



TAHOE FOREST HOSPITAL DISTRICT

2016-02-25 Regular Meeting of the Board of Directors

Thursday, February 25, 2016 at 4:00 p.m.

Tahoe Truckee Unified School District (TTUSD)

11603 Donner Pass Road, Truckee, CA 96161

Meeting Book - 2016-02-25 Regular Meeting of the Board of Directors

02/25/16 - Regular Meeting

AGENDA

2016-02-25 Regular BOD Meeting_FINAL Agenda.pdf Page 5

ITEMS 1 - 11 See Agenda

12. ACKNOWLEDGMENTS

12.1. Becker Hospital Review Top 100 CIO to Know.pdf Page 8

12.2. Report out from 02/24/16 Special Meeting of the Board of Directors

13. MEDICAL STAFF REPORT

13.1. MEC Report to BOD Open Session 2016_02.pdf Page 9

14. CONSENT CALENDAR

14.1. Approval of Meeting Minutes

2016-01-19 Special BOD Meeting_DRAFT Minutes.pdf Page 11

2016-01-28 Regular BOD Meeting_DRAFT Minutes.pdf Page 14

2016-02-01 Special BOD Meeting_DRAFT Minutes.pdf Page 19

2016-02-02 Special BOD Meeting_DRAFT Minutes.pdf Page 23

14.2. Financial Report

14.2. Financial Report – January 2016.pdf Page 25

14.3. Contracts

14.3.1. Kopp - Consulting Engagement Letter.pdf Page 38

14.3.2. Legarza - Radiation Oncology Coverage Agreement.pdf Page 41

14.3.3. Allen_TFHD_Call_Coverage_Agreement_2016.pdf Page 67

15. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

15.1. 2015 Citizens Oversight Committee Annual Report.pdf Page 97

15.2. 2015 Compliance Program Q4 and Annual Report OPEN SESSION Informational Report.pdf Page 99

15.3. TFHD Mission and Vision Statement.pdf Page 103

15.4. Caremark Case Review
General Counsel
Materials will be distributed at meeting.

16. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

17. BOARD COMMITTEE REPORTS/RECOMMENDATIONS FOR DISCUSSION AND/OR ACTION

17.1. 2016-02-17 Governance Committee_Agenda.pdf Page 104

17.2. 2016-02-11 Personnel-Retirement Subcommittee_Agenda.pdf Page 106

17.3. 2016-02-22 Finance Committee_FINAL Agenda.pdf Page 107

17.4. 2016-02-09 Board Quality Committee_Agenda.pdf Page 108

18. INFORMATIONAL REPORTS

18.1. CEO Strategic Update 2016_0218.pdf Page 110

18.2. CIO board update for February 2016.pdf Page 114

ITEMS 19 - 24: See Agenda

25. MEETING EFFECTIVENESS ASSESSMENT

MeetingEvaluationForm_PDFFillable.pdf Page 118

26. ADJOURN



REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

Thursday, February 25, 2016 at 4:00 p.m.

Tahoe Truckee Unified School District (TTUSD) Office
11603 Donner Pass Rd, Truckee, CA

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**

4. **INPUT AUDIENCE:**

This is an opportunity for members of the public to comment on any closed session item appearing before the Board on this agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Clerk of the Board 24 hours prior to the meeting to allow for distribution.

5. **CLOSED SESSION:**

5.1. Hearing (Health & Safety Code § 32155) ♦

Subject Matter: 2015 Corporate Compliance Annual Report – Closed Session
Number of items: One (1)

5.2. Report Involving Trade Secrets (Health & Safety Code § 32106)

Proposed New Program: One (1) item
Estimated date of public disclosure: 06/30/2016

5.3. Conference with Legal Counsel; Anticipated Litigation (Gov. Code § 54956.9(d)(2) & (d)(3))

A point has been reached where, in the opinion of the Board on the advice of its legal counsel, based on the below-described existing facts and circumstances, there is a significant exposure to litigation against the District.

Receipt of Claim pursuant to Tort Claims Act or other written communication threatening litigation (copy available for public inspection in Clerk's office) (Gov. Code § 54956.9(e)(3))

Name of person or entity threatening litigation: Kelly Campbell

5.4. Hearing (Health & Safety Code § 32155) ♦

Subject Matter: Service Excellence Report
Number of items: One (1)

5.5. Hearing (Health & Safety Code § 32155) ♦

Subject Matter: Medical Staff Credentials

5.6. Approval of Closed Session Minutes ♦

01/28/2016

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
February 25, 2016 AGENDA– Continued

6. DINNER BREAK

APPROXIMATELY 6:00 P.M.

7. OPEN SESSION – CALL TO ORDER

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

9. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

10. INPUT – AUDIENCE

This is an opportunity for members of the public to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Board cannot take action on any item not on the agenda. The Board may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

11. INPUT FROM EMPLOYEE ASSOCIATIONS

This is an opportunity for members of the Employee Associations to address the Board on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes.

12. ACKNOWLEDGMENTS

- 12.1. Becker Hospital Review ranked CIO as top 100 to know in 2016
- 12.2. Board President will report on 02/24/2016 Special Meeting of the Board of Directors

13. MEDICAL STAFF REPORT ♦

- 13.1. Medical Staff Report ATTACHMENT

14. CONSENT CALENDAR ♦

These items are expected to be routine and non-controversial. They will be acted upon by the Board without discussion. Any Board Member, staff member or interested party may request an item to be removed from the Consent Calendar for discussion prior to voting on the Consent Calendar.

14.1. Approval of Minutes of Meetings ♦

- 01/19/2016, 01/28/2016, 02/01/2016, 02/02/2016..... ATTACHMENT

14.2. Financial Report ♦

- Financial Report- Preliminary January 2016 ATTACHMENT

14.3. Contracts ♦

- 14.3.1. Kopp – Consulting Engagement Letter ATTACHMENT
- 14.3.2. Legarza – Radiation Oncology Coverage Agreement ATTACHMENT
- 14.3.3. Allen – TFHD Call Coverage Agreement ATTACHMENT

15. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

- 15.1. **Citizens Oversight Committee Annual Report** ♦ ATTACHMENT
Gerald Herrick will present the COC Annual Report to the Board.

- 15.2. **TIMED ITEM – 6:30 p.m. – Corporate Compliance Program Annual Report** ♦ ATTACHMENT
Board will review an annual compliance report prepared by The Fox Group.

- 15.3. **TFHD Mission & Vision Statement** ♦ ATTACHMENT
Board will review and consider for approval the proposed Mission and Vision Statement.

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
February 25, 2015 AGENDA– Continued

- 15.4. Caremark Case Review** *ATTACHMENT
Board will hear from Legal Counsel how Caremark case applies to them.

16. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

17. BOARD COMMITTEE REPORTS/RECOMMENDATIONS FOR DISCUSSION AND/OR ACTION

- 17.1. Governance Committee Meeting**– 02/17/2016 ATTACHMENT
17.2. Personnel-Retirement Subcommittee Meeting – 02/11/2016..... ATTACHMENT
17.3. Finance Committee Meeting – 02/22/2016 ATTACHMENT
17.4. Quality Committee Meeting – 02/09/2016 ATTACHMENT
17.5. Community Benefit Committee – No meeting held in February.

18. INFORMATIONAL REPORTS

These reports are provided for information only and not intended for discussion. Any Board Member may request discussion on an item, additional information from staff related to items included in a report, or request a topic be placed on a future agenda for further discussion.

- 18.1. CEO Strategic Updates** ATTACHMENT
CEO will provide updates related to his key strategic initiatives.
18.2. Staff Report(s) ATTACHMENT
Staff reports will provide updates related to key strategic initiatives.

19. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

20. ITEMS FOR NEXT MEETING

21. BOARD MEMBERS REPORTS/CLOSING REMARKS

22. CLOSED SESSION CONTINUED, IF NECESSARY

23. OPEN SESSION

24. REPORT OF ACTIONS TAKEN IN CLOSED SESSION, IF NECESSARY

- 25. MEETING EFFECTIVENESS ASSESSMENT**..... ATTACHMENT
The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

26. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is March 24, 2016, 11603 Donner Pass Rd., Truckee, CA. A copy of the Board meeting agenda is posted on the District's web site (www.tfhd.com) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.

Jake Dorst | 100 Hospital and Health System CIOs to Know 2016

Written by Staff | January 21, 2016



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Jake Dorst. CIO of Tahoe Forest Health District (Truckee, Calif.). Mr. Dorst began his role as CIO of Tahoe Forest Health District, which includes Tahoe Forest Hospital, in August 2014. In May 2015, he also began serving as the district's interim CEO, a position he held until December 2015. Previously, Mr. Dorst served as vice president and CIO of Hagerstown, Md.-based Meritus Health and CIO of Petersburg, Va.-based Southside Regional Medical Center. He has also held IT leadership positions at Franklin, Tenn.-based Community Health Systems and Madison, Ind.-based The Kings Daughters' Hospital.

DATE: February 17, 2016

**MEDICAL EXECUTIVE COMMITTEE
RECOMMENDATIONS TO THE BOARD OF DIRECTORS – OPEN MEETING
FEBRUARY 25, 2016**

REFERRED BY:	AGENDA ITEMS:	RECOMMEND
MEDICAL STAFF -	A motion was made, seconded and carried to recommend approval of the following to the Board of Directors:	Approved
1. Department of OB/PEDS	The OB/Peds Department recommended approval of the following at their meeting on 1/28/16: ➤ Annual Policy Approvals – OB/PEDS	Recommend approval
2. Department of Medicine	The Department of Medicine recommended approval of the following at their meeting on 2/4/16: ➤ Annual Policy Approvals – Cancer Center, Center for Health & Sports Medicine, DI, Dietary and MNT, ECC, Home Health & Hospice, ICU, Lab, MedSurg & Swing, MSC, Occupational Health, RT	Recommend approval
3. IVCH Committee	The IVCH Committee recommended approval of the following via email on 1/23/16: ➤ ED Observation Status Policy – NEW. Outlines capabilities to allow observation for patients who need longer stays in the ED. Completed through T-systems The IVCH Committee recommended approval of the following at their meeting held on 2/3/16: ➤ Annual Policy Approvals – Case Management, Diagnostic Imaging, Dietary / MNT, ED, Lakeview, Environmental Services, Infection Control, Lab, Nursing Services, Pharmacy, Rehabilitation Services, Surgical Services	Recommend approval
4. Pharmacy & Therapeutics Committee (P&T)	The P&T Committee recommended approval of the following orders via email on 2/4/16: ➤ OB - PCEA – Approved by OB/PEDS on 1/28/16 ➤ OB - Post Tubal ligation orders – Approved by OB/PEDS on 11/4/15 via email ➤ OB Post-Partum Physician Orders – Approved by OB/PEDS on 1/28/16 ➤ Sepsis Initial Management Screening & Sepsis Admissions Final approval – (Approved by Med. Dept via email on 12/30/15 and P&T on 1/06/16; however, the final revision did not include the updated screening tool and change to vasopressors,	Recommend approval

DATE: February 17, 2016

**MEDICAL EXECUTIVE COMMITTEE
RECOMMENDATIONS TO THE BOARD OF DIRECTORS – OPEN MEETING
FEBRUARY 25, 2016**

REFERRED BY:	AGENDA ITEMS:	RECOMMEND
5. Quality Assessment Committee	The Quality Assessment Committee met on 2/11/16 and recommended approval of the following: <ul style="list-style-type: none"> ➤ QA/PI Plan 2016 ➤ Risk Management Plan 2016 ➤ Patient Safety Plan 2016 ➤ Utilization Review Discharge Plan 2016 ➤ Infection Control Plan 2016 ➤ MERP 2016 ➤ EOC Life Safety Plan 2016 ➤ Sentinel Event Policy ➤ Critical Incident Debriefing Policy ➤ Disclosure of Error or Unanticipated Outcome to Patients 	Recommend approval
5. Medical Staff Policies and Procedures	The following medical staff policies have been reviewed and no changes are recommended: <ul style="list-style-type: none"> ➤ Clinical privileges that cross specialty lines ➤ Criminal background checks ➤ EKG interpretation ➤ Expiring documents policy ➤ New procedure or treatment policy ➤ NP/PA Functional overview standard procedure protocols ➤ Professional liability insurance coverage ➤ Commercial Support ➤ Confidentiality of medical staff records ➤ Educational assistance ➤ Executive committee requirements-Complete Disclosure Form ➤ Fitness for duty policy 	Recommend approval



SPECIAL MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Tuesday, January 19, 2016 at 5:30 p.m.
Tahoe Truckee Unified School District (TTUSD) Office
11603 Donner Pass Rd, Truckee, CA

1. CALL TO ORDER

Meeting was called to order at 5:31 p.m.

2. ROLL CALL

Board: Karen Sessler, President; Chuck Zipkin, Vice President; Greg Jellinek, Secretary; Dale Chamblin, Treasurer; John Mohun, Board Member

Staff: Harry Weis, CEO; Crystal Betts, CFO; Judy Newland, CNO/COO; Jake Dorst, CIO; Martina Rochefort Clerk of the Board

Other: Bill Peterson, KCoe & Isom

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

4. INPUT – AUDIENCE

No public comment was received.

5. INPUT FROM EMPLOYEE ASSOCIATIONS

No public comment was received.

6. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

6.1. Audit Presentation

Bill Peterson of KCoe & Isom presented the 2014/2015 audited financials to the Board.

Public comment was received from Gaylan Larson.

ACTION: Motion made by Director Zipkin, seconded by Director Jellinek, to approve the 2014-2015 audit as presented.

AYES: Directors Mohun, Chamblin, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

Open Session recessed at 7:13 p.m.

Open Session reconvened at 7:22 p.m.

6.2. Election of Board Officers

Election of the 2016 President of the Tahoe Forest Board of Directors will take place. The new Board President will then preside over the election of the TFHD Vice President, Secretary and Treasurer for the 2016 board term.

ACTION: Motion made by Director Chamblin, seconded by Director Sessler, to nominate Director Zipkin as 2016 Board President.

Discussion was held.

AYES: Directors Mohun, Chamblin, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

ACTION: Motion made by Director Zipkin, seconded by Director Mohun, to nominate Director Jellinek as 2016 Board Vice President.

AYES: Directors Mohun, Chamblin, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

ACTION: Motion made by Director Zipkin, seconded by Director Jellinek, to nominate Director Chamblin as 2016 Board Treasurer.

AYES: Directors Mohun, Chamblin, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

ACTION: Motion made by Director Jellinek, seconded by Director Chamblin, to nominate Director Mohun as 2016 Board Secretary.

AYES: Directors Mohun, Chamblin, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

6.2.1. Appointment of Board Committees

The newly elected President of the Tahoe Forest Hospital District Board of Directors appointed board members to committees and designated board committee chairs for the 2016 term.

Committee Appointments were made as follows:

Finance Committee: Chamblin (*Chair*) / Mohun

Personnel Committee: Zipkin (*Chair*) / Chamblin

Community Benefit: Sessler (*Chair*) / Zipkin

Quality Committee: Jellinek (*Chair*) / Sessler

Governance Committee: Mohun (*Chair*) / Jellinek

Med Tech: Mohun

Citizen's Oversight Committee: Chamblin

IVCH Foundation: Zipkin

Tahoe Forest Foundation: Chamblin

Bioethics: Zipkin

TIRHR:.....Sessler
Joint Conference:Zipkin / Jellinek
Orthopedic Advisory Committee: Mohun
Legislative Ad Hoc:Zipkin

6.2.2. Annual Designation of Board Representative to Medical Executive Committee

Discussion was held.

ACTION: Motion made by Director Sessler, seconded by Director Jellinek, to designate Board President Zipkin as the Board representative to the Medical Executive Committee for the 2016 term.

AYES: Directors Mohun, Chamblin, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

7. ITEMS FOR NEXT MEETING

No discussion was held.

8. BOARD MEMBERS REPORTS/CLOSING REMARKS

Director Sessler thanked the Board Members for their efforts this past year.

9. MEETING EFFECTIVENESS ASSESSMENT

No discussion was held.

10. ADJOURN

Meeting adjourned at 7:36 p.m.



REGULAR MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Thursday, January 28, 2016 at 4:00 p.m.

Tahoe Truckee Unified School District (TTUSD) Office
11603 Donner Pass Rd, Truckee, CA

1. CALL TO ORDER

Meeting was called to order at 4:00 p.m.

2. ROLL CALL

Board: Chuck Zipkin, President; Greg Jellinek, Vice President; John Mohun, Secretary; Karen Sessler, Board Member

Staff: Harry Weis, CEO; Crystal Betts, CFO; Judy Newland, CNO/COO; Jake Dorst, CIO; Martina Rochefort Clerk of the Board

Other: David Ruderman, Acting General Counsel

Absent: Dale Chamblin, Treasurer

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No agenda items were changed.

4. INPUT AUDIENCE:

No public comment was received.

Open Session recessed at 4:04 p.m.

5. CLOSED SESSION

Discussion was held on a privileged matter.

6. DINNER BREAK

7. OPEN SESSION – CALL TO ORDER

Open Session reconvened at 6:01 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

Legal Counsel reported the Board took no reportable action in Closed Session.

9. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

No changes were made to the agenda.

10. INPUT – AUDIENCE

Public comment was received from Larry Larson.

11. INPUT FROM EMPLOYEE ASSOCIATIONS

Public comment was received from Barbara Wong, President of Employee Association of Non-Licensed Professionals.

12. ACKNOWLEDGMENTS

12.1. Presentation to 2015 Board President

Thank you to Dr. Karen Sessler for her service as Board President last year.

12.2. Women's Choice Award for America's Best Hospitals for Obstetrics

13. MEDICAL STAFF REPORT

13.1. Medical Staff Report

Dr. Dodd presented the January Medical Staff Report.

ACTION: Motion made by Director Jellinek, seconded by Director Sessler, to approve MEC items 1-5.

AYES: Directors Mohun, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

14. CONSENT CALENDAR

Director Zipkin pulled item 14.4.3 for discussion.

14.1. Approval of Minutes of Meetings

12/21/2015

14.2. Financial Report

Financial Report- Preliminary December 2015

14.3. Contracts

14.3.1. Wicks - Physician Recruitment Agreement for Student Loan Repayment

14.3.2. Wicks - TFH Call Coverage Agreement 2016

14.3.3. Wicks - Professional Services Agreement-MultiSpecialty Clinics 2016

14.4. Policy Review

14.4.1. ABD-01 Board CEO and Employee Performance Evaluation

14.4.2. ABD-02 TFHD Chief Executive Compensation

14.4.3. ABD-07 Conflict of Interest Policy

14.4.4. ABD-14 Inspection and Copying of Public Records

14.4.5. ABD-17 Manner of Governance for TFHD Board of Directors

14.4.6. ABD-19 Board Orientation and Continuing Education

14.5. TFHS Foundation Quarterly Update Report

14.6. IVCH Foundation Board Member Nomination

ACTION: Motion made by Director Zipkin, seconded by Director Mohun, to approve the consent calendar as presented without item 14.4.3.

AYES: Directors Mohun, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

15. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

15.1. Quarterly Facilities Development Update

Mike Geney of Geney & Gassiot and Rick McConn, Chief Facilities Officer, gave a quarterly update of the Facilities Development Plan (FDP).

Discussion was held.

15.2. Physician Alignment Presentation

Darrin Bell and Krista Fakoory of ECG Management Company presented a proposed Physician Alignment option to the Board.

Discussion was held.

Public comment was received from Gaylan Larson.

Discussion was held.

15.3. 2016 Compliance Work Plan

Jim Hook of The Fox Group presented a proposed 2016 Corporate Compliance Program Annual Work Plan for approval.

Director Mohun departed the meeting at 7:37 p.m.

ACTION: Motion made by Director Sessler, seconded by Director Zipkin, to approve the 2016 Corporate Compliance Annual Work Plan.

AYES: Directors Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

Open Session recessed at 7:40 p.m.

Open Session reconvened at 7:47 p.m.

Director Mohun returned to the meeting at 7:47 p.m.

15.4. Wellness Neighborhood Presentation

Karen Gancitano, Executive Director of Post Acute Services, presented the Board with a Wellness Neighborhood update.

15.5. Approval of KaufmanHall Phase II Scope of Work

Board reviewed and considered for approval Phase II scope of work for KaufmanHall.

Discussion was held

ACTION: Motion made by Director Zipkin, seconded by Director Sessler, to approve the KaufmanHall Phase II Scope of Work.

AYES: Directors Mohun, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

16. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

Item 14.4.3 was pulled from the consent calendar for further discussion.

Staff was directed to make the following corrections to ABD-07:

-Section 2.6.3.4. – change “\$250 or more” to “more than \$250” to align with FPPC requirements.

-Section 6.3., last paragraph – change strikethrough from “Disclosure Questionnaire” to “Policy Acknowledgement”.

-Remove strikethrough of Acknowledgment section in policy attachment.

ACTION: Motion made by Director Jellinek, seconded by Director Zipkin, to approve ABD-07 Conflict of Interest Policy with changes outlined above.

AYES: Directors Mohun, Zipkin, Sessler and Jellinek

NAYS: None

Abstention: None

17. BOARD COMMITTEE REPORTS/RECOMMENDATIONS FOR DISCUSSION AND/OR ACTION

17.1. Governance Committee Meeting– 01/20/2016

Director Sessler gave an update from Governance Committee.

17.1.1. Board Retreat Update

Discussion was held.

17.2. Personnel Committee Meeting – 01/14/2016

Director Zipkin gave an update from Personnel Committee.

17.3. Finance Committee Meeting – 01/21/2016

Director Jellinek gave an update from Finance Committee.

17.4. Quality Committee Meeting – No meeting held in January.

17.5. Community Benefit Committee – No meeting held in January.

18. INFORMATIONAL REPORTS

18.1. Strategic Initiatives Updates

No discussion was held.

19. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

No discussion was held.

20. ITEMS FOR NEXT MEETING

Staff was directed to schedule a Special Meeting for CEO Compensation Goals.

21. BOARD MEMBERS REPORTS/CLOSING REMARKS

Director Zipkin read Section 3.11 of policy ABD-17.

Open Session recessed at 8:34 p.m.

22. CLOSED SESSION CONTINUED, IF NECESSARY

Discussion was held on a privileged matter.

23. OPEN SESSION

Open Session reconvened at 8:40 p.m.

24. REPORT OF ACTIONS TAKEN IN CLOSED SESSION, IF NECESSARY

No action taken in additional Closed Session.

25. MEETING EFFECTIVENESS ASSESSMENT

No discussion was held.

26. ADJOURN

Meeting was adjourned at 8:41 p.m.



SPECIAL MEETING OF THE BOARD OF DIRECTORS OF TAHOE FOREST HOSPITAL DISTRICT

DRAFT MINUTES

Monday, February 1, 2016 at 8:00 a.m.

Cedar House Sport Hotel – Cervino Room
10918 Brockway Road, Truckee, CA 96161

Board Retreat - Day 1

1. CALL TO ORDER

Meeting was called to order at 8:00 a.m.

2. ROLL CALL

Board: Chuck Zipkin, President; Greg Jellinek, Vice President; Dale Chamblin, Treasurer; Karen Sessler, Board Member

Staff: Harry Weis, CEO; Crystal Betts, CFO; Judy Newland, CNO/COO; Jake Dorst, CIO; Martina Rochefort Clerk of the Board

Other: David Ruderman, Colantuono, Highsmith & Whatley

Absent at time of roll call: John Mohun, Secretary

3. INPUT – AUDIENCE

No public comment was received

4. RETREAT ITEMS FOR BOARD DISCUSSION

4.1. Welcome and Overview

Lisa Toutant, Retreat Facilitator, provided the Board with an overview of the retreat format and schedule.

Board members participated in an opening icebreaker.

4.2. Regulatory Update

David Ruderman reviewed recent changes of Fair Political Practices Commission regulations.

FPPC has turned an 8-step test to determine whether public official has a conflict of interest into a new 4-step test. This has created more gray area and ambiguity. Board member may need to inquire more often regarding potential conflicts.

Questions for 4-step test

1. Is it reasonably foreseeable that the governmental decision will have a financial effect on any of the public official's financial interests?

2. If yes, are those effects “material”?
3. If yes, will those effects be the same on the “public generally”?
4. If the effects are not the same on the public generally, will the official be sufficiently involved in the governmental decision that causes those effects? (legally required participation)

FPPC has decided financial effect is not material if it is “nominal, inconsequential, or insignificant.”

Public officials may not participate in governmental decision affecting real property within 500 feet of his or her real property without clearance from FPPC.

Director Mohun joined the meeting at 8:31 a.m.

FPPC has lowered threshold from \$250 to “measurable”. Counsel indicated the question will become how the FPPC will balance “measurable” with “nominal, inconsequential, or insignificant”?

Discussion was held regarding most common FPPC offenses.

4.3. CEO presentation

CEO shared Jake Dorst, TFHD CIO, was named on Friday in Becker’s top 100 list of Chief Information Officers to watch in 2016.

CEO shared observations from his first 60 days at TFHD. CEO has met with a number of community members and physicians.

CEO discussed his core philosophies.

The proposed draft TFHD organizational chart was distributed and discussed.

Meeting recessed at 9:45 a.m.

Meeting reconvened at 10:00 a.m.

4.4. Board Education

Walter Kopp presented on *Clinically Integrated Communities and Physician Practices in California*.

Northern California hospitals must support and subsidize compensation model similar to what was created by Kaiser Permanente. Kaiser Permanente hires the most new graduates. Physicians start at approximately 300k and are offered a benefit package worth 40%. A generational change is being seen.

Discussion was held regarding TTMG and their affiliation with rural ACO. Currently, the Coleman model for clinical care coordination is used.

TFHD should consider a system where specialties support primary care. In one model, physicians can call up a specialist and get an immediate consult while patient is in their office.

Mr. Kopp stated that before the marketing for the MSC be updated, TFHD needs to make the system more accessible.

Discussion was held on District's marketing plan. District needs to solve specialty access problem.

Meeting recessed at 11:40 a.m.

Meeting reconvened at 12:49 p.m.

4.5. Mission, Vision and Strategic Plan Work

Lisa Toutant reviewed the current TFHD Mission and Vision Statement and examples of other hospitals' Mission and Vision statements with the Board.

Board Members worked on revisions of TFHD mission and vision statements.

Proposed mission statement: *We exist to make a difference in the health of our communities through excellence and compassion in all we do.*

Proposed vision statement: *To serve our region by striving to be the best mountain health system in the nation.*

Discussion took place regarding TFHD's Values. The board would like to see the following words incorporated: innovation, compassion, agility, integrity/trust, patient satisfaction, and community satisfaction.

Meeting recessed at 2:14 p.m.

Meeting reconvened at 2:20 p.m.

CEO reviewed the following list of critical strategies to take place over the next few months:

- Physician Service Line
- Information Technology/EMR
- Create new Master Plan
- Develop comprehensive Care Coordination and Patient Navigation program
- Continue to show measurable improvements in Quality and Patient Satisfaction and improve financial performance and Compliance Program
- Develop solid connections with our communities

Meeting recessed at 2:44 p.m.

Meeting reconvened at 2:56 p.m.

4.6. Compliance Education

The Fox Group presented the Board with a Compliance presentation highlighting:

- The Role of the Board in Compliance
- The Role of the Compliance Committee
- Purpose and Implementation
- Compliance Risk Areas
- Code of Conduct

- Professional Expectations
- 2016 TFHD Workplan

Board requested the presentation be modified to a readable form and included in the Board Orientation folder.

5. PUBLIC COMMENT

No public comment was received.

6. MEETING EFFECTIVENESS ASSESSMENT

No discussion was held.

7. ADJOURN

Meeting adjourned at 3:34 p.m.

DRAFT



SPECIAL MEETING OF THE BOARD OF DIRECTORS OF TAHOE FOREST HOSPITAL DISTRICT

DRAFT MINUTES

Tuesday, February 2, 2016 at 8:00 a.m.

Cedar House Sport Hotel – Cervino Room
10918 Brockway Road, Truckee, CA 96161

Board Retreat - Day 2

1. CALL TO ORDER

Meeting was called to order at 8:00 a.m.

2. ROLL CALL

Board: Chuck Zipkin, President; Greg Jellinek, Vice President; Dale Chamblin, Treasurer; Karen Sessler, Board Member

Staff: Harry Weis, CEO; Crystal Betts, CFO; Judy Newland, CNO/COO; Jake Dorst, CIO; Martina Rochefort Clerk of the Board

Absent: John Mohun, Secretary

3. INPUT – AUDIENCE

No public comment was received.

4. RETREAT ITEMS FOR BOARD DISCUSSION

4.1. Board Roundtable

Board discussed their 2015 successes, as well as their 2015 opportunities.

Board reviewed their SWOT analysis as discussed at March and October 2015 retreats.

Board expressed desire to have more education on the Caremark case.

Discussion was held on Board's desire to improve relationship with medical staff.

Meeting recessed at 9:42 a.m.

Meeting reconvened at 9:51 a.m.

4.2. Board Roundtable Discussion, continued

Board reviewed the results of the Board's 2014 and 2015 self-assessment tool.

Board would like to review results marked "not sure" and hold an educational session on those items. "Not sure" responses show a lack of board understanding.

Board would like to develop their own board self-assessment tool through Governance Committee.

Board reviewed their 2015 goals and discussed their goals and priorities for 2016.

Meeting recessed at 10:57 a.m.

Meeting reconvened at 11:15 a.m.

4.3. Order & Decorum

Ted Owens provided a background on methodology for order and decorum.

Meeting recessed at 11:52 a.m.

Meeting reconvened at 12:42 p.m.

4.4. Order & Decorum, continued

Board members discussed the following order and decorum topics:

- Public participation in board meetings
- Promptness at meeting time
- Agenda items
- Last minute supporting documents
- Consent calendar procedure
- Requests for input or dialogue
- Motions
- Amendments of a motion
- Vote
- Voice vote
- Disqualification/Abstention
- Motion for reconsideration
- Individual board member agenda requests
- Workshops
- President and Vice President annual selection
- Role of the President
- Expectations regarding organization culture

Expectations of Board and Staff were reviewed.

5. PUBLIC COMMENT

No public comment was received.

6. MEETING EFFECTIVENESS ASSESSMENT

No discussion was held.

7. ADJOURN

Meeting adjourned at 2:34 p.m.

**TAHOE FOREST HOSPITAL DISTRICT
JANUARY 2016 FINANCIAL REPORT
INDEX**

PAGE	DESCRIPTION
2 - 3	FINANCIAL NARRATIVE
4	STATEMENT OF NET POSITION
5	NOTES TO STATEMENT OF NET POSITION
6	CASH INVESTMENT
7	TFHD STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
8 - 9	TFHD NOTES TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
10	IVCH STATEMENT OF REVENUE AND EXPENSE
11 - 12	IVCH NOTES TO STATEMENT OF REVENUE AND EXPENSE
13	STATEMENT OF CASH FLOW

Board of Directors
Of Tahoe Forest Hospital District

JANUARY 2016 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the seven months ended January 31, 2016.

Activity Statistics

- ❑ TFH acute patient days were 430 for the current month compared to budget of 414. This equates to an average daily census of 13.87 compared to budget of 13.36.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Diagnostic Imaging, Mammography, Oncology procedures, Nuclear Medicine, Cat Scans, Oncology Drugs, Physical Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Endoscopy procedures, Radiation Oncology procedures, MRI exams, PET CTs, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 66.3% in the current month compared to budget of 53.2% and to last month's 58.6%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 58.4%, compared to budget of 53.3% and prior year's 55.4%.
- ❑ EBIDA was \$3,765,017 (18.3%) for the current month compared to budget of \$540,291 (2.9%), or \$3,224,725 (15.4%) above budget. Year-to-date EBIDA was \$10,770,591 (8.4%) compared to budget of \$2,458,247 (2.0%) or \$8,312,344 (6.4%) above budget.
- ❑ Cash Collections for the current month were \$9,339,669 which is 81% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 59.4, compared to the prior month of 59.5. Gross Accounts Receivables are \$33,484,981 compared to the prior month of \$31,108,606. The percent of Gross Accounts Receivable over 120 days old is 20.0%, compared to the prior month of 21.8%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 26.3 days. S&P Days Cash on Hand is 166.7. Working Capital cash increased \$1,720,000. Cash collections fell short of target by 19%, the District received its first installment of property tax revenues, reimbursement of \$975,710 for funds advanced on December Measure C projects, and Accounts Payable decreased \$1,366,000.
- ❑ Net Patients Accounts Receivable increased approximately \$3,030,000. Cash collections were at 81% of target and days in accounts receivable were 59.40 days, a .10 day decrease.
- ❑ Other Receivables decreased \$2,764,000 after recording receipt of the first installment of property tax revenues.
- ❑ Other Receivables GO Bond also decreased \$2,440,000 after receiving the first installment of property tax revenues. The net balance of property tax revenues, after remitting interest payments due on the GO Bonds, was transferred to the GO Bond Tax Revenue Fund.
- ❑ Estimated Settlements, Medi-Cal & Medicare increased \$886,000 after truing up the FY2015 Medicare settlement reserves based on the as filed cost reports.
- ❑ GO Bond Project Fund decreased \$975,710 after reimbursing the District for funds advanced on the December Measure C Projects.
- ❑ Accounts Payable decreased \$1,366,000 due to the timing of the final check run in January.
- ❑ Interest Payable decreased \$542,000 after remitting the interest payment due on the 2015 (formerly 2006) Revenue bond.
- ❑ Interest Payable GO Bond decreased \$1,815,000 after remitting the interest payments due on the GO Bond Series A, B, and C.

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$20,569,957, compared to budget of \$18,839,605 or \$1,730,353 above budget.
- ❑ Current month's Gross Inpatient Revenue was \$6,517,293, compared to budget of \$6,389,828 or \$127,465 above budget.
- ❑ Current month's Gross Outpatient Revenue was \$14,052,665 compared to budget of \$12,449,777 or \$1,602,888 above budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 29.6% Medicare, 19.4% Medi-Cal, .0% County, 3.6% Other, and 47.4% Insurance compared to budget of 36.2% Medicare, 18.7% Medi-Cal, .0% County, 3.8% Other, and 41.3% Insurance. Last month's mix was 31.2% Medicare, 15.4% Medi-Cal, .0% County, 4.1% Other, and 49.3% Insurance.
- ❑ Current month's Deductions from Revenue were \$6,940,218 compared to budget of \$8,809,477 or \$1,869,259 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 6.67% decrease in Medicare, a .68% increase to Medi-Cal, a .02% decrease in County, a .15% decrease in Other, and Commercial was above budget 6.17%, 2) we continue to see a pickup in Bad Debt as Self-Pay and Out of Country accounts are worked, and 3) the District trued up its FY2015 Medicare reserve settlements based on the as filed cost reports, resulting in a positive pickup in Prior Period Settlements.

Operating Expenses

DESCRIPTION	January 2016 Actual	January 2016 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,897,904	3,850,955	(46,949)	Negative variance in Salaries & Wages was offset by a positive variance in Paid Leave and Long-term Sick in Employee Benefits.
Employee Benefits	1,190,537	1,298,888	108,352	
Benefits – Workers Compensation	59,552	60,541	989	
Benefits – Medical Insurance	721,642	750,099	28,457	
Professional Fees	1,725,523	1,442,543	(282,979)	Accrual of MSC Physician RVU bonuses, services provided to TIRHR, Community Health, Retail Pharmacy, and Occupational Health, TFH and IVCH Physical and Occupational Therapy revenues exceeding budget, Legal and Consulting services provided to Administration, and outsourced work on our managed care contracts created a negative variance in Professional Fees.
Supplies	1,611,625	1,337,584	(274,041)	Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues exceeded budget by 12.87% and Surgery and Medical Supplies Sold to Patients revenues exceeded budget by 18.89% creating an over budget variance in Supplies.
Purchased Services	1,005,512	907,816	(97,695)	Services provided to the Wellness Neighborhood, Medical Staff, Purchasing, MSC Administration, Laundry & Linen, and Snow Removal were over budget and increased volumes across the Radiology departments increased the cost of outsourced radiology reads, creating a negative variance in Purchased Services.
Other Expenses	515,103	462,365	(52,738)	Dues and Subscriptions were over budget in Administration, Governing Board, Medical Staff, and IVCH Administration. We also witnessed a negative variance in travel for the Interim Director of Revenue Cycle and Interim Manager in the Business Office along with tuition reimbursements and Leadership Training.
Total Expenses	10,727,396	10,110,791	(616,606)	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JANUARY 2016

	Jan-16	Dec-15	Jan-15	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 8,589,595	\$ 6,869,116	\$ 9,166,070	1
PATIENT ACCOUNTS RECEIVABLE - NET	18,253,564	15,223,987	16,100,428	2
OTHER RECEIVABLES	3,860,562	6,624,245	3,248,230	3
GO BOND RECEIVABLES	(515,640)	1,924,705	(138,146)	4
ASSETS LIMITED OR RESTRICTED	4,942,148	5,106,917	5,629,382	
INVENTORIES	2,300,041	2,313,783	2,477,144	
PREPAID EXPENSES & DEPOSITS	1,630,575	1,492,964	1,505,074	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	6,222,208	5,336,009	3,277,186	5
TOTAL CURRENT ASSETS	45,283,053	44,891,727	41,265,368	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	45,834,718	45,792,365	40,705,163	1
BANC OF AMERICA MUNICIPAL LEASE	979,155	979,155	2,294,253	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	606,921	953,949	2,709,034	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	5,533,945	6,509,655	15,912,247	6
GO BOND TAX REVENUE FUND	1,360,035	707,050	555,788	4
BOARD DESIGNATED FUND	-	-	2,297	
DIAGNOSTIC IMAGING FUND	2,976	2,973	2,967	
DONOR RESTRICTED FUND	1,141,630	1,141,076	1,130,562	
WORKERS COMPENSATION FUND	4,090	9,667	1,903	
TOTAL	55,463,472	56,095,892	63,314,215	
LESS CURRENT PORTION	(4,942,148)	(5,106,917)	(5,629,382)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	50,521,323	50,988,974	57,684,833	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	223,258	282,871	393,277	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	128,080,074	128,698,377	130,533,916	
GO BOND CIP, PROPERTY & EQUIPMENT NET	27,372,282	26,648,069	17,472,778	
TOTAL ASSETS	252,316,343	252,346,371	248,186,525	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	559,201	562,433	597,989	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,880,317	1,880,317	1,936,176	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	1,962,857	1,970,495	-	
GO BOND DEFERRED FINANCING COSTS	304,360	305,544	-	
DEFERRED FINANCING COSTS	217,418	218,458	-	
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 4,924,153	\$ 4,937,248	\$ 2,534,165	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 4,645,468	\$ 6,011,239	\$ 5,650,712	7
ACCRUED PAYROLL & RELATED COSTS	7,075,002	6,541,679	7,094,678	
INTEREST PAYABLE	89,486	631,044	148,148	8
INTEREST PAYABLE GO BOND	(12,163)	1,802,771	83	9
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	366,356	366,356	1,245,100	
HEALTH INSURANCE PLAN	1,307,731	1,307,731	997,635	
WORKERS COMPENSATION PLAN	404,807	404,807	1,006,475	
COMPREHENSIVE LIABILITY INSURANCE PLAN	824,203	824,203	890,902	
CURRENT MATURITIES OF GO BOND DEBT	530,000	530,000	315,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,323,994	2,323,994	2,300,830	
TOTAL CURRENT LIABILITIES	17,554,883	20,743,824	19,649,563	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	30,116,631	30,218,987	33,584,150	
GO BOND DEBT NET OF CURRENT MATURITIES	100,013,205	100,017,147	98,130,000	
DERIVATIVE INSTRUMENT LIABILITY	1,880,317	1,880,317	1,936,176	
TOTAL LIABILITIES	149,565,036	152,860,276	153,299,889	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED	106,533,830	103,282,267	96,290,239	
	1,141,630	1,141,076	1,130,562	
TOTAL NET POSITION	\$ 107,675,460	\$ 104,423,343	\$ 97,420,801	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
JANUARY 2016

1. Working Capital is at 26.3 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 166.7 days. Working Capital cash increased \$1,720,000. Cash collections fell short of target by 19%, however, cash collections were approximately \$952,000 higher than December, the District received its first installment on property tax revenues (See Note 3), reimbursement of \$975,710 for funds advanced on December Measure C projects (See Note 6), and Accounts Payable decreased \$1,366,000 (See Note 7).
2. Net Patient Accounts Receivable increased approximately \$3,030,000. Cash collections were 81% of target. Days in Accounts Receivable are at 59.4 days compared to prior months 59.5 days, a .10 day decrease.
3. Other Receivables decreased a net \$2,764,000 after receiving the first installment on property tax revenues from Nevada and Placer counties.
4. GO Bond Receivables decreased \$2,440,000 after recording the receipt of Nevada and Placer counties property tax revenues and GO Bond Tax Revenue Fund increased \$653,000. The net balance of property tax revenues, after remitting interest payments due on the GO Bonds, was transferred to the GO Bond Tax Revenue Fund.
5. Estimated Settlements, Medi-Cal & Medicare increased a net \$886,000 after truing up the settlement reserves based on the as filed FY2015 Medicare cost reports.
6. GO Bond Project Fund decreased \$975,710 after reimbursing the District for funds advanced on the December Measure C projects.
7. Accounts Payable decreased \$1,366,000 due to the timing of the final check run in January.
8. Interest Payable decreased \$542,000 after remitting the interest payment due on the 2015 (formerly 2006) Revenue Bond.
9. Interest Payable GO Bond also decreased \$1,815,000 after remitting the interest payments due on the GO Bond Series A, B, and C.

**Tahoe Forest Hospital District
Cash Investment
January 2016**

WORKING CAPITAL

US Bank	\$ 8,170,043		
US Bank/Kings Beach Thrift Store	103,847		
US Bank/Truckee Thrift Store	315,705		
Wells Fargo Bank			
Local Agency Investment Fund	-	0.45%	
Total			\$ 8,589,595

BOARD DESIGNATED FUNDS

US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	-		
Total			\$ -

Building Fund	\$ -		
Cash Reserve Fund	45,834,718	0.45%	
Local Agency Investment Fund			\$ 45,834,718

Banc of America Muni Lease			\$ 979,155
Bonds Cash 2002			\$ 2
Bonds Cash 2006			\$ 606,921
Bonds Cash 2008			\$ 6,893,980

DX Imaging Education	\$ 2,976	0.45%	
Workers Comp Fund - B of A	4,090		

Insurance			
Health Insurance LAIF	-	0.45%	
Comprehensive Liability Insurance LAIF	-	0.45%	
Total			\$ 7,067

TOTAL FUNDS			\$ 62,911,437
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RESTRICTED FUNDS

Gift Fund			
US Bank Money Market	\$ 8,368	0.03%	
Foundation Restricted Donations	\$ 100,727		
Local Agency Investment Fund	1,032,535	0.45%	
TOTAL RESTRICTED FUNDS			\$ 1,141,630

TOTAL ALL FUNDS			\$ 64,053,066
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TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JANUARY 2016

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	JAN 2015	
\$ 20,569,957	\$ 18,839,605	\$ 1,730,353	9.2%							
OPERATING REVENUE										
				Total Gross Revenue	\$ 127,991,761	\$ 124,244,047	\$ 3,747,713	3.0%	1	\$ 122,549,155
				Gross Revenues - Inpatient						
\$ 1,870,797	\$ 1,910,285	\$ (39,488)	-2.1%	Daily Hospital Service	\$ 11,828,746	\$ 12,601,920	\$ (773,174)	-6.1%		\$ 12,079,651
4,646,496	4,479,543	166,953	3.7%	Ancillary Service - Inpatient	25,255,620	27,575,317	(2,319,697)	-8.4%		29,051,418
6,517,293	6,389,828	127,465	2.0%	Total Gross Revenue - Inpatient	37,084,366	40,177,237	(3,092,871)	-7.7%	1	41,131,069
14,052,665	12,449,777	1,602,888	12.9%	Gross Revenue - Outpatient	90,907,394	84,066,810	6,840,584	8.1%		81,418,086
14,052,665	12,449,777	1,602,888	12.9%	Total Gross Revenue - Outpatient	90,907,394	84,066,810	6,840,584	8.1%	1	81,418,086
				Deductions from Revenue:						
7,389,792	7,747,376	357,584	4.6%	Contractual Allowances	50,722,335	50,969,278	246,943	0.5%	2	48,448,540
604,466	615,106	10,640	1.7%	Charity Care	3,808,431	4,058,821	250,390	6.2%	2	3,815,172
70,362	-	(70,362)	0.0%	Charity Care - Catastrophic Events	394,072	-	(394,072)	0.0%	2	-
(212,577)	446,994	659,571	147.6%	Bad Debt	(577,708)	2,989,526	3,567,234	119.3%	2	2,173,164
(911,827)	-	911,827	0.0%	Prior Period Settlements	(1,133,224)	-	1,133,224	0.0%	2	270,924
6,940,218	8,809,477	1,869,259	21.2%	Total Deductions from Revenue	53,213,905	58,017,624	4,803,719	8.3%		54,707,800
61,140	60,432	709	1.2%	Property Tax Revenue- Wellness Neighborhood	440,700	425,989	14,712	3.5%		511,783
801,533	560,522	241,011	43.0%	Other Operating Revenue	4,874,027	3,898,609	975,418	25.0%	3	4,628,653
14,492,413	10,651,082	3,841,331	36.1%	TOTAL OPERATING REVENUE	80,092,582	70,551,021	9,541,562	13.5%		72,981,792
OPERATING EXPENSES										
3,897,904	3,850,955	(46,949)	-1.2%	Salaries and Wages	25,100,699	25,416,767	316,067	1.2%	4	23,874,785
1,190,537	1,298,888	108,352	8.3%	Benefits	8,813,191	8,208,510	(604,681)	-7.4%	4	8,267,616
59,552	60,541	989	1.6%	Benefits Workers Compensation	377,827	423,786	45,959	10.8%	4	339,344
721,642	750,099	28,457	3.8%	Benefits Medical Insurance	4,286,768	5,250,691	963,923	18.4%	4	4,691,905
1,725,523	1,442,543	(282,979)	-19.6%	Professional Fees	10,680,392	9,864,497	(815,896)	-8.3%	5	12,746,122
1,611,625	1,337,584	(274,041)	-20.5%	Supplies	10,273,900	9,152,816	(1,121,084)	-12.2%	6	9,880,762
1,005,512	907,816	(97,695)	-10.8%	Purchased Services	6,306,766	6,169,572	(137,194)	-2.2%	7	6,490,937
515,103	462,365	(52,738)	-11.4%	Other	3,482,448	3,606,136	123,687	3.4%	8	3,933,832
10,727,396	10,110,791	(616,606)	-6.1%	TOTAL OPERATING EXPENSE	69,321,991	68,092,773	(1,229,218)	-1.8%		70,225,302
3,765,017	540,291	3,224,725	596.8%	NET OPERATING REVENUE (EXPENSE) EBIDA	10,770,591	2,458,247	8,312,344	338.1%		2,756,490
NON-OPERATING REVENUE/(EXPENSE)										
418,416	391,775	26,642	6.8%	District and County Taxes	2,752,098	2,739,458	12,641	0.5%	9	2,632,917
395,083	392,691	2,392	0.6%	District and County Taxes - GO Bond	2,751,231	2,748,839	2,392	0.1%		2,757,323
31,108	18,944	12,164	64.2%	Interest Income	194,046	140,776	53,270	37.8%	10	161,903
1,526	785	741	94.5%	Interest Income-GO Bond	15,723	10,347	5,376	52.0%		22,613
30,202	34,671	(4,469)	-12.9%	Donations	232,013	242,698	(10,685)	-4.4%	11	273,411
(59,613)	-	(59,613)	0.0%	Gain/ (Loss) on Joint Investment	(101,137)	(75,000)	(26,137)	0.0%	12	(67,418)
-	-	-	0.0%	Loss on Impairment of Asset	-	-	-	0.0%	12	-
-	-	-	0.0%	Gain/ (Loss) on Sale of Equipment	-	-	-	0.0%	13	-
-	-	-	0.0%	Impairment Loss	-	-	-	0.0%	14	-
(856,217)	(855,178)	(1,039)	-0.1%	Depreciation	(5,962,126)	(5,986,247)	24,121	0.4%	15	(5,499,222)
(108,965)	(115,441)	6,476	5.6%	Interest Expense	(843,796)	(809,802)	(33,994)	-4.2%	16	(982,499)
(365,904)	(362,660)	(3,244)	-0.9%	Interest Expense-GO Bond	(1,529,450)	(1,449,392)	(80,057)	-5.5%		(1,898,185)
(514,364)	(494,413)	(19,951)	-4.0%	TOTAL NON-OPERATING REVENUE/(EXPENSE)	(2,491,397)	(2,438,323)	(53,074)	-2.2%		(2,599,157)
\$ 3,250,653	\$ 45,878	\$ 3,204,775	-6985.4%	INCREASE (DECREASE) IN NET POSITION	\$ 8,279,194	\$ 19,924	\$ 8,259,270	-41453.4%		\$ 157,333
NET POSITION - BEGINNING OF YEAR					99,396,265					
NET POSITION - AS OF JANUARY 31, 2016					\$ 107,675,459					
18.3%	2.9%	15.4%		RETURN ON GROSS REVENUE EBIDA	8.4%	2.0%	6.4%		2.2%	

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
JANUARY 2016

		Variance from Budget	
		Fav / <Unfav>	
		JAN 2016	YTD 2016

1) Gross Revenues

Acute Patient Days were over budget 3.86% or 16 days. Swing Bed days were above budget 181.25% or 29 days. Ancillary revenue exceeded budget by 3.7% due to the increase in patient days.

Gross Revenue -- Inpatient	\$ 127,465	\$ (3,092,871)
Gross Revenue -- Outpatient	1,602,888	6,840,584
Gross Revenue -- Total	\$ 1,730,353	\$ 3,747,713

Outpatient volumes were above budget in the following departments: Emergency Department visits, Laboratory tests, Diagnostic & Vascular Imaging, Mammography, Oncology procedures, Nuclear Medicine, Cat Scans, Pharmacy units, Oncology Drugs, Physical Therapy, and Occupational Therapy.

2) Total Deductions from Revenue

The payor mix for January shows a 6.67% decrease to Medicare, a .68% increase to Medi-Cal, .15% decrease to Other, a .02% decrease to County, and a 6.17% increase to Commercial when compared to budget. Contractual Allowances were under budget due to the shift in payor mix from Medicare to Commercial.

Contractual Allowances	\$ 357,584	\$ 246,943
Charity Care	10,640	250,390
Charity Care - Catastrophic	(70,362)	(394,072)
Bad Debt	659,571	3,567,234
Prior Period Settlements	911,827	1,133,224
Total	\$ 1,869,259	\$ 4,803,719

Positive variance in Prior Period Settlements attributed to truing up the FY2015 settlement reserves based on the as filed Medicare cost reports.

3) Other Operating Revenue

Pharmaceutical prescription volumes exceeded budget by 2.17%, creating a positive variance in Retail Pharmacy revenues.

Retail Pharmacy	\$ 24,622	\$ 110,946
Hospice Thrift Stores	(14,283)	37,160
The Center (non-therapy)	4,862	(4,042)
IVCH ER Physician Guarantee	16,139	113,872
Children's Center	7,825	82,858
Miscellaneous	203,095	595,825
Oncology Drug Replacement	-	-
Grants	(1,250)	38,800
Total	\$ 241,011	\$ 975,418

IVCH ER Physician Guarantee is tied to collections which exceeded budget in January.

Children's Center revenue exceeded budget by 12.15%.

Positive variance in Miscellaneous related to the receipt of the year two Meaningful Use Incentive from the Medi-Cal program.

4) Salaries and Wages

Negative variance in Salaries and Wages was offset by positive variances in PL/SL benefits.

Total	\$ (46,949)	\$ 316,067
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Employee Benefits

Negative variance in Nonproductive related to Longevity bonuses.

PL/SL	\$ 86,729	\$ (114,090)
Nonproductive	(20,974)	(187,393)
Pension/Deferred Comp	0	(7,114)
Standby	(4,167)	(78,961)
Other	46,765	(237,122)
Total	\$ 108,352	\$ (604,681)

Employee Benefits - Workers Compensation

Total	\$ 989	\$ 45,959
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Employee Benefits - Medical Insurance

Total	\$ 28,457	\$ 963,923
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5) Professional Fees

Negative variance in Multi-Specialty Clinics related to booking accrued MSC physician RVU bonuses.

Multi-Specialty Clinics	\$ (229,583)	\$ (284,031)
Miscellaneous	(49,220)	(226,599)
The Center (includes OP Therapy)	(9,211)	(198,162)
TFH/IVCH Therapy Services	(18,841)	(169,991)
Administration	(50,972)	(159,383)
Information Technology	11,878	(17,056)
Multi-Specialty Clinics Admin	(3,614)	(13,840)
Managed Care	(10,101)	(11,966)
Home Health/Hospice	971	(5,158)
IVCH ER Physicians	(2,950)	(2,681)
Financial Administration	9,430	(2,284)
Patient Accounting/Admitting	-	-
Business Performance	-	-
Respiratory Therapy	200	850
TFH Locums	9,833	4,029
Sleep Clinic	896	10,873
Medical Staff Services	3,380	16,597
Marketing	2,375	16,625
Oncology	18,376	39,903
Corporate Compliance	29,450	73,671
Human Resources	4,722	112,708
Total	\$ (282,979)	\$ (815,896)

Services provided to TIRHR, Community Health, Retail Pharmacy consulting to assist with the transition of supplying our SNF Resident's prescriptions in-house, and Occupational Health for Medical Director oversight created a negative variance in Miscellaneous.

Outpatient Physical and Occupational Therapy revenues exceeded budget by 9.22%, creating a negative variance in The Center (includes OP Therapy).

TFH/IVCH Therapy Services revenues exceeded budget by 13.22%, creating a negative variance in this category.

Legal services and Therapy Service line analysis consulting created a negative variance in Administration.

Work performed on our managed care contracts created a negative variance in Managed Care.

6) Supplies

Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues exceeded budget by 12.87%, creating a negative variance in Pharmacy Supplies.

Cafeteria Sales exceeded budget by 6.07%, creating a negative variance in Food.

Purchases to replenish I/T stock created a negative variance in Minor Equipment.

Surgery and Medical Supplies Sold to Patients revenues exceeded budget by 18.89%, creating a negative variance in Patient & Other Medical Supplies.

Pharmacy Supplies	\$ (19,755)	\$ (977,824)
Food	(5,776)	(59,166)
Minor Equipment	(5,171)	(35,579)
Office Supplies	(5,492)	(42,281)
Patient & Other Medical Supplies	(245,749)	(37,377)
Imaging Film	522	(1,066)
Other Non-Medical Supplies	7,380	32,208
Total	\$ (274,041)	\$ (1,121,084)

7) Purchased Services

Negative variance in Miscellaneous for services provided to the Wellness Neighborhood, Medical Staff for MD Staff Application support, Purchasing to assist in the transition of the Materials Management manager, MSC Administration for EMR and Practice Management fees, Laundry & Linen, and snow removal.

Outsourced radiology reads exceeded budget due to the increase in volumes over budget estimations, creating a negative variance in Diagnostic Imaging - All.

Laboratory volumes exceeded budget by 3.77%, creating a negative variance in laboratory testing reads.

Employee Health screenings came in below budget estimations, creating a positive variance in Human Resources.

Positive variance in Multi-Specialty Clinics related to a shortfall of visits to budgeted volumes.

Positive variance in Patient Accounting related to collection agency fees falling short of budget projections.

Miscellaneous	\$ (91,275)	\$ (340,754)
Diagnostic Imaging Services - All	(21,051)	(44,999)
The Center	(6,896)	(44,974)
Laboratory	(4,782)	(33,193)
Department Repairs	(2,674)	(32,070)
Pharmacy IP	(3,975)	(9,927)
Medical Records	(2,645)	(6,033)
Community Development	392	2,742
Hospice	2,021	12,431
Human Resources	13,646	15,149
Multi-Specialty Clinics	12,612	38,938
Patient Accounting	8,139	90,341
Information Technology	(1,208)	215,154
Total	\$ (97,695)	\$ (137,194)

8) Other Expenses

Negative variance in Dues and Subscriptions for services provided to Administration, Governing Board, Medical Staff, and IVCH Administration.

Travel expenses for the Interim Director of Revenue Cycle, Interim Manager in the Business Office, tuition reimbursements, and leadership training created a negative variance in Outside Training & Travel.

Negative variance in Miscellaneous is actually a positive for the District. During the FY16 budgeting process assumptions were made on the cost of human resources to upgrade the Laboratory and Surgery software systems. Labor costs that were budgeted to be capitalized as part of the projects are coming in below estimations.

Equipment Rent	\$ 5,931	\$ (43,281)
Dues and Subscriptions	(8,847)	(33,861)
Human Resources Recruitment	(978)	(13,295)
Other Building Rent	(1,574)	(13,176)
Multi-Specialty Clinics Bldg Rent	(1,534)	(10,622)
Outside Training & Travel	(13,717)	(5,200)
Multi-Specialty Clinics Equip Rent	(472)	(883)
Innovation Fund	-	-
Physician Services	189	563
Insurance	4,206	31,661
Miscellaneous	(45,229)	62,400
Utilities	(4,282)	74,388
Marketing	13,567	74,995
Total	\$ (52,738)	\$ 123,687

9) District and County Taxes

Total	\$ 26,642	\$ 12,641
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10) Interest Income

Total	\$ 12,164	\$ 53,270
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11) Donations

IVCH	\$ (4,333)	\$ 5,293
Operational	(136)	(15,978)
Capital Campaign	-	-
Total	(4,469)	(10,685)

12) Gain/(Loss) on Joint Investment

The District booked its 51% share in losses at the Truckee Surgery Center for the months of October and November.

Total	\$ (59,613)	\$ (26,137)
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13) Gain/(Loss) on Sale

Total	\$ -	\$ -
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15) Depreciation Expense

Total	\$ (1,039)	\$ 24,121
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16) Interest Expense

Total	\$ 6,476	\$ (33,994)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JANUARY 2016

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD		
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	JAN 2015		
OPERATING REVENUE											
\$ 1,441,874	\$ 1,256,612	\$ 185,263	14.7%		Total Gross Revenue	\$ 10,291,982	\$ 9,101,717	\$ 1,190,265	13.1%	1	\$ 8,817,019
Gross Revenues - Inpatient											
\$ 2,853	\$ 3,513	\$ (660)	-18.8%		Daily Hospital Service	\$ 19,427	\$ 21,080	\$ (1,653)	-7.8%		\$ 23,422
519	5,711	(5,192)	-90.9%		Ancillary Service - Inpatient	24,665	32,215	(7,550)	-23.4%		26,199
3,372	9,224	(5,852)	-63.4%		Total Gross Revenue - Inpatient	44,092	53,295	(9,203)	-17.3%	1	49,621
1,438,502	1,247,388	191,115	15.3%		Gross Revenue - Outpatient	10,247,890	9,048,422	1,199,468	13.3%		8,767,397
1,438,502	1,247,388	191,115	15.3%		Total Gross Revenue - Outpatient	10,247,890	9,048,422	1,199,468	13.3%	1	8,767,397
Deductions from Revenue:											
453,282	343,450	(109,832)	-32.0%		Contractual Allowances	3,197,947	2,497,336	(700,612)	-28.1%	2	2,446,613
48,107	43,659	(4,448)	-10.2%		Charity Care	343,765	316,695	(27,070)	-8.5%	2	284,606
-	-	-	0.0%		Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
53,629	87,317	33,688	38.6%		Bad Debt	409,291	633,390	224,099	35.4%	2	707,524
(92,370)	-	92,370	0.0%		Prior Period Settlements	(150,715)	-	150,715	0.0%	2	15,278
462,649	474,426	11,777	2.5%		Total Deductions from Revenue	3,800,288	3,447,420	(352,869)	-10.2%	2	3,454,021
78,390	63,085	15,305	24.3%		Other Operating Revenue	583,230	447,320	135,910	30.4%	3	500,054
1,057,616	845,271	212,345	25.1%		TOTAL OPERATING REVENUE	7,074,924	6,101,617	973,306	16.0%		5,863,052
OPERATING EXPENSES											
276,097	266,785	(9,312)	-3.5%		Salaries and Wages	1,772,900	1,850,761	77,861	4.2%	4	1,746,766
85,809	91,922	6,113	6.7%		Benefits	534,041	567,761	33,720	5.9%	4	640,937
2,496	2,490	(6)	-0.2%		Benefits Workers Compensation	16,191	17,432	1,241	7.1%	4	21,690
46,941	47,919	978	2.0%		Benefits Medical Insurance	276,165	335,432	59,267	17.7%	4	316,569
217,363	226,163	8,800	3.9%		Professional Fees	1,639,686	1,633,858	(5,828)	-0.4%	5	1,490,077
97,105	51,555	(45,550)	-88.4%		Supplies	506,509	373,455	(133,054)	-35.6%	6	362,665
42,409	42,736	327	0.8%		Purchased Services	288,166	289,464	1,297	0.4%	7	285,024
51,997	54,590	2,593	4.7%		Other	402,211	361,305	(40,906)	-11.3%	8	344,783
820,217	784,161	(36,056)	-4.6%		TOTAL OPERATING EXPENSE	5,435,870	5,429,467	(6,402)	-0.1%		5,208,511
237,399	61,110	176,288	288.5%		NET OPERATING REV(EXP) EBIDA	1,639,054	672,150	966,904	143.9%		654,541
NON-OPERATING REVENUE/(EXPENSE)											
-	4,333	(4,333)	-100.0%		Donations-IVCH	35,626	30,333	5,293	17.4%	9	22,091
-	-	-	0.0%		Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(58,359)	(58,359)	0	0.0%		Depreciation	(382,585)	(408,516)	25,931	-6.3%	11	(373,523)
(58,359)	(54,026)	(4,333)	-8.0%		TOTAL NON-OPERATING REVENUE/(EXP)	(346,959)	(378,183)	31,224	8.3%		(351,432)
\$ 179,040	\$ 7,084	\$ 171,955	2427.3%		EXCESS REVENUE(EXPENSE)	\$ 1,292,095	\$ 293,967	\$ 998,128	339.5%		\$ 303,109
16.5%	4.9%	11.6%			RETURN ON GROSS REVENUE EBIDA	15.9%	7.4%	8.5%			7.4%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JANUARY 2016**

		Variance from Budget	
		Fav<Unfav>	
		JAN 2016	YTD 2016
1) Gross Revenues			
Acute Patient Days were at budget at 1 and Observation Days were at budget at 1. The acuity level of the inpatient was low, creating a negative variance in Ancillary Service - Inpatient revenues.	Gross Revenue -- Inpatient	\$ (5,852)	\$ (9,203)
	Gross Revenue -- Outpatient	191,115	1,199,468
		\$ 185,263	\$ 1,190,265
Outpatient volumes were above budget in Emergency Department visits, Surgical cases, Diagnostic Imaging, Cat Scan, Pharmacy units, and Occupational Therapy.			
2) Total Deductions from Revenue			
We saw a shift in our payor mix with an 3.58% increase in Commercial Insurance, a 3.91% decrease in Medicare, a 3.07% increase in Medicaid, a 2.72% decrease in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 14.7% and the shift in Payor mix.	Contractual Allowances	\$ (109,832)	\$ (700,612)
	Charity Care	(4,448)	(27,070)
	Charity Care-Catastrophic Event	-	-
	Bad Debt	33,688	224,099
	Prior Period Settlement	92,370	150,715
	Total	\$ 11,777	\$ (352,869)
Positive variance in Prior Period Settlements related to truing up the Medicare Receivable based on the as filed FY2015 cost report.			
3) Other Operating Revenue			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in January.	IVCH ER Physician Guarantee	\$ 16,139	\$ 113,872
	Miscellaneous	(835)	22,038
	Total	\$ 15,305	\$ 135,910
4) Salaries and Wages			
Negative variance in Salaries and Wages was partially offset by a positive variance in PL/SL. Negative variance also attributed to hiring a Foundation Director versus outsourcing this position.	Total	\$ (9,312)	\$ 77,861
Employee Benefits			
	PL/SL	\$ 4,315	\$ 54,226
	Standby	(172)	9,330
	Other	2,071	(22,653)
	Nonproductive	(100)	(9,592)
	Pension/Deferred Comp	(2)	2,408
	Total	\$ 6,113	\$ 33,720
Employee Benefits - Workers Compensation	Total	\$ (6)	\$ 1,241
Employee Benefits - Medical Insurance	Total	\$ 978	\$ 59,267
5) Professional Fees			
The charge out of MSC IM/Peds physicians to run the IVCH MSC clinic fell short of budget estimations in January.	Multi-Specialty Clinics	\$ 2,533	\$ (11,541)
	Therapy Services	5,446	(4,939)
	Administration	(3,743)	(4,688)
	IVCH ER Physicians	(2,950)	(2,681)
	Miscellaneous	44	1,757
	Foundation	6,575	5,391
	Sleep Clinic	896	10,873
	Total	\$ 8,800	\$ (5,828)
IVCH Physical Therapy revenues were under budget 10.29%, creating a positive variance in therapist fees.			
Services provided for project management oversight created a negative variance in Administration.			
Foundation oversight was converted to an FTE, creating a positive variance in Foundation.			
6) Supplies			
Surgery and Medical Supplies Sold to Patients revenues exceeded budget by 66.84%, creating a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	\$ (33,772)	\$ (56,511)
	Pharmacy Supplies	(7,285)	(51,889)
	Minor Equipment	(1,314)	(14,388)
	Food	(3,161)	(6,718)
	Office Supplies	(637)	(1,792)
	Non-Medical Supplies	455	(1,275)
	Imaging Film	165	(481)
	Total	\$ (45,550)	\$ (133,054)
Drugs Sold & Oncology Drugs Sold to Patients revenue exceeded budget by 9.52%, creating a negative variance in Pharmacy Supplies.			
Negative variance in Food related to higher volumes in the Emergency Department requiring additional transfers of food and pantry items.			

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
JANUARY 2016**

		Variance from Budget	
		Fav<Unfav>	
		JAN 2016	YTD 2016
7) <u>Purchased Services</u>			
	Negative variance in Laboratory related to outsourced lab testing.		
	Laboratory	\$ (4,750)	\$ (20,992)
	EVS/Laundry	1,381	(3,149)
	Foundation	725	(1,832)
	Pharmacy	(921)	(307)
	Surgical Services	-	-
	Miscellaneous	965	2,610
	Multi-Specialty Clinics	475	3,387
	Department Repairs	1,212	4,967
	Diagnostic Imaging Services - All	(467)	7,528
	Engineering/Plant/Communications	1,707	9,085
	Total	\$ 327	\$ 1,297
8) <u>Other Expenses</u>			
	Timing on the receipt of the fourth quarter 2015 Nevada Rural Hospital Partners invoice created a negative variance in Dues and Subscription.		
	Controllable costs continue to be monitored, creating positive variances in the remainder of the Other Expense categories.		
	Equipment Rent	\$ (44)	\$ (58,011)
	Utilities	518	(1,753)
	Dues and Subscriptions	(2,186)	(494)
	Other Building Rent	-	-
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Insurance	223	1,559
	Miscellaneous	1,919	2,693
	Marketing	859	5,813
	Outside Training & Travel	1,304	9,287
	Total	\$ 2,593	\$ (40,906)
9) <u>Donations</u>			
	Total	\$ (4,333)	\$ 5,293
10) <u>Gain/(Loss) on Sale</u>			
	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>			
	Total	\$ -	\$ 25,931

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED FYE 2015	BUDGET FYE 2016	PROJECTED FYE 2016	ACTUAL JAN 2016	BUDGET JAN 2016	DIFFERENCE	ACTUAL 1ST QTR	ACTUAL 2ND QTR	PROJECTED 3RD QTR	PROJECTED 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 7,190,440	\$ 2,054,135	\$ 10,314,009	\$ 3,765,017	\$ 540,291	\$ 3,224,726	\$ 4,890,732	\$ 2,113,378	\$ 4,318,597	\$ (1,008,698)
Interest Income	97,528	107,488	133,849	44,193	27,104	17,089	29,198	33,631	44,193	26,827
Property Tax Revenue	5,352,075	5,420,000	5,487,342	3,198,693	2,890,000	308,693	309,907	78,742	3,198,693	1,900,000
Donations	757,929	923,000	921,655	45,676	60,000	(14,324)	76,191	164,788	75,676	605,000
Debt Service Payments	(3,505,561)	(3,565,581)	(3,381,130)	(391,874)	(399,454)	7,581	(1,069,568)	(742,436)	(862,775)	(706,351)
Bank of America - 2012 Muni Lease	(1,243,531)	(1,243,644)	(1,243,647)	(103,637)	(103,637)	(0)	(310,912)	(310,912)	(310,911)	(310,911)
Copier	(8,962)	(8,760)	(8,759)	(730)	(730)	0	(2,190)	(2,190)	(2,190)	(2,190)
2002 Revenue Bond	(660,296)	(668,008)	(483,555)	(156,423)	(164,004)	7,581	(327,132)	-	(156,423)	-
2006 Revenue Bond	(1,592,771)	-	-	-	-	-	-	-	-	-
2015 Revenue Bond	-	(1,645,169)	(1,645,169)	(131,083)	(131,083)	(0)	(429,334)	(429,334)	(393,250)	(393,250)
Physician Recruitment	(155,902)	(311,000)	(310,669)	-	(10,000)	10,000	(216,785)	(5,884)	(58,000)	(30,000)
Investment in Capital										
Equipment	(2,491,260)	(1,418,900)	(1,418,899)	(136,113)	(199,957)	63,844	(302,633)	(286,725)	(493,517)	(336,024)
Municipal Lease Reimbursement	-	2,295,723	2,295,723	-	-	-	1,319,139	-	976,584	-
GO Bond Project Personal Property	(186,062)	(500,180)	(500,180)	(5,218)	(106,931)	101,713	(8,587)	(8,029)	(195,835)	(287,729)
IT	(1,394,200)	(559,300)	(559,300)	(5,206)	(16,369)	11,163	(318,453)	(193,238)	(14,611)	(32,998)
Building Projects	(2,218,063)	(4,487,480)	(4,487,480)	(71,891)	(600,333)	528,442	(337,663)	(674,563)	(1,404,668)	(2,070,586)
Health Information/Business System	(230,852)	(500,000)	(500,000)	(19,196)	(77,071)	57,875	(1,623)	(18,375)	(185,230)	(294,771)
Capital Investments										
Properties	(600,000)	-	-	-	-	-	-	-	-	-
Measure C Scope Modifications	-	(749,287)	(749,287)	(86,185)	(86,185)	0	-	(232,174)	(229,205)	(287,909)
Change in Accounts Receivable	2,648,682	282,832	N1 (524,982)	(3,029,577)	(720,720)	(2,308,857)	522,392	(891,685)	(840,930)	685,241
Change in Settlement Accounts	(2,438,657)	500,000	N2 828,234	(886,199)	2,100,000	(2,986,199)	623,667	(1,173,529)	1,628,096	(250,000)
Change in Other Assets	(1,717,188)	(768,000)	N3 (2,216,879)	714,719	(150,000)	864,719	(1,531,558)	(1,330,040)	789,719	(145,000)
Change in Other Liabilities	(30,538)	(71,000)	N4 (539,559)	(1,374,007)	(225,000)	(1,149,007)	247,630	(648,182)	(374,007)	235,000
Change in Cash Balance	1,078,371	(1,347,550)	4,808,366	1,762,832	3,025,374	(1,262,542)	4,247,906	(3,814,322)	6,372,780	(1,997,998)
Beginning Unrestricted Cash	50,951,760	52,227,897	52,227,897	52,661,481	52,661,481	-	52,227,897	56,475,803	52,661,481	59,034,261
Ending Unrestricted Cash	52,227,897	50,880,347	57,036,263	54,424,313	55,686,855	(1,262,542)	56,475,803	52,661,481	59,034,261	57,036,263
Expense Per Day	333,932	321,141	324,614	326,348	320,376	5,972	317,753	322,438	327,067	324,614
Days Cash On Hand	156	158	176	167	174	(7)	178	163	180	176

Footnotes:

- N1 - Change in Accounts Receivable reflects the 30 day delay in collections. For example, in July 2015 we are collecting June 2015.
- N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.
- N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.
- N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.

14.3. Contracts

Contracts redacted.

Available for public viewing via a Public Records request.

DATE: February 8, 2016

TO: Board President, Chuck Zipkin
Board of Directors, Tahoe Forest Hospital District

FROM: Gerald Herrick, Chairman
Measure C - Citizens Oversight Committee

SUBJECT: 2015 CITIZENS OVERSIGHT COMMITTEE ANNUAL REPORT

Among the responsibilities of the Citizens Oversight Committee (COC), per its Bylaws established by the Tahoe Forest Hospital District (TFHD) Board Of Directors (amended February 24, 2015), is to report annually its activities during the year and which shall include the following information:

- A statement whether the District is complying with the letter and the intent of Measure C
- A summary of the COC's proceedings and activities for the preceding year

To fulfill these responsibilities, the COC received regular updates from TFHD senior management and staff members managing the Measure C construction projects, as well as information of significant changes in the health care industry that relate to Measure C projects.

Based on information received, discussions with staff, and detailed oversight during the past year, **the COC Concludes that the District continues to be in compliance with the letter and intent of Measure C.**

Additionally,

- The COC continues to meet quarterly.
- Elected officers for 2016 are, Gerald Herrick, Chairman and Paul Leyton, Vice-Chairman in accordance with the COC's bylaws.
- At every meeting, Rick McConn, Chief of Facilities Development, and the Construction Manager, Geney Gassiot, have provided progress and status reports of every project being constructed with Measure C Funds, as well as updates on the Quarterly Facilities Development Plan. In addition to these regular reports, we have received detailed up-to-date cost information on the completed and the continuing projects.
- A major activity is the monthly meetings of the Finance sub-committee, chaired by Member Sherrin Fielder and assisted by Members Gary Boxeth, Gerald Herrick, and other Members of the COC, who rotate attendance in order to thoroughly understand the details of the financial review process.

This financial oversight includes review of the then-current Schedule of Values with Rick McConn, for the various projects and selected invoices. Mr. McConn is asked to provide back-up documentation for large invoices, invoices from new vendors, as well as a random selection of all invoices. While many questions are resolved, the Financial Sub-

Committee has developed a detailed tracking system to insure answers are obtained for all invoices that are questioned. Additionally, Ms. Fielder maintains a spreadsheet for all billings. This information indicates the Sub-Committee has reviewed 48% of the total value of all Measure C invoices.

Paul Leyton, Chair, Gerald Herrick and Gary Davis, serve as the Communications Sub-Committee. They regularly review the COC website, the need for distribution of information to the Community, and the COC Annual Report. In the coming year, the Sub-Committee will be focused on preparing the public information program and final report when the Measure C projects are completed this year.

In closing, the COC wishes to thank the Board and Staff for the opportunity to contribute our time and varied experience to the District and your efforts to improve the locally available and needed medical service to the community.

Respectfully,

Gerald Herrick,
COC Chairman

cc: COC Members



Board Informational Report

By: Jim Hook
Corporate Compliance
Consultant, The Fox Group

DATE: January 27, 2016

2015 Compliance Program 4th Quarter Report and Annual (Open Session)

The Compliance Committee is providing the Board of Directors(BOD) with a report of the 4th Quarter 2015 Compliance Program activities report and 2015 Annual Report (open session). This report assists the BOD to meet its obligations to be knowledgeable about the content and operation of the seven components of the Compliance Program.

2015 Corporate Compliance Program Annual Report

OPEN SESSION

Period Covered by Report: **January 1, 2015 –December 31, 2015**

Completed by: James Hook, Compliance Consultant, The Fox Group

1. Written Policies and Procedures

1.1. The District's Corporate Compliance Policies and Procedures are reviewed and updated as needed. The following policies were reviewed or revised by the Compliance Department with recommendations to the Board of Directors:

- 1.1.1. Physician Non-Monetary Compensation #AGOV1502
- 1.1.2. Physicians and Professional Services Policy/Procedure #ABD 21
- 1.1.3. Corporate Compliance Program, Policy/Procedure #AGOV-31
- 1.1.4. Marketing Support Agreement template
- 1.1.5. Attorney-in-fact Agreement template

2. Compliance Oversight / Designation of Compliance Individuals

2.1. Corporate Compliance Committee Membership as of December 31, 2015:

- 2.1.1. The Fox Group – Compliance Consultants
- 2.1.2. Judy Newland, RN – Chief Operating Officer/Chief Nursing Officer
- 2.1.3. Harry Weiss – Chief Executive Officer
- 2.1.4. Crystal Betts – Chief Financial Officer
- 2.1.5. Denise Hunt – Director of Health Information Management/ Privacy Officer
- 2.1.6. Jake Dorst – Chief Information and Innovation Officer
- 2.1.7. Jayne O'Flanagan – Chief Human Resources Officer
- 2.1.8. Stephanie Hanson, RN – Compliance Analyst

3. Education & Training

- 3.1. New employee orientation training in Health Stream was updated based on recommendations from The Fox Group-Compliance Consultants.
- 3.2. All new employees are educated during orientation.
- 3.3. "Compliance Corner" continues in the monthly employee newsletter providing on-going compliance education for staff.
- 3.4. The Board of Directors received a presentation on Compliance Program elements, risk areas for hospitals, and responsibilities of Board members for oversight and monitoring.
- 3.5. Compliance Analyst became certified in Health Care Compliance under the HCCA Certification Program.

OPEN SESSION

4. Effective Lines of Communication/Reporting

- 4.1. A Compliance log is maintained for all calls to the Compliance Hotline and other reports made to the Compliance Department.
 - 4.1.1. No calls were received on the Hotline for the 4th quarter. A total of 5 calls were received on the Compliance Hotline for calendar year 2015.
 - 4.1.2. Five reports were made directly to the Compliance Department for the 4th quarter.
- 4.2. HIPAA violations are reported to the Privacy Officer. The Privacy Officer maintains a log of reported events.

5. Enforcing Standards through well-publicized Disciplinary Guidelines

- 5.1. 98.4% of Health Stream corporate compliance modules were completed for eligible employees for the calendar year 2015.
- 5.2. All new staff hires, and newly privileged physicians, receive criminal background checks and are checked against the OIG and GSA list of exclusions. All vendors are checked using the vendor credentialing program annually, and ongoing monitoring continues at various intervals.

6. Auditing & Monitoring

- 6.1. Four audits were completed during the 4th quarter as part of the 2015 corporate compliance work plan.
 - 6.1.1. Hospital Physician Credentialing Report – Outside surveyor Linda Garrett states “Review of medical staff credentialing files (use credentialing checklist) to assure all staff have current licenses, meet minimum qualifications, training and experience etc. Agreements for Primary Source Verification and external peer review are in place if used.”
 - 6.1.2. Home Health Services: Employment of individuals with criminal convictions – Twenty four employees of the Home Health/Hospice department human resource records were reviewed for criminal background checks and convictions. 100% of the employees had criminal background checks upon hire.
 - 6.1.3. Hospital: Patient admission Criteria (2 midnight rule)- The 1st and 2nd quarters of 2015 proved to have process issues that prevented 100% compliance to Medicare certification(CERT) signing. A process was developed during 2nd quarter which has now proven to be 100% successful in obtaining CERTS for patients who qualify. There were 5 CERTS that were not signed for calendar year 2015 as the physician to the best of their ability anticipated that a patient could not be discharged or transferred within 96 hours.

2015 Corporate Compliance Program Annual Report

OPEN SESSION

- 6.1.4. Audit of payment for swing-bed services in CAHs, vs. the payments at SNF payment levels, was not performed
- 6.1.5. Acute care hospitalizations of nursing home residents for manageable and preventable conditions: 12 patients were transferred from the ECC to acute care in 2015. It was determined that 2 of those patients (16.6%) could have been managed in the ECC.
- 6.2. A total of 9 of 10 audits planned in the 2015 Corporate Compliance Workplan were completed in 2015. The final audit was deemed not likely to demonstrate any meaningful information on District operations or compliance.

7. Responding to Detected Offenses & Corrective Action Initiatives

- 7.1. Investigations of suspected and actual breach incidents were initiated. Several investigations revealed no violations. Remediation measures, including additional staff training and updated policies and procedures, were implemented to prevent further violations.

**TAHOE FOREST HOSPITAL DISTRICT
RESOLUTION NO. 2016-02**

**ADOPTION OF A REVISED TAHOE FOREST HOSPITAL DISTRICT
MISSION STATEMENT AND VISION STATEMENT**

WHEREAS, TAHOE FOREST HOSPITAL DISTRICT (“District”) is a hospital district duly organized and existing under the “Local Health Care District Law” of the State of California; and

WHEREAS, at a Special Meeting of the Tahoe Forest Hospital District Board of Directors held on Monday, February 1, 2016; and

WHEREAS, the Tahoe Forest Hospital District Board of Directors worked to develop a revised Mission and Vision Statement for the District; and

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of Tahoe Forest Hospital District as follows:

1. Mission Statement: “We exist to make a difference in the health of our communities through excellence and compassion in all we do.”
2. Vision Statement: “To serve our region by striving to be the best mountain health system in the nation.”

PASSED AND ADOPTED at the meeting of the Tahoe Forest Hospital District Board of Directors held on the 25th day of February, 2016 by the following vote:

AYES: _____, _____, _____,

NOES: _____

ABSENT: _____

ABSTAIN: _____

ATTEST:

Charles Zipkin, M.D.
President, Board of Directors
Tahoe Forest Hospital District

John Mohun
Secretary, Board of Directors
Tahoe Forest Hospital District



GOVERNANCE COMMITTEE AGENDA

Wednesday, February 17, 2016 at 8:00 a.m.
Tahoe Conference Room - Tahoe Forest Hospital
10054 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

John Mohun, Chair; Greg Jellinek, M.D., Board Member

3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**

4. **INPUT – AUDIENCE**

This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. **APPROVAL OF MINUTES OF: 01/20/2016**

6. **CLOSED SESSION**

6.1. **Approval of Closed Session Minutes: 01/20/2016**

6.2. **2015 Annual Compliance Report ATTACHMENT**

7. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**

7.1. **CEO Administrative Report *ATTACHMENT**

Governance Committee will review an update report from the CEO.

7.2. **2015 Annual Compliance Report ATTACHMENT**

Governance Committee will review the 2015 Annual Compliance Report prepared by The Fox Group.

7.3. **Contracts ATTACHMENT**

New, amended, and auto renewed contracts are submitted to the Governance Committee for review and consideration for recommendation of approval by the Board of Directors.

- 7.3.1. Kopp – Consulting Engagement Letter
- 7.3.2. Legarza – Radiation Oncology Coverage Agreement
- 7.3.3. Allen – TFHD Call Coverage Agreement
- 7.3.4. Cahill - TFHD Call Coverage Agreement

7.4. TIMED ITEM - 9:00 a.m. - Board Retreat Recap with Lisa Toutant

Committee will receive a recap of the February 1-2, 2016 Board Retreat.

8. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**9. NEXT MEETING DATE****10. ADJOURN**

*Denotes material (or a portion thereof) may be distributed later.

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Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.



PERSONNEL COMMITTEE- RETIREMENT SUBCOMMITTEE AGENDA

Thursday, February 11, 2016 at 9:00 a.m.
Tahoe Conference Room, Tahoe Forest Hospital
10054 Pine Avenue, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL

Charles Zipkin, M.D., Chair; Dale Chamblin, Board Member

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

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5. CLOSED SESSION

5.1. Approval of Closed Session Minutes of: 1/14/2016

6. OPEN SESSION

7. APPROVAL OF MINUTES OF: 1/14/2016..... ATTACHMENT

8. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

8.1. Multnomah Group Retirement Plan Review ATTACHMENT

8.1.1. Investment and Investment Menu Review

8.1.2. Plan Fee Benchmarking

8.1.3. Share Class Review

8.2. Fidelity Investments Retirement Plan Review..... ATTACHMENT

Fidelity Investments will provide the subcommittee with an update on Q4 2015 insights and outcomes.

9. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

10. NEXT MEETING DATE

Personnel Committee will discuss a date to meet in April.

11. ADJOURN

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TAHOE
FOREST
HEALTH
SYSTEM

FINANCE COMMITTEE AGENDA

Monday, February 22, 2016 at 1:00 p.m.
Tahoe Conference Room, Tahoe Forest Hospital
10054 Pine Avenue, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL

Dale Chamblin, Chair; Greg Jellinek, M.D., Board Member

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

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5. APPROVAL OF MINUTES OF: 01/21/2016 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Refinancing of General Obligation Bonds – Series B (Gary Hicks via phone) ATTACHMENT

6.2. Financial Reports

6.2.1. Financial Report – MSC Six Months ended December 2015 ATTACHMENT

6.2.2. Financial Report – January 2016..... ATTACHMENT

6.2.3. TSC LLC - October and November 2015..... ATTACHMENT

6.3. Tahoe Forest Health System Foundation Financial Statements

6.3.1. FYE 2015 Audited Financial Statements ATTACHMENT

6.3.2. Six Months ended December 2015 Financial Statements..... ATTACHMENT

6.4. FY 2017 Budget Process

6.4.1. FY 2017 Budget Timeline ATTACHMENT

6.5. TIRHR Line of Credit Amendment ATTACHMENT

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING..... ATTACHMENT

9. NEXT MEETING DATE ATTACHMENT

10. ADJOURN

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QUALITY COMMITTEE AGENDA

Tuesday, February 9, 2016 at 12:00 p.m.
Eskridge Lobby Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. **CALL TO ORDER**
2. **ROLL CALL**
Greg Jellinek, M.D., Chair; Karen Sessler, M.D., Board Member
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
4. **INPUT – AUDIENCE**
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5. **APPROVAL OF MINUTES OF: 12/16/2015 ATTACHMENT**
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. **Quality Committee Goals 2016.....ATTACHMENT**
The *Quality Committee 2016 Goals* for review and approval.
 - 6.2. **Patient & Family Centered Care (PFCC)**
 - 6.2.1. **Patient & Family Advisory Council UpdateATTACHMENT**
An update will be provided related to the activities of the Patient and Family Advisory Council (PFAC) and next steps for PFCC.
 - 6.3. **Quality Assurance/Performance Improvement Plan 2016ATTACHMENT**
The purpose of the Quality Assurance/Performance Improvement (QA/PI) plan is to provide a framework for promoting and sustaining performance improvement at Tahoe Forest Health System, in order to improve the quality of care and enhance organizational performance. The Quality Assurance Performance Improvement Plan will be reviewed, updated, and approved annually by the Medical Staff Quality Committee, the Medical Executive Committee, and the Board of Directors.
 - 6.4. **Physician Quality Reporting SystemATTACHMENT**
The Physician Quality Reporting System (PQRS) is a quality reporting program that encourages individual eligible professionals (EPs) and group practices to report information on the quality of care to Medicare. PQRS gives participating EPs and group practices the opportunity to assess the quality

of care they provide to their patients, helping to ensure that patients get the right care at the right time. An update will be provided on the Quality metrics that TFHD is submitting

6.5. Meaningful Use Quality ReportingATTACHMENT

Meaningful use is using certified electronic health record (EHR) technology to improve quality, safety, efficiency, and reduce health disparities; engage patients and family; improve care coordination, and population and public health; and maintain privacy and security of patient health information. Eligible professionals, eligible hospitals, and CAHs are required to report clinical quality measures (CQMs) during each year of participation in order to receive an incentive.

6.6. Beta Disclosure & Communication ProgramATTACHMENT

The Committee will be provided an update on the lessons learned at this program including the Care for the Caregiver program.

6.7. Board Quality EducationATTACHMENT

The Committee will review the National Patient Safety Foundation Executive Summary *Free from Harm: Accelerating Patient Safety Improvement*.

The committee will review and discuss topics for future Board quality education.

6.8. Quality Metrics DiscussionATTACHMENT

The Committee will discuss quality metrics to be incorporated into the CEO Compensation Goal structure by the Board of Directors.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. NEXT MEETING DATE

The Committee will discuss meeting schedule for 2016.

9. ADJOURN

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Board Informational Report

By: Harry Weis
CEO

DATE: 2/18/16

The first significant winter in several years has made a real positive impact on Tahoe Forest Health System (TFHS) and upon our entire local region. Our entire team of physicians and staff have been extraordinarily busy this winter focusing on a much larger volume of patient healthcare needs as a result. Our volumes and our Financial Report for the first seven months of this fiscal year, especially the performance of December and January, strongly reflect this major winter season this year.

Important Board Retreat during the Month of February.

I really believe our 2 day board retreat to review current conditions in healthcare and to reflect on critical “go forward” strategies for our health system was very valuable. Many look back and look forward reviews of our collective work were conducted. A new Mission and Vision Statement was crafted. We are looking to refresh our important list of Values by the March Board meeting as well.

A short list of critical forward looking Strategies were presented and affirmed by the Board. They are:

1. A complete makeover of our Physician service line with a strong focus of moving towards “best practices” as a more integrated and aligned true system of care, operating in a sustainable manner.
2. Choosing and implementing the correct new Electronic Health Record for our system that spans all physician, OP and IP services. Plus acquiring any other critical companion business operations software.
3. Creating and implementing a New Master Plan that will have to reach out several years into the future to assure we have the appropriate clinical space for physicians, hospital activities and critical parking for all.
4. Developing and implementing a comprehensive Care Coordination Plan coupled with Patient Navigation for all patients that touch our healthcare system.
5. In the “Just Do It” categories: Continue to show measureable annual improvements in Quality, and Patient Satisfaction. Also continue to improve our financial performance that will also result in upgrades to our Investment Ratings. And continue to improve an ever strengthening Compliance Program.

6. Begin to, over this entire year, and continuing in future years, to develop solid connections and relationships with our communities we serve.

All of these 6 critical strategies for our long term success are being actively worked on each week.

Other areas of critical follow up by the CEO and his team are:

A. We are researching “outmigration” from several angles and are planning on bringing a fresh report on outmigration within the next 3 months to the Board.

B. We are pursuing a legal review of our compensation processes for our Physician service line, and we are hoping to bring back a written legal review of this matter by the end of March 2016.

Important Objective – getting to know the TFHD team and the Community.

I continue to meet with many individuals in our community in one on one and in large group settings as we work to listen to their views of our strengths and weaknesses and to share that we are committed to the highest ethics, quality and compassion in all we do and to hear gaps or opportunities to improve in serving the healthcare needs of our community. We are also meeting with other healthcare providers/healthcare systems to contemplate areas of collaboration as well.

We are also beginning to share in group settings what is going on in America, CA and in our local region regarding healthcare, and the tremendous speed of change that is happening via market forces, that most residents in the US aren't fully aware of.

There is a real “value proposition” here at TFHS relative to healthcare as compared to healthcare costs at hospitals in other local or distant locations, that's critical to be understood.

Separately when we study the various elements of a local “Cost of Living Index” healthcare is the second lowest cost element tracked and reported in this region. On a relative basis, housing, fuel, utilities, and groceries, all noted as separate cost of living indexes are much higher than healthcare as a cost of living index in this region. In healthcare we still have to pay the same for our supplies and equipment as other more expensive and less costly areas do, and we pay more for construction due to our weather conditions than most other regions, and our personnel costs are equally expensive as many other regions as well.

Strategic Initiative 5.3:

Explore potential opportunities to collaborate with local medical providers to improve healthcare delivery.

We have met with ECG Consulting, with Kaufman Hall and with Walter Kopp to understand efficient future strategies for TFHS in critical service lines and in our physician service line so that we are properly prepared as a system to fully deal with market force and regulatory force changes.

Having worked in many large for profit and not for profit healthcare system, I am focused on managing TFHS in the most efficient manner where we as 2 hospital system do not have to pay Millions per year in Corporate Overhead Allocation fees as occurs in all not for profit and for profit healthcare systems to the east and the west of us. So we don't have to "hurdle" these Corporate Overhead Allocation fees to break even as a free-standing healthcare system. On the flip side we don't have all of the deep areas of expertise these larger healthcare system have to be responsive to many of the deep complex areas of healthcare.

From time to time, we do need specialized expertise, for example now in physician services and for us this is a variable cost from a consulting perspective vs. the large fixed costs of being in a large healthcare system. So we are focused on a "best of both worlds" low cost strategy to make sure we have the expertise needed to start and complete any project.

All three of these just named healthcare consulting firms are used as a thoughtful variable cost, not an annual fixed cost, just for the duration needed, and they are critical for us to timely complete service line improvements and to transform physician services into a more aligned system of care.

Areas of Change or Needed Improvement:

It is my goal to be really responsive to our community and to requests from our Board as well.

To facilitate great responsiveness and efficiency within the leadership team at TFHS to information requests from our Board, I would like to respectfully suggest that we create an "Information Request Sheet" that is available to each Board member to complete when they have a request for information or wish to receive important information on a topic of interest that applies to TFHS; all such forms should be sent to my office by the interested Board member, we will identify if the information is readily available or not, and an estimate of internal or external resources and a time frame to complete the request will be noted. We will then create a log all such Board requests so that all Board members can see the requests of their colleagues, to avoid duplication of requests and then the CEO will respectfully ask the Board for approval to commence action on responses to items before the team commences work when the information isn't readily available which will consume resources either internally or externally over a period of time. To close the loop the CEO or his designee will then provide the request and the response by the stated time to all Board members on all approved items by the Board to pursue.

The above simple process can really assist when for example two different leadership areas of my organization received an identical request for information from a board member in just one week. We do desire to be responsive and efficient and to share findings will all board members.

Separately, new federal legislation is being proposed in Washington for "critical access hospitals" all across the US. This federal action is in response to growing evidence that more than 680 rural hospitals in America are at risk to close. There is a growing realization that small rural hospitals do not have the financial capacity to "cost shift" losses they experience in critical programs they offer on Medicare or Medicaid patients to Commercial healthcare insurers.

We'll have to watch how this progresses. This region is fortunate to have a very strong rural healthcare system which is atypical in many areas of the US and CA.



▪ **Board Informational Report**

Jake Dorst

DATE: 2/16/2016

- CIO
-

➤ **STRATEGIC INITIATIVE 4.0**

➤ **Health Information System Restructure:**

➤ Onsite meetings have been taking place

- **2/9/16 Physician Apps Demo**
- Jen Buchanan Ingalls
- Barb Thomas
- Jen Tirdel
- Tena Mather
- Steve Thompson
- Shawni Coll
- Josh Scholnick
- Niki Holoday
- Jeff Rosenfeld
- Sergej Popov

- **1/14/16 Surgical Services Site Visit**
- Svieta Schopp
- Natalie DeRyk
- Kristy Jordon
- Kristen Lignell
- Denise Slominski
- Gabrielle Alberti
- Lore McLaren
- Barb Thomas

- **11/23/15 ED Site Visit**
- John Rust
- Natalie deRyk
- Jen Buchanan Ingalls
- Barb Thomas
- Stacey Meredith
- Jan Iida

- Jeff Rosenfeld

- **11/23/15 Med Surg and ICU Site Visit**
- Paul Moon
- Barb Thomas
- Jim Sturtevant
- Kerry Milligen

- **11/24/15 OB Site Visit**
- Paul Moon
- Missy Pursel
- Barb Thomas
- Jim Sturtevant

- **11/24/15 Home Health and Hospice Site Visit**
- Karen Gancitano
- Max Hambrick
- Susie Wright
- Barb Thomas

- **11/24/15 Radiology Site Visit**
- Pete Stokich
- Tory Foster
- Cheryl Whittemore
- Barb Thomas

- **10/21/15 Barton Site Visit**
- Jeff Rosenfeld
- Barb Thomas
- Jen Buchanan Ingalls
- Jake Dorst
- Jay O'Hanlon
- Natalie de Ryk
- Josh Scholnick
- Jaye Chasseur
- Paul Moon

- **Gaffey**
 - Billers are in testing.
 - Alpha Analytics contract signed. Will not work on this project until we get Gaffey back on track.
- **CPSI/Evident patch Testing**
 - We will not get the lab tab back before beginning of March when the Lab system goes Live. We have lots of new patches but not bothering to work them yet since we can't load until March. People are enjoying the break from Patching.
 - DRG reports for ICD-10 do not work. Will not load patch until March.
 - Lots of CPSI issues this week- OSHPD Reports not working again. Will get on this on Monday
- **Life Med/ Passport**
 - Test station is up for LifeMed- Need to add Passport and test the two together.
 - Getting involved in Passport project.
- **Share Point and InfoPath**
 - Working on test server
 - Project request for Policy Tech approved. Quality will put in their Budget.
- **Equipment Deployment**
 - Greg is back on limited duty until March. We will share Jose with Materials until about June if we can so we can use him on the WAN and the South building, OR pulls and more.
- **Policies and Procedures**
 - Working work on the DR policy- Haven't got any further this week
 - Working with RVI. Trying to get rid of the AS/400 by March.
- Working with CPSI to see if there is any way we can port eligibility and ABN information out of system. This does look promising
- OSHPD server built and reports ran. Waiting to hear from Medical Records if any issues
- Working on Capital and IT Operational budget and work with the team on EPIC Numbers
- Put out Annual IT survey
- **Help desk ticket entry topics**
 - AD Password Assistance
 - New Users
 - Terminations
 - Modification of Users
 - Current Users Request for Application Access
 - Managing Email Groups
 - Password Resets/Unlocks
 - HealthStream Password Issues
 - ADP- Password Resets
 - Application Incidents
 - Printing Issues | Inbound Fax Folder Request | Secure Print
 - Equipment Installs | Hardware Replacement
 - ADP – Java Issues

- Adding Printers for Customers
- Voicemail Assistance
- Phone Configurations
- Profile Rebuilds
- Hidden Taskbars
- Portal | Customers need to add to Local Intranet Zone to access site
- SharePoint Issues
- Desktop Server Issues

Tahoe Forest Hospital District

Board of Directors Meeting Evaluation Form

Meeting Date: _____

Return completed form to the Board President

		Exceed Expectations [5]	[4]	Meets Expectations [3]	[2]	Below Expectations [1]
1	Overall, the meeting agenda is clear and includes appropriate topics for Board consideration	5	4	3	2	1
2	The consent agenda includes appropriate topics and worked well	5	4	3	2	1
3	The Board packet & handout materials were sufficiently clear and at a 'governance level'	5	4	3	2	1
4	Discussions were on target	5	4	3	2	1
5	Board members were prepared and involved	5	4	3	2	1
6	The education was relevant and helpful	5	4	3	2	1
7	Board focused on issues of strategy and policy	5	4	3	2	1
8	Objectives for meeting were accomplished	5	4	3	2	1
9	Meeting ran on time	5	4	3	2	1

Please provide further feedback here: