

AGENDA
COMPLIANCE AND AUDIT COMMITTEE OF THE
EL CAMINO HEALTH BOARD OF DIRECTORS

Wednesday, September 25, 2024– 5:00 pm

El Camino Health | 2500 Grant Road, Mountain View, CA 94040 | Sobrato Boardroom 1

Sharon Anolik Shakked will be participating via teleconference from 330 East Strawberry Drive, Mill Valley, CA 94941

Julia Miller will be participating via teleconference from 100 Capitol Mall, Sacramento, CA 95814

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: 922 4007 4066#. No participant code. Just press #.

To watch the meeting, please visit:

[Compliance and Audit Committee Link](#)

Please note that the livestream is for **meeting viewing only** and there is a slight delay; to provide public comment, please use the phone number listed above.

NOTE: In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Board member is participating in the meeting via teleconference.

A copy of the agenda for the Regular Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at **(650) 988-3218** prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1.	CALL TO ORDER/ROLL CALL	Lica Hartman, Chair		5:00 pm
2.	CONSIDER APPROVAL FOR AB 2449 REQUESTS	Lica Hartman, Chair	Possible Motion	5:00 pm
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Lica Hartman, Chair	Information	5:00 pm
4.	PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons to address the Board on any matter within the subject matter jurisdiction of the Board that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Public Comments <i>Comments may be submitted by mail to the El Camino Hospital Board Quality Committee at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Lica Hartman, Chair	Information	5:00 pm
5.	CONSENT CALENDAR ITEMS a. Approve Minutes of the Open Session of the CAC meetings (6/26/2024) b. Review and Recommend for Board Approval – CAC Charter c. Receive Committee Governance Policy – Approved by ECHB on August 14, 2024 d. Receive FY 25 Committee Pacing Plan e. Receive FY 25 Committee Goals	Lica Hartman, Chair	Motion Required	5:00 – 5:10 pm

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
6.	<u>CONFLICT OF INTEREST POLICY MODIFICATIONS AND REVIEW PROCESS</u>	Diane Wigglesworth, VP of Compliance Theresa Fuentes, Chief Legal Officer	Discussion	5:10 – 5:25 pm
7.	RECESS TO CLOSED SESSION	Lica Hartman, Chair	Motion Required	5:25– 5:25
8.	RECEIVE COMPLIANCE PROGRAM REPORTS a) KPI Scorecard and Trends b) Internal Audit Work Plan FY 2025 c) Internal Audit Follow-Up Table <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation</i>	Diane Wigglesworth, VP of Compliance Theresa Fuentes, Chief Legal Officer	Discussion	5:25– 5:35
9.	COMPLIANCE ACTIVITY LOGS <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation.</i>	Lica Hartman, Chair Diane Wigglesworth, VP of Compliance Theresa Fuentes, Chief Legal Officer	Discussion	5:35 – 5:40
10.	RECEIVE FY 2024 CONSOLIDATED FINANCIAL STATEMENTS, 403 (B) AND CASH BALANCE AUDIT RESULTS <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation</i>	Joelle Pulver, Bertha Minnihan, Moss Adams, LLP Theresa Fuentes, Chief Legal Officer	Motion Required	5:40 – 6:00
11.	RECEIVE FY 2024 ANNUAL PATIENT SAFETY/CLAIMS REPORT <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation</i>	Sheetal Shah, Sr. Director Risk Management & Patient Safety Theresa Fuentes, Chief Legal Officer	Discussion	6:00 – 6:20
12.	RECEIVE INTERNAL AUDIT REPORTS <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation</i>	Devin Singh, Compliance Internal Auditor Diane Wigglesworth, VP of Compliance Theresa Fuentes, Chief Legal Officer	Discussion	6:20 – 6:40
13.	RECEIVE FY 2024 ANNUAL COMPLIANCE PROGRAM REPORT <i>Gov't Code Section 54956.9(d)(2) – conference with legal counsel – pending or threatened litigation</i>	Diane Wigglesworth, VP of Compliance Theresa Fuentes, Chief Legal Officer	Discussion	6:40 – 6:50
14.	APPROVE MINUTES OF THE CLOSED SESSION OF THE COMPLIANCE & AUDIT COMMITTEE - Minutes of the Closed Session of the CAC Meeting (06/26/2024) <i>Gov't Code Section 54957.2 for closed session minutes.</i>	Lica Hartman, Chair	Motion Required	6:50 – 6:55

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
15.	EXECUTIVE SESSION <i>Gov't Code Section 54957(b) for discussion and report on personnel performance matters Senior Management:</i>	Lica Hartman, Chair	Discussion	6:55 – 7:00
16.	RECONVENE TO OPEN SESSION	Lica Hartman, Chair	Motion Required	7:00 – 7:01
17.	CLOSED SESSION REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Lica Hartman, Chair	Information	7:01 – 7:02
18.	COMMITTEE ANNOUNCEMENTS	Lica Hartman, Chair	Discussion	7:02 – 7:05
19.	ADJOURNMENT	Lica Hartman, Chair	Motion Required	7:05 pm

Upcoming Meetings: 11/13/24, 2/26/25, 4/23/25, 6/25/25

**Minutes of the Open Session of the
Compliance and Audit Committee
of the El Camino Hospital Board of Directors
Wednesday, June 26, 2024**

Members Present

Jack Po, Chair
Lica Hartman, Vice-Chair
Wayne Doiguchi
Sylvia Fong
Julia Miller
Sharon Anolik Shakked**
Christine Sublett**

Members Absent

Others Present

Deb Muro, CIO
Theresa Fuentes, CLO
Tracey Lewis Taylor, COO
Joshua Spencer, Interim CISO
Diane Wigglesworth, Compliance/Privacy Officer
Gabriel Fernandez, Governance Services Coordinator
Nicole Pledger, PwC

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
<p>1. CALL TO ORDER/ ROLL CALL</p>	<p>Chair Po called to order the open session meeting of the Compliance and Audit Committee of El Camino Hospital ("the Committee") at 5:02 pm. Committee members Doiguchi, Fong, Hartman, Miller, and Po participated in person. Committee members Shakked and Sublett were present via teleconference. A quorum was present.</p>	<p><i>Called to order at 5:02 pm</i></p>
<p>2. CONSIDER APPROVAL FOR AB 2449 REQUESTS</p>	<p>Chair Po announced there were no AB 2449 requests received today. No motion was necessary.</p>	
<p>3. POTENTIAL CONFLICT OF INTEREST</p>	<p>Chair Po asked if any Committee members had a conflict of interest with any of the items on the agenda. None were reported.</p>	
<p>4. PUBLIC COMMUNICATION</p>	<p>No members of the public were on the line.</p>	
<p>5. CONSENT CALENDAR</p>	<p>Committee Member Hartman removed agenda item 5c) Receive Governance Committee Revisions to CAC Charter and item e) Receive FY25 Committee Goals.</p> <p>For item 5c) a robust discussion ensued. The Committee asked that the Charter be brought back at the next meeting to better align with the Committee Governance Policy being presented to the Hospital Board.</p> <p>For item e) Receive FY25 Committee Goals, the Committee asked for a status column added to the Committee goals so that the Committee can accurately track progress on achieving the Committee goals during the fiscal year.</p>	<p><i>Consent calendar approved.</i></p> <p><i>Actions: Staff to present revisions to item c) Receive Governance Committee Revisions at the next meeting.</i></p> <p><i>Staff to include a status column under the timeline/goals of the FY25 Committee Goals.</i></p>

	<p>Motion: To approve the consent calendar minus item c) Receive Governance Committee Revisions to CAC Charter</p> <p>Movant: Miller Second: Doiguchi Ayes: Doiguchi, Fong, Hartman, Miller, Po, Anolik-Shakked, Sublett Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>6. RECESS TO CLOSED SESSION</p>	<p>Motion: To recess to closed session at 5:18 pm.</p> <p>Movant: Shakked Second: Sublett Ayes: Doiguchi, Fong, Hartman, Miller, Po, Anolik-Shakked, Sublett Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Recess to closed session at 5:18 pm.</i></p>
<p>7. AGENDA ITEM 14: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Mr. Fernandez reported that during the Closed Session, the Compliance and Audit Committee took no reportable actions.</p>	<p><i>Reconvened to Open Session at 7:04 pm.</i></p>
<p>8. AGENDA ITEM 15: COMMITTEE ANNOUNCEMENTS</p>	<p>Chair Po shared that Ms. Hartman will serve as the Chair of the Compliance and Audit Committee for the upcoming fiscal year, and Director Miller will serve as the Committee's Vice Chair. Chair Po continued to thank Director Doiguchi for his service, as he will be departing from the Compliance Committee and joining the Executive Compensation Committee in the upcoming fiscal year.</p>	
<p>9. AGENDA ITEM 16: ADJOURNMENT</p>	<p>Motion: To adjourn at 7:06 pm.</p> <p>Movant: Shakked Second: Sublett Ayes: Doiguchi, Fong, Hartman, Miller, Po, Anolik-Shakked, Sublett Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting Adjourned at 7:06 pm.</i></p>

Attest as to the approval of the foregoing minutes by the Compliance and Audit Committee of El Camino Hospital:

 Gabriel Fernandez
 Governance Services Coordinator

Prepared by: Gabriel Fernandez, Governance Services Coordinator
 Reviewed by: Diane Wigglesworth, Senior Director, Corporate Compliance; Theresa Fuentes, Chief Legal Officer

El Camino Hospital Board of Directors Compliance and Audit Committee Charter

Purpose

The purpose of the Compliance and Audit Committee (the “Committee”) is to advise and assist the El Camino Hospital (“Hospital”)CH) Board of Directors (“Board”) in its exercise of oversight of Corporate Compliance, Privacy, Internal and External Audit, Enterprise Risk Management, and Information Technology (IT) Security for El Camino Hospital per the Hospital Bylaws and the Hospital’s its affiliated entities where ECH is the sole corporate member pursuant to the operating agreements and governance documents of those entities (“the Organization”). The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the Organization and the engagement, independence, and performance of the internal auditor and external auditor. The Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity in a manner consistent with the Organization’s mission and purpose.

Authority

The Committee is an Advisory Committee of the Board pursuant to Article VII, Sec. 7.6 of the Hospital Bylaws. All governing authority for the ~~Hospital Organization~~ resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee. All governing authority for the Hospital’s affiliated entities resides with the boards of those entities except that which may be lawfully delegated. Any reporting by affiliated entities to the Committee shall be consistent with the operating and governing documents of those affiliated entities.

The Committee will report to the full Board at the next scheduled meeting any action or recommendation taken within the Committee’s authority. The Committee has the authority to select, recommend engagement, and supervise any consultant hired by the Board to advise the Board or Committee on compliance, privacy, Information Technology (IT) and Cyber Security, including physical security (safeguards and access control), enterprise risk management, or audit related issues. In addition, the Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

Membership

- The Committee shall be comprised of two (2) or more Hospital Board members who shall be appointed and removed pursuant to the El Camino Hospital Board Committee Governance Policy. ~~The Chair of the Committee shall be appointed by the Board Chair, subject to approval by the Board. All members of the Committee shall be eligible to serve as Chair of the Committee.~~

- The Committee may also include two to four (2-4) Community members¹ with expertise in compliance, privacy, enterprise risk, Information Technology (IT) and Cyber Security, audit, and/or financial management expertise.
- All Committee members, ~~Chairs and Vice Chairs with the exception of new Community Members,~~ shall be appointed and removed in accordance with the El Camino Hospital Board Committee Governance Policy. ~~by the Board Chair, subject to approval by the Board. New Community Members shall be appointed by the Committee, subject to approval of the Board. All Committee appointments shall be for a term of one year expiring on June 30th, renewable annually.~~
- ~~It shall be within the discretion of the Chair of the Committee to appoint a Vice Chair from among the members of the Committee. If the Chair of the Committee is not a Hospital Board Director, the Vice Chair of the Committee shall be a Hospital Board Director.~~

Conflict of Interest

Members of the Committee shall be independent (as defined in Appendix) as to conflicts of interest with the Organization pursuant to the Conflict of Interest Policy. Should there be a potential conflict, the determination regarding independence shall follow the criteria approved by the Board (see appendix).

Any member of a Board or Board committee who has a conflict of interest with respect to a proposed contract, transaction, relationship, arrangement, or activity shall refrain from the deliberations and vote on any matter related to the contract, transaction, or arrangement. Such members, however, may be present to answer questions and provide information needed by the Board or Board Committee for its deliberations. The Board Chair may appoint one or more qualified individuals to take the place of any affected member of a Board or Board Committee with regard to the matter or interest being considered. Any such reconstituted Committee shall be considered to have all rights, authority, and obligations of the Committee.

Staff Support and Participation

The Sr. Director of Corporate Compliance (“Corporate Compliance Officer”) shall serve as the primary staff support to the Committee and is responsible for drafting the committee meeting agenda for the Committee Chair’s consideration. Additional members of the executive team may participate in the Committee meetings upon the recommendation of the Corporate Compliance Officer and subsequent approval from both the CEO and Committee Chair.

General Responsibilities

The Committee’s primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall develop dashboard metrics that will be used to measure and track corporate compliance, privacy, audit, Information Technology (IT) and Cyber Security, and enterprise risk management for the Committee’s review and subsequent approval by the Board. It is the management team’s responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee,

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.

thereby allowing Committee members to engage in meaningful, data-driven discussions. Upon careful review and discussion and with input from management, the Committee shall then make recommendations to the Board. The Committee is responsible for monitoring that performance metrics are being met to the Board's expectations and requiring explanation of any deficiencies and reporting to the Board such deficiencies.

Specific Duties

The specific duties of the Committee include the following:

A. Corporate Compliance, Privacy, Information Technology (IT) and Cyber Security, and Enterprise Risk Management Functions

- Oversee the activities of the Corporate Compliance program and all subcommittees providing support relative to corporate compliance.
- Oversee the activities of the Privacy program, including, but not limited to HIPAA/patient privacy, administrative, technical, and physical security safeguards.
- Oversee the Information Technology (IT) and Cyber Security risk assessment process and review the mitigation plan to reduce vulnerabilities. Review at least annually the overall status of the Information Technology (IT) and Cyber Security program.
- Oversee efforts to develop, implement, and maintain an effective Information Technology (IT) and Cyber Security program and advise the Board on risk tolerance levels.
- Advise the Organization on Enterprise Risk Management structure and provide oversight of Enterprise Risk reporting metrics and measurements to help monitor the Organization's risks.
- Advise the Organization on corporate compliance implementation strategies. Review strategies for improving the corporate compliance program(s) and recommend for approval by the Board.
- Review with management the assessment of physician relationship risk as it relates to Stark laws, anti-kickback statutes, and other compliance rules and regulations.
- Encourage continuous improvement of policies and procedures for corporate accountability, integrity, and privacy. Review the Organization's policy oversight guidelines and oversee the process being systematic and robust.

B. Internal Audit Functions

- Provide direction related to findings and recommendations of internal audits performed.
- Provide direction for issues relating to internal audit responses by management.
- Review the annual internal audit priorities for the Organization.
- Serve as the ad hoc governance team regarding non-routine investigations or action taken by external agencies and authorities against the Organization.

- Recommend policies and processes for approval by the Board relating to systems of internal controls for finance.
- Oversee the work of independent compliance, audit, and privacy staff.
- Provide escalation vehicle from any source to identify and address relevant issues.

C. External Audit Functions

- Make recommendations to the Board regarding the external financial audit firm selection, retention, and, when necessary, replacement.
- Review the expected fee for the audit and assure that the fee is fair to the Organization and is compatible with a full, complete, and professional audit. Make recommendations to the Board.
- Review the scope and approach of the annual audit, including the identification of business and financial risks and exposures, with the external auditor.
- Meet with the auditor and management, as needed, to resolve issues regarding financial reporting, and make recommendations to the Board for discussion and action.
- Any services provided by the external auditors, outside the scope of the annual audit of financial statements must be presented to the Committee for review and discussion of the proposed scope of work in advance of executing an agreement with the auditors.
- Review the external auditor reports and financial statements before presentation to the Board. Make recommendations to the Board.
- At the completion of the annual audit examination, review the following with management and the external auditors:
 - The Organization's annual financial statements and related footnotes.
 - The external auditor's audit of the financial statements and the auditor's report thereon.
 - Judgments about the quality, not just the acceptability of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly the degree of aggressiveness or conservatism of accounting principles and underlying estimates.
 - Any significant changes in scope are required in the external auditor's plan.
 - Any serious difficulties or disputes with management encountered during the course of the audit.
- Conduct an executive session if necessary to allow the Committee to meet privately with the auditor.
- Review all significant financial communications to external parties (e.g., public, press, lenders, creditors and regulators), ensuring they are prepared in accordance with generally accepted accounting principles and fairly represent the financial condition of the Organization.

- Review and recommend for approval by the Board the audit firm's annual engagement proposal and review the independent auditor's performance.

Independence of the External Auditor

It is the Committee's responsibility to confirm the independence of the external auditor on an annual basis through a written statement. The statement shall confirm their independence and address services or relationships that may impact independence. The lead and concurring partner on the audit engagement team may not serve for more than five years unless special circumstances exist and with the approval of the Board. Members of the external audit team are prohibited from employment with the Organization in a financial role within one year of leaving the external audit firm.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and work plan in alignment with the Board and the Organization's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair shall determine the frequency of meetings based on the Committee's annual goals and work plan. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the Committee. Notice of any special meetings of the Committee requires a 24-hour notice.

Appendix

Definition of Independent Director – Compliance and Audit Committee

1. An independent director is a more limited and narrow classification of director than otherwise required by law and is not meant to expand or limit the definition of interested director for purposes of the El Camino Hospital Conflict of Interest Policy or to expand or reduce the scope of any legal duty or otherwise applicable legal obligation of a director. The Board of Directors, by separate resolution, may determine to limit membership on committees to independent directors to avoid even the appearance of a conflict of interest.
2. A member of the Board of Directors of El Camino Hospital shall be deemed to be an independent director so long as such director (and any spouse, sibling, parent, son or daughter, son- or daughter-in-law or grandparent or descendant of the director):
 - i. has not, within the preceding twelve (12) months, received payments from El Camino Hospital, a subsidiary or affiliate of El Camino Hospital in excess of Ten Thousand Dollars (\$10,000), excluding reimbursement of expenses or other permitted payments to a director related to service as a director.
 - ii. does not own an interest in an entity or serve as a Board member or executive of an entity, that is a direct competitor of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital) for patients or services, located within ten (10) miles of El Camino Hospital (or an entity controlling, controlled by or under common control with El Camino Hospital). An entity is not a direct competitor if it provides competing services in the above area that do not exceed ten percent (10%) of such entity's revenues.
3. If a director is an owner of an entity, then the amount received from El Camino Hospital during any period shall be determined by multiplying the percentage ownership interest of the director in such entity by the total amount paid by El Camino Hospital to such entity during such period.
4. Each director appointed to the Compensation Committee and the Compliance and Internal Audit Committee shall be, at the time of appointment and while a member of such Committee, an independent director as defined above.
5. **Note:** Other laws may prohibit certain contracts or interests in their entirety and this definition is not intended to narrow or otherwise limit the application of any such law.

TITLE: El Camino Hospital Board Committee Governance Policy

CATEGORY: Administrative

FIRST APPROVAL: ECHB August 14, 2024

Coverage:

All Members of the El Camino Hospital Board of Directors (“Board”) and Board Advisory Committees (“Committees”). The Governance Committee shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Authority:

The Board has established the following standing Advisory Committees pursuant to Article 7.6 of the El Camino Hospital Bylaws: Compliance and Audit Committee; Executive Compensation Committee; Finance Committee, Governance Committee, Investment Committee; and Quality, Patient Care, and Patient Experience Committee. The Committees have the authority granted to them per the Hospital Bylaws, the Committee Charter, and majority action of the Board. Committees may study, advise and make recommendations to the Board on matters within the committee’s area of responsibility as stated in the Committee Charter. The authority of committees is limited to advisory recommendations except in responsibilities directly delegated by the Board. Committees may provide recommendations for the Board to consider, which recommendations may be considered, adopted, amended or rejected by the Board in the Board’s sole discretion. Committees shall have no authority to take action or otherwise render decisions that are binding upon the Board or staff except as otherwise stated in the Bylaws, the Committee’s Charter, or majority action of the Board. To the extent of any conflict with the Committee Charter, this policy controls.

Membership:

Each committee shall have the membership as stated in the Committee Charter but must be composed of at least two members of the Board (“Director Members”), as well as people who are not members of the Board (“Community Members”). Director membership on any single Committee shall not constitute a quorum of either Board or Healthcare District Board membership. The Chair of a committee is its presiding officer. In the absence of the Chair, the Vice-Chair (or if no Vice-Chair, any member of the Committee as determined by the Chair or the Board) shall perform the duties of the Chair.

Appointment and Removal:

The Board Chair (or Board Chair-elect in Board officer election years) shall appoint the Director Members and Committee Chairs, subject to approval of the Board. Community Members shall be appointed by the Committee, subject to approval of the Board. All Board Chair appointments shall be reviewed by the Governance Committee before submission to the Board.

Committee Chairs may appoint and remove a Vice-Chair at the Committee Chair’s discretion. However, if the Committee Chair is not a Director Member, a Vice Chair must be appointed who is a Director, in which case the Director Vice-Chair shall be appointed the same as any other Director Member.

The Board has the authority to remove Director Members and Community Members at any time either with or without the Committee’s recommendation, in the Board’s sole discretion.

TITLE: El Camino Hospital Board Committee Governance Policy

CATEGORY: Administrative

FIRST APPROVAL: ECHB August 14, 2024

Term

Director Members and Community Members serve a term of *three* full or partial fiscal years depending on date of appointment and eligibility to serve. Director and Community Members shall be divided into three appointment categories, as nearly equal in number as possible, as follows: (a) Class 1, the initial term of which shall expire June 30, 2025, and subsequent terms shall be three years each; (b) Class 2, the initial term of which shall expire June 30, 2026, and subsequent terms shall be three years each; (c) Class 3, the initial term of which shall expire June 30, 2027, and subsequent terms shall be three years each. Each class shall hold committee membership until successors are appointed.

Committee Chair and Vice Chair appointments shall be reviewed annually by the Board Chair (or Chair-Elect). Chair and Vice Chair appointments may be changed at any time without effecting the term of that person's membership on the Committee.

Director Members, Community Members, Chairs, and Vice Chairs may serve consecutive terms.

If a community member wishes to vacate a position, the committee member shall submit a written resignation letter addressed to the Chair of the Committee and the Chair of the Board, with a copy to the CEO and Governance Services.

Attendance:

Committee members are expected to attend in person and meaningfully participate in all committee meetings absent extenuating circumstances. Remote virtual participation is generally only allowed for just cause or emergency situations such as physical or family medical emergency, childcare, illness, disability, or Board or Committee related travel. Remote virtual participation must comply with the requirements of the Ralph M. Brown Act. Committee members may be removed from the Committee for repeated failure to satisfy attendance requirements.

If a member is physically not present for more than two meetings in a calendar year, the Committee Chair shall contact that member and remind the member of this policy. If the member continues to be physically absent despite the warning, the Committee shall consider a recommendation to the Board for removal.

Meetings:

All Committees shall have a Committee Charter approved by the Board.

Committee meetings shall be open to the public except for items permitted to be discussed in closed session and held in accordance with the provisions of the Ralph M. Brown Act. At least 72 hours before a committee meeting, Governance Services shall post an agenda containing a brief, general description of each item of business to be discussed at the committee meeting. The posting shall be accessible to the public.

TITLE: **El Camino Hospital Board Committee Governance Policy**

CATEGORY: Administrative

FIRST APPROVAL: ECHB August 14, 2024

The minutes of each committee meeting, including any recommendation of a committee, shall include a summary of the information presented and the recommended actions. ECHB staff will prepare minutes for each meeting. Draft minutes will be provided to the committee at the next available committee meeting for committee member review and approval. Once approved, minutes will be made a part of the Board's permanent records.

A majority of the members of each committee shall constitute a quorum for the transaction of business.

Only members of the committee are entitled to make, second or vote on any motion or other action of the committee. Each committee member shall be entitled to one vote on all matters considered by the committee. A simple majority vote of the members of the Committee shall designate approval of a motion.

All committee communications must go through the designated committee Chair.

The specific committees and their respective responsibilities are as stated in the Charter for each Committee.

Compliance and Audit Committee FY25 Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG	SEP 9/25	OCT	NOV 11/13	DEC	JAN	FEB 2/26	MAR	APR 4/23	MAY	JUN 6/25
STANDING AGENDA ITEMS												
Results of Internal Audits			✓		✓			✓		✓		✓
Cybersecurity Program					✓			✓				✓
Enterprise Risk Management Metrics					✓					✓		
Discussion Items/Committee Actions												
Review FY 24 Annual Enterprise Compliance Program Report			✓									
Review FY 24 Annual Patient Safety/Claims Report			✓									
Review Status of Current FY Compliance Work Plan Activity Completed and next FY work plan												✓
Receive FY 24 Financial Auditors Consolidated Financial Statements, 403(b) and Cash Balance Audit results			✓									
Review Summary Report of Physician Financial Agreements								✓				
Approve next FY Committee Goals and Meeting Dates										✓		
Review FY 25 Annual Financial Audit Plan with Financial Auditors								✓				
Review OIG Work Plan and Management's Response								✓				
Review Internal Audit Risk Assessment and next FY Internal Audit Work Plan										✓		
ADD: Review Business Continuity plan if Epic down for extended time.					✓							
COMMITTEE GOALS												
Review modifications to the Conflict of Interest policy, disclosure form, and process of reviews			✓									
Participate in education regarding the 2024 revised FTC enforcement actions or other compliance issues					✓							
Review ongoing progress on implementation of the Vision 2027 Strategic Plan								✓				

FY25 COMMITTEE GOALS

Compliance and Audit Committee

PURPOSE

The purpose of the Compliance and Audit Committee (the “Committee”) is to advise and assist the El Camino Hospital (ECH) Hospital Board of Directors (“Board”) in its exercise of oversight of Corporate Compliance, Privacy, Internal Audits, Financial Audit, Enterprise Risk Management, and Cybersecurity. The Committee will accomplish this by monitoring the compliance policies, controls, and processes of the organization and the engagement, independence, and performance of the external financial auditor. The Committee assists the Board in oversight of any regulatory audit and in assuring the organizational integrity of ECH in a manner consistent with its mission and purpose.

STAFF: **Diane Wigglesworth**, Compliance/Privacy Officer (Executive Sponsor)

The Sr. Director, Corporate Compliance, shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair’s consideration. Additional members of the Executive Team or outside consultants may participate in the meetings upon the recommendation of the Executive Sponsor and at the discretion of the Committee Chair.

GOALS	TIMELINE	STATUS	METRICS
1. Review proposed modifications to the Conflict of Interest (COI) policy, disclosure form, and the recommended process of annual reviews.	Q1 FY25	100%	Committee reviews and provides feedback to the Compliance Officer.
2. Participate in education regarding the 2024 revised FTC antitrust enforcement actions regarding proposed mergers and acquisitions or other compliance or regulatory issues around the ambulatory expansion of the health system.	Q2 FY25	25 %	Committee receives education and training regarding the changes and impact to organization.
3. Review ongoing progress on implementation of the 2027 Strategic Plan and provide feedback regarding any recommended compliance assessments.	Q3 FY25	0%	Committee provides recommendations if compliance assessments are needed for any new strategies the organization may undertake.

SUBMITTED BY:

Chair: Lica Hartman

Executive Sponsor: Diane Wigglesworth

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMPLIANCE AND AUDIT COMMITTEE MEETING MEMO**

To: Compliance and Audit Committee
From: Theresa Fuentes, Chief Legal Officer
Diane Wigglesworth, VP of Compliance
Date: September 25, 2024
Subject: Proposed Modifications to Conflict of Interest Policy and Disclosure Process

Purpose:

To review and discuss proposed modifications to the Conflict of Interest (COI) policy, disclosure form, training and the review process.

Summary:

To comply with hospital policy, state and federal regulations, and for hospital to maintain federal tax exemption status, disclosures regarding personal financial interest or gain by members of the Board of Directors, Board Committee members, Management, and Physician Leaders should be reported. Identifying situations that could be perceived as a potential conflict of interest should be disclosed at least annually in order to appropriately review and resolve prior to ECH entering into business decisions or transactions. Revisions have been made to the COI policy and disclosure statement form to encourage more accurate and timely reporting and identification of potential conflicts.

1. **Situation:** It was identified that some individuals may have been unaware or unclear of the types of personal financial disclosures that should be reported annually or failed to notify of a specific disclosure in order to recuse themselves before evaluating business decisions. To add some clarity, revisions were made to the policy and disclosure form to encourage transparent reporting. We will also be implementing training upon hire/onboarding, and annually for those required to complete the annual disclosure statement.
2. **Background:** Financial interest disclosure forms are provided annually to Board members, Board Committee members, management, and physician leaders. In most cases the forms are returned indicating no conflicts to report. It became clear that some individuals involved in a material role with respect to business decisions were unclear that all personal financial interests should be reported regardless of a perception that a conflict exists. Other than sharing the hospital policy, no focused training had been provided to individuals asked to complete the disclosure form. Additionally, disclosures completed by individuals were maintained by the Compliance department but were not available in a shared location for review by the Chief Legal Officer and Executive Leadership to assist in proper management of a personal financial interest disclosure or review prior to development of Board and Committee agendas.

3. Assessment: Reviewing the COI process was identified as a FY 25 Compliance and Audit Committee goal. Compliance and Legal reviewed information individuals provided on previous annual disclosure forms and identified some opportunities to improve the process. Compliance and Legal also became aware of some conflicts of interest that should have been identified and mitigated in advance. The following recommendations are made:

- Revisions to the policy and disclosure form to help clarify what information should be disclosed.
- Updating the policy to clarify several key process points:
 - COI training will be provided to all staff upon hire/onboarding and annually for those who are required to complete the disclosure form. We are working toward implementing an electronic training module so that the COI training immediately precedes electronic completion of the annual disclosure form. COI training will also be incorporated into the board and committee member onboarding process.
 - Interests must be disclosed **both** annually on the form **and** in specific situations if the person is involved in a transaction or arrangement or decision where the person has an actual or perceived personal interest.
 - Process for identifying potential conflicts of interest, including:
 - Review of Board and Committee member disclosures by Compliance, Legal, and Executive Leadership prior to board and committee meetings, and in advance of approval for transactions/arrangements.
 - Potential COI will be discussed with individuals impacted and resolved per escalation process discussed in policy. For Board and Committee members, this involves initial discussion with Compliance Officer or Chief Legal Officer, and if needed, convening an Ad Hoc Interests Committee consisting of Chair of Board and Chair of Committee (if Committee member involved), Chief Executive Officer, Corporate Compliance Officer, and Chief Legal Officer. Outside entities may be consulted for assistance in reviewing conflicts. If necessary, matter will be reviewed by full Board.
- Implementing regular reporting to the Compliance and Audit Committee overall compliance with the COI policy.
- Implementing advance reviews of matters schedule to be considered by the Board and Committees with potential conflicts identified on disclosure statements.
- Developing online training modules that can be circulated when annual disclosures are requested.

- Creating a shared drive for review by Compliance, Legal, and Executive Leadership of disclosure statements in advance of board and committee meetings and transactions/arrangements.
4. Other Reviews: Revisions to the policy and form will be submitted to the Hospital Board for approval. If recommended, these can also be reviewed and approved by the Governance Committee.
 5. Outcomes: Compliance and Legal will take steps to roll out formal training and education to all individuals subject to the policy and will review information submitted.

List of Attachments:

1. Conflict of Interest Policy – redline
2. FY 25 Annual Disclosure Statement - revised

Suggested Board Discussion Questions:

1. What concerns does this raise and how can those concerns be addressed?



Origination	05/1998	Owner
Approved by	Diane	Wigglesworth:
Last Approved	05/2022	and
Effective	05/2022	Area Corporate
Last Revised	05/2022	Compliance
Next Review	05/2025	Document Procedure
		Types

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Conflict of Interest

COVERAGE:

This policy applies to El Camino Hospital (ECH) employees, members of the Hospital Board of Directors (~~including directors who are also directors of the Healthcare District Board of Directors~~), ~~Board Advisory Committee members, individuals who are Advisors to the Board~~, consultants, contractors, ECH volunteers, Medical Executive Committee members, physicians who are chairs of ECH departments and medical staff committees, ~~and or physicians who are contracted as~~ Medical Directors. Members of ECH's Medical Staff are also subject to the conflict of interest provisions found in the El Camino Hospital Medical Staff Bylaws.

PURPOSE:

The purpose of this policy is to ~~require encourage~~ disclosure of situations where a person subject to this policy may have a personal financial interest ~~in a transaction or arrangement contemplated by ECH or transaction~~ which is, or could be deemed to be, a conflict of interest so that the situation may be appropriately reviewed and resolved. ~~This policy is intended to comply with the applicable laws of the State of California and federal tax regulations governing nonprofit organizations.~~

STATEMENT:

It is the policy of El Camino Hospital to comply with all mandatory reporting requirements regarding conflict of interest. This policy requires the disclosure of personal financial interests that may be or may lead to a conflict of interest. Such disclosure is not a conclusion that a conflict of interest exists or that the interest would prevent a person from participating in a decision or activity. This policy is intended to protect the interests of ECH by proactively identifying situations where an ECH decision-maker may have an interest so that such an interest may be fully understood and addressed before ECH enters into a transaction or other arrangement. This policy also addresses the circumstances where an interest is not identified or addressed prior to completion of the transaction. This policy states and implements, but does not expand, the requirements of state or federal laws governing conflicts of interest applicable to ECH as a nonprofit, public benefit tax-exempt corporation. [Healthcare District Board Members and officials are subject to the Districts Conflict of Interest Code, and the powers of Government Code 1090 and policies within the Act. In addition to this policy, El Camino Healthcare District Board Members and designated officials are also subject to the District's Conflict of Interest Code, the California Political Reform Act of 1974, California Government Code section 1090, and their implementing regulations.](#)

A. Overview:

This Policy and Procedure has ~~four~~ three critical elements:

1. Training. [All individuals subject to this policy will receive training on this policy upon hire and annually if they are required to submit an Annual Disclosure Statement.](#)
- 1-2. Annual Disclosure Statement (Section F) [Individuals holding specified positions who make or influence ECH decisions, as stated in Section C, Certain individuals](#) must file an annual disclosure statement, the purpose of which is to permit the identification of any interest so that a conflict of interest, should it arise, may be promptly and appropriately resolved. The annual disclosure statement can help avoid a situation where a personal financial ~~a~~ interest becomes a conflict of interest by, for example, deciding not to invite a person with a material ~~large~~ ownership interest in an equipment vendor to serve on a committee deciding which equipment to purchase.
- 2-3. Specific Disclosure (Section G) [All individuals subject to this policy, regardless of whether or not they are required to file an annual disclosure statement, are expected to disclose pursuant to this policy any situation where they or a Family Member \(as defined below\), has a direct or indirect financial interest as described in Section B below in a particular transaction or arrangement that the individual is involved in for ECH, and the influence or decision-making authority that the individual has with respect to the transaction or arrangement.](#) The purpose of specific disclosure is to ensure that disclosures of interests are made in the context of particular transactions or arrangements before ECH enters into such transactions or arrangements, so that the individual can be recused appropriately if necessary, or other mitigating actions may be taken. **Specific disclosures must**

~~be made regardless of whether or not the individual has filed an annual disclosure statement, and regardless of prior disclosures either through an annual disclosure statement or otherwise. Should a specific conflict develop, or if the issue relates to a person not covered by the annual disclosure statement filing requirement, then a disclosure must be made. Individuals must report the potentially conflicting interest regarding a particular transaction over determine whether a situation involves a conflict of interest and describes methods which the individual has influence or decision-making authority.~~

~~3.4. Resolution Process (Section H).~~ If an actual or a potential conflict of interest arises in the context of a particular transaction, this policy contains, in Section H, provisions (which vary depending on the nature of the disclosing individual's role) to resolve that conflict of interest.

In general terms, all matters with respect to this policy shall be addressed by ECH forthrightly, but persons involved in reviewing and investigating such matters shall treat such matters in the same manner and with the same discretion as in handling other matters involving personnel information of employees or others. Such discretion, however, shall not limit the ability to obtain information or to raise and address issues. All information relating to such matters may be disclosed to members of management with an interest in the matter, the Compliance and Audit Committee, and the Board.

B. Interests:

1. An interest exists in any situation in which the actions of a person subject to this policy (or his/her immediate family, ~~which per IRS regulations and policy includes the person's spouse or domestic partner, siblings and their spouses, parent, grandparent, and great-grandparent, children and their spouses, grandchildren and their spouses, great grandchildren and their spouses, and any other person living in the same household as the person subject to this policy~~) ~~undertaken policy undertaken~~ on behalf of ECH may result in a personal financial gain or advantage to the member or any related disadvantage to ECH. Although it is impossible to list every circumstance giving rise to an interest, the following are examples of the kinds of activities or interests that might give rise to such a conflict and that must be reported as outlined in this policy.

a. **Business Affiliations:**

To serve as a director, officer, partner, employee, consultant, agent or advisor of any person, firm, or organization which is a supplier of goods or services to ECH or conducts research at ECH.

b. **Governmental Affiliations:**

To hold any elected or appointed office or position in any branch of government or in any regulatory agency having authority or jurisdiction over providers of health care, generally.

c. **Other Hospital Affiliations:**

Commented [TF1]: Check language against annual disclosure statement

To serve as a volunteer or paid director, officer, partner, employee, consultant, agent, or advisor of any hospital, or health care facility not affiliated with ECH, located in Santa Clara County.

d. Outside Interests:

i. To have, directly or indirectly, an ownership, compensation, or equity interest or other financial interest (including a service agreement), ~~with a value greater than \$2,000, with an individual or entity that~~ entity that makes payments to or receives payments from ECH (whether on account of services, goods, loans or other transactions), or which provides services in competition with ECH, or which is negotiating or contemplating a transaction or arrangement with ECH.

ii. To compete, directly or indirectly, with ECH in the purchase or sale of property or any property right, interest or service.

iii. Ownership in securities such as mutual funds, exchange-traded funds or other similar diversified investment vehicles are not considered interests provided that the person does not have control or influence over the investment decisions made by these funds.

e. Outside Activities:

i. To render directorial, managerial or consultative services to, or to engage in any financial transaction with, any person or concern which does business with or competes with ECH

ii. To render other services in competition with ECH.

f. Gifts, Gratuities, and Entertainment:

i. To accept a gift, gratuity, travel, entertainment, or other material benefit as described in Gifts or Business Courtesies to Physicians or Other Potential Referral Sources Policy, from any person or concern that does, or is seeking to do, business with, or is a competitor of, ECH under circumstances from which it might be inferred that such a gift, gratuity, entertainment or other material benefit was intended to influence or possibly would influence the recipient in the performance of his/her duties.

g. Use of Confidential Information for Personal Gain:

To disclose or use, for personal profit or advantage, information relating to ECH's business, including but not limited to methods of operation, and research and product development.

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C. Disclosure Requirements:

1. **Annual Disclosure Statement.** The individuals holding the following positions ~~will may~~ be requested to complete and file an annual disclosure statement with the Corporate Compliance Officer. The Corporate Compliance Officer shall be responsible for the process of distributing such forms on an ~~annual-regular~~ basis (the Corporate Compliance Officer may determine to stagger the distribution over a period of twelve consecutive months), and to ensure the return of completed forms. The Corporate Compliance Officer will review each form and address any conflicts noted in the annual disclosure statement as described in Section H of this policy:
 - a. ~~Member of the District Board and~~ Hospital Board of Directors of ECH, ~~including members who are also District Board members.~~
(District Board members must also complete Form 700 ~~and disclosures required by the the~~ California Fair Political Practices ~~Act disclosures~~)
 - b. ~~Board Advisory Committee members~~
 - c. ~~Member of the Medical Staff Executive Committee of ECH.~~
 - ~~b.d.~~ Physicians who are Chairs of Departments and Medical Staff Committees
 - ~~e.e.~~ A physician who is a paid Medical Director, ~~ship compensation of any kind by ECH.~~
 - ~~d.f.~~ Member of the management of ECH which, for this purpose, shall include all Chiefs, Presidents, Senior Executives, Directors and Managers.
 - ~~e.g.~~ ECH employees who are members of the purchasing staff, the finance division staff, the business development division staff or any other employee, ~~who (i.e.) who make decisions in their capacity at ECH that could be influenced by their personal interests).~~
 - ~~f.~~ Members who are Advisors to any Board committees who are not members of the Hospital Board.
 - ~~g.~~
2. **Updating Annual Disclosure Statement.** A person required to file an annual disclosure statement shall file an updated form if a material change occurs during the year that causes them to have a financial interest of the type identified in Section B that was not otherwise disclosed on the annual disclosure statement. ~~A material change would, for example, involve a change in the employer of a member of a committee concerned with the acquisition of medical devices from employment by a medical group to employment by a medical device manufacturer. Making the specific disclosure described in Section G rather than updating the annual disclosure statement is an acceptable alternative.~~

3. **Review.** The Corporate Compliance Officer shall review all Annual Disclosure Statements and shall regularly report to the Compliance and Audit Committee overall compliance with timely submission of disclosure statements or specific concerns. The Corporate Compliance Officer may consult with other personnel of ECH with respect to such disclosures in order to propose changes needed to prevent conflicts and shall make all appropriate disclosures to inform persons to whom such individual reports or who need to know such information in order to properly manage any potential conflicts of interest. Moreover, information regarding physicians will be disclosed and discussed with the Medical Staff leadership or Chief Medical Officer as appropriate.

D. Specific Disclosure:

1. Any person who has a ~~decisionmaking~~ ~~decision-making~~ or other material role with respect to a decision by ECH to enter into or refuse to enter into a transaction or arrangement with a third party and who also has a direct or indirect interest in the transaction or arrangement shall disclose the facts and circumstances to the responsible ECH employee involved in the transaction or arrangement holding the position of a manager or above. If the person making the disclosure is a member of the District or Hospital Board of Directors of ECH, such disclosure shall be made to the Chairperson of the Hospital Board. If the person making the disclosure is the Chairperson of the Hospital Board, such disclosure shall be made to the Vice Chairperson of the Hospital Board. Such disclosure shall be in addition to disclosure previously or concurrently made on any annual statement.
2. A person seeking to make a disclosure may also disclose to the Corporate Compliance Officer of ECH.
3. All persons are encouraged to disclose situations where they are uncertain whether a potential conflict of interest exists so that a determination can be made under the process described below.

E. Procedure for Addressing Dealing with a Potential Conflict of Interest:

1. Individual is not a Board Member
 - a. The individual must disclose the facts giving rise to the interest to the key manager(s) in charge of the proposed transaction or arrangement. If the individual seeking to disclose is unsure as to whom to report, such person shall contact the Corporate Compliance Officer.
 - b. If the proposed transaction or arrangement requires Board approval or if the individual is in charge of the proposed transaction or arrangement, then the interest and all material facts must be disclosed to the Chief Executive Officer, the Corporate Compliance Officer and Chief Legal Officer or such person's immediate supervisor.

- c. After disclosure, the immediate supervisor of the person making the disclosure, the key manager in charge of the transaction (assuming the key manager does not have an interest) or the Corporate Compliance Officer (the Corporate Compliance Officer can involve the Chief Legal Officer), shall determine whether the interest creates a potential conflict of interest. If a potential conflict of interest exists, they shall take appropriate steps to mitigate or eliminate the effect of the potential conflict of interest on the proposed transaction.
 - d. The immediate supervisor, the key manager(s), and/or Corporate Compliance Officer (the Corporate Compliance Officer can involve the Chief Legal Officer), shall determine the action(s) to be taken with respect to the interest. Actions may include (but are not limited to):
 - i. Exclusion of person with the conflict of interest from negotiating or evaluating the transaction or arrangement
 - ii. Exclusion of the entity or individual in which the person has a conflict of interest from the negotiation or selection process
 - ii.iii. [Seek alternatives to the proposed transaction or arrangement to ensure that it is in the best interests of the Hospital](#)
 - iii.iv. [Appropriate disclosure to the Board and Board action, if necessary](#)
 - e. The immediate supervisor of the person with the conflict of interest, the key manager in charge of the transaction, and the Corporate Compliance Officer or Chief Legal Officer shall prepare a memorandum describing the facts, the decision(s) and action(s) taken in addressing the conflict of interest.
 - f. The memorandum shall be filed in the files of the Corporate Compliance Officer and in the employee's personnel record. The Corporate Compliance Officer shall report to the Compliance and Audit Committee regarding the disposition of such matters and to the Board as appropriate.
2. Individual is a Board [or Board Advisory Committee](#) Member
- a. [In the event a Board or Board Advisory Committee member has an interest in a matter to be considered by the Board or Committee, the matter shall be reported to the Chairperson of the Board \(or Vice Chairperson if the Chairperson has an interest\), the Chairperson of the Committee if involves a Committee matter \(or Vice Chairperson if the Chairperson has an interest\) the Chief Executive Officer, the Corporate Compliance Officer, and Officer, and the Chief Legal Officer before the matter is considered by the Board or Committee. This group shall constitute the "Ad Hoc Interests Committee." The Ad Hoc Interests](#)

Committee shall obtain information from the interested Board or Committee member and may obtain advice from other sources, including outside counsel, the FPPC or Attorney General if appropriate, to assist in determining whether there is a potential conflict of interest.

b. The Ad Hoc Interests Committee will make recommendations for appropriate actions including, but not limited to:

- Exclusion of person with the conflict of interest from participating in the matter before the Board or Committee;
- Seeking alternatives to the proposed transaction or arrangement to ensure that it is in the best interests of the Hospital
- Refer the matter to the full Board for disclosure and appropriate action.
- The transaction or arrangement involving a conflict of interest may proceed only if it is determined by a majority vote of disinterested board members that the transaction is fair and reasonable
- Other appropriate mitigating actions

a.c. and referred automatically to the Chairperson of the Board. A Board member may recuse himself or herself from the matter, without further action, and the Board shall take such actions that shall be necessary to mitigate any potential conflict of interest as described below.

b. If the interested affected Board or Committee member disagrees with the Ad Hoc Interests Committee, or the Ad Hoc Interests Committee refers the matter to the full Board, the Board or Committee member shall be given an opportunity to disclose all material facts to the full Board. After disclosure of the financial interest and material facts, and after any discussion with the interested Board or Committee member, the interested Board or Committee member shall leave the meeting while the determination of a conflict of interest is discussed and voted upon by the Board. The Board shall seek the advice of the Corporate Compliance Officer and the Chief Legal Officer. ~~does not recuse himself or herself,~~

e. The Ad Hoc Interests Committee shall be comprised of two Board

e. If a Board or Committee member is uncertain whether a conflicting interest exists and whether such interest must be disclosed, a Board or Committee member may seek advice whether a conflict exists and whether additional disclosure or action is necessary ~~from the~~. A Board member may consult with an advisory group consisting of two or more of the following individuals: Corporate Compliance Officer and

~~Chief Legal Officer, Compliance Officer, the Compliance and Audit Committee, and Chief Legal Officer~~

- f. Depending on the subject matter, the Chief Legal Officer will be the lead advisory member to manage the process or determine if additional ~~advisors or agencies~~ ~~advisory group members~~ should ~~review~~ ~~review~~ or if the Ad Hoc Interests Committee should be ~~convened~~.
- g. After discussing the details of the potential conflict of interest ~~with the Corporate Compliance Officer and Chief Legal Officer and gathering the facts and analysis, with the advisory group member(s), the advisory group member(s), the Corporate Compliance Officer and Chief Legal Officer~~ ~~will~~ ~~Officer will~~ make a written recommendation.
 - i. If the decision is that no additional inquiry is needed and no conflict exists, then the matter will be considered ~~closed~~ ~~closed~~, and the Compliance Officer will log the consultation in the Compliance Activity log.

—If the matter requires further ~~review or action, the Ad Hoc Interests Committee will be convened to proceed per this policy. fact gathering, then the advisory group member(s) will conduct further inquiries to determine whether further action by the Board is required.~~
 - i. Since each case will have unique circumstances, the ~~Chairperson or designee, the Ad Hoc Interests Committee or Board or the advisory group~~ shall apply the following criteria:
 - The Chairperson or Vice Chairperson shall request that such Director: (1) leave the room during all or part of the related presentations and discussions, and (2) refrain from participating in all or part of the related presentations or discussions. In all circumstances involving an actual or potential conflict of interest, the Chairperson or designee and the Board shall require the interested person to refrain from voting on any matters related to the actual or potential conflict of interest.
 - The Board shall determine whether ECH can obtain a more advantageous transaction with reasonable efforts from a person or entity that does not involve a conflicting interest. If a more advantageous transaction is not reasonably attainable under the circumstances, the Board may approve the transaction only if it determines by a majority vote of the other Board members who do not have a conflict that:
 - The transaction is in ECH's best interest and for its own benefit; and

* the transaction is fair and reasonable to ECH

ii. ECH may purchase services from any corporation, association, trust, partnership, firm, venture or other entity of which any person subject to this policy is a trustee, officer or employee or owns equity, proprietary or beneficial interest. [However, notwithstanding the foregoing, ECH](#) services from any other corporation, association, trust, partnership, firm, venture or other entity of which a Board member is a trustee or officer or in which a Board member owns more than 5 percent equity, proprietary or beneficial interest unless:

- The purchase decision is made pursuant to a bidding process; or
 - The purchase involves an expenditure by ECH in the aggregate of less than \$50,000; or
 - The services are provided pursuant to a contract with a term of one year or less.
- iv. In taking action on behalf of ECH, the Board shall include its findings as part of the motion being adopted and record such resolution in the minutes of the meeting.
- v. Unless not reasonably practicable prior to entering into the transaction, any transaction involving an actual or potential conflict of interest shall be addressed by the Board and not by a committee of the Board. If, in an urgent situation, the transaction is approved by a committee, the transaction shall be submitted to the Board at its next meeting. The transaction must then be ratified by a vote of the majority of disinterested Board members.
- vi. Transactions involving Board member(s) must follow all additional requirements under California Corporations Code § 5233 not stated in the policy. [In addition, The District Board Members are subject to the requirements of the](#)

[California Political Reform Act and Government Code section 1090. must follow all requirements of Government Code section 1090 and Public Record Act \(PRA\).](#)

F. Situations Disclosed by Others:

1. If any person has reasonable cause to believe that a person has failed to disclose an interest relating to a transaction (the "Individual"), the person with the information shall provide such information to the Corporate Compliance Officer or the Compliance Hotline, disclosing all related facts.
2. In the event of any such disclosure, the Corporate Compliance Officer shall conduct a factual investigation, including interviewing the Individual about whom the disclosure is made, informing the Individual of the allegations and providing a full opportunity to explain the circumstances. The Corporate Compliance Officer shall determine whether a disclosing of the identity of the Individual making the allegation is permitted by law and is warranted in the circumstances.
3. The Corporate Compliance Officer shall inform the Individual of the results of such investigation and afford the Individual an opportunity to explain any alleged failure to disclose or any other fact relating to the allegations.
4. Upon considering the Individual's response, the Corporate Compliance Officer shall make such further investigation as warranted by the circumstances.
5. If the Corporate Compliance Officer tentatively determines that the individual has failed to disclose an interest, the Corporate Compliance Officer shall recommend to the Individual's supervisor, the Vice President for Human Resources and the Vice President of the affected division appropriate corrective actions including termination of employment, contract, or privileges at ECH.
6. If the situation involves a Board ~~or Committee~~ member, [appropriate corrective action may be taken per applicable policies and as corrective action shall follow the process as specified under California Corporations Code § 5233, or Healthcare Director code 1090 for District Board Members.](#) The affected Board member shall have the opportunity to request that the Ad Hoc Interests Committee (described above) be involved in the process, as described above.

NOTE: Printed copies of this document are uncontrolled. In the case of a conflict between printed and electronic versions of this document, the electronic version prevails.

Approval Signatures

Step Description	Approver	Date
Publish	Patrick Santos: Policy and Procedure Coordinator	05/2022
MEC	Franz Encisa: Director Quality and Public Reporting [PS]	05/2022
ePolicy Committee	Patrick Santos: Policy and Procedure Coordinator	05/2022
Compliance Committee Board	Diane Wigglesworth: Sr Dir Corporate Compliance	04/2022
	Diane Wigglesworth: Sr Dir Corporate Compliance	04/2022

[Governance Committee](#)

[Board of Directors](#)

COPY

Conflict of Interest Annual Disclosure Statement

El Camino Health is committed to avoiding conflicts of interest and/or the appearance of conflicts as described in our Conflict of Interest policy and to comply with State and Federal regulations and maintain federal tax exemption status

An individual may not use their position within El Camino Health for personal financial interest or gain, advantage their personal interest in the outcome of an ECH decision, or to assist others, including family members, in profiting in any way at the expense of El Camino Health.

Return completed statement to the Corporate Compliance Department (OAK240)
Contact the Corporate Compliance Department with any questions regarding completion of this statement (Compliance@elcaminohealth.org)

Name: _____

Position(s) you hold (check the appropriate box):

- | | |
|---|---|
| <input type="checkbox"/> Board Member or Advisor to Board | <input type="checkbox"/> Director / Manager |
| <input type="checkbox"/> Executive / Vice President | <input type="checkbox"/> Employee |
| <input type="checkbox"/> Medical Staff Chief / Vice Chief | <input type="checkbox"/> Volunteer |
| <input type="checkbox"/> Medical Director | <input type="checkbox"/> Contractor |
| <input type="checkbox"/> Other (Specify): _____ | |

I hereby disclose the following information (including information regarding family members*). If you have nothing to disclose, please indicate by checking that box. Attach additional pages as needed.

- **Family Member** : defined as a person's spouse; any other person living in the household or dependent.
- **Financial Interest**: you must report any ownership or equity interest that you have (or a family member has) in a business entity, entity competing with El Camino Health, or a business entity seeking to conduct business with El Camino Health. You do **not** have to disclose: (a) Stock held in companies that are publicly traded (e.g., on a national exchange), if you own less than 1% of all outstanding shares; (b) investments you may hold by or through a mutual fund; and (c) investments you hold in a 401k, 403(b), 457(b) and other retirement vehicles.

If you are uncertain whether a conflict of interest exists, please seek advice of Corporate Compliance and Legal Counsel. All applicable responses will be reviewed according to policy and a determination will be made on mitigating the effect of the interest, where possible.

* Definition of Family members include spouse, brother or sisters, ancestors, children, grandchildren, great grandchildren or spouse of children or grandchildren or great grandchildren.

**Conflict of Interest
Annual Disclosure Statement**

- a. **Financial interest** Nothing to disclose
(e.g., ownership or investment as defined above.)

- b. **Compensation or employment arrangement** Nothing to disclose
(e.g., compensation by a healthcare vendor or employment with a competing organization)

- c. **Position of influence** Nothing to disclose
(e.g., serve on a board, hold any government affiliations, etc.)

- d. **Intellectual property rights** Nothing to disclose
(e.g., patents, copyrights, royalties)

- e. **Involvement in clinical research services** Nothing to disclose
(e.g., principal investigator, supervising, contracting or budgeting)

- f. **Gifts, Gratuities, and Entertainment** Nothing to disclose
(e.g., accepted a gift, entertainment or similar donative transaction)

**Conflict of Interest
Annual Disclosure Statement**

- g. **Any other activity/interest that may be, or may be perceived to be, a potential conflict of interest.** Nothing to disclose

- h. **Use of Confidential Information for Personal Gain**

I hereby certify that neither I, nor any member of my immediate family, has disclosed or used, relating to ECH's business for the personal profit or advantage of myself or my immediate family (except such information as has been publicly disclosed or is publicly available), except as listed below.

Certification:

I hereby certify that this accurately and completely describes, to the best of my knowledge and belief, all financial and other interests, which are required to be reported under State and Federal Law and under the provisions of the ECH Healthcare Conflict of Interest Policy. I will update my Conflict of Interest disclosure statement should a material change occur during the year.

Signature: _____
If filling out form online, type name above.

Date: _____
If filling out form online, type date above