



TAHOE FOREST HOSPITAL DISTRICT

2023-06-06 Board Executive Compensation Committee Meeting

Tuesday, June 6, 2023 at 11:00 a.m.

Tahoe Forest Hospital – Eskridge Conference Room

10121 Pine Avenue, Truckee, CA 96161



Meeting Book - 2023-06-06 Board Executive Compensation Committee Meeting

Board Executive Compensation Committee

AGENDA

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BOARD EXECUTIVE COMPENSATION COMMITTEE AGENDA

Tuesday, June 6, 2023 at 11:00 a.m.

Tahoe Forest Hospital – Eskridge Conference Room
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

2. ROLL CALL

Mary Brown, Chair; Alyce Wong, 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: 04/13/2023..... ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Committee Charter ATTACHMENT

Executive Compensation Committee will review and recommend changes to the committee charter.

6.2. Proposed Fiscal Year 2024 President & CEO Incentive Compensation Criteria

Executive Compensation Committee will discuss proposed metrics for the fiscal year 2024 President and CEO Incentive Compensation.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. NEXT MEETING DATE

Executive Compensation Committee will discuss its 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 telephonic 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 or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Clerk of the Board at 582-3481 at least 24 hours in advance of the meeting.

**BOARD EXECUTIVE
COMPENSATION COMMITTEE
DRAFT MINUTES**

Thursday, April 13, 2023 at 10:00 a.m.

Tahoe Forest Hospital – Eskridge Conference Room
10121 Pine Avenue, Truckee, CA 96161

1. CALL TO ORDER

Meeting was called to order at 10:00 a.m.

2. ROLL CALL

Board: Mary Brown, Chair; Alyce Wong, Board Member

Staff in attendance: Harry Weis, President and Chief Executive Officer; Louis Ward, Chief Operating Officer; Crystal Felix, Chief Financial Officer; Dr. Brian Evans, Chief Medical Officer; Alex MacLennan, Chief Human Resources Officer; 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: 11/08/2022

Director Wong moved to approve the Board Executive Compensation Committee of November 8, 2022, seconded by Director Brown.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Guiding Principles

Harry Weis, President and Chief Executive Officer, reviewed the guiding principles listed in the agenda packet.

6.2. President & CEO Incentive Compensation Criteria Process

Executive Compensation Committee discussed the process of developing metrics for the President and CEO Incentive Compensation Criteria.

Director Brown would like the incentive plan to be defensible. She also felt there should be a more systematic process. There should be more eyes on the process, particularly around quality. Executive Compensation Committee suggested having the metrics run through the respective board committees next year.

Dr. Brian Evans, Chief Medical Officer, shared the past strategy has been to improve the star rating, which is a reasonable strategy, but the downside is that it can be tricky to decipher what is being looked at. CMO would like to shift focus to the process, not outcomes. CMO will meet with the Director of Quality to look at other options.

Director Wong noted only the percentages for the quality goal have changed from year to year.

Louis Ward, Chief Operating Officer, shared the star rating program has been a big discussion at the federal and critical access hospital levels.

Executive Compensation Committee would like to shift the quality goal towards process.

Director Brown proposed to monitor the metric for a year (if not too onerous to have 2 sets of data) to see if it provides worthwhile data at the end of the year and then take it to Board Quality Committee.

The Service goal would also be sent to the Board Quality Committee for review. This is the first year the patient satisfaction scores included the Cancer Center and Physical Therapy.

The committee suggested adding percentage points to the growth goal and splitting it with a goal related to patient access. CMO confirmed access is important to the community but cautioned the definition of “good access” because it can mean different things.

CFO noted the goal should tie back to the strategic plan. Whatever is used as a measurement should be valid and agreed upon. Patient access is the primary focus of the organization. A project on improving access is moving forward with Vizient.

President and CEO stated a goal on access can be developed if that is the board’s desire.

The People goal was an employee satisfaction survey that traditionally alternated between staff and physicians. Alex MacLennan, Chief Human Resources Officer, suggested focusing on the alignment indicator which is currently below the national average. CHRO would propose to delay the survey until March 2024 so actual improvement can be made. CHRO reviewed the questions that make up the alignment score.

Director Brown researched a number of incentive compensation plan. She suggested utilizing a scale in the future that could address if metric is not met or exceeded greatly. An example could be as outlined below.

<u>Achievement</u>	<u>Incentive Comp Payout</u>
Total miss	Fail to receive payout
Near miss 85-99%	Receive 50% of payout
Hit target	Receive 100% of payout
Hit target out of the park	Latitude to give up to 150%

6.3. Proposed Fiscal Year 2024 President & CEO Incentive Compensation Criteria

Executive Compensation Committee will review detailed metrics at the next Executive Compensation Committee.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

No discussion was held.

8. NEXT MEETING DATE

Executive Compensation Committee will meet again prior to the June Regular Board Meeting.

9. ADJOURN

Meeting adjourned at 11:31 a.m.

DRAFT

Charter
Executive Compensation Committee
(formerly Personnel Committee)
Tahoe Forest Hospital District
Board of Directors

PURPOSE:

The purpose of the charter is to delineate the responsibilities and duties of the Executive Compensation Committee of the District's Board of Directors.

RESPONSIBILITIES:

The Executive Compensation Committee is responsible for assisting the Board in oversight of Chief Executive Officer (CEO) relations and the work done through the Foundations of Excellence.

DUTIES:

1. Oversee the identification and recruitment of the organization's CEO as directed by the Board of Directors.
2. Ensure an annual CEO performance evaluation process is in place.
3. In conjunction with the CEO, annually review and recommend modifications of goals and objectives which will be used to evaluate the performance of the CEO.
4. Review annually the CEO's comprehensive compensation package, and make recommendations to the Board of Directors as necessary.
5. Review metrics annually for the CEO's Incentive Compensation Criteria and make recommendations to the Board of Directors as necessary.
6. Review annually the CEO's Employment Agreement, and make recommendations to the Board of Directors as necessary.
7. In conjunction with the CEO, review and evaluate annually the CEO position description to ensure its continued relevance. Recommend revisions to the Board of Directors as necessary.
8. Annually review the CEO Succession Plan and make recommendations to the Board.

COMPOSITION:

The Committee is comprised of at least two (2) board members appointed by the Board Chair.

MEETING FREQUENCY:

The Committee shall meet at least once annually and then on an as needed basis.

DRAFT FY2024 President & CEO Incentive Compensation Criteria

Finance – ~~5350%~~

Meet or exceed budgeted net income* as approved by the Board for FY2~~33~~34.

**Refer to “Excess Revenue(Expense)” line in the budget.*

***The Board has the discretion to pay out Service, Quality, Growth, and People incentives even if this finance goal is not fully met.*

****No incentive would be paid if net income is less than \$4,000,000.*

Service – ~~1220%~~

10% - Meet or exceed an average 94.294.7 Press Ganey Patient Satisfaction score.

10% - Lower the primary care provider third next available appointment number of days from 25 to 23 and keep the specialty days to third next appointment at 28 days or lower.

Quality – ~~1210%~~

Meet or exceed 98.20% roll-up of the following quality measurements: SEP-1 (Early Management Bundle, Severe Sepsis/Septic Shock), EDTC ALL (Emergency Department Transfer Communication ALL), PC-01 (Early Elective Delivery), CLASS I SSI (Class I Surgical Site Infection Rate), Class I SSI for Joint Replacement (Class 1 Surgical Site Infection Rate for Total Knee and Hip Replacement), Medicare Readmission Rate (Inpatient Readmission) and C. DIFF. (Rate of Hospital Onset C. Diff.).

Growth – ~~105%~~

Meet or exceed annual actual physician office visits total as of June 30, 2022-2023 for all owned or managed physicians.

People – ~~1315%~~

Meet or exceed the 90th-36th percentile in the engagement category from the employee medical staff Press Ganey engagement survey.