and a health aide for the nine elementary and three middle schools serving the communities of Campbell, San Jose, Los Gatos, Monte Sereno, and Santa Clara.

- Students served: 6,700
- Students seen by providers after poor results at health screenings: 81% general; 80% dental
- High-absentee children with chronic asthma now managed by RN: 71%

### Cupertino Union School District

Community Benefit funds that help to support an additional full-time school nurse and a part-time health aide for this school district come from both El Camino Hospital and El Camino Hospital District Community Benefit Programs. El Camino Hospital Community Benefit funds are allocated to schools that are located outside the El Camino Hospital District boundaries.

- Students served: 1,165
- Students seen by providers after poor results at health screenings: 66%

### Santa Clara Unified School District

El Camino Hospital Community Benefit funds support school nursing services at four Title I schools in the school district, serving a large number of underserved and low-income children.

- Students served: 2,002
- Uninsured students who applied for insurance: 95%
- Kindergarten students needing urgent dental care seen by provider: 91%

"There is a great need for psychological, social, and crisis counseling on high school campuses today, and it is beyond the financial resources of the school district to provide it. The lack of availability of these kinds of services for at-risk youth is quickly felt by schools, by families, and by the surrounding communities at large because at-risk behaviors manifest themselves throughout our society."

– Rhonda Farber, PhD, former superintendent, Campbell Union High School District

## MEETING THE NEEDS OF FOSTER CHILDREN

### Juvenile Court Foster Children orthodontic program

This program is designed to help foster children with the most serious oral health problems that require orthodontics care. Foster children typically are not able to easily or quickly access orthodontic services since the number of dentists and orthodontists who accept Medi-Cal patients for these services is limited in Santa Clara County. With El Camino Hospital Community Benefit funding, the program has helped more than 20 foster children.

## HELPING INFANTS AND TODDLERS

### Early Head Start

Early Head Start was created to provide educational, social, medical, dental, nutritional, and mental health services for pregnant women and children from birth to three years of age in low-income families. These children are at the highest risk of adverse health and developmental outcomes.

El Camino Hospital's Community Benefit Program funded a family advocate position for Santa Clara County's Early Head Start Program, which helps families find primary care providers, connects them to available health resources, and coordinates translation and transportation services, which are often barriers to accessing care.

- Children served: 72
- Families in need connected to appropriate services: 92%



"The counselors have done wonders for the school climate, by affecting all students' ability to learn, and by preventing the need for emergency services. Neither the principals nor I know how we could function without these services. They are providing a better place to learn for students and a better community for us all, both now and in the future."

– Rhonda Farber, PhD, former superintendent, Campbell Union High School District

## 2 **ISSUE:** Reducing obesity and encouraging healthy active lifestyles for long-term health

Obesity rates among children are rising. Young people spend long hours in sedentary activities such as playing video games or watching TV. In addition, local superintendents and principals say they are seeing a troubling increase in bullying and other antisocial behaviors, especially during recess. Through Community Benefit funding, El Camino Hospital is not only making it possible for students to get the health care they need, but also helping them make good nutrition and exercise part of their lives. When students are healthier physically and emotionally, they have a better chance of being more successful both socially and academically.

### **INVESTING IN THE LONG-TERM HEALTH OF OUR CHILDREN**

#### **Playworks**

Playworks is a program for elementary school children to increase their physical activity and to foster a better social climate at school. El Camino Hospital Community Benefit Program funds the Playworks program at a Title I school in the Campbell Union School District.

- **Students served: 525**
- **Principals reporting decrease in suspensions, referrals, and/or fights: 94%**

#### **HealthTeacher**

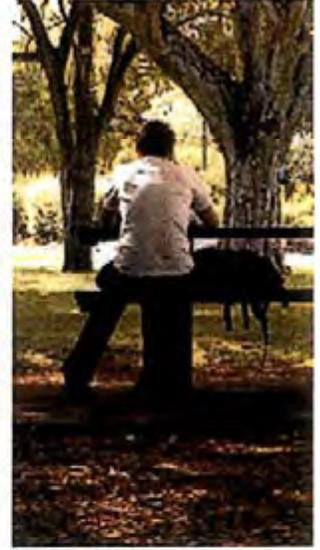
HealthTeacher, an online health education curriculum for K-12 teachers, gives them an opportunity to fit important health information into the day's learning. El Camino Hospital partners with Lucile Packard Children's Hospital to provide HealthTeacher to school districts in Silicon Valley, including in the Campbell Union and Cupertino Union School Districts.

- **Schools served: 160**
- **Teacher satisfaction with program: 90%**

## 3 **ISSUE:** Enhancing emotional wellbeing by increasing access to mental health services

One in four people in this country experiences some kind of mental disorder during his or her lifetime. One in 17 has a serious mental illness, while one in 10 children experiences a serious mental or emotional disorder. A great many — especially underserved groups such as the elderly, racial/ethnic minorities, low-income individuals, and the uninsured — do not receive the treatment they need. Safety net programs have traditionally provided assistance, but with shortfalls in funding, resources are stretched thin and mental health benefits are often the first to be cut.

El Camino Hospital's Community Benefit Program helps fill the gaps that exist in mental health services for the underserved. The focus of the hospital's program is on providing tools and resources that will help youth and adults make behavioral and lifestyle choices that will support successful and healthy lives.



## DEALING WITH HIGH-RISK BEHAVIORS IN HIGH SCHOOLS

### Campbell Union High School District: EMQ FamiliesFirst Programs

Substance abuse, violence, gang issues, depression, promiscuity, eating disorders, poor attendance, sexual abuse, and suicidal ideation — these are problems faced by young people during their high school years. Add to that increased bullying behaviors through texting and social media.

El Camino Hospital's Community Benefit funds are providing students and families in the Campbell Union High School District with two vital mental health programs to help at-risk youth.

EMQ FamiliesFirst Addiction Prevention Services provides student counseling, substance abuse prevention, intervention, and post-intervention services for youth.

The Child and Adolescent Mobile Crisis Program provides mental health crisis assessment and intervention to youth under age 18 who are severely depressed, suicidal, or in acute psychological crisis. Services are available 24 hours a day, seven days a week, to respond to youth in immediate danger of harming themselves or others and to de-escalate their crises. The program helps families to find resources to keep their children safe at home.

- Students, parents, and teachers served: 1,744
- Counseling services provided: 1,301
- Youth participating in the high-risk adolescent program showing a 50% improvement in positive behaviors and attitudes: 75%



## FILLING THE GAPS IN MENTAL HEALTH SERVICES

The need for mental health services for low-income residents is growing in Santa Clara County. Physicians at the RotaCare Clinic and other community clinics have observed an increasing number of individuals with mental health problems that require psychiatric care and medication management. Accessing mental health services is especially difficult for individuals with no insurance or resources.

### Momentum for Mental Health

Momentum for Mental Health, the largest nonprofit provider of mental health services for adults in Silicon Valley, helps people achieve mental and emotional wellbeing. Services include psychiatric evaluation, medication management, and case management for individuals with neither insurance nor resources to access mental health services. Community Benefit funds serve to narrow the gap in access to psychiatric care.

### Asian Americans for Community Involvement (AACI)

Language and cultural barriers, along with a pervasive stigma about mental health problems, keep members of the Asian community from utilizing mental health services. With the closing of a program in the Cupertino School District, these services were no longer available to the large population of Asian students and their families. With funding from El Camino Hospital, AACI, which has expertise in working with the Asian community, provided services to school districts in Cupertino and East San Jose, with a focus on serving uninsured students. Services included individual, group, and family therapy and case management.

- Individual and group counseling services provided: 1,439



## NEW BRACES, A NEW JOHNNY

Johnny was excited to get braces, since he was the first of three children in his family to receive them. Johnny attends a school for children with special needs and he often has behavioral issues and doesn't follow through on assignments. But getting new braces has motivated Johnny to improve. He now brushes his teeth every day at school, after lunch, and at home. Proud of his braces, Johnny is attempting to set a good example for the younger children in the foster home who will need braces later this year.

## 4 ISSUE: Meeting the special needs of vulnerable populations such as seniors and the homeless

Among those who rely the most on support services in Santa Clara County are foster children, seniors, and the homeless. These are individuals for whom the lack of available resources has the most negative effect. Foster children need caring and helpful advocates, seniors need resources to maintain their quality of life, and the homeless need access to basic health and social services. El Camino Hospital's Community Benefit Program improves access to critical services for those in need.

## YOUTH AT RISK

### Superior court domestic violence intervention for youth

Reports say that approximately one in three adolescent girls is a victim of physical, emotional, or verbal abuse from a dating partner. Nearly one in 10 high school students has been physically hurt by a boyfriend or girlfriend. For foster children, the difficulty in getting help is compounded.

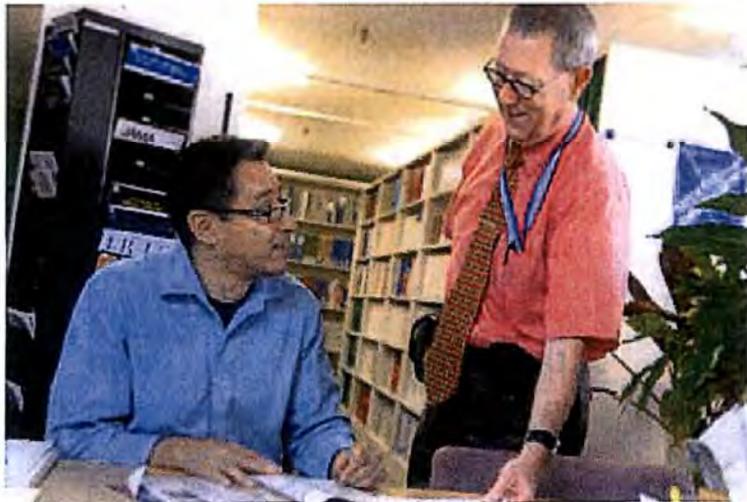
Funds from the El Camino Hospital Community Benefit Program support a superior court domestic violence intervention program which has been established to prevent and stop this kind of behavior from happening to foster children. Through education, mentorship, referrals, and expert legal assistance, these youth will learn the behaviors that typify domestic violence and how to develop healthy and appropriate relationships.

## HOPE FROM THE COMPANY OF OTHERS

For youth facing domestic violence, success is defined by their consistent attendance in the youth group and their desire to continue to engage in the Tuesday group process. The following poem was written by a participant to describe the group experience:

### In a Life

*In a life where there is trouble  
There is Group Tuesday  
Ferial comes to save the Tuesday  
From being most terrible Tuesday  
Gives me time to figure out my struggles  
In a life where there is trouble*



El Camino Hospital was a sponsor of the 2012 Healthy Living Fair presented by Congregation Shir Hadash in Los Gatos. The fair's chairperson, Diane Toole, had this to say:

"Our goal was to bring much-needed health screening and health information to people who fall through the cracks of the health care system in our community. Members of Congregation Shir Hadash, St. Maria Goretta Parish, People Acting in Community Together (PACT), the Muslim Community Association, and O'Connor Hospital joined together in this multi-faith effort for residents of East San Jose. Thousands of people benefited from 40 community service agencies that provided health and dental screenings, eye exams, free physician counseling, and certificates for free follow-up care. All this and more was provided thanks to your generous donation."

## A TRUSTED HEALTH CARE RESOURCE

El Camino Hospital places a high priority on providing community members with health information and resources that have a positive impact on their health.

### Health Library & Resource Center, El Camino Hospital Los Gatos

The Health Library & Resource Center at El Camino Hospital's Los Gatos campus provides up-to-date health and wellness information both on site and in the community. The center also provides assistance and referrals to local and national resources for individuals who need information about caring for an aging parent or family member.

- In-person visits in 2011-2012 fiscal year: 900
- Calls for assistance: 300
- Outreach: 28 events serving 750 community members

## SPONSORSHIPS

El Camino Hospital's Community Benefit Program also sponsors a number of local nonprofit organizations and government agencies that fill critical gaps in health care services and address health disparities.

- Asian Americans for Community Involvement (AACI)
- Able People Foundation – support for the disabled
- American Cancer Society, California Chinese Unit
- American Red Cross – disaster relief
- Avenidas – patient transportation
- Breast Cancer Connections
- Breathe California
- Camp Kesem – for children of parents with cancer
- Community Health Partnership
- Congregation Shir Hadash Health Fair
- EMQ FamiliesFirst
- Herald Cancer Care Network
- Jenny's Light – a mental health event
- Learning Ally (formerly Recording for the Blind & Dyslexic)
- Leukemia and Lymphoma Society
- Los Gatos Lion's Club Charities
- Momentum for Mental Health
- People Acting in Community Together (PACT)
- Peninsula Stroke Association
- Planned Parenthood Mar Monte – Children's Summit
- Project Cornerstone
- Self Help for the Elderly
- Silicon Valley Leadership Group – Turkey Trot
- The Health Trust
- VMC Foundation
- West Valley Community Services



## FINANCIAL ACCOUNTING

Community health improvement services .....	\$361,671
<b>Health professions education .....</b>	<b>\$1,179,367</b>
Subsidized health services .....	\$13,083,292
<b>Clinical research .....</b>	<b>\$455,839</b>
Financial and in-kind contributions .....	\$844,876
<b>Community benefit operations .....</b>	<b>\$162,731</b>
Traditional charity care .....	\$3,153,534
<b>Government-sponsored health care (unreimbursed Medi-Cal)</b>	<b>\$13,174,518</b>
<b>Total Fiscal Year 2011-2012 El Camino Hospital Community Benefit .....</b>	<b>\$32,415,828</b>

## COMMUNITY BENEFIT COALITION MEMBERS

Community Health Partnership, Inc.  
Council on Aging Silicon Valley  
El Camino Hospital  
FIRST 5 Santa Clara County  
Hospital Council of Northern & Central California  
Kaiser Permanente Santa Clara  
Kaiser Permanente San Jose  
Kids in Common  
Lucile Packard Children's Hospital at Stanford  
O'Connor Hospital  
Palo Alto Medical Foundation  
Project Cornerstone  
Saint Louise Regional Hospital  
Santa Clara County Office of Education  
Santa Clara County Public Health Department  
Santa Clara County Social Services Agency  
Santa Clara Family Health Foundation  
Santa Clara Family Health Plan  
Santa Clara Valley Health & Hospital System  
Silicon Valley Community Foundation  
Silicon Valley's University Partner  
for Research and Innovative Solutions  
Stanford Hospital & Clinics  
The Health Trust  
United Way Silicon Valley  
YMCA of Silicon Valley

## COMMUNITY BENEFIT STAFF

Cecile Currier, vice president of Corporate  
& Community Health Services  
Barbara Avery, director of Community Benefit  
Carla Paul, director of Community Health Services  
Victoria Chavez, administrative assistant

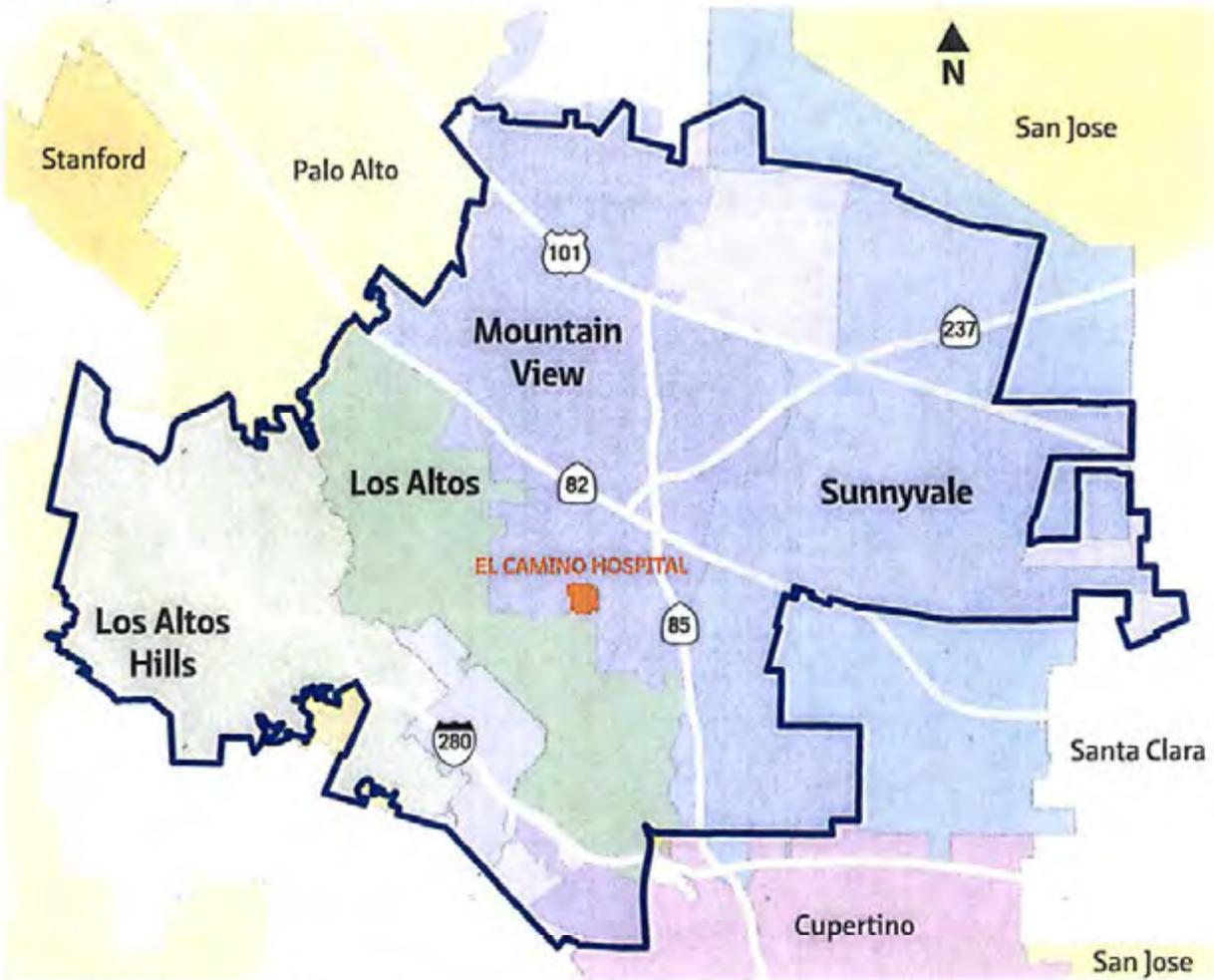
## EL CAMINO HOSPITAL DISTRICT BOARD OF DIRECTORS

John L. Zoglin, chairman  
Patricia A. Einarson, MD, vice chair  
David W. Reeder, secretary/treasurer  
Wesley F. Alles, member

## EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tomi Ryba, president and CEO  
John L. Zoglin, chairman  
Patricia A. Einarson, MD, vice chair  
David W. Reeder, secretary/treasurer  
Wesley F. Alles, member  
Neal H. Cohen, MD, MPH, MS, member  
Jeffrey M. Davis, MD, member  
Nandini Tandon, member

## EL CAMINO HOSPITAL DISTRICT



Note: District boundary outline is an approximation.

Results are shown in brief in this combined 2012 Community Benefit Report. A more detailed report of metrics for both programs can be found at [www.elcaminohospitaldistrict.org/Community\\_Benefit](http://www.elcaminohospitaldistrict.org/Community_Benefit) and [www.elcaminohospital.org/BenefitReport](http://www.elcaminohospital.org/BenefitReport).



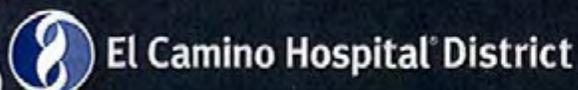
2012

## Community Benefit Report

### About El Camino Hospital

*As an independent, nonprofit hospital with campuses in Mountain View and Los Gatos, we are empowered to do whatever it takes to bring you the finest quality care. Our leadership helps foster a dynamic, collaborative, innovative environment. El Camino Hospital physicians actively seek out the latest treatments and technologies to benefit our patients. And all of our nurses, staff, and volunteers share our commitment to excellence. Together, we do our utmost to bring you compassionate, comprehensive medical care that is truly state-of-the-art. Our key medical specialties include cancer care, heart and vascular services, genomic medicine, urology, orthopedic and spine surgery, rehabilitation services, senior health, and women's health.*

*For a more detailed look at our capabilities, please visit our website at [www.elcaminohospital.org](http://www.elcaminohospital.org).*



**Attachment 10**

Copy of District Community Benefit grant application

(Attached)



**COMMUNITY BENEFIT PROGRAM**  
2014 GRANT APPLICATION

The Community Benefit Program of El Camino Healthcare District (ECHD) has identified the following health priorities:

- **Community Health Education and Health Literacy**
- **Health Care Access (Primary, Oral, and Chronic Conditions Care)**
- **Mental Health Access**
- **Healthy Eating, Physical Activity, and Obesity Reduction**

ECHD seeks grant applications to impact these health priorities. Prospective grantees are asked to complete and submit this grant application and required appendices by **March 1, 2013**. Please submit your application to [CommunityBenefit\\_ECHD@elcaminohealthcare.org](mailto:CommunityBenefit_ECHD@elcaminohealthcare.org)

**1. Applicant Information**

Date Application Submitted \_\_\_\_\_ Tax ID # \_\_\_\_\_

Name of the Organization \_\_\_\_\_ Web Address \_\_\_\_\_

Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**2. Contact Information**

	Name	Title	Phone & Fax	Email
Primary contact for this grant				
Supervisor for this program				
CEO/Executive Director/Superintendent				
Public Relations/Public Affairs				

**3. Program Information**

Program Title \_\_\_\_\_

Requested Amount \$ \_\_\_\_\_

Funding received from ECHD in the past 5 years *(list amount , program, and years):*

Yes     No

**Program Alignment with ECHD Health Priority Areas**

**4. Which health priority area will your program most directly impact? (Select one)**

- Community Health Education and Health Literacy: \_\_\_\_\_
- Health Care Access (Primary, Oral, and Chronic Conditions Care): \_\_\_\_\_
- Mental Health Access: \_\_\_\_\_
- Healthy Eating, Physical Activity, and Obesity Reduction: \_\_\_\_\_

**Program Design & Impact**

**5. Basic description of the program: provide an overview of the program, in terms of: (500 word limit)**

- a. Why this program is needed
  
  
  
  
  
  
  
  
  
  
- b. Desired impact
  
  
  
  
  
  
  
  
  
  
- c. Strategies and services proposed to achieve the desired impact
  
  
  
  
  
  
  
  
  
  
- d. Primary target population
  
  
  
  
  
  
  
  
  
  
- e. Ways in which program will reach underserved and reduce health disparities

## Program Reach

6. How many unique individuals will this program serve? If you are unable to capture unique individuals, explain why this cannot be done and provide the number of individuals to be served.

- Does your program primarily serve individuals who "Live, Work or Go to School in the District?" District map is available at [www.elcaminohospitaldistrict.org](http://www.elcaminohospitaldistrict.org).

7. How many services or encounters will your program offer? What is your definition of a service or encounter? If not measuring services or encounters, please explain why.

## Program Delivery & Capacity

8. Is this a new program or an existing program?

- New
- Existing

a. If existing, how many years have you been offering this program? \_\_\_\_\_

## Collaboration

9. Is this grant request for your agency alone or for a collaborative with another agency?

- Single agency request
- Collaborative request

a. If this is a collaborative request, please describe partner roles and how the collaborative will be managed. (300 word limit)

b. If the collaborative is already established, briefly describe your past work together. (150 word limit)

10. Who will staff this program and what are their qualifications? (350 word limit)

### Program Evaluation

11. Please complete the attached Scope of Work Matrix to describe your proposed volume and impact metrics.

12. Please identify the tools that you will use to measure the program's impact and describe how you will collect, enter, and analyze your data. (500 word limit)

- Please attach evaluation instruments if available (e.g., surveys, assessments).

### Organization Profile

13. What is the size of your organization?

a. Number of (Full Time Equivalent) employees: \_\_\_\_\_

b. Annual budget: \_\_\_\_\_

c. Years of operation: \_\_\_\_\_

14. What distinguishes your organization? (150 word limit)

## Conclusion

15. Is there any additional information that you would like ECHD to know about this project or your organization? (150 word limit)

## Required Appendices

- **Scope of Work Matrix**
  - Please refer to the Scope of Work instructions and examples included in this application before completing the attached Scope of Work Matrix in Excel.
- **Grant Program Budget**

## Appendix A — Scope of Work Matrix

The Scope of Work Matrix can be completed using the Excel template that was distributed along with the Grant Application. Below are examples of volume and impact metrics that could be included in a Scope of Work Matrix.

As you complete the Scope of Work Matrix in the excel worksheet, please consider the following:

- o Include up to six impact metrics for your program
- o If you are submitting an application to continue an existing ECHD grant:
  - o Include metrics that are the same or better than the current grant year. If lower, please explain why in the “Comments” column.
  - o Include year-end data from the previous year if you are using the same metrics.

### EXAMPLES

Health Priority Area You are Most Impacting	Organization and Program Description	Metrics		Method of Evaluation	Metric Description	5 Month Target	Cumulative 12 Month Target	Previous Year End Data
		Volume	Impact					
Health care access	El Camino Community Health Center <i>Immunization services for low-income families</i>	Individuals		Medical records	Number of people served	1,200	2,000	1,970
		Encounters or Services		Medical records	Number of immunizations provided	2,800	4,800	4,756
				Immunization database	% of patients with up-to-date or regular immunizations	80%	95%	93%

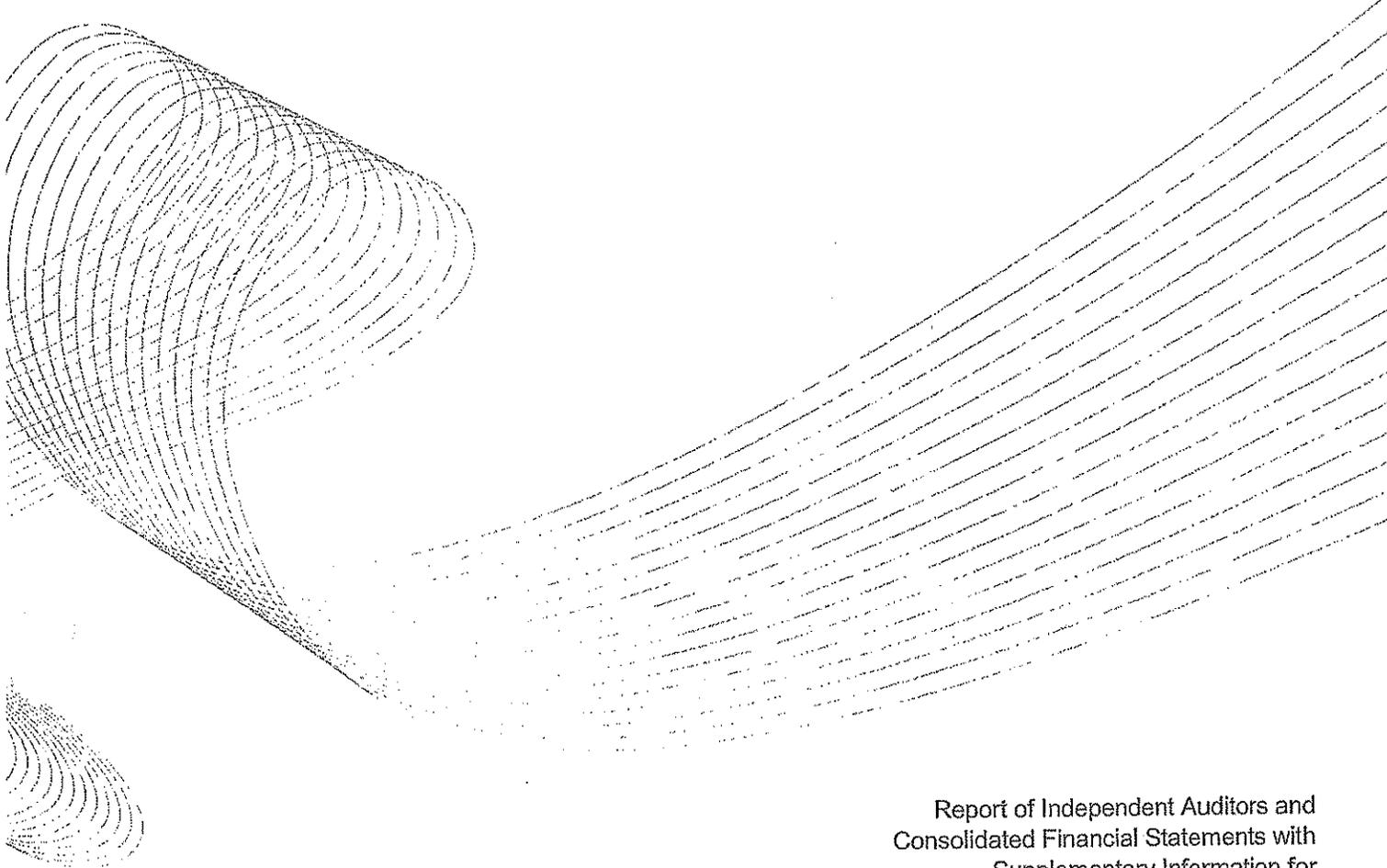
Health Priority Area You are Most Impacting	Organization and Program Description	Metrics		Method of Evaluation	Metric Description	6 Month Target	Cumulative 12 Month Target	Previous Year End Data
		Volume	Impact					
Mental health access	Community Health Council <i>Counseling services to at-risk students</i>	Individuals		Client record	Number of clients served	100	245	225
		Encounters or Services		Client record	Number of counseling visits provided	425	1,020	945
				Assets Inventory	% of clients who show a 10% improvement on External and Internal Assets Inventory	75%	75%	70%



**Attachment 11**

Excerpt from independent audit of the District for FY 2012, including supplemental schedules which provide financial information for the “stand-alone” District

(Attached)



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

**El Camino Hospital District**

June 30, 2012 and 2011

**MOSS-ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

**SUPPLEMENTARY INFORMATION**

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**EL CAMINO HOSPITAL DISTRICT**  
**CONSOLIDATING SCHEDULE - BALANCE SHEET**  
**June 30, 2012**  
**(In Thousands)**

	El Camino Hospital District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	Surgery Center	Silicon Valley Medical Development	Eliminations Increase (Decrease)	El Camino Hospital District and Affiliates
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	\$ 1,616	\$ 38,628	\$ 40	\$ 927	\$ 968	\$ 155	\$ -	\$ 42,334
Short-term investments	3,747	206,143	1,099	10,439	-	-	-	221,428
Current portion of board designated, restricted funds and trustee assets	6,978	2,675	-	-	-	-	-	9,653
Patient accounts receivable, net of allowances for doubtful accounts of \$9,131	-	86,875	-	271	382	-	-	87,528
Prepaid expenses and other current assets	-	20,318	-	131	512	78	(2,252)	18,787
Notes receivable, current	105	-	-	-	9	-	(6)	108
<b>Total current assets</b>	<b>12,446</b>	<b>354,639</b>	<b>1,139</b>	<b>11,768</b>	<b>1,871</b>	<b>233</b>	<b>(2,258)</b>	<b>379,838</b>
<b>Non-current cash and investments</b>								
Board-designated funds	3,380	216,349	15,629	1,349	-	-	-	236,707
Restricted funds	-	6	-	50	-	-	-	56
Funds held by trustee	6,785	6,710	-	-	-	-	-	13,495
	10,165	223,065	15,629	1,399	-	-	-	250,258
<b>Capital assets, net</b>								
Pledges receivable	12,377	657,339	121	248	949	-	(323)	670,711
Prepaid pension	-	-	2,747	-	-	-	-	2,747
Investment in health care affiliates	-	27,527	-	-	-	-	-	27,527
Other assets	1,453	19,674	-	-	-	-	(1,014)	18,660
	14,830	686,540	2,868	2,497	949	-	-	697,683
<b>Total assets</b>	<b>\$ 36,441</b>	<b>\$ 1,287,087</b>	<b>\$ 19,636</b>	<b>\$ 13,415</b>	<b>\$ 2,820</b>	<b>\$ 233</b>	<b>\$ (3,595)</b>	<b>\$ 1,356,037</b>

**EL CAMINO HOSPITAL I**  
**CONSOLIDATING SCHEDULE - BALANCE SHEET (CONTINUED)**  
**June 30, 2012**  
**(In Thousands)**

	El Camino Hospital District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	Surgery Center	Silicon Valley Medical Development	Eliminations Increase (Decrease)	El Camino Hospital District and Affiliates
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities</b>								
Current portion capital lease obligations	\$ -	\$ 5,100	\$ -	-	-	\$ -	-	\$ 5,100
Accounts payable and accrued expenses	-	18,768	-	537	558	49	(470)	19,442
Salaries, wages, and related liabilities	-	38,538	-	575	269	102	-	39,484
Other current liabilities	2,963	9,353	2,070	1,011	-	-	(1,788)	13,609
Estimated third-party payor settlements	-	18,467	-	-	-	-	-	18,467
Current portion of bonds payable	1,155	2,995	-	-	-	-	-	4,150
<b>Total current liabilities</b>	<b>4,118</b>	<b>93,221</b>	<b>2,070</b>	<b>2,123</b>	<b>827</b>	<b>151</b>	<b>(2,258)</b>	<b>100,252</b>
Capital lease obligations, net of current portion	-	4,952	-	-	-	-	-	4,952
Bonds payable, net of current portion	142,014	184,564	-	-	-	-	-	326,578
Other long-term obligations	-	13,953	-	-	-	-	-	13,953
Workers' compensation, net of current portion	-	18,031	-	-	-	-	-	18,031
Postretirement medical benefits, net of current portion	-	14,832	-	-	-	-	-	14,832
<b>Total liabilities</b>	<b>146,132</b>	<b>329,553</b>	<b>2,070</b>	<b>2,123</b>	<b>827</b>	<b>151</b>	<b>(2,258)</b>	<b>478,598</b>
<b>Net assets</b>								
Invested in capital assets, net of related debt	(117,029)	459,728	121	248	949	-	(323)	343,694
Restricted - expendable	-	-	4,820	-	-	-	-	4,820
Restricted - nonexpendable	-	-	2,007	50	-	-	-	2,057
Unrestricted	7,338	497,806	10,618	10,994	1,044	82	(1,014)	526,868
<b>Total net assets</b>	<b>(109,691)</b>	<b>957,534</b>	<b>17,566</b>	<b>11,292</b>	<b>1,993</b>	<b>82</b>	<b>(1,337)</b>	<b>877,439</b>
<b>Total liabilities and net assets</b>	<b>\$ 36,441</b>	<b>\$ 1,287,087</b>	<b>\$ 19,636</b>	<b>\$ 13,415</b>	<b>\$ 2,820</b>	<b>\$ 233</b>	<b>\$ (3,595)</b>	<b>\$ 1,356,037</b>

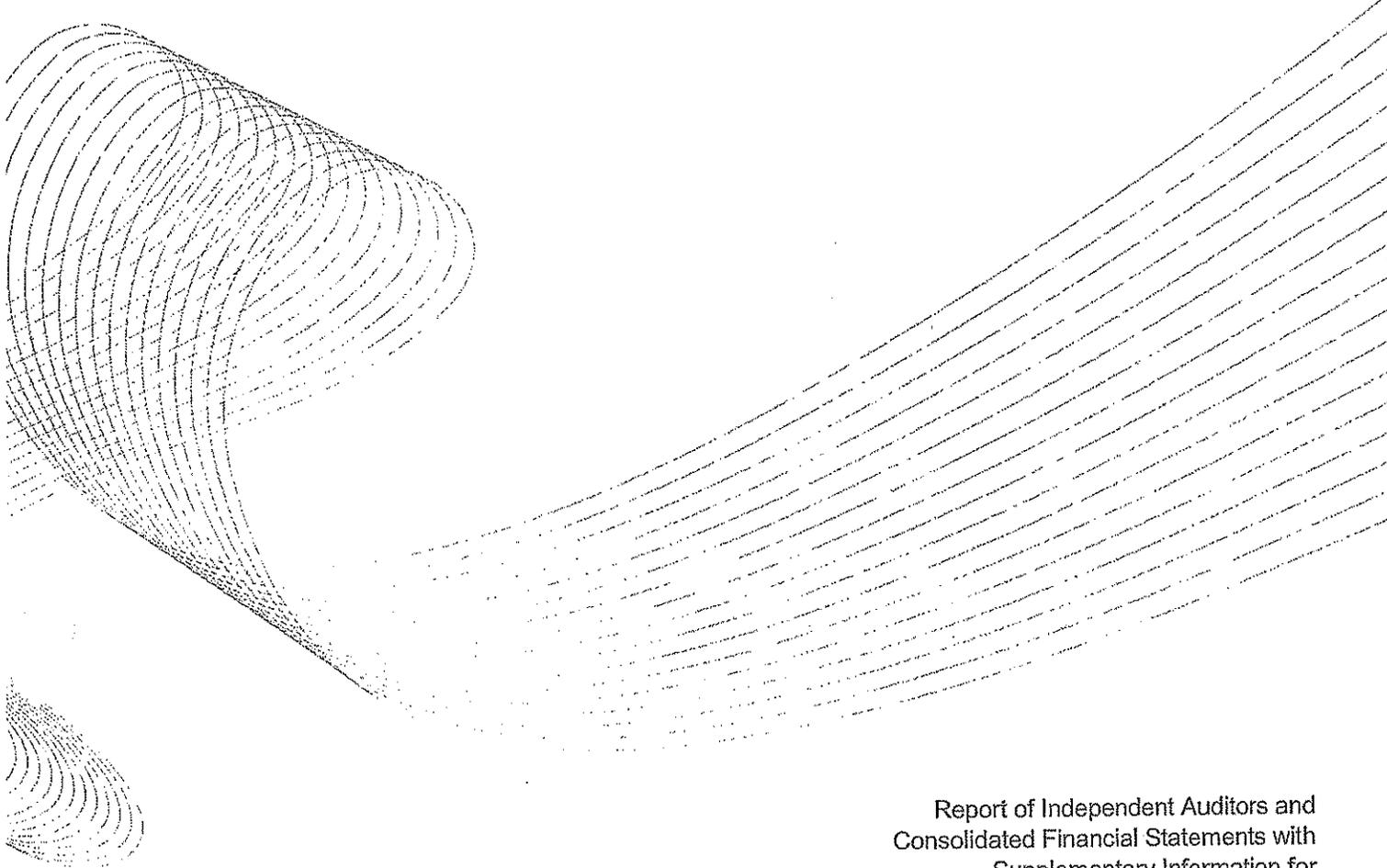
**CONSOLIDATING SCHEDULE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**EL CAMINO HOSPITAL DISTRICT**  
**Year Ended June 30, 2012**  
**(In Thousands)**

	El Camino Hospital District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	Surgery Center	Silicon Valley Medical Development	Eliminations Increase (Decrease)	El Camino Hospital District and Affiliates
Operating revenues								
Net patient service revenue (net of provision for bad debts of \$1,474)	\$ 82	\$ 630,123	\$ -	\$ -	\$ 6,697	\$ -	\$ -	\$ 636,820
Other revenue	82	13,312	77	9,832	9	-	(1,721)	21,591
Total operating revenues	82	643,435	77	9,832	6,706	-	(1,721)	688,411
Operating expenses								
Salaries, wages and benefits	-	322,842	1,546	2,693	3,124	510	(243)	330,472
Professional fees and purchased services	805	85,469	1,502	4,303	1,029	556	(340)	93,324
Supplies	-	92,628	27	-	1,540	1	-	94,196
Depreciation and amortization	233	49,070	12	33	245	-	-	49,593
Rent and utilities	-	13,684	134	182	486	-	(561)	13,925
Other	46	16,578	230	269	121	-	-	17,244
Total operating expenses	1,084	580,271	3,451	7,480	6,545	1,067	(1,144)	598,754
(Loss) income from operations	(1,002)	63,164	(3,374)	2,352	161	(1,067)	(577)	59,657
Nonoperating revenues (expenses):								
Investment income, net	34	17,241	478	598	(5)	-	-	18,346
Property tax revenue	5,902	-	-	-	-	-	-	5,902
Designated for community benefit programs	3,610	-	-	-	-	-	-	3,610
Designated for capital expenditures	6,908	-	-	-	-	-	-	6,908
Levied for debt service	(4,828)	-	-	-	-	-	-	(4,828)
General Obligation bond interest expense	(3,349)	-	-	-	-	-	-	(3,349)
Intergovernmental transfer expense	-	-	-	-	-	-	-	-
Restricted gifts, grants and bequests, and other	-	(5,781)	2,154	-	-	-	1,278	3,432
Unrealized loss on interest rate swap	-	(10,110)	-	(1,477)	(127)	1,037	(1,140)	(5,781)
Other, net	8	-	-	-	-	-	-	(11,809)
Total nonoperating revenues and (expenses)	8,285	1,350	2,632	(879)	(132)	1,037	138	12,431
Excess (deficit) of revenues over expenses before capital grants, contributions, and additions to permanent endowments	7,283	64,514	(742)	1,473	29	(30)	(439)	72,088
Capital transfers	(6,599)	6,663	(64)	-	-	-	-	-
Increase (decrease) in net assets	684	71,177	(806)	1,473	29	(30)	(439)	72,088
Total net assets, beginning of year	(110,375)	886,357	18,372	9,819	1,964	112	(898)	805,351
Total net assets, end of year	\$ (109,691)	\$ 957,534	\$ 17,566	\$ 11,292	\$ 1,993	\$ 82	\$ (1,337)	\$ 877,439

**Attachment 11**

Excerpt from independent audit of the District for FY 2012, including supplemental schedules which provide financial information for the “stand-alone” District

(Attached)



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

**El Camino Hospital District**

June 30, 2012 and 2011

**MOSS-ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

**SUPPLEMENTARY INFORMATION**

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**EL CAMINO HOSPITAL DISTRICT**  
**CONSOLIDATING SCHEDULE - BALANCE SHEET**  
**June 30, 2012**  
**(In Thousands)**

	El Camino Hospital District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	Surgery Center	Silicon Valley Medical Development	Eliminations Increase (Decrease)	El Camino Hospital District and Affiliates
<b>ASSETS</b>								
Current assets	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	1,616	38,628	40	927	968	155	-	42,334
Short-term investments	3,747	206,143	1,099	10,439	-	-	-	221,428
Current portion of board designated, restricted funds and trustee assets	6,978	2,675	-	-	-	-	-	9,653
Patient accounts receivable, net of allowances for doubtful accounts of \$9,131	-	86,875	-	271	382	-	-	87,528
Prepaid expenses and other current assets	-	20,318	-	131	512	78	(2,252)	18,787
Notes receivable, current	105	-	-	-	9	-	(6)	108
<b>Total current assets</b>	<b>12,446</b>	<b>354,639</b>	<b>1,139</b>	<b>11,768</b>	<b>1,871</b>	<b>233</b>	<b>(2,258)</b>	<b>379,838</b>
Non-current cash and investments								
Board-designated funds	3,380	216,349	15,629	1,349	-	-	-	236,707
Restricted funds	-	6	-	50	-	-	-	56
Funds held by trustee	6,785	6,710	-	-	-	-	-	13,495
<b>Total non-current cash and investments</b>	<b>10,165</b>	<b>223,065</b>	<b>15,629</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,258</b>
Capital assets, net	12,377	657,339	121	248	949	-	(323)	670,711
Pledges receivable	-	-	2,747	-	-	-	-	2,747
Prepaid pension	-	27,527	-	-	-	-	-	27,527
Investment in health care affiliates	-	19,674	-	-	-	-	(1,014)	18,660
Other assets	1,453	4,843	-	-	-	-	-	6,296
<b>Total assets</b>	<b>\$ 36,441</b>	<b>\$ 1,287,087</b>	<b>\$ 19,636</b>	<b>\$ 13,415</b>	<b>\$ 2,820</b>	<b>\$ 233</b>	<b>\$ (3,595)</b>	<b>\$ 1,356,037</b>

**EL CAMINO HOSPITAL I**  
**CONSOLIDATING SCHEDULE - BALANCE SHEET (CONTINUED)**  
**June 30, 2012**  
**(In Thousands)**

	El Camino Hospital District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	Surgery Center	Silicon Valley Medical Development	Eliminations Increase (Decrease)	El Camino Hospital District and Affiliates
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current liabilities</b>								
Current portion capital lease obligations	\$ -	\$ 5,100	\$ -	-	-	\$ -	-	\$ 5,100
Accounts payable and accrued expenses	-	18,768	-	537	558	49	(470)	19,442
Salaries, wages, and related liabilities	-	38,538	-	575	269	102	-	39,484
Other current liabilities	2,963	9,353	2,070	1,011	-	-	(1,788)	13,609
Estimated third-party payor settlements	-	18,467	-	-	-	-	-	18,467
Current portion of bonds payable	1,155	2,995	-	-	-	-	-	4,150
<b>Total current liabilities</b>	<b>4,118</b>	<b>93,221</b>	<b>2,070</b>	<b>2,123</b>	<b>827</b>	<b>151</b>	<b>(2,258)</b>	<b>100,252</b>
Capital lease obligations, net of current portion	-	4,952	-	-	-	-	-	4,952
Bonds payable, net of current portion	142,014	184,564	-	-	-	-	-	326,578
Other long-term obligations	-	13,953	-	-	-	-	-	13,953
Workers' compensation, net of current portion	-	18,031	-	-	-	-	-	18,031
Postretirement medical benefits, net of current portion	-	14,832	-	-	-	-	-	14,832
<b>Total liabilities</b>	<b>146,132</b>	<b>329,553</b>	<b>2,070</b>	<b>2,123</b>	<b>827</b>	<b>151</b>	<b>(2,258)</b>	<b>478,598</b>
<b>Net assets</b>								
Invested in capital assets, net of related debt	(117,029)	459,728	121	248	949	-	(323)	343,694
Restricted - expendable	-	-	4,820	-	-	-	-	4,820
Restricted - nonexpendable	-	-	2,007	50	-	-	-	2,057
Unrestricted	7,338	497,806	10,618	10,994	1,044	82	(1,014)	526,868
<b>Total net assets</b>	<b>(109,691)</b>	<b>957,534</b>	<b>17,566</b>	<b>11,292</b>	<b>1,993</b>	<b>82</b>	<b>(1,337)</b>	<b>877,439</b>
<b>Total liabilities and net assets</b>	<b>\$ 36,441</b>	<b>\$ 1,287,087</b>	<b>\$ 19,636</b>	<b>\$ 13,415</b>	<b>\$ 2,820</b>	<b>\$ 233</b>	<b>\$ (3,595)</b>	<b>\$ 1,356,037</b>

**CONSOLIDATING SCHEDULE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**EL CAMINO HOSPITAL**  
**Year Ended June 30, 2012**  
**(In Thousands)**

	El Camino Hospital District	El Camino Hospital	El Camino Hospital Foundation	CONCERN	Surgery Center	Silicon Valley Medical Development	Eliminations Increase (Decrease)	El Camino Hospital District and Affiliates
Operating revenues								
Net patient service revenue (net of provision for bad debts of \$1,474)	\$ 82	\$ 630,123	\$ -	\$ -	\$ 6,697	\$ -	\$ -	\$ 636,820
Other revenue	82	13,312	77	9,832	9	-	(1,721)	21,591
Total operating revenues	82	643,435	77	9,832	6,706	-	(1,721)	688,411
Operating expenses								
Salaries, wages and benefits	-	322,842	1,546	2,693	3,124	510	(243)	330,472
Professional fees and purchased services	805	85,469	1,502	4,303	1,029	556	(340)	93,324
Supplies	-	92,628	27	-	1,540	1	-	94,196
Depreciation and amortization	233	49,070	12	33	245	-	-	49,593
Rent and utilities	-	13,684	134	182	486	-	(561)	13,925
Other	46	16,578	230	269	121	-	-	17,244
Total operating expenses	1,084	580,271	3,451	7,480	6,545	1,067	(1,144)	598,754
(Loss) income from operations	(1,002)	63,164	(3,374)	2,352	161	(1,067)	(577)	59,657
Nonoperating revenues (expenses):								
Investment income, net	34	17,241	478	598	(5)	-	-	18,346
Property tax revenue	5,902	-	-	-	-	-	-	5,902
Designated for community benefit programs	3,610	-	-	-	-	-	-	3,610
Designated for capital expenditures	6,908	-	-	-	-	-	-	6,908
Levied for debt service	(4,828)	-	-	-	-	-	-	(4,828)
General Obligation bond interest expense	(3,349)	-	-	-	-	-	-	(3,349)
Intergovernmental transfer expense	-	-	-	-	-	-	-	-
Restricted gifts, grants and bequests, and other	-	(5,781)	2,154	-	-	-	1,278	3,432
Unrealized loss on interest rate swap	-	(10,110)	-	(1,477)	(127)	1,037	(1,140)	(5,781)
Other, net	8	-	-	-	-	-	-	(11,809)
Total nonoperating revenues and (expenses)	8,285	1,350	2,632	(879)	(132)	1,037	138	12,431
Excess (deficit) of revenues over expenses before capital grants, contributions, and additions to permanent endowments	7,283	64,514	(742)	1,473	29	(30)	(439)	72,088
Capital transfers	(6,599)	6,663	(64)	-	-	-	-	-
Increase (decrease) in net assets	684	71,177	(806)	1,473	29	(30)	(439)	72,088
Total net assets, beginning of year	(110,375)	886,357	18,372	9,819	1,964	112	(898)	805,351
Total net assets, end of year	\$ (109,691)	\$ 957,534	\$ 17,566	\$ 11,292	\$ 1,993	\$ 82	\$ (1,337)	\$ 877,439

**Attachment 12**

Copy of Separate unaudited financial information of the District for FYTD 2013

(Attached)



# **El Camino Hospital® District**

## **Board Finance Presentation**

**Fiscal Year Ending 2013**

**7/1/2012 - 12/31/2012**

# Contents

<b><u>ECHD Stand-Alone Financial Statements</u></b>	
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Statement of Revenues & Expenses Year to Date thru December 31, 2012 .....	Page 4
Statement of Fund Balance Activity as of December 31, 2012 .....	Page 5
Notes to Financial Statements .....	Page 6
<b><u>ECHD Consolidated Financial Statements</u></b> (Includes El Camino Hospital)	
Comparative Balance Sheet as of December 31, 2012 .....	Page 7
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**NOTE:** Accounting standards require that audited financial statements for El Camino Hospital District be presented in consolidated format, including El Camino Hospital Corporation. In an effort to help ensure public accountability and further ensure the transparency of the District's operation, the District also prepares internal, "Stand-Alone" financial statements which present information for the District without including the El Camino Hospital Corporation.



# El Camino Hospital District

## Comparative Balance Sheet (\$ Thousands)

*These "Stand-Alone" financial statements exclude the operations of the District's El Camino Hospital Corporation*

	June 30, 2012	2012	Audited		June 30, 2012	2012	Audited
<u>ASSETS</u>	Dec. 31, 2012	2012	Audited	<u>LIABILITIES &amp; FUND BALANCE</u>	Dec. 31, 2012	2012	Audited
Cash & cash equiv	\$ 115	\$ 1,616		Accounts payable <sup>(6)</sup>	\$ 20	\$ 449	
Short term investments	3,426	3,747		Current portion of bonds	1300	970	
Due fm Retiree Health Plan		105		Bond interest payable	2,546	2,657	
SC Co. M&O Taxes Rcvbl <sup>(1)</sup>	\$ 390			<b>Total current liabilities</b>	<b>\$ 3,865</b>	<b>\$ 4,076</b>	
<b>Total current assets</b>	<b>\$ 3,931</b>	<b>\$ 5,468</b>		Deferred income	84,713	42	
Capital outlay <sup>(2)</sup>	\$ 6,978	\$ 6,978		Bonds payable - long term	140,714	142,014	
Plant facilities <sup>(3)</sup>	3,543	3,380		<b>Total liabilities</b>	<b>\$ 144,664</b>	<b>\$ 146,132</b>	
<b>Total Board designated funds</b>	<b>\$ 10,521</b>	<b>\$ 10,358</b>		<b>Fund balance</b>			
Funds held by trustee <sup>(4)</sup>	\$ 6,806	\$ 6,785		Unrestricted fund balance	\$ 26,599	\$ 27,713	
Capital assets, net <sup>(5)</sup>	\$ 12,252	\$ 12,377		Restricted fund balance <sup>(7)</sup>	(136,331)	(137,404)	
Bond issue costs	\$ 1,423	\$ 1,453		<b>Total fund balance</b>	<b>\$ (109,732)</b>	<b>\$ (109,691)</b>	
<b>TOTAL ASSETS</b>	<b>\$ 34,933</b>	<b>\$ 36,441</b>		<b>TOTAL LIAB &amp; FUND BAL</b>	<b>\$ 34,933</b>	<b>\$ 36,441</b>	



# El Camino Hospital District

## YTD Statement of Revenue and Expenses (\$ Thousands)

*These "Stand-Alone" financial statements exclude the operations of the District's El Camino Hospital Corporation*

	Actual	Budget	Fav (Unfav) Variance
Other revenue <sup>(8)</sup>	\$ 42	\$ 41	\$ 1
<b>Total operating revenue</b>	<b>\$ 42</b>	<b>\$ 41</b>	<b>\$ 1</b>
Professional fees and purchased services <sup>(9)</sup>	\$ 586	\$ 76	\$ (510)
Depreciation	125	125	-
Supplies <sup>(9)</sup>	1	-	(1)
Other <sup>(9)</sup>	1	8	7
<b>Total operating expenses</b>	<b>\$ 713</b>	<b>\$ 209</b>	<b>\$ (504)</b>
<b>Income (loss) from operations</b>	<b>\$ (671)</b>	<b>\$ (168)</b>	<b>\$ (503)</b>
Investment income, net	\$ 74	\$ 48	\$ 26
Other income	102	86	16
County taxes-unrestricted <sup>(10)</sup>	3,142	3,142	-
County taxes-restricted <sup>(10)</sup>	1,457	1,458	(1)
G. O. Tax Revenues <sup>(10)</sup>	3,464	3,400	64
Intergovernmental transfer expense <sup>(11)</sup>	-	(1,000)	1,000
<b>Total non-oper income</b>	<b>\$ 8,239</b>	<b>\$ 7,134</b>	<b>\$ 1,105</b>
G.O. bond interest expense <sup>(12)</sup>	\$ (2,487)	\$ (2,477)	\$ 10
<b>Total non-oper expenses</b>	<b>\$ (2,487)</b>	<b>\$ (2,477)</b>	<b>\$ 10</b>
<b>Total non-operating revenues and expenses</b>	<b>\$ 5,752</b>	<b>\$ 4,657</b>	<b>\$ 1,095</b>
<b>Net Income (loss)</b>	<b>\$ 5,082</b>	<b>\$ 4,489</b>	<b>\$ 592</b>

*Note: Totals may not agree due to rounding. See page 6 for footnotes.*



# El Camino Hospital District

## YTD Statement of Fund Balance Activity (\$ Thousands)

*These "Stand-Alone" financial statements exclude the operations of the District's El Camino Hospital Corporation*

<b>Beginning Balance</b>		<b>\$ (109,691)</b>
Net Income Year-To-Date	5,082	
Transfers to ECH:		
Community Benefit Programs (13)	(5,132)	
Capital Projects	-	
Other	11	
Total Year-To-Date Activity		(40)
<b>Ending Balance</b>		<b><u><u>\$ (109,732)</u></u></b>



# El Camino Hospital District

## Notes to Financial Statements

*These "Stand-Alone" financial statements exclude the operations of the District's El Camino Hospital Corporation*

- (1) **SC County M&O Taxes Receivable** – Expected tax receipts, which are paid in arrears.
- (2) **Capital Outlay Fund** – This fund is for future capital commitments within the District. The balance includes \$3.4 million and \$3.6 million of receipts for fiscal years 2011 and 2012, respectively.
- (3) **Plant Facilities Fund** – This is for future upkeep on the portion of the YMCA building owned by the District.
- (4) **Funds Held by Trustee** – Funds from General Obligation tax monies, being held to make the debt payments when due.
- (5) **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.
- (6) **Accounts Payable and Accrued Expenses** – Expenses due which have not yet been paid.
- (7) **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 that obligation in full at the time it was incurred, and also require that the District recognize the tax receipts it expects to receive as they are incurred by the taxpayers.
- (8) **Other Operating Revenue** – Lease income from El Camino Hospital, for its ground lease with the District.
- (9) **Professional Fees & Services** – District operating expenses.
- (10) **Taxes: M&O, G.O.** – Tax receipts (either received or to be received) during the period.
- (11) **Intergovernmental Transfer (IGT) Expense** – The budget variance in this line resulted from the State's decision to discontinue the IGT program after the budget was finalized. The budget anticipated that IGT payments would continue to be dispersed by the District and that the Hospital would receive supplemental Medi-Cal reimbursement.
- (12) **Non Operating Expense** – Includes periodic fees and the amortization of issuance expenses associated with the bond issue.
- (13) **Community Benefit Transfer** – These amounts represent reimbursement of FY-2012 expenditures.



# El Camino Hospital District

## Consolidated Comparative Balance Sheet (\$ Millions)

(Includes El Camino Hospital)

	<u>Dec. 31,</u>	<u>June 30,</u>	<u>Dec. 31,</u>	<u>June 30,</u>
<u>ASSETS</u>	<u>2012</u>	<u>2012</u>	<u>2012</u>	<u>Audited</u>
<b>Current Assets</b>				
Cash & Investments	\$231	\$211	\$77	\$83
Patient Accounts Receivable, NET	91	88	4	4
Other Accounts and Notes Receivable	5	6	6	7
Inventories and Prepaids	49	43	7	8
<b>Total Current Assets</b>	<u>376</u>	<u>347</u>	<u>94</u>	<u>102</u>
<b>Board Designated Assets</b>				
Foundation Reserves	10	9	1	1
Community Benefit Fund	9	6		
Operational Reserve Fund	100	101	335	337
Workers Comp, Health & PTO Reserves	54	52	34	33
Other Board Designated Reserves	95	84	5	8
<b>Total Board Designated Assets</b>	<u>268</u>	<u>252</u>	<u>375</u>	<u>378</u>
<b>Funds Held By Trustee</b>	<u>16</u>	<u>16</u>	<u>789</u>	<u>735</u>
Long Term Investments	57	38	139	131
Other Investments	22	20	12	13
Net Property Plant & Equipment	658	671	940	879
Other Assets	14	15		
<b>Total Non-Designated Assets</b>	<u>767</u>	<u>760</u>	<u>\$1,410</u>	<u>\$1,360</u>
<b>TOTAL ASSETS</b>	<u>\$1,410</u>	<u>\$1,360</u>	<u>\$1,410</u>	<u>\$1,360</u>
<b>LIABILITIES &amp; FUND BALANCE</b>				
<b>Current Liabilities</b>				
Accounts Payable & Accrued Exp			\$77	\$83
Bonds Payable - Current			4	4
Bond Interest Payable			6	7
Other Liabilities			7	8
<b>Total Current Liabilities</b>			<u>94</u>	<u>102</u>
<b>Deferred Revenue</b>			1	1
<b>Long Term Liabilities</b>				
Bond Payable			335	337
Benefit Obligations			34	33
Other Long-term Obligations			5	8
<b>Total Long Term Liabilities</b>			<u>375</u>	<u>378</u>
<b>Fund Balance</b>				
Unrestricted			789	735
Board Designated & Restricted			139	131
Capital & Retained Earnings			12	13
<b>Total Fund Balance</b>			<u>940</u>	<u>879</u>
<b>TOTAL LIAB. &amp; FUND BAL.</b>	<u>\$1,410</u>	<u>\$1,360</u>	<u>\$1,410</u>	<u>\$1,360</u>

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

# El Camino Hospital District

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

(Includes El Camino Hospital)

	<u>Actual</u>	<u>Budget</u>	<u>Fav (Unfav) Variance</u>
Net Patient Revenue	348	318	30
Other Operating Revenues	14	16	(2)
<b>Total Operating Revenues</b>	<b>362</b>	<b>333</b>	<b>28</b>
Wages and Benefits	180	174	(6)
Supplies	53	47	(6)
Purchased Services	54	57	3
Other	5	6	1
Depreciation	24	23	(1)
Interest	4	4	0
<b>Total Operating Expense</b>	<b>320</b>	<b>311</b>	<b>(9)</b>
<b>Operating Income</b>	<b>42</b>	<b>22</b>	<b>20</b>
Non-Operating Income	19	11	7
<b>Net Income</b>	<b>61</b>	<b>34</b>	<b>27</b>

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



# El Camino Hospital District

## Notes to Consolidated Financial Statements

(Includes El Camino Hospital)

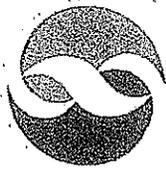
- (1) Cash and Investments increased due to strong financial performance. Capital expenditures scheduled for later this year, and in the next year, are expected to moderate this trend.
- (2) Net Patient Revenue is better than forecast primarily as a result of favorable budget variances in clinical services and improved collections results in the year-to-date period.
- (3) Wage and Benefits Expense is negative to budget due to the change in pension expense assumptions which was made after the FY13 budget was completed.
- (4) Supplies Expense is negative to budget primarily due to volumes which were greater than budgeted, as noted in item 2, above.
- (5) Positive results in non-operating income are driven by strong realized and unrealized investment in the year-to-date period.



**Attachment 13**

FY2013 District budget

(Attached)



# El Camino Hospital® District

Board Finance Presentation

Fiscal Year 2013 Budget

**EL CAMINO HOSPITAL DISTRICT (PRO FORMA)**  
**STATEMENT OF REVENUES AND EXPENSES**  
(In Thousands)

	<b>2013 BUDGET</b>	<b>DESCRIPTION</b>
Operating revenue		
Other revenue	81	Ground Lease Income from ECH
Total operating revenues	81	
Operating expenses		
Salaries, wages, and employee benefits		
Professional fees and purchased services	150	Legal and Website Professional Fees
Depreciation	250	YMCA Building
Other	2,016	IGT Medi-Cal Uninsured Program
Total operating expenses	2,416	
Income (Loss) from operations	(2,335)	
Non-operating revenues (expenses):		
Investment income (loss), net	72	Realized Investment Income
G.O. interest expense	(4,772)	Annual Interest Expense on Bond Debt
County Taxes-Unrestricted	6,284	Supports Community Benefit Programs
County Taxes-Restricted	2,915	Supports Capital Outlay Projects
G.O. Tax Revenues	6,800	Debt Payment (P & I) on \$148M Bond
Other	14	
Total non-operating revenues and expenses	11,314	
Net Income (Loss)	8,979	

Note: Totals may not agree due to rounding



**EL CAMINO HOSPITAL DISTRICT  
STATEMENT OF FUND BALANCE ACTIVITY  
FOR BUDGET 2013  
(In Thousands)**

**UNRESTRICTED FUND ACTIVITY BALANCE**

Projected Opening Balance @ 7/1/2012	\$ 29,406
Budgeted Net Income for FY 2013	8,979
Transfer from ECH for IGT Participate in FY13	2,016
Transfer to ECH for Community Benefit programs	(5,982) *
Transfer to ECH for Capital Outlay projects	(3,400)

**PROJECTED ENDING BALANCE @ 6/30/2013** **\$ 31,019** \*\*

\* This is for the completed FY 2012

\*\* Held within ending balance is \$2,915 of Capital Outlay fund for FY13

**El Camino Hospital & Affiliates**  
**Fiscal Year 2013 Proposed Budget**

	<b>Hospital</b>	<b>Affiliates</b>	<b>Hospital &amp; Affiliates</b>
<b>Operating Revenues</b>			
Gross Revenue	\$ 2,394,408,056	\$ 36,571,759	\$ 2,430,979,815
Deductions	\$ (1,767,612,726)	\$ (29,993,820)	\$ (1,797,606,546)
Other Operating Revenue	\$ 19,775,273	\$ 13,108,764	\$ 32,884,037
<b>Net Operating Revenue</b>	<b>\$ 646,570,604</b>	<b>\$ 19,686,703</b>	<b>\$ 666,257,306</b>
<b>Operating Expense</b>			
Wages & Benefits	\$ 337,040,346	\$ 11,006,833	\$ 348,047,178
Drugs & Supplies	\$ 91,641,949	\$ 1,921,385	\$ 93,563,334
Purchased Services & Consulting	\$ 74,843,162	\$ 7,650,211	\$ 82,493,373
General / Administrative	\$ 40,558,839	\$ 1,680,167	\$ 42,239,006
Interest Expense	\$ 7,895,800	\$ -	\$ 7,895,800
Depreciation	\$ 49,240,420	\$ 343,403	\$ 49,583,823
<b>Total Operating Expense</b>	<b>\$ 601,220,517</b>	<b>\$ 22,601,998</b>	<b>\$ 623,822,515</b>
<b>Net Operating Income</b>	<b>\$ 45,350,087</b>	<b>\$ (2,915,296)</b>	<b>\$ 42,434,791</b>
<b>Non-Operating Revenue &amp; Expense</b>	<b>\$ 9,964,005</b>	<b>\$ 3,562,970</b>	<b>\$ 13,526,975</b>
<b>Net Income</b>	<b>\$ 55,314,092</b>	<b>\$ 647,674</b>	<b>\$ 55,961,766</b>

**Net Operating Margin** 7.0%

El Camino Hospital & Affiliates Capital Allocation – FY2013 Budget

Medical, Non-medical and IT Hardware and Software		
Category	# of Projects	Total
Spending under \$100,000 per project		\$4,600,000
Medical Equipment over \$100,000	24	\$6,556,675
IT Software & Hardware over \$100,000	31	\$10,006,516
Total Capital Equipment		\$21,163,191

Major investments are proposed for facilities and strategic projects

Facilities and Strategic Projects		
Category	# of Projects	Total
Facility Improvement over \$100,000	Los Gatos -7 Mountain View - 3	\$12,034,375 \$2,320,000
Major Facilities	Mountain View -2	\$20,800,000
Strategic / Off Campus	5	\$14,185,000
Total Facilities and Strategic Projects		\$49,339,375

**Attachment 14**

- a. Public Comment; District Board Agenda
- b. Website Screen
- c. District Bylaws
- d. Rules of Order

(Attached)



# El Camino Hospital District

2500 Grant Road  
Mountain View, CA 94040-4378  
Phone: 650-940-7000  
www.elcaminohospitaldistrict.org

## AGENDA

Regular Meeting of the Board of Directors  
El Camino Hospital District  
Tuesday, June 19, 2012 at 7:30 p.m.  
Conference Rooms A & B, ground floor  
El Camino Hospital  
2500 Grant Road, Mountain View, California

### BOARD OF DIRECTORS

Wesley F. Alles  
Patricia A. Einarson, MD  
Uwe R. Kladde, RN  
David W. Reeder  
John L. Zoglin

**PURPOSE:** 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 these Bylaws and the Local Health District Law.

A copy of the agenda for the Special Meeting will be posted and distributed at least twenty-four (24) hours prior to the meeting. In observance of the American with Disabilities Act, please notify us at 650-940-7301 48 hours prior to the meeting so that we may provide the agenda in alternative formats or to make disability-related modifications and accommodations

- |                                                                                                                                                                                                                                                                                                                                                                                                             | <u>PRESENTED BY</u>           |                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------|
| I. CALL TO ORDER/ROLL CALL                                                                                                                                                                                                                                                                                                                                                                                  | John Zoglin<br>Board Chairman | 7:30 p.m.                                   |
| II. POTENTIAL CONFLICT OF INTEREST DISCLOSURE                                                                                                                                                                                                                                                                                                                                                               | John Zoglin<br>Board Chairman | 7:30-7:32                                   |
| III. ADJOURN TO CLOSED SESSION                                                                                                                                                                                                                                                                                                                                                                              |                               |                                             |
| The Board will adjourn to a Closed Session, pursuant to the sections of the California codes noted below:                                                                                                                                                                                                                                                                                                   |                               |                                             |
| 1. Conflict of Interest disclosures relating to Item 2-4 on the Closed Session agenda pursuant to the code provisions listed below.                                                                                                                                                                                                                                                                         |                               |                                             |
| 2. Approval of Minutes of the Closed Session Special Board Meetings (May 9, 2012 and May 29, 2012) <b>motion required</b><br><i>Gov't Code Section 54957.2.</i>                                                                                                                                                                                                                                             |                               |                                             |
| 3. Conference with Legal Counsel – pending or threatened litigation <i>Gov't Code Section 54956.9(b) &amp; (c)</i>                                                                                                                                                                                                                                                                                          |                               |                                             |
| 4. Conference with Legal Counsel – pending or threatened litigation <i>Gov't Code Section 54956.9(c)</i>                                                                                                                                                                                                                                                                                                    |                               |                                             |
| 5. Adjourn to Open Session                                                                                                                                                                                                                                                                                                                                                                                  |                               |                                             |
| IV. RECONVENE OPEN SESSION                                                                                                                                                                                                                                                                                                                                                                                  | John Zoglin<br>Board Chairman | 8:16 p.m.                                   |
| To report any required disclosure regarding permissible actions taken during Closed Session                                                                                                                                                                                                                                                                                                                 |                               |                                             |
| V. ACTION                                                                                                                                                                                                                                                                                                                                                                                                   |                               |                                             |
| A. Consent Calendar                                                                                                                                                                                                                                                                                                                                                                                         | John Zoglin<br>Board Chairman | <i>public</i> <b>motion</b>                 |
| All items listed on the Consent Calendar are considered to be routine matters or are considered formal documents covering previous Board instructions. One motion, a second and a vote may enact all of the items listed on the Consent Calendar. There will be no separate discussion of Consent Calendar items unless members of the District Board, staff or the public request discussion on a specific |                               |                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                             |                               | <i>comment</i> <b>required</b><br>8:16-8:18 |

ECHD District Board Meeting

June 19, 2012

Page 2

item at the beginning of the consideration of the Consent Calendar.

- Minutes of Special District Board Meeting – approval May 9, 2012
- Minutes of Special Meeting – approval May 12, 2012
- Minutes of Special Meeting – approval May 29, 2012
- District Surplus Cash

**ATTACHMENT 4**

B. El Camino Hospital District Community Benefit Plan

Cecile Currier

*public comment*

**motion required**  
8:18-8:25

**ATTACHMENT 5**

C. Initiative

Steve Mayer

*public comment*

**motion required**  
8:25-8:45

--The Board will consider adopting the initiative or place it on the ballot.

**ATTACHMENT 6**

D. Consideration of District Position of the Initiative

Steve Mayer

*public comment*

**possible motion**  
8:45-8:55

**ATTACHMENT 7**

E. Stand-Alone 2012-13 El Camino Hospital District Operating Budget

Mike King

*public comment*

**motion required**  
8:55-9:00

The Board will consider the District's Operating Budget for the FY2012-13 (included is a recap of the Hospital & Affiliates operating and capital budget).

**ATTACHMENT 8**

F. Establishing Tax Appropriation for FY 2012-2013

Mike King

*public comment*

**motion required**  
9:00-9:05

*Resolution 2012-12*

Each year the District Board must approve a resolution to establish the tax appropriation limit for the upcoming fiscal year. This is based on the District's budget analysis and California Govt. Code computation annually of the change in the cost of living and population

**ATTACHMENT 9**

G. Use of District's Capital Outlay Fund

Mike King

*public comment*

**motion required**  
9:05-9:15

Currently with the District's Outlay Fund from excess tax receipts for FY 2011 is an unallocated amount of \$2,830,419 which must be designated to capital equipment. A proposal from the El Camino Hospital for use of the funds will be presented.

**ATTACHMENT 10**

H. LAFCo Update

Greg Caligari

*public comment*

**motion required**  
9:15-9:25

Review draft letter from District Board.

**ATTACHMENT 11**

Cox Castle Nicholson

- VI. INFORMATIONAL ITEM**
- A. "Stand-Alone" El Camino Hospital District Financials – Period 10-2012  
The District's financial statements, recap of the Community Benefit Fund expenditures, and a presentation of District and Hospital & Subsidiaries financial statements will be presented to the Board.  
**ATTACHMENT 12**
- Mike King 9:25-9:35
- VII. PUBLIC COMMUNICATION**
- A. Oral Comments  
This opportunity is provided for persons in the audience to make a brief statement, not to exceed 3 minutes on issues or concerns not covered by the agenda.
- B. Written Correspondence
- John Zoglin Board Chairman 9:35-9:45
- VIII. ADJOURNMENT** 9:45 p.m.

Name changed to El Camino Healthcare District on May 1, 2013  
Update to website in process.



### Next Meeting:

**Next Regular Meeting of the ECHD**  
**June 18, 2013 - 5:30 p.m.**  
El Camino Hospital  
2500 Grant Road  
Mountain View, CA 94040  
Agenda Pending

Looking for past meeting videos or documents? Visit the ECHD archive.

### Audit and Service Review Information

The El Camino Hospital District provides access to several information resources related to the most recent audit and service review conducted for the Local Agency Formation Commission of Santa Clara County (LAFCo).

- PMG Report
- ECHD Response

Questions about the audit and service review Read more about it here.

### Dedicated to Our Community

We are dedicated to improving the health and well being of the people in our community. The El Camino Hospital District (ECHD) was established by voter approval in 1956 to respond to the ever growing health care needs of the community.

### Meet the ECHD Board of Directors

The ECHD Board of Directors is composed of five publicly elected or appointed representatives. As a group, these representatives oversee the assets of the ECHD, including El Camino Hospital, Pathways Home Health, Hospice & Private Duty. The five District Board members also comprise the governing board of El Camino Hospital, which manages El Camino Hospital operations.

### News Highlights

#### April 18, 2013

Road Runners Seeks Volunteer Drivers to Meet High Community Demand | Read more...

#### February 25, 2013

El Camino Hospital Receives Bond Rating Upgrade from Moody's Investor Service -- *Report Indicates a Stable Outlook* - | Read more...

#### November 21, 2012

PAMF's donation, combined with a gift from the El Camino Hospital District, will enable all under- and uninsured children in Mountain View to receive essential health-care coverage this year.  
Los Altos Town Crier | Read more...

#### October 25, 2012

Sunnyvale: School district sees drop in disciplinary action, thanks to partnership  
Los Altos Town Crier | Read more...

### Videos



#### Featured Video

**ECHD and Valley Medical Center Partnership**  
The Santa Clara County Board of Supervisors recognized the successful partnership between ECHD and Santa Clara County Valley Medical Center in providing medical and dental services for uninsured families. The resolution was presented by Supervisor Liz Kniss. Read More...



#### Meeting Videos

Regular Meeting - March 19, 2013

Special Meeting - Dec. 10, 2012

Regular Meeting - Sept. 18, 2012

More videos in the meeting archives

### ECHD Bylaws

The El Camino Hospital District (ECHD) is a separate governmental entity in and of itself, formed pursuant to The Local Health Care District Law (California Health and Safety Code Sections 32000 et seq.). The District is governed by its five elected Board members, and ultimately the Board and the District are answerable to the voters of the District.

For more information about how the ECHD operates and is governed download the ECHD Bylaws and Conflict of Interest Code:



ECHD Bylaws



ECHD Conflict of Interest Code

**AMENDED AND RESTATED  
BYLAWS  
OF  
EL CAMINO HEALTHCARE DISTRICT  
ADOPTED  
May 1, 2013**

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**AMENDED AND RESTATED  
BYLAWS  
of  
EL CAMINO HEALTHCARE DISTRICT  
Santa Clara County, California**

**PREAMBLE**

These Bylaws are adopted by the Board of Directors (the "Board") of the El Camino Healthcare District (the "District"), pursuant to Section 32104 of the Health and Safety Code of the State of California, for the purpose of establishing such rules and regulations, not inconsistent with law, as, in the opinion of the Board of Directors, are necessary for the exercise of the powers conferred and the performance of the duties imposed upon it by the Local Health Care District Law and related statutes. In the event of any conflict between these Bylaws and the Local Health Care District Law, the latter shall prevail.

**ARTICLE I  
PURPOSE**

The purpose of this 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 these Bylaws and the Local Health Care District Law.

**ARTICLE II  
PRINCIPAL OFFICE**

The principal office for the transaction of the business of the District and for the preservation of District records is hereby fixed and located at 2500 Grant Road, Mountain View, California 94040.

**ARTICLE III  
OFFICERS**

Section 1 CHAIRPERSON. The Chairperson shall conduct all Board meetings, evaluate annually the Chief Executive Officer in collaboration with the entire Board of Directors, coordinate an annual self-evaluation of the Board of Directors' performance, assure the orientation of new Directors, and perform all other executive functions required by the Board of Directors.

Section 2 VICE CHAIRPERSON. The Vice Chairperson may assume and perform the duties of the Chairperson in the absence or disability of the Chairperson or whenever the office of the Chairperson of the Board is vacant. The Vice Chairperson shall have such titles, perform such other duties, and have such other powers as the Board or the Chairperson shall designate from time to time.

Section 3 SECRETARY. The Secretary (i) shall provide for the keeping of the minutes of all meetings of the Board, (ii) shall send or cause to be sent appropriate notices and prepare agendas for all meetings of the Board, (iii) shall act as custodian of all records and reports and of the corporate seal, if any, assuring that it is affixed, when required by law, to documents executed on behalf of the District, and (iv) shall have such other powers and perform such other duties as may be prescribed by the Board, the Chairperson or by these Bylaws.

Section 4 TREASURER. The Treasurer (i) shall ensure the keeping of correct and accurate accounts of the property and financial records and transactions of the District, and (ii) shall in general supervise or perform all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board, the Chairperson or by these Bylaws.

Section 5 TERM OF OFFICERS. The Board shall elect officers from its members. Officers to be elected in 2002 are elected to a term of one (1) year. Commencing in 2003, the Board shall elect officers from its members in July of every odd-numbered year for a term of two (2) years.

Section 6 RESIGNATION OR REMOVAL. Any officer may resign at any time or may be removed by unanimous vote of the directors then in office (other than the officer himself or herself if he or she is a director) at any regular or special meeting of the Board of Directors.

Section 7 VACANCIES IN OFFICES. Any vacancy which shall occur in the offices shall be filled in the following manner:

(a) The Chairperson of the Board shall appoint persons from the Board of Directors to fill such vacancy until his or her successor is elected and qualified. Said appointment shall be subject to confirmation by the Board.

(b) In the event a vacancy occurs in the office of the Chairperson, the Vice Chairperson shall automatically succeed to the office of the Chairperson for the remainder of the former Chairperson's term of office.

#### ARTICLE IV DIRECTORS AND VACANCIES

Section 1 NUMBER OF DIRECTORS AND QUALIFICATIONS. The Board shall consist of five (5) directors ("Directors"). Each Director shall be a registered voter who is a resident of the District.

Section 2 TERM OF OFFICE. Each Director shall serve for a term of four (4) years, unless (a) such term is sooner terminated by such director's death, resignation or removal, or (b) a director is appointed or elected to fill an unexpired term.

Section 3 DIRECTOR COMPENSATION. Directors shall serve with compensation to the extent permitted by applicable law and in accordance with any policy adopted by the Board. Each Director shall be allowed reimbursement of his or her actual necessary travel and incidental expenses incurred in the performance of official business of the District in accordance with any policy approved by the Board.

Section 4 VACANCIES. Vacancies on the Board shall be filled in accordance with the Health and Safety Code of the State of California. The procedure for filling a vacancy occurring on the Board shall consist of the following:

- (a) A written notice of the vacancy shall be posted in three (3) or more conspicuous places in the District at least fifteen (15) days before the vacancy is filled;
- (b) The subject of the vacancy shall be included in the agenda for the next meeting of the Board;
- (c) All newspapers circulated in the District shall be given notice of the vacancy;
- (d) The Chairperson, or the Board, shall establish a deadline for the receipt of applications from persons interested in filling the vacancy. Such deadline shall allow a reasonable amount of time to review the applications;
- (e) Interviews shall be scheduled by the Board;
- (f) The vacancy shall be filled by the remaining Directors within sixty (60) days immediately subsequent to the effective date of the vacancy, or the Board may within sixty (60) days of the vacancy call an election to fill the vacancy. Any such election shall be held on the next available election date under applicable provisions of the California Elections Code that is 130 or more days after the vacancy occurs; and
- (g) The person appointed shall hold office until the next district general election that is scheduled 130 or more days after the effective date of the vacancy, unless an election is also held on the same date for the purpose of electing a director to serve a full term in the same office to which the person was appointed, in which event the person appointed to the vacancy shall fill the balance of the unexpired term of his or her predecessor.

## ARTICLE V BYLAWS

Section 1 INSPECTION OF BYLAWS. The Bylaws shall be kept at the principal office of the District and shall be open to public inspection.

Section 2 AMENDMENTS TO BYLAWS. Any provisions of the Bylaws may be amended by a vote of the majority of the entire Board.

## ARTICLE VI MEETINGS

Section 1 PUBLIC. All meetings of the Board, whether regular, special or adjourned, shall be open to the public except that meetings of the Board may be closed to the public by the Board if allowed by California law.

Section 2 PLACE. Any regular meetings of the Board shall be held at El Camino Hospital in Mountain View, California (including the main hospital building or any ancillary building owned or occupied by El Camino Hospital), and special or adjourned meetings may be called at any other location within the District, said call to contain the location.

Section 3 TIME AND NOTICE. Statutory Meetings. Meetings of the Board shall be held without call or notice whenever required by statute.

(a) Regular Meetings. Regular meetings of the Board shall be held without call on the date and at the time established, from time-to-time, by resolution of the Board. The Board may establish the date and time of one or more regular meetings in any such resolution.

(b) Special Meetings. Special meetings of the Board may be held, provided that such meetings comply with all requirements established by California law.

Section 4 AGENDA FOR MEETINGS. The order of business at the meetings of the Board shall be as follows:

- (a) Roll Call
- (b) Approval of Minutes
- (c) Other Reports
- (d) Adjournment

The agenda for Board meetings shall be developed by the Chairperson with the Chief Executive Officer acting as staff to the Chairperson for this purpose. Any Director may request that a matter be added to a future Board meeting agenda. If such a proposal is made between Board meetings, the Director shall communicate the substance of the proposed item to the Chairperson and the Chief Executive Officer with sufficient detail so such item may be properly added to the agenda for a Board meeting. Such item shall be added to the Board agenda for the next meeting of the Board for which there is sufficient time to fully comply with all notice and agenda posting requirements applicable to the Corporation. Any such item so added to the Board agenda may be removed from the Board agenda by a motion made by any Director at such meeting if such motion is approved by the Board. If a Director proposes that an item be added to the Board agenda for a future Board meeting during a Board meeting, then such item shall be added to the Board agenda unless the Board adopts a resolution directing that such item not be added to the agenda.

Section 5 QUORUM. Three (3) members shall constitute a quorum.

**ARTICLE VII  
SPECIAL COMMITTEES**

Section 1 SPECIAL COMMITTEES. Special committees shall be created as the need may arise. The chairperson of the committee must be a member of the Board appointed by the Chairperson of the Board and all committees shall include one or more members of the Board. All members of the committees, other than the chairperson of the committee, are subject to approval by the Board. Fifty percent (50%) attendance shall represent a quorum. Written minutes of all meetings shall be kept. All special committees shall be advisory to the Board unless otherwise specified by the Board.

**ARTICLE VIII  
CHIEF EXECUTIVE OFFICER**

Section 1 SELECTION, AUTHORITY AND TERM. The Board may select and employ a competent, experienced Chief Executive Officer who shall be its direct executive representative in the management of the District. This Chief Executive Officer shall be given the necessary authority and held responsible for the administration of the District in all its activities and departments subject only to such policies as may be adopted, and such orders as may be issued by the Board of Directors or by any of its committees to which it has delegated power for such action. He or she shall act as the "duly authorized representative" of the Board in all matters in which the Board has not formally designated some other person for that specific purpose. However, nothing in this section is to be construed as depriving or delegating from the Board to the Chief Executive Officer any of the powers and duties imposed upon the Board by the Local Health Care District Law, Division 23, or Chapter 1 of the Health and Safety Code of the State of California, or related statutes. The Chief Executive Officer shall hold office from the date of hire until the end of his or her term in office or sooner at the sole discretion of the Board, subject to any employment agreement.

Section 2 PERFORMANCE REVIEW. The Board shall continually review the performance of the Chief Executive Officer and provide counseling in areas where improvement is needed.

Section 3 AUTHORITY AND DUTIES. The authority and duties of the Chief Executive Officer shall be as follows:

- (a) To prepare an annual budget showing the expected receipts and expenditures of the District as required by the Board.
- (b) To select, employ, and discharge all employees serving in positions as authorized by the Board.
- (c) To attend all meetings of the Board.
- (d) To submit regularly to the Board or its authorized committees, periodic reports showing the professional service and financial activities of the District and to prepare and submit such special reports as may be required by the Board and/or its functioning committees.

- (e) To serve as the liaison officer and channel of communications for all official communications between the Board or any of its committees, and its adjunct organizations.
- (f) To act as an ex-officio member of all Board committees.
- (g) To perform any other duty that may be necessary in the best interest of the District.

**ARTICLE IX  
EXECUTION OF CORPORATION INSTRUMENTS,  
AND VOTING OF STOCKS AND MEMBERSHIPS  
HELD BY THE DISTRICT**

Section 1 EXECUTION OF CORPORATE INSTRUMENTS. The Board may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the District.

Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the District, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the District, and other corporate instruments or documents, and certificates of shares of stock owned by the District, shall be executed, signed, or endorsed by the Chairperson.

All checks and drafts drawn on banks or other depositories on funds to the credit of the District, or in special accounts of the District, shall be signed by such person or persons as the Board shall authorize to do so.

Section 2 VOTING OF STOCKS OWNED BY DISTRICT. All stock of other corporations or memberships in other corporations owned or held by the District for itself, or for other parties in any capacity, shall be voted, and all proxies with respect to such stock or memberships shall be executed, by the person authorized to do so by resolution of the Board, or in the absence of such authorization, by the Chairperson of the Board, or Vice Chairperson or by any other person authorized to do so by the Chairperson or the Vice Chairperson of the Board.

**ARTICLE X  
MAINTENANCE AND INSPECTION  
OF REPORTS AND RECORDS**

The District shall keep at its principal office the original or a copy of its charter and these Bylaws as amended from time to time. Each Director shall have the absolute right at any reasonably time to inspect all books, records, and documents of every kind and the physical properties of the District. This inspection by a Director may be made in person or by the agent or attorney. The right of inspection includes the right to copy and make abstract of documents.

**ADOPTION OF AMENDED AND RESTATED BYLAWS**

Approved and adopted by Resolution No. 2013-6 at a meeting of the Board of Directors of El Camino Healthcare District, duly held on May 1, 2013.

**CERTIFICATE OF SECRETARY**

I, the undersigned, certify that I am the currently elected and acting Secretary of El Camino Healthcare District, a public hospital district, and the above Amended and Restated Bylaws, consisting of 7 pages, are the Bylaws of the El Camino Healthcare District as adopted pursuant to the required affirmative vote of the Board of Directors of El Camino Healthcare District on December 7, 2005 and as amended and restated pursuant to the required affirmative vote of the Board of Directors of El Camino Healthcare District on March 1, 2006, on January 17, 2012, and on May 1, 2013.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Secretary on May 1, 2013.

  
\_\_\_\_\_  
David W. Reeder, Secretary

**RULES OF ORDER**  
**OF THE BOARD OF DIRECTORS OF**  
**EL CAMINO HEALTHCARE DISTRICT**

As of: September 10, 2008

**PREAMBLE**

These Rules of Order are adopted by the Board pursuant to Section 32104 of the Health and Safety Code of the State of California for the general purpose of establishing rules for its proceedings subject generally to:

- (a) The Local Hospital District Law of the State of California (Health and Safety Code Sections 32000, *et. seq.*);
- (b) Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code (the "Brown Act"); and
- (c) The Amended and Restated Bylaws of El Camino Healthcare District, as may be amended from time to time (the "Bylaws").

In the event of any conflict between these rules and the Local Hospital District Law, the Brown Act or the Bylaws, the Local Hospital District Law, the Brown Act and the Bylaws, as the case may be, shall prevail.

**CHAPTER I**

**GENERAL PROVISIONS**

Section 1. Purpose of Rules. The purpose of these rules is to make it easier for the Board of Directors of El Camino Healthcare District (the "Board" and the "District," respectively) and the members of the community to work together effectively and to help the District accomplish its purpose.

Section 2. Order by Motions. At a Board meeting, the Board will address only one matter at a time. Therefore, subsequent motions may be entertained by the President of the Board as described in Paragraph 5.1 of Chapter II.

Section 3. Full Discussion. Every matter presented for decision should be discussed fully by the Board. The right of every member of the Board to speak on any issue is as important as each Board member's right to vote.

Section 4. Full Understanding. Every member of the Board has the right to understand the matter considered at a meeting, and to know what effect a decision on the matter will have. A member of the Board always has the right to request information on any motion he or she does not thoroughly understand.

Section 5. Fairness and Good Faith. All meetings of the Board shall be conducted fairly and in good faith.

## CHAPTER II

### BOARD MEETINGS

Section 1. President Presides. The President of the Board, when present, shall preside at all meetings of the Board and shall take the chair at the hour appointed for every Board meeting and shall call the members to order and, except in the absence of a quorum, shall proceed with the business of the Board in the manner prescribed by these rules. In the absence of the President, the Vice President will preside and shall have all the powers and duties of the President. A majority of the members shall constitute a quorum for the transaction of business.

Section 2. Agenda. The agenda consists of the items of business to be discussed during a meeting of the Board. Each agenda shall include a brief general description of matters to be considered or discussed and shall contain such other information as may be required by the Brown Act and shall be posted, mailed, and/or delivered as prescribed by the Brown Act. The President, with the assistance of the CEO, shall take appropriate measures to see that a proposed agenda is prepared in advance of each meeting of the Board.

Section 3. Consent Calendar. There will be no separate discussion of Consent Calendar items as they are considered to be routine. Consent Calendar items will be enacted by one motion, a second and a vote. If a member of the Board, the Hospital staff, or the public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

Section 4. Minutes. The minutes of the meetings of the Board shall record, in summary rather than verbatim, the actions taken by the Board.

4.1. Preparation. The Secretary, with the assistance of the CEO, shall take appropriate measures to see that the minutes are prepared in advance of each meeting of the Board.

4.2. Adoption. If the minutes have been duplicated and circulated to the members of the Board before the meeting, they need not be read at the meeting. The President shall ask if there are any errors in or omissions from the minutes. Should there be any mistake, appropriate corrections or additions shall be made. Any member of the Board may then move that the minutes be approved as printed or amended.

Section 5. Motions. The business of the Board is accomplished in meetings by means of debating motions, which are formal proposals by two members (the mover and the seconder) that the meeting take certain action. Once a main motion (a motion that brings business before the meeting) has been stated by one member, seconded by another member, and repeated for the meeting by the President, the meeting cannot consider any other business until that motion has been disposed of, or until some other motion of higher precedence has been proposed, seconded and accepted by the President. The President, in his/her sole discretion, may permit discussion of a general topic before a motion is introduced. A main motion must not interrupt another speaker, requires a seconder, is debatable, is lowest in rank or precedence, can be amended, cannot be applied to any other motion, may be reconsidered, and requires a majority vote.

5.1. *Precedence of Motions*. When a motion is before the Board, no motion shall be entertained except the President shall entertain subsequent motions to adjourn, take a recess, to table a motion, to limit or extend debate, and to amend or substitute a motion. Any question as to the order or precedence of motions shall be referred to the District's legal counsel for a determination based on Robert's Rules of Order. All subsequent motions require a second, are amendable and are debatable.

Section 6. Discussion and Voting.

6.1. *President to State Motion*. The President shall assure that all motions are clearly stated before allowing discussion to commence. The President may restate the motion or may direct the CEO to the restate the motion prior to voting.

6.2. *President May Discuss and Vote*. The President may move, second and discuss from the chair, subject only to such limitations of discussion as are by these rules imposed on all members of the Board. The President shall not be deprived of any of the rights and privileges of a member of the Board.

6.3. *Division of a Question*. If a question contains multiple divisible propositions, each of which is capable of standing as a complete proposition if the others are removed, the President may, and upon request of a member of the Board, divide the same. The President's determination shall be appealable by any member of the Board.

6.4. *Withdrawal of Motion*. A motion may not be withdrawn by its maker without the consent of the member of the Board seconding it.

6.5. *Change of Vote*. Members of the Board may change their votes before the next item on the agenda is called.

6.6. *Voting*. The vote shall be taken by voice, and a verbal roll call need not be called in voting upon a motion except where specifically required by law or requested by a member of the Board.

6.7. *Silence Constitutes Affirmative Vote.* Members of the Board who are silent during a voice vote shall have their vote recorded as an affirmative vote, except when individual members of the Board have stated in advance that they will not be voting.

6.8. *Abstaining from Vote.* Generally, it is the duty of every member of the Board who has an opinion on a motion before the Board to express it by a vote; however, every member has the right to abstain from voting.

6.9. *Not Participating.* A member of the Board who disqualifies himself or herself pursuant to the Political Reform Act of 1974 because of any financial interest shall disclose the nature of the conflict and may not participate in the discussion or the vote. A member of the Board may otherwise disqualify himself or herself due to personal bias or the appearance of impropriety or to avoid the appearance of a conflict of interest.

6.10. *Tie Votes.* Tie votes may be reconsidered during the time permitted by Section 6.11 of Chapter II on a motion by any member of the Board voting "Aye" or "Nay" during the original vote. Before a motion is made on the next item on the agenda, any member of the Board may make a motion to continue the matter to another date. Nothing herein shall be construed to prevent any member of the Board from adding a matter which resulted in a tie vote to the agenda at a future Board meeting, as provided in the Bylaws.

6.11. *Motion to Reconsider.* A motion to reconsider any action taken by the Board may be made only during the meeting or adjourned meeting thereof when the action was taken. A motion to reconsider requires a second, is debatable and is not amendable. Such motion must be made by one of the prevailing side, but may be seconded by any member of the Board. A motion to reconsider may be made at any time and shall have precedence over all motions, or while a member of the Board has the floor, providing that no vested rights are impaired. If the motion to reconsider fails, it may not itself be reconsidered. Reconsideration may not be moved more than once on the same motion.

6.12. *Appeal From Decision of President.* When the rules are silent as to questions of order, the President shall either refer to the District's legal counsel for an opinion based on Robert's Rules of Order, Newly Revised, or submit the question to the Board, in which case a majority vote shall prevail.

6.13. *Recognition by President.* In order for a member of the Board to be recognized, he or she must first request to be recognized for verbal comment by the President. Once recognized by the President, the speaker shall confine his/her remarks to the question under debate and shall avoid personal attacks and indecorous language.

6.14. *Interruptions.* Except for being called to order, a member of the Board, once recognized, shall not be interrupted when speaking, except as otherwise provided for in these rules.

Section 7. Absence. No member of the Board shall absent himself/herself from any regular or special meeting (except on account of illness or an emergency). If any member of the Board is unable to attend a meeting, he or she shall notify the President at least one day prior to the meeting and advise him/her of the reasons therefor.

Section 8. Items to Be Considered After Eleven P.M. Before 11:00 p.m., the Board will determine whether it will commence any new items after 11:00 p.m. and shall determine which specific items will be taken up.

Section 9. Adjournment. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. When a regular adjourned meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.

### CHAPTER III

#### ORDER AND DECORUM OF BOARD MEETINGS

Section 1. Meeting Powers of the President. The President shall possess the powers and perform the duties prescribed as follows:

- (a) Have general direction over the meeting place;
- (b) In accordance with the Brown Act: preserve order and decorum; prevent demonstrations; order removed from the meeting place any person whose conduct he or she deems objectionable; and order the meeting place cleared whenever he or she shall deem it necessary;
- (c) Assure that attendance of the public at meetings shall be limited to that number which can be accommodated by the seating facilities regularly maintained therein. Standees may be asked to leave when room capacity exceeds that maximum number set by the Fire Marshal;
- (d) Recess the meeting if deemed necessary due to disturbance.

Section 2. Removal by the President. The President shall order removed from the meeting place any person who commits the following acts in respect to a meeting of the Board:

- (a) Disorderly, contemptuous or insolent behavior toward the Board or any member of the public or staff, tending to interrupt the due and orderly course of said meeting;
- (b) A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting;

(c) Disobedience of any lawful order of the President which shall include an order to be seated or to refrain from addressing the Board;

(d) Any other unlawful interference with the due and orderly course of said meeting.

Section 3. Clearing of Meeting Place. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the President may order the meeting place cleared and continue the meeting in executive session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section.

Any person so removed shall be excluded from further attendance at the meeting from which he or she has been removed, unless permission to attend be granted upon motion adopted by a majority vote of the Board, and such exclusion shall be effected by the Sergeant at Arms upon being so directed by the President.

Section 4. Sergeant at Arms. The Sergeant at Arms, who shall be the CEO of the District, or his designee, in attendance at the meeting when his/her services are commanded by the President, shall carry out all orders and instructions given by the President for the purpose of maintaining order and decorum at the meeting.

Section 5. Placards, Signs, Posters, Etc. Except with prior authorization of the President, no placards, signs or posters or packages, bundles, suitcases, balloons or other large objects shall be brought into the meeting place.

Section 6. Seating. Unless addressing the Board or entering or leaving the room, all persons in the audience shall remain sitting in the seats provided. No person shall block the aisles or doorways.

Section 7. Disruption. All demonstrations, including cheering, yelling, whistling, hand clapping and foot stamping are prohibited.

Section 8. Distribution of Literature. Except with prior authorization of the President, the distribution of literature, of whatever nature or kind, is prohibited. If persons wish to distribute information on matters not on the agenda, they must present themselves at the appropriate time and receive permission from the President to distribute informational items covered under their three-minute public comment.

Section 9. Public Participation.

9.1. Policy. It is the policy of the Board that members of the public have the opportunity to provide comments at any regular or special meeting on any agenda item to

be considered by the Board after it is presented, but before or during final consideration of the agenda item.

9.2. *Persons Eligible to Speak.* The Board may exclude all persons who willfully cause a disruption of a meeting so that it cannot be conducted in an orderly fashion. Where removal of the disruptive persons is not sufficient to restore order, the Board may clear the room of all persons, except that media personnel not involved in the disruption will be permitted to remain.

9.3. *Addressing the Board.* No person shall address the Board until he or she has first been recognized by the President. The decision of the President to recognize or not recognize a person may be changed by order of the Board. All persons addressing the Board will be asked to give, but are not required to give, their names and addresses for the purpose of the record. No person, other than a member of the Board and the person recognized, shall be permitted to enter into any discussion without the permission of the President. All remarks shall be addressed to the Board as a body and not to any member thereof. No remarks shall be addressed to the staff of the District.

9.4. *Indecorous Remarks.* All remarks shall avoid indecorous language, personal attacks, or personally disparaging remarks.

9.5. *Time Limitations.* Each speaker shall have not more than three minutes to address an agenda item. Public comment on a single subject matter shall not exceed fifteen minutes. The President may, in the interest of facilitating the business of the Board, increase the amount of time spent on a subject matter.

9.6. *Spokesperson for a Group of Persons.* When any group of persons wishes to address the Board on the same subject matter, it shall be proper for the President to request that a spokesperson be chosen by the group to address the Board.

9.7. *Subject Matter Limitations.* Public comment shall be limited to matters within the subject matter jurisdiction of the Board.

9.8. *Non-Agenda Matters.* Persons desiring to address the Board on any matter not listed on the agenda may do so at regularly scheduled meetings of the Board pursuant to instructions on the printed agenda. Only those matters listed on the agenda of a special meeting of the Board may be addressed by the public. Comments regarding non-agenda matters shall be subject to the provisions of Chapter III, Section 9.

## CHAPTER IV

### MISCELLANEOUS PROVISIONS

Section 1. Robert's Rules of Order. The proceedings of the Board shall be governed by the provisions of law applicable thereto and, except as herein otherwise provided, by Robert's

Rules of Order, Newly Revised. Failure to follow Robert's Rules of Order, Newly Revised, or these rules shall not invalidate any action taken.

Section 2. Suspension and Amendment of Rules. Except as otherwise provided by law, these rules, or any portion thereof, may be suspended or amended by order of the Board when regularly entered in its minutes.

**Attachment 15**

Copy of Statement of Work Under Management Services Agreement

(Attached)

## Statement of Work

This Statement Of Work is effective as of July 1, 2013, and is intended to implement and clarify that certain Management Services Agreement (the "MSA"), which was entered into on January 1, 1993, between El Camino Healthcare System, a California nonprofit public benefit corporation which is currently known as El Camino Hospital (the "Corporation") and El Camino Hospital District (now, El Camino Healthcare District "the District"), pursuant to which the Corporation provides certain services to the District which services are generally described in the MSA. Without in any way limiting the responsibilities of Corporation under the MSA, this Statement of Work is intended to further clarify that services to be provided by the Corporation under the MSA shall include, but not be limited to, the following:

Corporation will provide whatever staff as may be necessary to perform the activities that are relevant to the operations of the District and are directed by the District Board, including any such activities reasonably inferred to be necessary as a result of resolutions or policies of the District Board. In the event Corporation must obtain outside services to accomplish these tasks, the District will be responsible for those expenses only if approved by the District Board. Expenditures which are contemplated as part of the District's annual budget are considered to be approved when the budget is approved. Corporation will generally obtain approval prior to making any unbudgeted expenditure, but failure to do so will not in and of itself prevent the District from approving said expenditure.

In the event District requests the use of Corporation meeting space without providing at least the required amount of notice described in the MSA, Corporation will make reasonable effort to accommodate District's request and will provide available space at no additional charge.

The personnel, supplies, and other expenses required to administer the District's community benefit program was not explicitly addressed in the MSA. However, the MSA provides in its section 2.3 that if the District requires services in addition to those provided for in the MSA, the District "shall negotiate with Corporation for such services and the price of such services." The parties agree that Corporation will provide to the District personnel, supplies, and other expenses required to administer the District's community benefit program at an annual cost of \$247,000. As per section 2.2 of the MSA, this amount may be adjusted at the end of each year if the MSA is renewed, based on negotiations between the parties.

Corporation will provide a Chief Executive Officer, a Chief Financial Officer, and when needed, a Controller, who serve the needs of the District. These individuals will serve as staff to the District at official meetings of the District. Corporation may also assign other personnel to fill such roles and positions for the District as it deems necessary in order to fulfill its obligations under the MSA. If desired by the District, Corporation will provide District business cards and stationary to its personnel, at the expense of the District.

IN WITNESS OF their intent to accept this Statement of Work, duly authorized representatives of the parties hereby attach their signatures as of the date first set forth above.

  
\_\_\_\_\_  
For Corporation, its CEO

  
\_\_\_\_\_  
For District, its Chairman of the Board

**Attachment 16**

Collateral materials regarding new District name, logo and business cards

(Attached)



2500 Grant Road  
Mountain View, CA 94040  
Phone: 650-962-5853  
[www.elcaminohospitaldistrict.org](http://www.elcaminohospitaldistrict.org)

**BOARD OF DIRECTORS**

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



**JOHN L. ZOGLIN**  
*Board of Directors, Chairman*

2500 Grant Road  
Mountain View, CA 94040

Phone: 650-962-5853  
Direct: 650-962-5853  
Fax: 650-962-5853

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

**Attachment 17**

Copy of District Conflict of Interest Code originally adopted on September 8, 2010;  
Reviewed and re-adopted without revision on July 17, 2012

(Attached)

El Camino Hospital  
District

Conflict of Interest Code

Approved

El Camino Hospital District  
Summary of Changes to Conflict of Interest Code  
September 2010

Text of Code

1. Text of Code updated.

Disclosure Category Text

1. Disclosure Category 3 created.

Position Title Changes

1. Board of Directors changed to Member of the Board of Directors
2. Consultants changed to Consultant

Positions Changed Categories

1. Consultant assigned to newly created Category 3.

Approved

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE EL CAMINO HOSPITAL DISTRICT ADOPTING BY  
REFERENCE THE MODEL CONFLICT OF INTEREST CODE SET  
FORTH IN TITLE 2, SECTION 18730 OF THE CALIFORNIA CODE  
OF REGULATIONS

RESOLUTION 2010-7

As Amended September 8, 2010.

WHEREAS, pursuant to Section 87300 *et seq.* of the California Government Code, the El Camino Hospital District is required to adopt and promulgate a Conflict of Interest Code;

WHEREAS, the El Camino Hospital District previously adopted a Conflict of Interest Code effective September 13, 2000;

WHEREAS, the El Camino Hospital District desires to now update its formal Conflict of Interest Code so as to comply with changes to the applicable provisions of Section 87300 *et seq.* of the California Government Code and Title 2, Section 18730 of the California Code of Regulations;

WHEREAS, pursuant to Government Code Section 87302, the Conflict of Interest Code must specifically enumerate the positions within the District, other than those specified in Government Code Section 87200, that involve the making or participating in making decisions that may have a reasonably foreseeable material effect upon any financial interest, and, for each such enumerated position, the Conflict of Interest Code must state the specific types of investments, business positions, interests in real property and sources of income that are reportable;

WHEREAS, Title 2, Section 18730 of the California Code of Regulations contains the terms of a Model Conflict of Interest Code developed by the Fair Political Practices Commission ("FPPC") that agencies can adopt by reference, which may

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be amended from time to time by the FPPC after public notice and hearing to conform to amendments in the Political Reform Act; and,

WHEREAS, adopting by reference the terms of the FPPC's Model Conflict of Interest Code set forth in the California Code of Regulations, and amendments thereto, as the Conflict of Interest Code of the El Camino Hospital District will meet the statutory requirements for adopting such a code and save the District time and resources by minimizing the actions required to keep the Code in conformity with the Political Reform Act;

NOW, THEREFORE, the Board of Directors of the El Camino Hospital District resolves as follows:

1.0 The Model Conflict of Interest Code set forth in Title 2, Section 18730 of the California Code of Regulations, which is attached hereto and incorporated herein as Exhibit 'A' and any amendments to the Model Conflict of Interest Code subsequently adopted by the FPPC, are hereby adopted by the El Camino Hospital District as its Conflict of Interest Code.

2.0 Exhibit 'B,' which is attached hereto and incorporated herein, enumerates the positions within the District (in addition to any of those set forth in Government Code Section 87200) that are subject to the provisions of the Conflict of Interest Code and their respective disclosure categories. This Resolution and the attached Exhibits A and B together constitute the Conflict of Interest Code of the El Camino Hospital District.

3.0 Pursuant to Section 4 of the Model Conflict of Interest Code adopted hereby, public officials and designated employees shall file Statements of Economic Interest with the Clerk of the Board of Directors of the El Camino Hospital District. The Clerk of the Board of Directors of the El Camino Hospital District shall make and retain a copy and forward the original to the County of Santa Clara Clerk of the Board of Supervisors. Statements of Economic Interest shall be made on forms prescribed by the FPPC.

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4.0 No Conflict of Interest Code shall be effective until it has been approved by the code reviewing body. Notwithstanding this effective date, the adoption of this Conflict of Interest Code shall not be considered an original adoption as to those designated officials or employees who have already been filing annual statements of economic interest. Those persons shall not be required to file again this year. Newly designated officials or employees shall file statements within 30 days of the effective date of this Code, and all designated officials and employees shall continue to file statements upon assuming or leaving office as directed in Sections of the Model Conflict of Interest Code.

PASSED AND ADOPTED at a special meeting of the Board of Directors of the El Camino Hospital District held on the 8<sup>th</sup> of September of, 2010, by the following vote:

AYES: *Olles, Cinarson, Kladde, Reeder, Zoglin*

NOES:

ABSENT:

ABSTAIN:

  
Owe Kladde, Secretary  
ECHD Board of Directors

Approved

## EXHIBIT A

(The text of 2 Cal. Code Regs. Tit. 2 § 18730 is provided for convenience. Any changes, modification or amendments adopted by the Fair Political Practices Commission supersede the text of the regulations as written below.)

### § 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this Regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions. The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees. The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories. This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

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In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.<sup>1</sup>

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.<sup>2</sup>

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code

<sup>1</sup> Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests of both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code Section 81004.

<sup>2</sup> See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

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reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5, Statements for Persons Who Resign Prior to Assuming Office. Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements. Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable investments, interests in real property and business positions held

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on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

(D) Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting. Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure. When an investment or an interest in real property<sup>3</sup> is required to be reported<sup>4</sup>, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds

<sup>3</sup> For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

<sup>4</sup> Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported,<sup>5</sup> the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,<sup>6</sup> the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

<sup>5</sup> A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

<sup>6</sup> Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

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(8.2) Section 8.2, Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

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2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

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1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9, Disqualification. No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation. No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees. In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totalling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest. When a designated employee determines that he or she should not make a governmental decision because he

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or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel. Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations. This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the is qualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

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Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

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## EXHIBIT B

### DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

<u>Designated Position:</u>	<u>Disclosure Categories:</u>
BOARD OF DIRECTORS	1
CHIEF EXECUTIVE OFFICER <sup>7</sup>	1
CHIEF FINANCIAL OFFICER <sup>8</sup>	1
CHIEF OPERATING OFFICER <sup>9</sup>	2
CONSULTANTS	1 (except as determined by the CEO) <sup>10</sup>

#### Disclosure Categories:

**Category 1:** A Fiduciary in this category must report all investments and business positions related to the health care industry, which shall include but not be limited to medical equipment suppliers, pharmaceutical companies, insurance companies, and any other entities related to the health care industry. A Fiduciary in this category must also report all interests in real property located in the area served by the District, and sources of income in the manner set forth under Section VII of the Code.

<sup>7</sup> The President of the Board of Directors acts as the District's Chief Executive Officer.

<sup>8</sup> The Treasurer of the Board of Directors acts as the District's Chief Financial Officer.

<sup>9</sup> The District does not presently employ a Chief Operating Officer.

<sup>10</sup> All consultants who participate in the making of decisions which may have a foreseeable material effect on economic interests shall disclose pursuant to Category 1, subject to this limitation: The CEO may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that are limited in scope and thus not required to comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties, and based upon that description, a statement of the extent of disclosure requirements. The determination of the CEO is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. Outside legal counsel engaged to represent the District shall not be deemed to be "consultants" for purposes of the District's Conflict of Interest Code, as all attorneys admitted to practice in the State of California are bound by the conflict of interest provisions contained in the Rules of Professional Conduct promulgated by the State Bar of California.

**Category 2:** A Fiduciary in this category must report investments and business positions in business entities, and income from sources that are of the type which within the previous two years has provided services, equipment, leased space, materials, or supplies to the District, in the manner set forth under Section VII of the Code.

