



TAHOE FOREST HOSPITAL DISTRICT

2019-09-19 Board Governance Committee

(Revised on 09/18/19 at 10:20 am)

Thursday, September 19, 2019 at 11:00 a.m.

Pine Street Cafe Conference Room - Tahoe Forest Hospital

10121 Pine Avenue, Truckee, CA 96161

Meeting Book - 2019-09-19 Board Governance Committee

09/19/19 Governance Committee

AGENDA

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ITEMS 1 - 4: See Agenda

5. APPROVAL OF MINUTES

2019-06-19 Board Governance Committee_DRAFT Minutes.pdf Page 4

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Policy Review

6.1.1. ABD-19 Orientation and Continuing Education

Draft of revision.Orientation and Continuing Education.pdf Page 7

Draft Board of Directors Orientation Plan.pdf Page 8

ABD-19 Onboarding of a New Board Member v2.pdf Page 9

6.1.2. President & CEO Incentive Compensation

DRAFT ABD-02 President & Chief Executive Officer Compensation.pdf Page 10

6.2. Board Governance

6.2.1. Board Director Vacancy

Materials may be distributed at the meeting.

6.2.2. Board Self-Assessment

Self Assessment Comparison Cover Sheet.pdf Page 12

BOD Self Assessment by Oversight Category CORRECTED (1).pdf Page 14

2017-2018 Board Self Assessment Comparison.pdf Page 15

6.2.3. Board Retreat Agenda Discussion

No related materials.

ITEMS 7 - 9: See Agenda



GOVERNANCE COMMITTEE

REVISED AGENDA

(Revised on September 18, 2019 at 10:04 a.m.)

Thursday, September 19, 2019 at 10:00 a.m.
Pine Street Cafe Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

Alyce Wong, Chair; Randy Hill, 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: 06/19/2019**

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

6.1. **Policy Review**

Governance Committee will review and discuss the following policies:

6.1.1. ABD-19 Orientation and Continuing Education ATTACHMENT

6.1.2. President & CEO Incentive Compensation ATTACHMENT

6.2. **Board Governance**

6.2.1. **Board Director Vacancy** ATTACHMENT*

Governance Committee will review the vacancy process.

6.2.2. **Board Self-Assessment** ATTACHMENT

Governance Committee will review the Board Self-Assessment template and review a comparison of results from the 2017-2018 Board Self-Assessment.

6.2.3. **Board Retreat Agenda Discussion**

Governance Committee will discuss agenda building for board retreats.

7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**

8. **NEXT MEETING DATE**

9. **ADJOURN**

*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.

GOVERNANCE COMMITTEE

DRAFT MINUTES

Wednesday, June 19, 2019 at 10:00 a.m.
Pine Street Cafe Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

Meeting was called to order at 10:03 a.m.

2. ROLL CALL

Board: Alyce Wong, Chair; Randy Hill, Board Member

Staff in attendance: Harry Weis, Chief Executive Officer; Ted Owens, Executive Director of Governance; Martina Rochefort, Clerk of the Board

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. APPROVAL OF MINUTES OF: 03/21/2019

Director Hill moved to approve the Governance Committee minutes of March 21, 2019, seconded by Director Wong.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Charter Review

Governance Committee reviewed its committee charter.

Committee discussed revising number five under Duties into two separate items. Committee proposed the following revisions:

5. Ensure the annual board self-assessment is conducted no later than December 1.
6. Ensure a board goal setting process is conducted no later than April 30 and reviewed at the October board retreat.

Board President title will also be updated to Board Chair throughout the charter.

Governance Committee recommended the Governance Committee charter be approved by the full board as revised.

6.2. Policy Review

Governance Committee reviewed and discussed the following policies:

6.2.1. ABD-02 Chief Executive Officer Compensation

Committee added “base salary” to the list of total compensation as suggested by the Executive Compensation Committee.

Board President and Chief Executive Officer titles will also be updated to Board Chair and President & Chief Executive Officer, respectively, throughout the policy.

6.2.2. ABD-19 Orientation and Continuing Education

Committee reviewed a draft revision of the policy.

Committee would like to add steps for the onboarding board member to meet with the Chief Financial Officer (CFO) and Director of Quality. The CFO would review the District's budget, 10 year forecast, and other financial reports. The Director of Quality would review the Quality Assurance/Performance Improvement Plan, Quality Dashboard and CMS Star Ratings.

Director Wong would like to add to the policy that the onboarding board member will receive a hard copy of the District Bylaws, Mission, Vision and Values, Strategic Plan and budget.

Director Wong inquired about the current onboarding plan for Director Wolfe. Executive Director of Governance noted her first orientation meeting had been scheduled for June 26.

6.3. Board Governance

6.3.1. Board Agenda Format

Governance Committee discussed and reviewed previous input on the template for the board agendas.

Discussion was held about the format for the end of board meetings.

Executive Director of Governance recommended removing item 19 "Board Committee Reports/Recommendation For Discussion And/Or Action. It is cumbersome on the agenda and it is appropriate for board members to discuss committee meetings they attended during closing remarks and board member reports.

Director Hill recommended leaving it as a standalone item called "Board Committee Reports" but removing the subsections.

Committee suggested removing items L and M from ABD-12 Guidelines for Business by Tahoe Forest Hospital District Board of Directors policy under Procedure, section H, number 4. Redline of policy will go to full board for approval.

6.3.2. Board Meeting Evaluation Surveys

Governance Committee reviewed a comparison of results from two 2018 Board Meeting Evaluation Surveys.

Director Wong noted scoring for questions two and eight decreased. Question two addressed governance level and volume of board packet materials provided. Question eight asked about the board's focus on issues of quality, strategy and policy.

Committee felt the meeting evaluation surveys are duplicative of the board self-assessment questions.

6.3.3. Board Self-Assessment Comparison

Governance Committee reviewed a comparison results of the 2017-2018 Board Self-Assessment. Committee discussed the lowest scoring questions for 2018. A number of board members answered “I don’t know” for the question on audit oversight and whether or not a board member meets with auditors. The Board Treasurer/Chair of Finance is the designee to meet with auditors annually. CEO suggested reminding board members of this prior to taking the assessment so it does not score low.

Committee also discussed board members were uncertain when answering the question about individual board members investing time between meetings.

Committee agreed to review the self-assessment questions at their next meeting and remove any questions that may be unclear and produce ambiguous answers.

Board orientation and board education continue to score low on the self-assessment.

6.3.4. Board Goals

Governance Committee reviewed the list of possible board goals that were presented at the April 23, 2019 board retreat. The Board of Directors never formally agreed on the board goals. The list presented was developed by VIA based on feedback heard throughout the meeting. Governance Committee is already working on a number of items from the list.

Governance Committee felt board goals should be focused on board orientation, board education plan, and recertification for ACHD’s Certified Healthcare District Program.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

Policies will be revised and sent for full board approval.

8. NEXT MEETING DATE

Governance Committee will meet as needed.

9. ADJOURN

Meeting adjourned at 11:34 a.m.

Orientation and Continuing Education, ABD-19

Policy:

New member(s) to the Tahoe Forest Hospital District Board of Directors, elected or appointed, will be oriented to the organization's mission, strategic plan, current fiscal budget, quality assurance program and the legal rights and responsibilities as a member of the Board of Directors

All Board members will be provided continuing education as it relates to their role in governance.

Procedure

A. Orientation

1. The new Board member(s) will begin orientation within two weeks of election or appointment
2. Chief Executive Officer/President or designee will meet with the new director to develop an individualized orientation plan based on the Directors' knowledge, experience and need.
3. An electronic device will be provided to the director for Board use.
4. A meeting with the Board's legal counsel will be scheduled to review the legal responsibilities and requirements of a member of the Hospital District Board of Director.

B. Continuing Education

1. Board Members are expected to expand their knowledge of District governance and key healthcare issues. Attendance at a relevant program at least annually will be encouraged.
2. To ensure financial resources are spent in alignment with the Mission, Vision and Strategic Plan of the District, the President /Chief Executive Officer will apprise Board Members of educational opportunities as they arise.
3. As necessary, relevant in-service educational programs will be conducted in conjunction with the Board meeting scheduled for that month.
4. All reasonable expenses arising out of the continuing education and orientation activities required by this policy will be reimbursed using the procedures as outlined in [Board of Directors Compensation and Reimbursement, ABD-03](#).

C. Documentation

1. The following documents regarding orientation, continuing education and mandatory classes will be maintained by the Clerk of the Board.
 - a. A checklist documenting adherence to the governing board's policy on orientation will be maintained for each member of the Board.
 - b. A file documenting formal continuing education
2. Copies of certificates and date of classes required annually or biennially for elected/appointed officials of the District are to be submitted to the Clerk of the Board.

Board of Directors Orientation Plan

- A. The new Board member will begin orientation by meeting with the Chief Executive Officer/President or designee to review his/her knowledge, understanding and experience of the following**
1. The Strategic Plan
 2. District's operating and capital expenditure plan for the current fiscal year and the District's most recently completed financial audit, as well as the current financial report on District's operations.
 3. The Quality Assurance and Process Improvement Plan
 4. The system facility master plan.
 5. The District's Foundations' Mission Statements.
 - 6.
- B. An individualized Orientation Program and timeframe to complete the orientation will be agreed upon by the Chief/Executive Officer/President and the new director.**
- C. An electronic device will be provided to the director for Board use**
1. The device will provides access to The Board Effects that contains meeting books, bylaws, board policies, orientation material and a resource Library.
 2. An email profile, as well as, training on the functions and locations of documents on Board Effects will be done.
- D. A meeting with the Board's legal counsel to review the following**
1. Various aspects of hospital law that impact upon governing board members.
 2. The Brown Act.
 3. The District's Conflict Of Interest Code and Statement of Economic Interest will be reviewed.

DRAFT v2 ABD-19 Onboarding of a New Board Member

POLICY

Tahoe Forest Hospital District will provide essential knowledge of the District to all incoming board members within thirty (30) days of election or appointment.

PROCEDURE

When onboarding, new board members complete the following steps:

- | | |
|-------------------------------------|--|
| Human Resources | 1. Completes and signs necessary paperwork with Human Resources. |
| | 2. Reviews benefit package with Benefits Coordinator. |
| Clerk of the Board | 3. Receives tablet, user ID and email. |
| | 4. Reviews board portal. |
| | 5. Completes FPPC Statement of Economic Interests Form 700. |
| | 6. Initiates required regulatory training (i.e. AB1234 Ethics training, Sexual Harassment Prevention training). |
| President & Chief Executive Officer | 7. Meets with President & CEO to review the Mission, Vision, Values, Organizational Chart, Strategic Plan and Master Plan of the District. |
| General Counsel | 8. Meets with General Counsel to review Brown Act, public meeting procedures, etc. |
| Executive Director of Governance | 8. Reviews Order & Decorum, board policies, etc. |
| Chief Financial Officer | 9. Reviews most recent audited financials, budget and 10 year forecast. |
| | 10. Reviews monthly financial report package. |
| Director of Quality | 11. Reviews Quality Assurance Performance Improvement Plan (QA/PI), Quality Dashboard and CMS Star Ratings. |

Additional materials on governance, quality and finance topics will be distributed electronically.

PURPOSE

Tahoe Forest Hospital District ("TFHD") Board of Directors wants to ensure that the compensation decisions for the President & Chief Executive Officer are competitive, fair and equitable as well as compliant with appropriate regulatory guidelines and representative of best market practices.

POLICY

It is the responsibility of the Board Executive Compensation Committee to review executive compensation and manage the President & Chief Executive Officer contract renewal process. The Board Executive Compensation Committee is composed of two board members and is appointed annually by the Board President.

PROCEDURE

A. Total Compensation

The Executive Compensation Committee will review survey data from various sources including, but not limited to, the California Hospital Association Executive Compensation Survey, third party compensation expert, and other targeted data. Survey comparisons will be to like size healthcare systems. Review of standalone facilities and healthcare systems will include the size of the organization, scope of services offered, gross/net revenue, operating expenses, number of FTE's, number of beds and scope of responsibility (e.g. Bi-state organizations, Multi-specialty Clinic services) and other applicable information.

Total compensation for the President & Chief Executive Officer position with TFHD may include, but not limited to:

1. Base salary
2. Personal leave
3. Long Term Sick Leave
4. \$1,000,000 life insurance benefit
5. Automobile allowance
6. Housing assistance
7. Health, dental and vision insurance
8. Long Term Disability policy
9. Participation in Money Purchase Pension Plan
10. Employer match into 457 Deferred Compensation Plan
11. Discretionary deferred compensation
12. Incentive Compensation Plan
13. Severance agreement

B. Target

The 50th percentile of current pay practices will be targeted to establish base compensation. "At Risk" compensation and other rewards will be targeted at above industry standards to offset base pay at the 50th percentile. It is our intention to provide total compensation comparable to industry standards with a focus on mountain community healthcare systems. Due to the housing market forces in our area, additional housing related benefits may be included in a total compensation package. These benefits may be more generous than industry standards due to local market and housing conditions.

The Board maintains the discretion to pay base compensation in excess of the 50th percentile based on other factors such as experience and results and to pay total compensation up to the 100th percentile based on extraordinary results.

C. Other factors

Other factors such as competitive market forces, each individual's job responsibilities are also considered in TFHD compensation and benefit decisions. These may include:

1. Organizational complexity (the number and variety of services and/or organizational units).
2. Current and future management challenges (such as bankruptcies, major financing, construction projects, consolidations, increased competition, etc.).
3. The availability or lack of availability of staff experts.

4. The depth and breadth of the executive's knowledge and experience.
5. The rate of organizational growth.
6. The executive's value in the labor market as reflected, in part, by his salary history elsewhere.
7. The hospital's prior success in recruiting and retaining competent executive personnel.
8. Fees charged for comparable services by recognized hospital management companies.

D. Incentive Compensation

1. The Executive Compensation Committee will meet no later than April 30 each year to develop the President & CEO's Incentive Compensation metrics for the next fiscal year. The Board of Directors will approve the metrics prior to the start of the fiscal year.
2. Incentive Compensation metrics will be based on the Foundations of Excellence in the areas of Quality, Service, People, Finance and Growth.
3. The Board of Directors will meet after the audited financial statements have been presented and no later than November 30 to determine the payout of the previous fiscal year Incentive Compensation award.

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BOARD OF DIRECTORS SELF ASSESSMENT COVER SHEET

ITEM

2017-2018 Board Self Assessment Comparison

RESPONSIBLE PARTY

Governance Committee, Chair – Alyce Wong

ACTION REQUESTED

Recommendations on how to use the data from the Self Assessments in the future
 Suggestions on making the assessment items more meaningful

BACKGROUND

The Board of Directors has completed a Self Assessment annually. In 2017, the Board of Directors with the assistance of the consultants from VIA developed a Self Assessment based on what was believed to be the Board’s fiduciary responsibilities. The assessment has been used for two years. In both those years, there were the same directors on the Board.

SUMMARY

The Self Assessment consists of 42 items organized in six categories of oversight. All the items were rated on a scale of 1-5 or could indicate DK: Do not know or NA: Not applicable. All the directors rated all the items of the survey.

The greatest gain was in Quality oversight and the lowest rated was in Board Effectiveness.

In 2017, the Board “**strongly agreed (5)**” with two assessment items.

All board The Board has set written expectations of the members regarding attendance, committee service etc. members display professional courtesy and respect when interacting with other board members

In 2018 “**strongly agreed (5)**” with two different items.

*The board is well-informed about the quality of care and patient safety provided by TFHD
 The full board participates in the annual evaluation and review of the CEO’s performance*

In 2017 there was one item that was rated less than “agree”(3)

In 2018 there were there 5 items that were rated less than “agree” (3)

A comparison of the two year self assessment results

:

Oversight Category	2017	2018	Oversight Category	2017	2018
Mission and Planning Oversight: Setting Strategic Direction	3.54	3.68	Finance and Audit Oversight: Following the Money	4.35	3.73
Quality Oversight: Monitoring Service, Safety and Quality	3.64	4.12	Management Oversight: Enhancing Board-Executive Relations	4.18	4.17
Legal and Regulatory Oversight: Ensuring Organizational Integrity	4.42	4.20	Board Effectiveness: Optimizing Board Functioning	4.30	3.74
Overall Score for all categories	4.07	3.94			

SUGGESTED DISCUSSION POINTS

- What items did the director(s) indicated that he/she DK: Did not know and how can it be addressed
- What forum should the self assessment be reviewed and discussed
- Are there survey items that could be better stated for clarity or intent
- How should the self assessments be used going forward

SUGGESTED MOTION/ALTERNATIVES

Recommendation:

1. To have the Self Assessment Survey as a standing agenda item on the Spring Board Retreat each year
2. Directors to provide input on revisions to self assessment format and items

LIST OF ATTACHMENTS

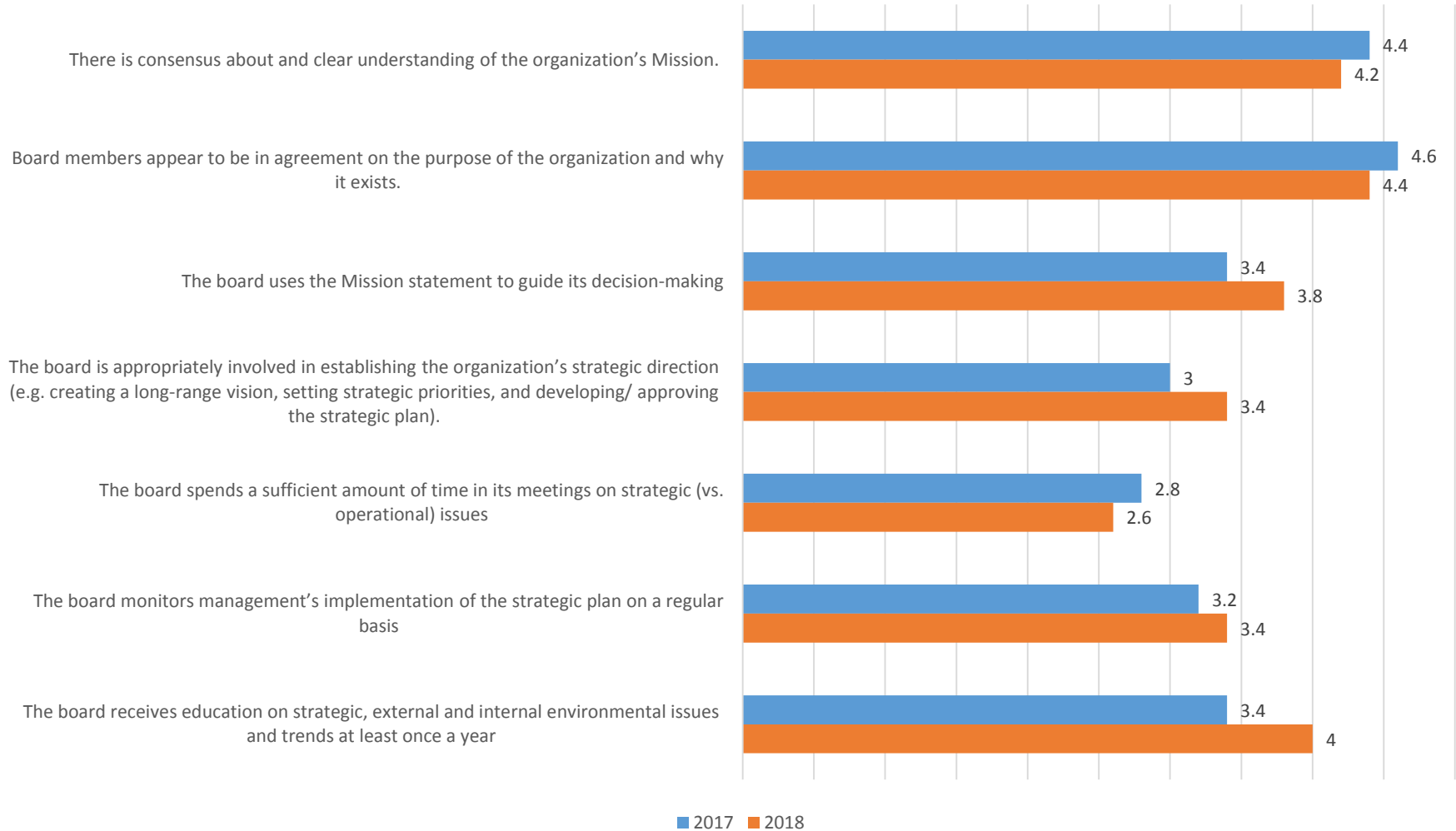
1. 2017-2018 Board Self Assessment Comparison
2. Board of Directors Self Assessment Survey Results by Oversight Categories And Overall Score
3. 2017-2018 Do Not Know Rated Statements
4. 2017 Lowest Rated Statements
5. 2018 Lowest Rated Statements

**Board of Directors Self Assessment
Survey Results
by
Oversight Categories
and
Overall Score**

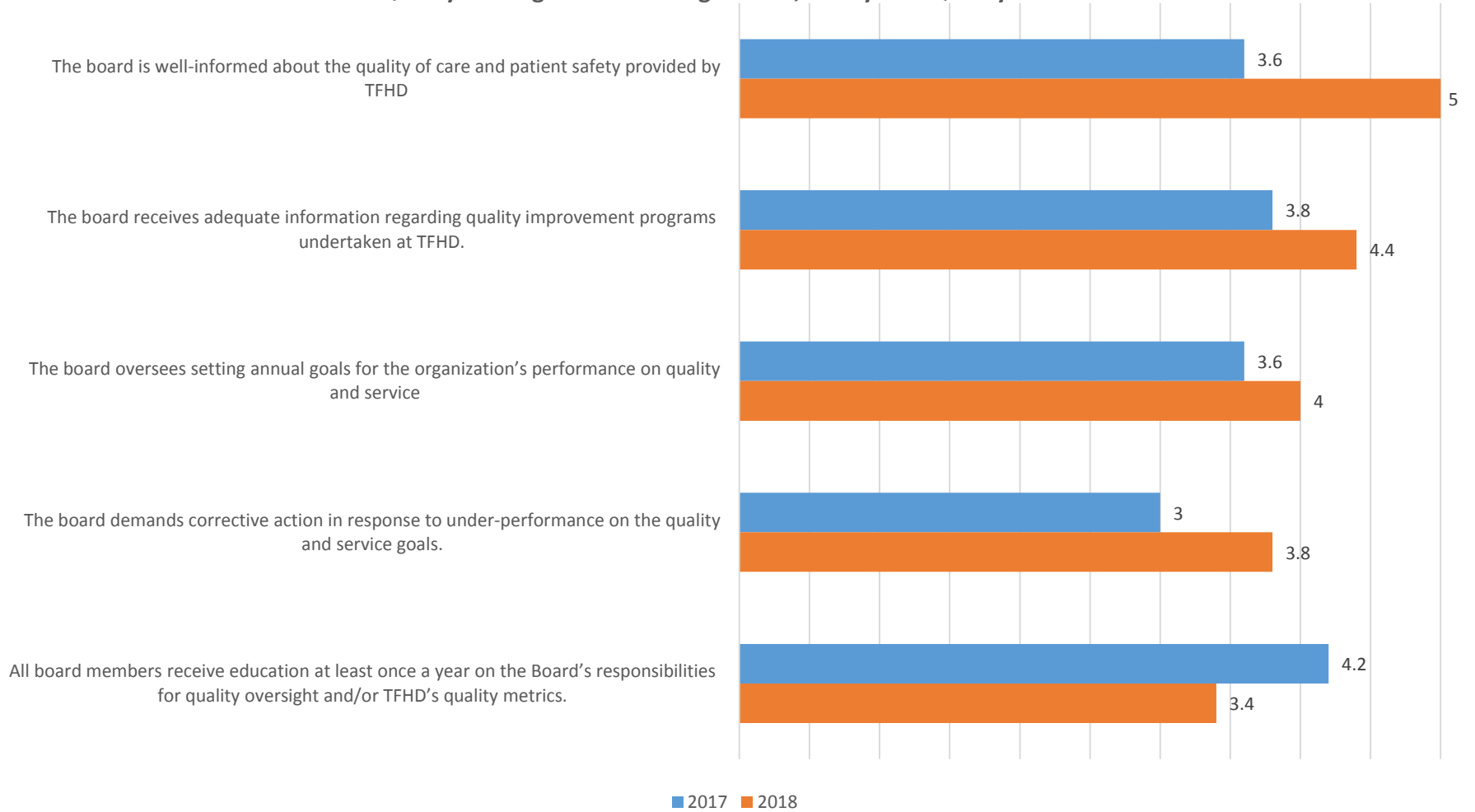
Oversight Category	2017	2018
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Board Effectiveness: Optimizing Board Functioning	4.30	3.74
Overall Score	4.07	3.94

2017-2018 Board Self-Assessment Comparison

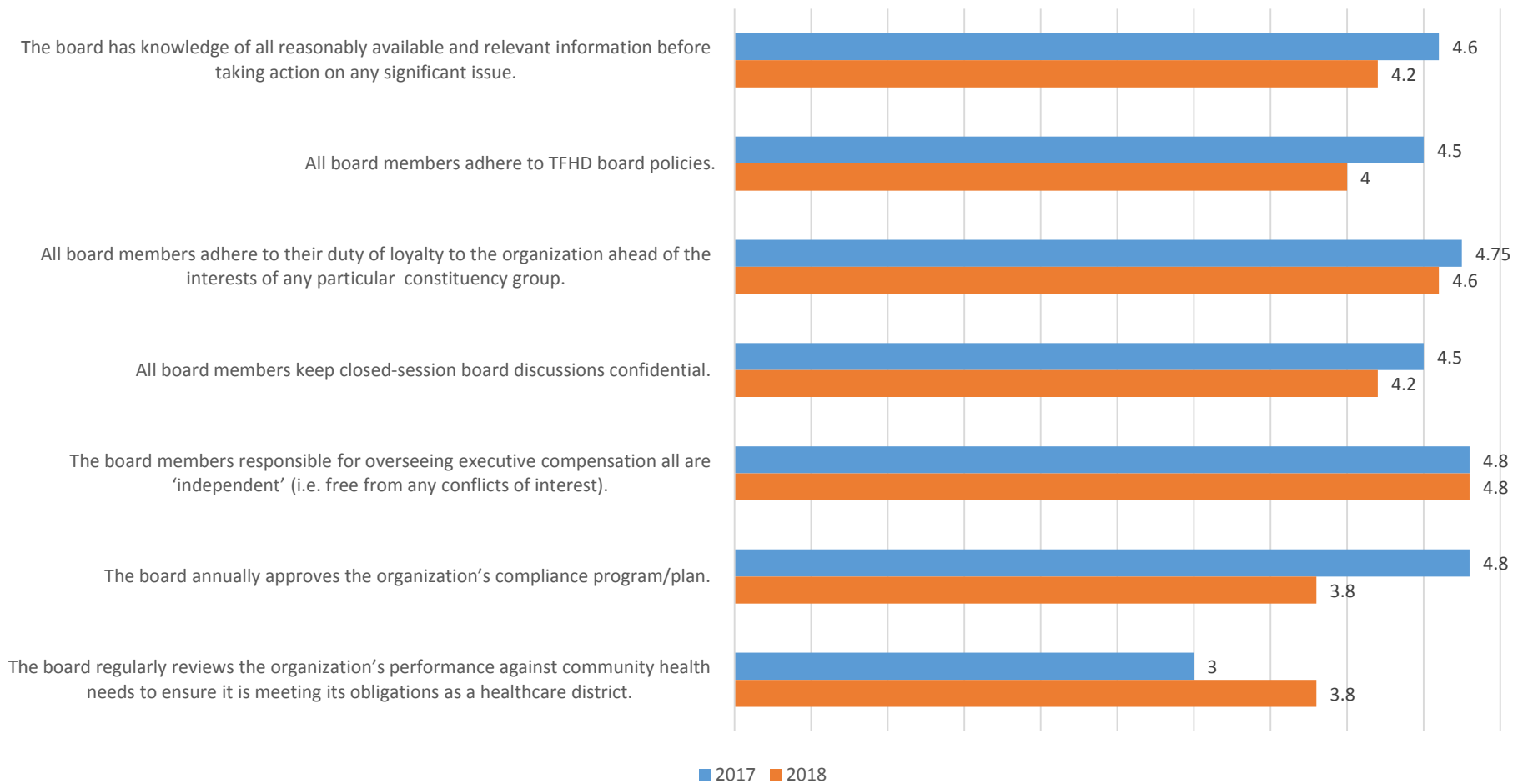
Mission and Planning Oversight: Setting Strategic Direction



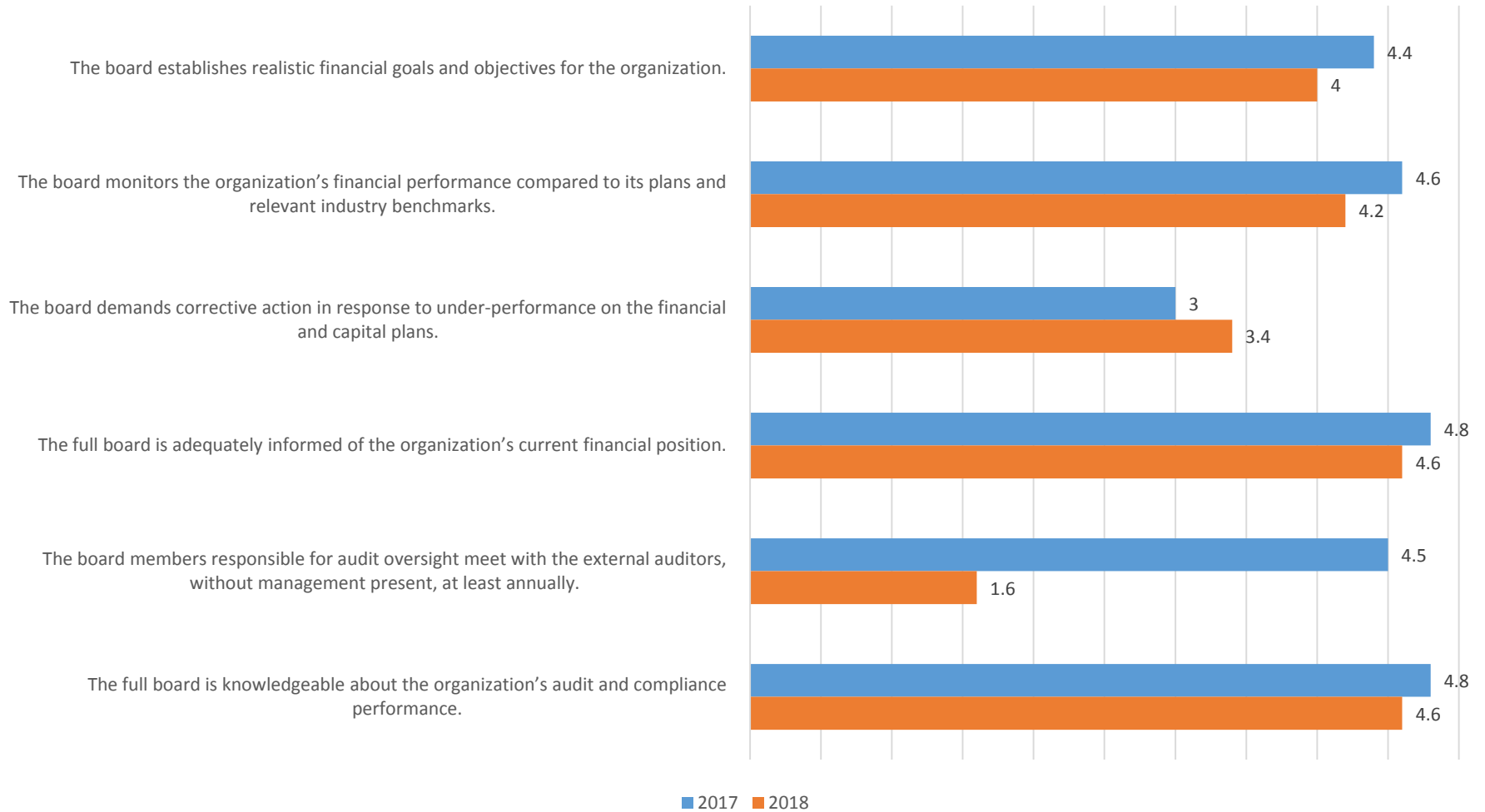
Quality Oversight: Monitoring Service, Safety and Quality



Legal and Regulatory Oversight: Ensuring Organizational Integrity



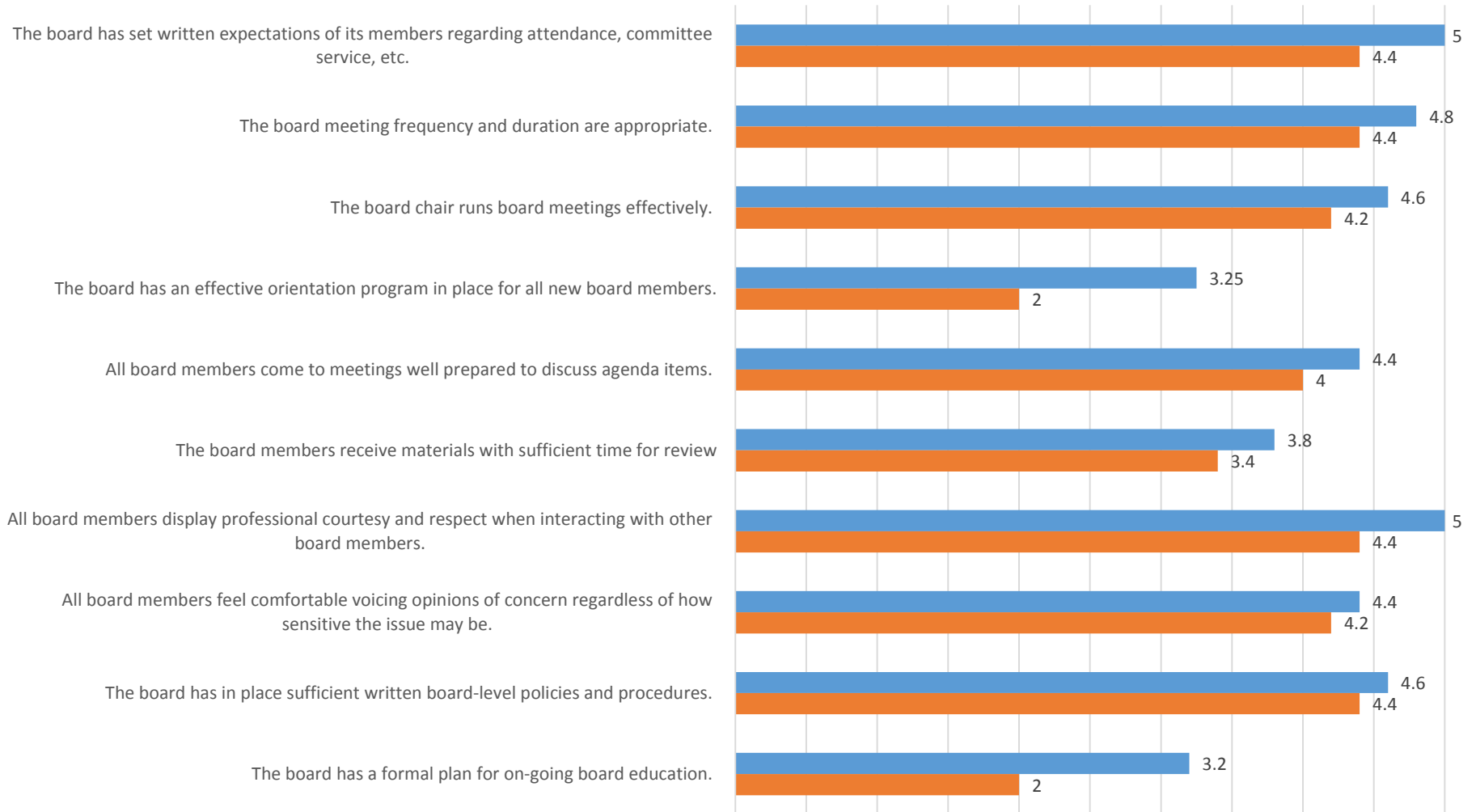
Financial and Audit Oversight: Following the Money



Management Oversight: Enhancing Board-Executive Relations

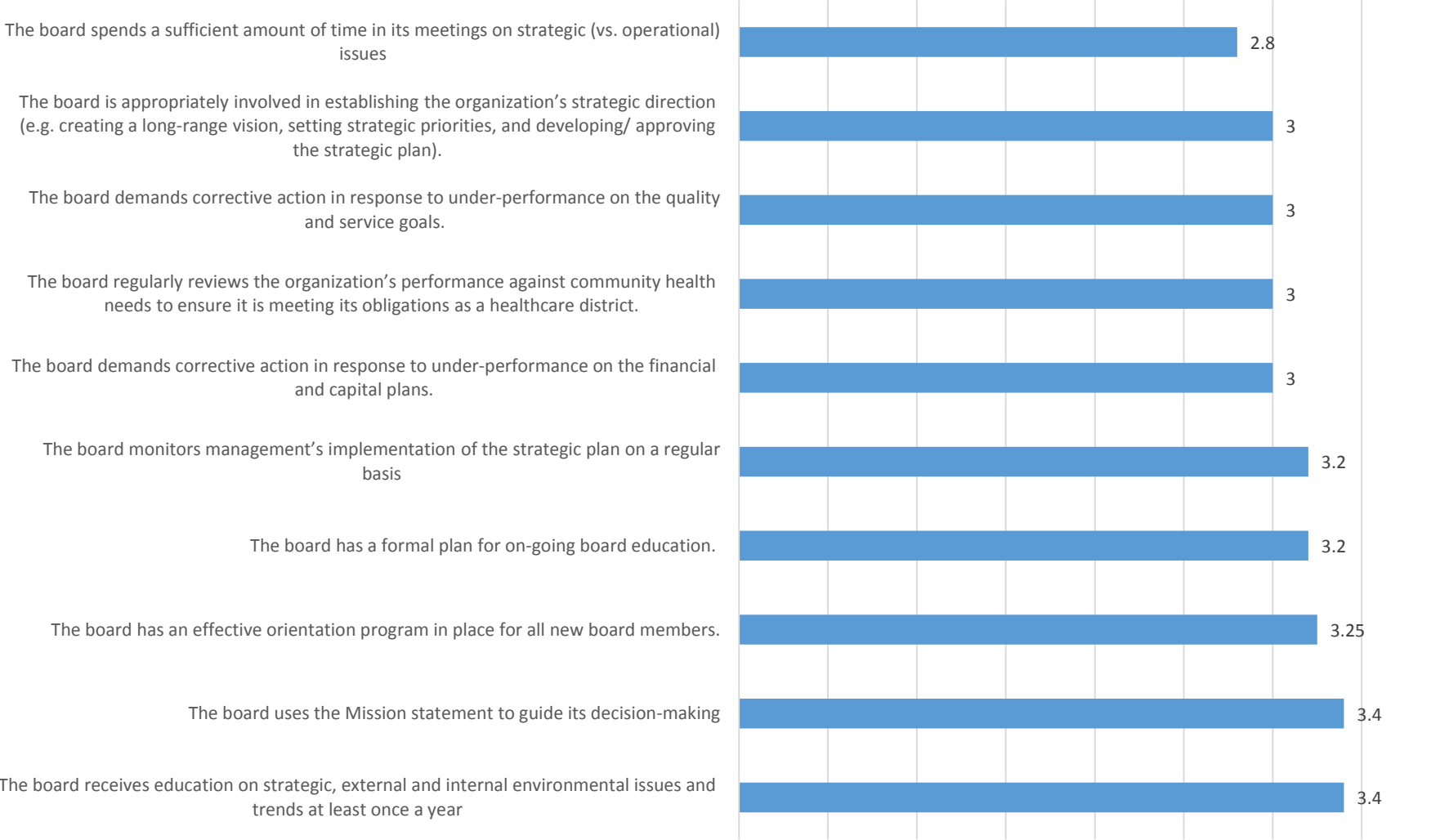


Board Effectiveness: Optimizing Board Functioning



■ 2017 ■ 2018

2017 Lowest Rated Statements



2018 Lowest Rated Statements

