



TAHOE FOREST HOSPITAL DISTRICT

Regular Meeting of the Board of Directors

Apr 28, 2015 at 04:00 PM - 10:00 PM

Tahoe Truckee Unified School District (TTUSD) Office

11603 Donner Pass Rd, Truckee, CA

Meeting Book - 2015 Apr 28 Regular Meeting of the Board of Directors

Agenda Packet Contents

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The same contract template is used for each of the following agreements.

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14.1.2. TF2020 Agreement Wellness Neighborhood

The same contract template is used for each of the following agreements.

- f. Page 179

Arth_TFHD_TF2020_Agreement_Wellness_Neighborhood_2015

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

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16. INFORMATIONAL REPORTS

16.1. Strategic Initiatives Update

a) CNO Report

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b) CIO Report

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16.2. Monthly Legal Expenses

Report will be run on Monday and uploaded for the Board's review.
Email notification will be provided once materials are available.

ITEMS 17 - 22 See Agenda

23. MEETING EFFECTIVENESS ASSESSMENT

a) Meeting Evaluation Form

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REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

Tuesday, April 28, 2015 at 4 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:**

5. **CLOSED SESSION:**

- 5.1. Approval of closed session minutes of: 3/31/15
- 5.2. Government Code Section 54956.8: Conference with Real Property Negotiator(s), agency designated representatives: Rick McConn; negotiating party: David G. Kitts MD, Inc.
- 5.3. Health & Safety Code Section 32106: Trade Secrets – Proposed New Services or Programs – Estimated Date of Public Disclosure is 06/30/15
- 5.4. Health & Safety Code Section 32155: Quality Report (3 items)
- 5.5. Government Code Section 54956.9(d)(2): Exposure to Litigation (3 matters)
- 5.6. Health & Safety Code Section 32155: Medical Staff Credentials

6. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**

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

9. **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.

10. **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.

11. **MEDICAL STAFF REPORT** ◆

11.1. Medical Staff Report ATTACHMENT

12. CONSENT CALENDAR ♦

These items are expected to be routine and non-controversial. They will be acted upon by the Board at one time 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.

12.1. Approval of Minutes of Meetings:

03/17-18/2015 and 03/31/2015 ATTACHMENT

12.2. Financial Report: March 2015 Financials ATTACHMENT

12.3. Policies:

12.3.1. Conflict of Interest Code (ABD-06) ATTACHMENT

13. PRESENTATIONS

13.1. Patient and Family Center Care Presentation [30 minutes plus Q&A] ATTACHMENT

An outside speaker will provide board education related to disclosure and compassion after medical errors.

14. ITEMS FOR BOARD DISCUSSION AND ACTION

14.1. Contracts ♦ [15 minutes] ATTACHMENT

14.1.1. TF2020 Agreement for Medical Advisor Services EHR Technology Council

- a. Laird_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015
- b. Lombard_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015
- c. Meredith_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015
- d. Scholnick_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015
- e. Thompson_TF2020_Agreement_for_Medical_Advisor_Services_EHR_Technology_Council_2015

14.1.2. TF2020 Agreement Wellness Neighborhood

- f. Arth_TFHD_TF2020_Agreement_Wellness_Neighborhood_2015
- g. Barta_TF2020_Agreement_for_Medical_Advisor_Services_Wellness_Neighborhood_and_EHR_Technology_Council_2015
- h. Gustafsson_TFHD_TF2020_Agreement_Wellness_Neighborhood_2015
- i. Jensen_First_Amendment_to_TFHD_Wellness_Neighborhood_Medical_Advisor_Services_Agreement_for_Disparities_Group_2015

14.1.2. Other

- j. Koppel_TFHD_MDA_for_Cancer_Center_Clinical_Research_Program_2015
- k. Ringnes_Physician_Recruitment_Agreement_2015

14.2. Truckee Donner Recreation and Parks District Aquatic Center ♦ [10 minutes] ATTACHMENT

Tahoe Forest Hospital Board of Directors will consider a request for funding for the TDRPD aquatic center project.

14.3. Hospice Quality Plan ♦ [10 minutes] ATTACHMENT

To maintain regulatory compliance with the Hospice Conditions of Participation the Hospice Quality Plan is presented for Board approval.

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

15.1. Governance Committee Meeting – 04/08/15 ATTACHMENT

The Fox Group will present reports provided to Governance Committee related to their compliance consulting work for Tahoe Forest Hospital District.

15.1.2. 2015 1st Quarter Compliance Report [15 minutes]

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
April 28, 2015 AGENDA – Continued

15.1.3. Corporate Compliance Program Policy ♦ [15minutes]

15.1.4. Updated Board Goals ♦ [10 minutes]

15.2. Personnel/Retirement Committee Meeting – 04/09/15, 04/21/15..... ATTACHMENT

15.2.2. Results of Employee Engagement Survey [15 minutes]

15.2.3. Increase in Educational Benefits for all Nurse Practitioners and Physician Assistants ♦ [5 minutes]

15.2.4. Retirement Plan Subcommittee [5 minutes]

a. Plan Record Keeping Fee ♦

15.3. Quality Committee – 04/14/15 [5 minutes]..... ATTACHMENT

15.4. Community Benefit Committee – 04/21/15 [10 minutes] ATTACHMENT

15.4.4. Draft Community Benefit Committee Charter ♦

15.4.5. Draft Community Benefit Committee Goals ♦

15.5. Finance Committee Meeting – 04/23/15 [5 minutes] ATTACHMENT

15.5.4. Standard and Poor’s Annual Surveillance for “BBB-“ Rating

16. INFORMATIONAL REPORTS

16.2. Strategic Initiatives Update ATTACHMENT

Staff reports will provide updates related to key strategic initiatives.

16.3. Monthly Legal Expenses..... *ATTACHMENT

This report is provided at the request of the Board to see a summary of monthly legal expenses.

17. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

18. ITEMS FOR NEXT MEETING

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

20. CLOSED SESSION CONTINUED, IF NECESSARY

21. OPEN SESSION

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

23. MEETING EFFECTIVENESS ASSESSMENT..... ATTACHMENT

The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

24. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is May 26, 2015, 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 Action Item

*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.

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**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
APRIL 28, 2015**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
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Discussion Items	Medical Executive Committee	
1. Chief of Staff	Dr. Dodd reported on the following: <ul style="list-style-type: none"> • The next Quarterly General Staff meeting is scheduled for 5/14/2015 at 5:30 pm at The Lodge. Items for discussion will be Compliance Education, Board Update, and Open Forum. • The Tahoe Forest Health System Dress Code Policy was discussed. Ms. Schnieder will follow up with HR on suggested revisions. 	Information
2. Medical Staff Financial Update	Dr. Dodd reported on behalf of Dr. Arth, Secretary Treasurer. The following was reviewed: <ul style="list-style-type: none"> • Educational Assistance request from Margeaux Schmerler was approved. • Educational Assistance request from MacKenzie Barton was approved. • Discussion was held regarding the physicians supporting the warm water pool initiative. This donation was approved. 	Information
3. Administrative Report	Ms. Razo reported that she has been honored to work with such an engaged medical staff. She will work with Mr. Dorst over the next 2 weeks to orient him to all the administrative and medical staff initiatives.	Information
4. Chief Nursing Officer Report	Mr. Sturtevant (on behalf of Ms. Newland) reported on the following: <ul style="list-style-type: none"> • ICU is becoming badge access only. Notification will be sent to the physicians. • A discussion was held regarding the ability of "locking down" the ED in the case of an emergency. • There is a Plan for badge only access for the OR after construction is completed. 	Information

**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
APRIL 28, 2015**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
	<ul style="list-style-type: none"> Linda Harman, RN, Director of Perioperative Services has resigned to take a position elsewhere. Respiratory Therapy Services is being reorganized and will now going to be under Tahoe Forest Health System vs. a contracted service. Mr. Bob Tilton has accepted a position as Manager of Respiratory Services which will report to Mr. Sturtevant. 	
5. Board Report	Dr. Zipkin, on behalf of Dr. Sessler, reported on the following: <ul style="list-style-type: none"> Board meeting updates were provided for the regular board meeting on 3/31, and the Special Board meetings on 4/2 and 4/13. Discussion was held regarding upcoming agenda items for the 4/28/15 board meeting. 	Information
Consent Approval Items		
1. Department of Medicine	The Department of Medicine recommended approval via email of the following: <ul style="list-style-type: none"> ➤ Revised Internal Medicine Delineation of Privileges for medical oncology at IVCH for ordering outpatient procedures for injections, infusions, blood administration, etc. 	Approval
2. Department of Surgery	The Department of Surgery, at the meeting on 4/13/15, recommended approval of the following: <ul style="list-style-type: none"> ➤ New: General Surgery Delineation of Privileges for IVCH. ➤ Revised: General Surgery Delineation of Privileges to include outpatient procedures. 	Approval
3. Department of OB/PEDS	The Department of OB/PEDS, at their meeting on 3/26/15, recommended approval of the following: Policies & Procedures: <ul style="list-style-type: none"> ➤ Delete: Antepartum – Pre-term Labor (already referenced in other 	Approval

**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
APRIL 28, 2015**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
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	<p>policies)</p> <ul style="list-style-type: none"> ➤ Revised: Postpartum - Herpes Simplex Management ➤ Neonate – Level of Care Guidelines <p>The Department of OB/PEDS recommended approval via email of the following policy:</p> <ul style="list-style-type: none"> ➤ Neonate – Neonatal Sepsis Prevention and Management of Policy 	
<p>4. P&T Committee</p>	<p>The P&T Committee, at their meeting on 4/15/15, recommended approval of the following: Pre-Printed Orders:</p> <ul style="list-style-type: none"> ➤ Adult Post Anesthesia Orders – addition of titration statement for first dose of opiates ➤ Anesthesia – Continuous Nerve Block – revisions to include D/C parameters for TKA, removal of PCA option ➤ Influenza Vaccine Form – separated from Pneumococcal form ➤ Pneumococcal Form – addition of Prevnar 13, separated from Influenza form ➤ Newborn Orders – minor revisions ➤ OB Hypertension Orders – renamed (was Pre-Eclampsia) ➤ OB – Labor Orders – minor revisions, addition of Ibuprofen dose immediately after delivery ➤ OB – Magnesium Sulfate – minor revisions ➤ OB – Triage – minor revisions ➤ Ortho THA & Hip Fracture – change Tylenol dosing to 975mg Q8H ➤ Ortho TKA – same ➤ Ortho Surgery – same ➤ Pediatric Post Anesthesia Orders – addition of titration statement for first dose of opiates ➤ Pre-Op testing and Admission Orders – addition of Ortho Pre-Op 	<p>Approval</p>

**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
APRIL 28, 2015**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
	<p>Medications</p> <ul style="list-style-type: none"> ➤ Sepsis Admission – revisions to titration parameters to be more specific <p>Medication Error Reduction Plan (MERP)</p> <ul style="list-style-type: none"> ➤ Addition of Antibiotic Stewardship Program (ASP) ➤ Addition of decrease antipsychotic usage rates in the SNF <p>Formulary Requests/ Deletions/Floor Stock/Drug Utilization</p> <ul style="list-style-type: none"> ➤ Annual approval of Formulary ➤ OB Override Medication List - Remove Ibuprofen, add Labetalol <p>Policy and Procedures – Revisions, deletions, and new</p> <p>Revised:</p> <ul style="list-style-type: none"> ➤ Insulin Regular IV Admin Guideline – update to current insulin drip concentration 1unit/mL ➤ Anticoagulation Protocol – update CHADS. Change to Warafin dosing changed to 2pm from 5pm. ➤ Medical Waste Nursing, Pharmacy and EVS Policy - Includes the new disposal containers for controlled substances <p>Deleted:</p> <ul style="list-style-type: none"> ➤ Antibiotic Regimen Review – replaced by Antibiotic Stewardship Program (ASP) policy ➤ Propranolol IV Admin Guideline <p>New:</p> <ul style="list-style-type: none"> ➤ Antibiotic Stewardship Policy (ASP) – SB 1311 <p>Quality Dashboard Metrics changes</p>	

DATE: April 15, 2015
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MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS TO THE BOARD OF DIRECTORS - OPEN MEETING
APRIL 28, 2015

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
5. Infection Control Committee	The Infection Control Committee, at their meeting on 4/15/15, recommended approval of the following: <ul style="list-style-type: none"> ➤ Cleaning and Disinfection of Patient Rooms and Equipment – Revisions ➤ Use of sporicidal agents for terminal cleaning. 	Approval
6. Quality Committee	The Quality Committee, at their meeting on 4/1/15, recommended approval of the following annual policy: <ul style="list-style-type: none"> ➤ Oncology Annual Policies and Procedures 	Approval



SPECIAL MEETING OF THE BOARD OF DIRECTORS DRAFT MINUTES

Board Retreat (Day 1 of 2)

Tuesday, March 17, 2015 at 8:00 a.m.

Alder Room, Granlibakken Conference Center & Lodge
725 Granlibakken Road Tahoe City, CA 96145

1. CALL TO ORDER

Meeting called to order at the Big Pine Room at 8:00 a.m.

2. ROLL CALL

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

Staff: Ted Owens, Director Community Development; Patricia Barrett, Clerk of the Board

Due to water damage issues with the Big Pine Room, the meeting was relocated to the Alder Room.

Meeting adjourned to the Alder Room at 8:00 a.m.

Meeting reconvened at 8:15 a.m.

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

Staff: Virginia Razo, *Interim* Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Nursing Officer; Jake Dorst, Chief Information Officer; Jayne O'Flanagan, Director Human Resources; Ted Owens, Director Community Development; Patricia Barrett, Clerk of the Board

3. INPUT – AUDIENCE

Director Community Development reviewed logistic details related to the retreat location and services.

4. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

4.1. Contracts

4.1.1. **New**

- a. Krause_Rural PRIME Site Clerkship Director
- b. Krause_Rural PRIME Site Medical Director
- c. Samelson_PSA Medical Director Medical Education Committee
- d. Thompson_PSA_Training_and_Education_2015
- e. Taylor_PSA_Training_and_Education_2015
- f. Coll_PSA_Training_and_Education_2015

Director Mohun requested confirmation that the contracts presented are compliant with ABD-21. Interim CEO provided an update regarding the process for obtaining signatures. Discussion took place related to confirmation of Fair Market Value (FMV) and Commercial Reasonableness (CR) provided by ECG / Hooper Lundy & Bookman (HLB). An email summary verifying FMV and CR will be provided to the Board.

Discussion took place related to the current status of the UC Davis relationship.

Recommendation made to approve contracts on condition of FMV and CR being verified for all contracts. Question related to potential of overlapping duties in the Krause contracts was raised. Clarification requested on content of the contract routing form for Samelson.

Contracts have been deferred to Tuesday morning to allow staff to address issues raised by the Board.

5. RETREAT ITEMS FOR BOARD DISCUSSION

5.1. CEO Search Process

Director of Human Resources provided an overview of the process of selecting an executive search firm. An overview of several search firms was provided, along with a review of the role of the personnel committee and other stake holders participating in the process.

Director Sessler provided a review of the previous search process used during the recruitment of Mr. Schapper.

Recommendation made to have the Personnel Committee or an appointed subcommittee to facilitate the process and bring items to the full Board for decision.

Discussion took place related to whether to identify the criteria for candidates prior to selecting a firm. Director of HR provided that the purpose of engaging a firm first is to help facilitate that initial discovery process.

Director Mohun shared that Joe DeLuca was responsible for recruiting the CIO. There are other options than those presented.

Director Zipkin would like the Board to conduct the initial discovery prior to engaging a firm and does not want to start the search prematurely.

Discussion took place related to a public notice regarding the process for looking for a permanent CEO; need to ensure it is an inclusive process.

It was noted that the Personnel Committee is advisory in its role. Discussion took place related to the process for obtaining public comment.

Meeting recessed at 9:04 a.m.

BREAK

Meeting reconvened at 9:30 a.m.

5.2. Board Order & Decorum

Director of Community Benefit introduced guest speaker, Brian Colantuono. Mr. Colantuono is an attorney specializing in conflict of interest law, Brown Act, and governance.

Mr. Colantuono provided a summary of his background prior providing the Board with education and training related to board order and decorum best practices, review of the Brown Act and ethics laws.

A review and discussion related to board committee structure took place. Committees exist to go into depth on issues and provide a division of labor. It is important to respect the committee process.

It was noted that committee meetings can be agendized as a joint meeting with the full board to allow a third board member to participate when the topics are of interest. A note referencing that no board business will be conducted should be included on the agenda.

Other recommendations made:

- Put Board emails in the bcc field to avoid the potential of creating a serial meeting. Make a note at the top of the email that board members have been blind copied.
- Requests for notice of meetings should remain active for a minimum of 1 year.
- Use an "*" or some other indicator on the agenda to show an action is expected on this item
- The Board's personal addresses, etc. should not be included in posted, printed materials. The board should use the District's address for mail and have a District specific email address.
- Consider adopting an ethics policy to help create a consensus on values.

Meeting recessed at 11:01 a.m.

Meeting reconvened at 11:13 a.m.

Discussion took place regarding policies which require more stringent restrictions than that of the law. These are used for social and political influence; but there is no legal authority to enforce.

Meeting adjourned at 12:08 p.m.

LUNCH

5.3. Board Order & Decorum – continued

Meeting reconvened at 1:01 p.m.

Mr. Colantuono presented "Making Meetings Manageable"

Recommendation made to look at the City of Calabasas online agenda for appropriate verbiage.

Recommends placing the consent agenda at the end of the agenda or at minimum deferring items pulled for discussion to the end of the meeting.

Recommends the CEO providing regular off agenda reports to the Board and avoid having to include those updates on the agenda.

If a report does not have an actionable item it does not need to go to the board meeting.
Discussion took place related to communication best practice for the board.

Meeting recessed at 2:12 p.m.

BREAK

Meeting reconvened at 2:18 p.m.

Recommendation made to allow anyone to request for an action to be pulled from the consent agenda but allow only a board member to actually pull an item.

Consider removing the verbiage requiring a motion prior to discussion.

Discussion took place regarding setting of the agenda. The Board must allow the CEO to agendize items for the meeting. Don't get too wrapped around the process and focus on the mutually respectful exchange.

Important to have dialogue with committees regarding purview; don't invite them to micromanage.

Meeting recessed at 3:00 p.m.

5.4. Strategic Plan Review and Chief Executive Officer Goals

Meeting reconvened at 3:03 p.m.

The interim Chief Executive Officer (CEO) walked the Board through the status of the current strategic plan and related action items. The Board and interim CEO identified priority initiatives on which the interim CEO should focus.

6. PUBLIC COMMENT

None.

7. ADJOURNMENT

Meeting adjourned to Wednesday, March 18, 2015 at 8:00 a.m. at the Alder Room, Granlibakken Conference Center & Lodge, 725 Granlibakken Road Tahoe City, CA 96145

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Board Retreat (Day 2 of 2)

Wednesday, March 18, 2015 at 8:00 a.m.

Alder Room, Granlibakken Conference Center & Lodge
725 Granlibakken Road Tahoe City, CA 96145

8. CALL TO ORDER

Meeting reconvened at 8:02 a.m.

9. ROLL CALL

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

Staff: Virginia Razo, *Interim* Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Nursing Officer; Jake Dorst, Chief Information Officer; Jayne O'Flanagan, Director Human Resources; Ted Owens, Director Community Development; Patricia Barrett, Clerk of the Board

10. RETREAT ITEMS FOR BOARD DISCUSSION

Item 4.1.1 from the prior day's session was revisited.

4.1 Contracts

4.1.1. New

- a. Krause_Rural PRIME Site Clerkship Director
- b. Krause_Rural PRIME Site Medical Director
- c. Samelson_PSA Medical Director Medical Education Committee
- d. Thompson_PSA_Training_and_Education_2015
- e. Taylor_PSA_Training_and_Education_2015
- f. Coll_PSA_Training_and_Education_2015

ACTION: Motion made by Director Zipkin, seconded by Director Chamblin, to approve contracts referenced as 4.1.1.a – f. Roll call vote taken. Passed unanimously.

Interim CEO introduced, Lisa Toutant as today's retreat facilitator. Ms. Toutant met with CEO and Director of Community Development to develop the priorities for today's retreat.

Ms. Toutant provided a summary of her background and shared that she has had the opportunity to speak with each board member in advance of the board meeting to garner information related to individual priorities.

10.2. Introduction and Ground Rules

The Board discussed and agreed to ground rules for the conduct of the day's retreat activities and participated in an ice breaking exercise.

Three significant areas were identified:

- Financial Stability
- Compliance
- Community

Ground rules were identified:

- Refocus attention by using the time out sign
- Put idea on trial not the person
- Don't interrupt
- Repeat what was understood to be said "reflective listening"
- Participation (equal for all)
- Written record shared by everyone
- Stay on point
- Use your inside voice

Meeting recessed at 8:41 a.m.

BREAK

Meeting reconvened at 8:56 a.m.

10.3. **Board SWOT Analysis**

See attached summary notes prepared by the facilitator.

10.4. **Board Priorities and Goals**

See attached summary notes prepared by the facilitator.

Meeting recessed at 1:58 p.m.

11. SUMMARY and NEXT STEPS

See attached summary notes prepared by the facilitator.

Meeting reconvened at 2:19 p.m.

12. MEETING EFFECTIVENESS ASSESSMENT

The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

13. PUBLIC COMMENT

None.

14. ADJOURN

Meeting adjourned at 3:15 p.m.



Tahoe Forest Hospital

Board of Directors Retreat – Meeting Notes

March 18, 2015

(updated at Governance Committee 4/8/15)

Agenda

On March 18, 2015, the Tahoe Forest Board of Directors met to focus on strategic direction of the Board and the Hospital.

Agenda	
Introduction & Ground Rules	8:00 – 8:45 AM
<i>Break</i>	
SWOT Analysis	9:00 – 11:00 AM
<i>Lunch</i>	
Board Goals – 2015	11:30 – 2:00 PM
<i>Break</i>	
Summary & Next Steps	2:15 – 3:15 PM

Established Ground Rules

Meeting ground rules were established to ensure meeting success and a general sense of accomplishment.

- Use a “time-out” motion to refocus the group
- Put an idea on trial, not a person
- Use your inside voice
- Do not interrupt
- Stay on point
- Use reflective listening – repeat to understand
- Participate
- Maintain a written record

Pre-Workshop Observations

Prior to the Board Retreat, ELTE spoke with each Board Member and the key Administrators at the Hospital. Here are the themes from those discussions:



What does this mean?

Pre-Workshop Observations and Key Themes

The previously displayed infographic utilizes word emphasis to provide a visual of common topics and themes. The information is shared below in a more traditional format.

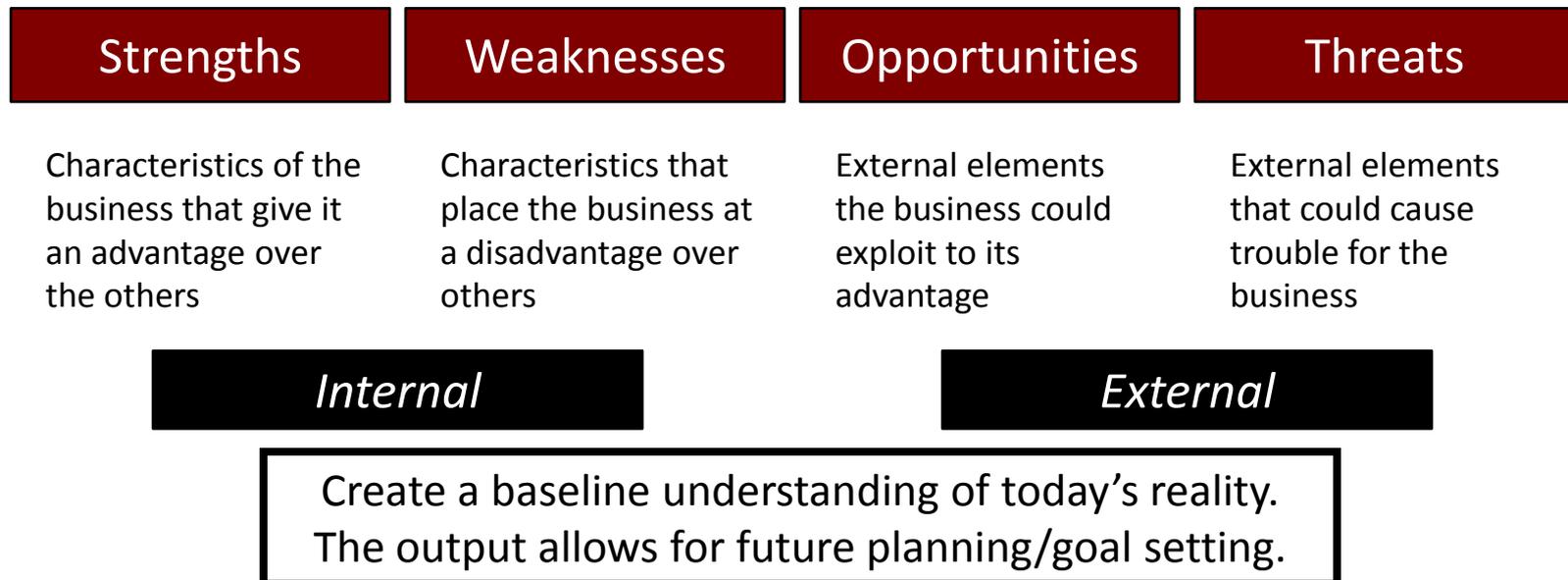


- | | |
|--|---|
| <ul style="list-style-type: none"> • CEO Search • Board Focus (micromanagement) • Strategic Goals • Board Governance • Public Image/Transparency • Respect | <ul style="list-style-type: none"> • Brown Act • Community Needs • Affordable Care Act • Board Goals • Staff • Competitive Assessment |
|--|---|

Board is Unanimously Focused on the Success of the Hospital

SWOT Analysis

The Board of Directors took time to complete a SWOT analysis that focused on Tahoe Forest Hospital. After exhaustively completing the SWOT, each Director used stars to denote key items of greater importance. The results will be leveraged for future planning.



Note: The following four slides contain the SWOT information. Items in bold received between 1 & 4 stars of importance. Items in bold and larger font received 5 stars or greater.

Strengths

- Highly skilled employees
- **Competent & dedicated staff**
- Longevity of employees
- **Patient experience**
- **Quality initiatives/results**
- **MD participation**
- Admin/Staff relationship
- **Commitment to community wellness**
- Best HR department
- **High care/satisfaction ratings**
- **New facilities/equipment**
- “State of the Art” cancer center
- Intelligent & capable retired community
- Bond ratings
- **Relative current financial position**
- **Strong reputation in community**
- Facilities seismically updated
- **UC Davis**
- Physician leadership
- **New leadership**
- Economic driver of community
- **21st Century healthcare**
- Modern technology
- **Nursing staff**
- Availability of consultants
- **Good emergency room**
- Robust tourism
- **Quality of care**
- **Innovation**
- **Nimble/agile**
- **Critical access**
- Public supported
- Support between medical staff & administration
- **Community support**
- Integral part of the community
- Continuum of care

Weaknesses

- **Data analytics**
- Public elected board
- Brown act
- **Price competition with other institutions (Reno Diagnostic)**
- Small population
- **Increasing MediCal**
- **Difficulty communicating value to community**
- Poor payer mix
- Difficulty in developing economies of scale
- **Difficulty attracting/retaining key highly skilled “single” job positions**
- Baggage from previous CEO’s legal issues
- **MD recruitment/retention**
- **Board dysfunction undermines public perception of TFHD**
- **MSC conflict**
- **EMR/IT**
- **Compliance**
- Education + current practices
- **Physician referrals**
- **Consumer referrals**
- Physician/patient demand (low)
- **Better communicate with the public – transparent, educate**
- Legal team
- **Mission/vision statements**
- **Cultural differences in community**
- **Communication in community (bi-lingual)**

Opportunities

- Board/C-suite relations
- **New relations with MDs**
- Capture market share of possible out migration
- Multiple community organization/partners
- **Keep patients from going off the hill**
- **Partnerships with others in our community/outside community**
- Innovation with regards to IT, HER, HIS, etc.
- **Chronic disease management = better health = better ACA**
- Overcome bad press from 2014
- **Use focus on TFHD to engage and involve community with our initiatives**
- **Build cancer and orthopedic volumes**
- **Enormous intellectual capital in community**
- **Community focus on substance abuse/mental health issues**
- **Include Hispanic population**
- **Affordable Care Act**
- **Increase revenue from non-traditional sources**
- **Community health needs**
- **Better financial consulting for patients**
- **MD education of economics of reimbursement**
- Strategic planning
- CEO search
- Board governance
- **Product line vs. community needs – educate the public**

Threats

- Investigative reporting
- **Declining insurance reimbursement**
- **Payer type/mix**
- **Public opinion perception**
- **Aging MDs**
- **Regulatory agencies, compliance (National)**
- **Governmental regulatory uncertainties**
- **Expense of compliance/legal impairs ability to provide healthcare**
- Ongoing distraction from 1090 investigation
- **Misinformation**
- Global warming
- Vocal anti-tax group in community
- Natural disasters
- Medicaid expansion program
- Economic trends
- Disease
- **Competitive threats**
- Poor snow conditions
- Covered California

Board Goals/Priorities

After completing the SWOT analysis, the Board directed their attention to identifying goals for themselves to achieve in the next 12 months. They worked to create realistic, strategic goals that were SMART (specific, measurable, attainable, realistic and timely). Eight areas of focus were identified.

- CEO search
- Board/Administration relationship
- District sustainability
- Board/Community relationship
- Mission/Vision update
- Compliance
- Ethics
- Meeting strategy – decrease meeting time

Board Goals/Priorities – CEO Search

Stated Goal: Confirm a CEO within 12 months

Tactics

1. The personnel committee will create a CEO search process plan
 - Commence on April 9
 - Communicate the plan/process
2. Personnel staff to establish CEO criteria with input from medical staff, employees, the community and Board (all stakeholder groups)
3. Vet a search firm/negotiate contract

Board Goals/Priorities – Board/Administration Relationship

Stated Goal: Develop a Strong Partnership between the Board & CEO

Tactics

1. Establish a formalized/systematic CEO review process
 - Driven by the Personnel Committee
 - Commence on April 9
2. Friday Update provided to the Board by the CEO
3. No surprises – both directions

Board Goals/Priorities – District Sustainability

Stated Goal: Ensure the Long-term Viability of the Hospital District

Tactics

1. Board to be educated and understand the necessary business models for the future
 - CEO to provide education materials on a consistent basis

Board Goals/Priorities – Board/Community Relationship

Stated Goal: Improve the Relationship between the Board, Hospital and the Community

Tactics

1. Develop a plan to meet with small groups of concerned community members
 - Rotating Board Director and CEO to provide a feedback/communication loop
 - Breakfast meeting approximately every six weeks
 - Establish an “ears open, mouth closed” approach
2. Monthly Board Director/CEO rounding for staff
3. Board Directors to continue to engage in the community
 - Coordination with Ted and Paige

Board Goals/Priorities – Mission/Vision Update

Stated Goal: Update the Mission and Vision Statements

Tactics

1. Accelerate the visioning process. Have the Personnel Committee make a recommendation to the Board and include the visioning process as part of the CEO search.
2. CEO will determine best practices and make a recommendation to the Board.
3. Process will be completed prior to hiring a new CEO
4. Process will be collaborative with all stakeholders

Board Goals/Priorities – Compliance

Stated Goal: Ensure Effective Compliance Program is a Priority of the Board

Tactics

1. Work closely with Administration
2. Quarterly update report to the Board from the CEO
3. Review the consultant reports/recommendations

Board Goals/Priorities – Ethics

Stated Goal: It is a Priority of the Board that TFHD Functions to the Highest Ethical Standards

Tactics

1. Review current ethics policies
2. Adopt the JUST Culture
3. Lead by example at the Board level
4. Ongoing education

Board Goals/Priorities – Meeting Strategy

Stated Goal: Limit regular, open-session, Board meetings to 3-4 hours, once a month

Tactics

1. Limit presenters to 5 minutes
2. Develop a hard stop time limit (10:00 PM)
3. Move consent to the end of the agenda
4. No surprises

Summary/Next Steps

Over the course of the day, the Board successfully identified goals for the next 12 months. And, through a SWOT analysis, provided information to Administration regarding priorities for the Hospital.

- Next Steps
 - Review & adopt goals at March Board Meeting
 - Communicate goals and intent to stakeholders
 - Follow-up on goals in six months in a retreat style meeting



REGULAR MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Tuesday, March 31, 2015 at 4 p.m.
Tahoe Truckee Unified School District (TTUSD) Office
11603 Donner Pass Rd, Truckee, CA

1. **CALL TO ORDER**

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

2. **ROLL CALL**

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

Staff: Virginia Razo, *Interim* Chief Executive Officer; Crystal Betts, Chief Financial Officer; Jayne O'Flanagan, Director Human Resources; Patricia Barrett, Clerk of the Board

Other: Steve Gross, General Counsel; John Hawkins

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

None.

4. **INPUT AUDIENCE:**

None.

General Counsel read the Board into closed session.

Open session recessed at 4:02 p.m.

5. **CLOSED SESSION:**

Discussion held on privileged matters.

6. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**

Meeting called to order at 6:01 p.m.

8. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA** ◆

Director Sessler referenced the government code allowing an addition of an action item to the agenda.

ACTION: Motion made by Director Sessler, seconded by Director Zipkin, to add a review of a proposed agenda item related to the resignation of interim CEO and consideration of

transition plan discussion and possible action to the agenda ahead of item 15. Roll call vote taken. Approved unanimously.

9. INPUT – AUDIENCE

Gaylan Larson addressed the board related to his request made at the February 24, 2015 meeting wherein he was not allowed to comment on an education item. Mr. Larson expressed concern regarding advice from general counsel and requests Board consider getting new legal counsel with no ties personally or geographically to the district.

Community member referenced comments made by Director Jellinek related to the District being caught with “their pants down” as it pertains to the resignation of the interim CEO and expressed agreement; directs the Board to “do your job”.

Patty Lamonto read a letter from Mark Spohr of Tahoe City related to the hospital being given poor legal advice. Feels past issues have impaired his performance and new counsel should be considered.

Lynn Larson read a letter from Greg McDougal who could not be present asking the Board to engage an out of area legal counsel referencing the guidance provided the Board at the February 24, 2015 meeting.

10. INPUT FROM EMPLOYEE ASSOCIATIONS

Barbara Wong representative of non-licensed professionals shared that though she is happy for the interim CEO, Ginny Razo, she is saddened by her loss to the District. Ms. Razo was recognized for not losing sight of the value of non-clinical employees.

Stacey Tedsen, a nurse at the TFH and President of EAP shared that she is very proud to work for this organization and thank Ginny Razo for her service to the organization. Ms. Razo was recognized for being out in the hospital and for her efforts in visiting departments and giving of her time. Ms. Tedsen noted that though she wishes Ms. Razo not leave, she is happy for her.

11. MEDICAL STAFF REPORT

11.1. Medical Staff Report

Dr. Dodd provided a summary of the March 18, 2015 MEC meeting indicating there were no action items requiring Board approval.

12. CONSENT CALENDAR ◆

12.1. Approval of Minutes of Meetings:

2/24/15

12.2. Financial Report

12.3. Policies:

12.3.1. Conflict of Interest Code (ABD-06)

Director Zipkin pulled item 12.3.1 for from the Consent Calendar for discussion.

Discussion took place related to the disclosure categories included with the policy. An update to the categories will be made to add clarification as it relates to the FPPC regulations pertaining to disclosure.

12.3.2. Physician Non-Monetary Compensation Policy

12.4. Small Rural Hospital Improvement Program (SHIP) Grant Authorization to Bind

ACTION: Motion made by Director Chamblin, Seconded by Director Jellinek, to approve consent items 12.1, 12.3.2 and 12.4. Roll call vote taken. Approved unanimously.

13. ITEMS FOR BOARD DISCUSSION AND ACTION

13.1. Medical Staff Succession Planning ♦ [15 minutes] ATTACHMENT

CEO provided an overview of the request of medical staff and leadership to seek board approval to engage a consultant to educate the TFHD Board of Directors, Administration, and the Medical Staff as to the impetus for change due to changing healthcare industry along with educating to various integration and alignment options being implemented across the country.

This request does result in a budget variance of approximately \$100k to engage an outside consultant to conduct the work. The full amount may not be incurred; responses to RFPs are being considered.

Three consultants have been identified as potentials resources. Discussion took place related to whether this work can be done internally and whether to function is needed. Bids have been received and all are below the requested dollar request.

Director Mohun indicated that he does not think this project should be initiated until a new CEO is in place.

Discussion took place related to the scope of work included in the \$100k proposal. CEO provided background related to the scope of work; noting it would include identifying how many physicians are needed by the community, in what specialties, and what models exist for which TFHD should consider following. Regardless of whom the CEO is this work will need to be done.

Director Chamblin inquired as to whether the new CEO may have the applicable knowledge for which is being considered for outsourcing to a consultant. A CEO may have some of the requisite knowledge, but not likely all. The work needed involves a partnership between medical staff, administration and the Board.

Dr. Jellinek agrees with Director Mohun. Farming out to consultants is costly and perceived as such by the community. Discussion took place regarding the pros and cons of starting this now or delaying.

Dr. Dodd provided physician perspective indicating that if the anticipated time to seat a full time CEO is greater than six months, delaying this work much beyond that would be detrimental.

Public Comment

Pete Forni expressed support for the position of Directors Mohun and Jellinek. Spending District money on a whim is not appropriate. Wait until there is a better grip on the situation.

Gaylan Larson expressed concerns that the District is not clear on its goals and the public should be involved. Mr. Larson indicated that the chronic action of bringing in consultants to advise the staff does not endear confidence.

Director Jellinek recommends tabling the topic until an interim CEO is in place. Directors Chamblin and Mohun concur. Director Sessler concurs with noted reservations related to the length of delay.

ACTION: Motion made by Director Jellinek, seconded by Director Mohun, to table consideration of this topic for 2 months and to include the topic for further discussion at the May board meeting. Roll call vote taken. Approved unanimously.

14. PRESENTATIONS

14.1. Facilities Development Plan Quarterly Update [5 minutes plus Q&A]

The Chief Facilities Development Officer and Mike Geney, Construction Manager, provided a quarterly update of the Facilities Development Plan to include status of current capital projects.

The plan is holding on budget at \$1.3 million with 13 of 15 measure C projects having been completed. Completion of the South Building (project 15) is anticipated by summer 2016.

Campus wide seismic compliance, the impetus for Measure C, was completed in August 2014.

14.2. Truckee Donner Recreation and Parks District Aquatic Center [5 minutes plus Q&A]

Kevin Murphy, Vice Chair of the TRPD Board, introduced himself and addressed the Board requesting support of the aquatic center to help promote health and wellness in the community. A promotional video was shared.

Mr. Murphy provided an overview of the history of the project and a review of funding confirmed to date.

The Truckee Donner Recreation & Park District requests the Board consider funding for the overall project or dedicating funds to the warm water components of the aquatic center that would be used for therapy. TFHD would be branded as a community partner if funding is provided.

Discussion took place regarding the benefits of community wellness and regular exercise. Many residents of the hospital District live outside of the Truckee area. The pricing structure of the Rec Center does not differ for any residents within the hospital district.

Discussion took place related to access and programs available to those with disabilities. Dr. Dodd shared that pool therapy is often used for rehabilitation noting that cold water is not as conducive to rehab.

Dan Cates, with the Truckee Aquatic Coalition, recognized many of his group for being in attendance at the meeting. A review of safety statistics and learning to swim dynamics was provided. It was shared that there are warm water facilities in Reno where some community members send their children to learn to swim.

Director Jellinek expressed concerns related to the fiduciary duty to all the tax payers in the Hospital District, which is quite a bit larger than the Rec District, along with concerns related to the legality of a public agency gifting money to another district.

Discussion took place regarding the need for consideration of the purpose related to funding another agency. It was shared that the current facility fee structure is different for Placer and Nevada Counties. A review of the difference in tax and parcel tax revenue was provided.

A review of the pool depths and availability of lifts was provided.

Inquiry was made regarding the availability for physical therapists to use the pool for therapy was made. TDRPD indicated that the Hospital's physical therapy department could reserve the pool, or section for a period of time; adding that day time hours specifically would be easily available.

Director Chamblin inquired about the related ballot measure that failed in the last election. The TFHD Board is under scrutiny all the time; since the tax payers did not want to pay for the pool he has concerns with the District using tax funds to support the pool. Mr. Randall provided background of his understanding as to the reason the public voted the way they did in the election.

Director Mohun inquired about the TFHD signage that would be provided and its benefit to the District via visibility. Mr. Murphy will make sure the appropriate recognition is provided.

General Counsel disclosed that he acts a general counsel for the TDRPD. Clarification was provided regarding the gift of public funds from one public agency to another public agency; there needs to be a public purpose asserted that benefits the District.

The CFO was asked to address the budget impacts related to the potential funding. From a cash flow perspective \$180k would be less than one day cash on hand and would have a minimal impact on cash flow as of today.

Director Zipkin shared comments shared from the community benefit and wellness program related to addressing the needs of the community. Director Zipkin indicated it would make more sense for this request to come to the Community Benefit Committee for consideration as to how it fits into the priority initiatives identified through the community needs assessment. He

recommends waiting for the next Community Benefit Committee for consideration of inclusion in the Community Benefit proposed budget.

The \$181k calculation would get the TDRPD to its goal and the total dollar amount is then matched. Clarification asked related to the 40 day window during which to confirm the commitments.

Public Comment

Stacy Jeremy addressed the Board in support of the aquatic center sharing exercise constraints requiring aquatic exercise and the importance of teaching children to swim in an area with so much surrounding water.

Lynn Zakornian (sic) responded to Director Chamblin's concerns related to constituents outside of the TDRPD who may not benefit from the aquatic center. She shared that she has a couple of girlfriends with second homes in Tahoma who drive to the community pool rather than driving to Incline Village. Discussed the Hospitals District's consideration of funding the pool indicating that the community has voted for so many bond measure for the District, that the least they can do is kick in money to complete the pool.

Carolyn shared that her daughter had been injured resulting in the only activity she could do safely being to swim. They do not have access to a pool through an HOA and believes the aquatic center is an amazing opportunity to give the kids; an activity they can do if prevented for enjoying other outdoor activities.

Holly Verbeck (sic) disagrees with the statement that the hospital is not a nuisance in response to an earlier statement related to the Airport District providing funding to offset their noise nuisance. The airport and the hospital have the perception of having served the needs of individuals rather than the community in the past. Supports putting some measure of funds toward keeping the community healthy; it is an integral element to our community.

Barbara Wong inquired whether the facility would be open to the employees who live in Reno and asked where the money to maintain the warm water pool would come from. Suggested a hospital fundraiser as an alternate option for funding, noting that the requested \$181k equates to a couple of jobs.

Jenny Meyer (sic) addressed the board regarding the swim program in town which often sees its participants with blue lips and shivering due to the current cold water. Ms. Meyer is very much in support of the warm water pool noting that lower economic families cannot afford other recreation. Geriatric population would benefit for exercise as well; opportunity for rehab is a major benefit.

Larry Larson addressed concerns related to patients from Tahoma and Lake Tahoe that come to Truckee for therapy. CDS does not cover aquatic therapy for children and Medicare covers only a limited amount. The need exists for patients serviced by TFHD and the needs of patients are

going unmet. Mr. Larson estimates that on an annual basis approximately 500 treatments in a water setting are provided.

Lynn Larson expressed concerns related to using tax dollars and suggest that TDRPD build the warm water section first with available funds and then gets the money to build the rest.

Vicky Coworst (sic) shared that nearly 30 years ago she blew out knee while living Tahoe which was followed by a knee replacement and rehab. Impacts of warm water therapy were very positive and her health improved.

Sharon (?) expressed that it makes sense for the hospital district to be a supporter of this facility. It will provide kids with an opportunity to learn to swim and becoming lifelong swimmers; it will benefit all residents. She believes it is embarrassing that our community does not have the appropriate facility to teach community members this life skill.

Amanda Oberaker (sic) thanked the supporters for being present at the board meeting. In response to the comments made by Lynn Larson, if we only build the warm water we would not have other programs (adult swim, swim team, etc.). Replacement for the 40 year old pool that is failing is a necessity as well noting that the current pool is terrible pool for rehab. The Board should feel obligated to let the community have access to an appropriate therapy pool. Suggested consideration of High Fives Foundation committing only to the warm water component as an option for the District.

Julie Zernick (sic) shared a story regarding a rehab for a broken back and two knee surgeries; expressing her support of the warm water pool.

Terry Smith shared that she has MS and the water supports her and provides an option for exercise. Water aerobics has made her stronger and allows her to participate in other wellness programs. Critical thing for health and safety to allow the community to have access to the community resources

Jay Gustafson answered Director Chamblin's question related to District members outside of the TDRPD district benefiting from the aquatic center. In all the years she has been in the area, people come from the lake come to Truckee to work out, and bring their children to swim, confirming that people from the North shore utilize the pool.

Public comment closed.

Director Jellinek addressed the issue of health insurance only paying for a limited amount of post operative care and inquired if TDRPD would be willing to provide an offset to take care of those unable to pay the fee required to use the pool. TRPFD will review and present staff with a response.

Director Sessler indicated that she would like to see clear programmatic elements outlined. How will the therapy impact the Hospital District's mission? How branding will be a consideration and

of value to the District. Specific budget analysis with various price points and whether there is an opportunity to tie this resource to community benefit programs.

Director Chamblin suggested looking at the request as a community capital need and assess it next to other TFHD capital needs.

Director Zipkin expressed concerns that funding this project may cannibalize other projects identified as priorities from the community needs assessment. Money needs to be considered globally with all of the other things District is trying to accomplish.

Director Mohun noted that preventive health is a movement by the nation as a whole. Requests staff produce an economic model to assist with making a decision within 30 days noting that given the availability of matching funds a decision needs to be made quickly.

Request made to ensure the analysis prepared includes whether funds need to be delineated specifically to the therapy portion of the project.

Director Jellinek requests the indigent issue be addressed. Mr. Murphy agreed to complete an analysis but expressed concerns that 30 days may not allow “fully baked” data to be available for use in the analysis.

General Counsel noted that letters received by the Board in support of the aquatic center are available for public review.

14.3. Resignation Of Interim CEO And Consideration Of Transition Plan Discussion And Possible Action *[Added Agenda Item per action taken under agenda item 8]*

It was noted that the Board was notified on March 30th that the interim CEO has tendered her resignation with May 1st being her last day.

Chief Human Resources Officer (CHRO) addressed the board to provided options for moving forward. There is an opportunity to select an internal candidate, engage a firm to provide interim services, and/or move forward with a full search for permanent replacement.

CHRO recommends select members of the Board or Personnel Committee identify an interim CEO. CHRO shared that word has traveled quickly and that by the time she contacted a recruiter to determine interim availability and likely turn around time, he had already began to identify options. CHRO recommends the Board consider two companies; Quorum Health and HFS Consulting to fill management positions.

A representative from both groups could be asked to be present at a special meeting later this week. Each company can be assessed for recruiting both interim and permanent CEOs.

Discussion took place regarding the need to move more quickly on the interim position. CHRO noted that the Personnel Committee meeting scheduled on April 9th had already been earmarked to begin work on the long term search.

Director Mohun recommends engaging a turn around officer to come in to assess the organization.

A special board meeting will be scheduled to address the interim placement; including firm presentations, cost impacts, assessment of benefits of interim placement versus turn around officer.

CHRO shared her understanding to help clarify the difference between an interim and a turn around officer. Director Mohun expressed his belief that the process is not functioning. Director Zipkin disagreed indicating the hospital is not broken. Director Mohun clarified that his comment pertained to the succession plan being broken.

Director Sessler expressed that it sends the wrong message that the Board is bringing in an entity that intends to turn around the entire organization; stating the Board should hear from all resources but she is unwilling to send that type of message.

Director Jellinek indicated a preference to see all options and expressed concern that a turn around officer would be equated with a plan to “slash and burn.”

Director Zipkin indicated a turn around officer implies the hospital’s direction is heading in the wrong direction.

Director Mohun expressed that administration has had a breakdown and requires a turn around agent to assess process and identify why it is not working.

Quorum Health (management firm), HFS (different model, recruiting/placement), and another firm recognized for a turn around process will be invited to present to the Board.

Director Chamblin shared his experience working with turn around firms. Does not like the message that it sends.

Director Mohun considers a turn around officer a positive thing.

Public Comment

Gaylan Larson shared his first impression of the current interim CEO; has heard stories of her being around and seen by hospital staff. Expressed concern that only two months later he has heard she has a new job. Mr. Larson believes the new job must have been in process before she accepted the interim appointment and inquired whether the loan is being returned. Expressed concern related to ethics and asked if the interim CEO is bailing out because she knows of stuff the board does not know; the financial statement is pretty negative – “does the board know what is going on?”

Pete Forni shared that he has been involved in a turn around and it saved the company; stating it does not necessarily mean slash and burn. It is imperative to show the public that the Board is

looking at the big picture. The District may not have the right people managing some of the departments and the succession plan was not much of a plan.

Community member asked when the interim CEO started looking for the job; before or after she was promoted? Feels burned and believes it shows a lack of commitment and community. This leaves the CFO to hold the bag.

Director Jellinek addressed Mr. Forni's comments. Shared the conversations around the Board's plan for recruiting a CEO; identifying qualities needed in a CEO with input from medical staff, community and leadership.

15. INFORMATIONAL REPORTS

The following reports were provided as informational reports for the board. Staff was available to answer questions

15.1. Strategic Initiatives Update

15.2. Disaster Recovery of Data and Electronic Communication Systems

At Director Sessler's request, the CIO provided a brief summary of the report provided to the Board, including a synopsis of the disaster recovery process that would be deployed at Tahoe Forest Hospital District (TFHD) in the event that we lost our data storage servers.

The CIO provided a verbal overview of the chart attached as exhibit A to this report. Discussion took place related to the redundancy of data. SAN storage and cloud storage are used for duplicate redundancy. Goal in the next couple of years is to move to systems that would immediately pick up the data if lost on the main server.

15.3. CPSI Computerized Provider Order Entry (CPOE)

The CIO provided a verbal review of the report.

15.4. IT Electronic Medical Records Plan

The CIO report provided an update related to the RFI process to better understand the future state of EMR. Date certain for CPOE is approximately 2 years. Assessment of best product will be completed during this period.

15.5. HCAHPS Survey Tool Review

Staff report provided an overview of Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS). Informational report for reference for those interested in understanding why surveys are done and why outside resources are used to conduct the surveys. Director of Quality will take lead on assessing whether Press Ganey remains the best resource for future reporting to the Quality Committee.

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

16.1. Retirement Plan, Subcommittee of Personnel Committee Meeting – 03/09/15

Director Zipkin provided a brief overview related to the topics reviewed at the Retirement Plan Committee. More detail will be reported at the next meeting.

16.2. Governance Committee Meeting – 03/12/15

Item presented following agenda item 15.5

Jim Hook provided background related to their engagement with the district as compliance consultant. Mr. Hook and Cindy Winn with the Fox Group presented an overview of the reports provided to Governance Committee related to their compliance consulting work for Tahoe Forest Hospital District.

16.2.1. 2014 Compliance Report

Areas reviewed, included:

1. *Policies and Procedures to prevent and detect violations of law*
2. *Compliance Oversight*
3. *Education and Training*

Education of staff and the Board has taken place over the last year.

4. *Effective Lines of Communication and Reporting*

It was noted that the compliance log and hotline were not maintained over the last year. Process and practice have reinstated and are now being tracked.

5. *Auditing and Monitoring*

CNO provided an overview of the 96-hour (two-midnight) rule. An update will be provided related to efforts to change the 96 hour rule once available.

6. *Enforcing Standards and Promoting Guidelines for Ethical Conduct*
7. *Responding to Detected Offenses and Corrective Action Initiatives*

Discussion took place regarding the incorporation of the Just Culture process when addressing need for remediation. This will be incorporated into future reports.

The interim CEO provided background as to why the report reflects a calendar versus fiscal calendar.

ACTION: Motion made by Director Zipkin, seconded by Director Jellinek, to approved the 2014 Compliance Report. Roll call vote taken. Approved unanimously.

16.2.2. 2015 TFHD Compliance Work Plan

Mr. Hook provided a review of the proposed 2015 Corporate Compliance Program Annual Work Plan, outlining the objectives identified for focus in 2015 related to the elements of an effective compliance program using items identified in the 2015 OIG Work Plan and risk areas identified by Tahoe Forest Health System.

1. Policies and Procedures to prevent and detect violations of law
2. Compliance Oversight
3. Education and Training
4. Effective Lines of Communication and Reporting
5. Auditing and Monitoring
6. Enforcing Standards and Promoting Guidelines for Ethical Conduct
7. Responding to Detected Offenses and Corrective Action Initiatives

Further discussion took place related to the 96 hour rule. The interim CEO shared that a screening process with physicians has been put in place to assess the 96 hour rule issue. The requirement that issues are documented is significant to ensure payment can be received.

The Compliance Work Plan is dynamic and can be changed throughout the year if needed.

Discussion took place related to more regular compliance reporting to the Board. A recommendation was agreed to, to provide a quarterly report.

Director Mohun asked whether physician agreements are audited. A recommendation was made to include monitoring of a sampling of physician contracts on an annual basis as part of the work plan.

ACTION: Motion made by Director Mohun, seconded by Director Zipkin, to approve the 2015 Compliance Work Plan with it being sent back to Governance Committee to assess the merits of including and item 4.i. related to auditing of physician agreements. Roll call vote taken. Approved unanimously.

16.2.3. Analysis of 2013 Quality Matters Report

The Interim CEO provided a review of the engagement of Quality Matters Consulting (QMC) to assess the ED On-call model for providing Physician ED on-call coverage and compensating physicians for on-call services.

The work was intended to educate and inform the Medical Staff and TFHD's Senior Leadership about:

1. Providing fair, objective methods to compensate physicians for services;
2. Limit the risk of Stark "anti-kickback claims;
3. Assess the on-call needs in quantitative terms; and
4. Determine if the current ED On-call model is consistent with TFHD's mission, vision and values.

In the course of conducting its work, QMC compared contracts for Physician ED on-call agreements against six national physician compensation surveys. However; it did not use a recognized, systematic, proven approach to draw conclusions that TFHD may be compensating above FMV for Physician ED on-call services related to Anesthesia, Family Practice, General Surgery, Hospitalist, and Ophthalmology, as stated in the April 2013 QMC report.

Because QMC raised this issue, TFHD engaged compliance legal counsel who contracted with an industry leader, ECG Management Consultants, to perform a comprehensive FMV analysis for all Physician ED On-call Agreements. The results of their review did not find any of the Physician ED on-call Agreements to be paid above FMV.

A review of the summary report provided outlining the issues identified in the QMC report and management's response prepared with the assistance of General Counsel was provided.

16.3. Board Retreat – 03/17/15 and 03/18/15

16.3.1. Discussion and Potential Approval of Board Goals

The Board identified eight goals for focus by the Board over the next 12 months.

Director Sessler reported that the Board had a very productive and educational retreat. The summary prepared by Lisa Toutant, retreat facilitator, on day two reflects a set of goals identified at the retreat and has been provided for Board discussion and approval.

A recommendation was made to revisit the goals to make adjustment resulting from the resignation of the CEO at the special meeting on Thursday.

Director Sessler addressed community feedback related to the wording reflecting “a small vocal community group.” Clarification will be made to better reflect the intent that the Board develop a plan to meet with small groups of concerned community members.

Discussion took place related to the reference to “ears open mouth closed” and it was agreed to appropriately reflect the intent of the Board’s approach to the meetings.

The review and approval of board goals was deferred to the next meeting.

16.4. Finance Committee Meeting – 03/24/15

16.4.1. Resolution Authorizing The Issuance And Sale Of The District’s 2015 Revenue Refunding Bonds

The District intends to issue refunding revenue bonds (2015 bonds) pursuant to proposed Resolution to provide for the redemption of all outstanding 2006 revenue bonds.

The CFO shared that the annual S&P surveillance of the District’s bond rating is not complete. The surveillance needs to be completed before moving forward. News of the interim CEO’s resignation is known and requires disclosure during this process. A few things need to be worked through resulting in some delay in the financial scheduled; if the bond rating does not change, the CFO would like authority to move forward. The CFO should know by next week where the District stands from the underwriter’s perspective and should know one way or the other within 30 days whether there will be a change to the bond rating.

The CFO provided a review of the refunding and refinancing options related to bonds and the structure of the revenue bonds.

ACTION: Motion made by Director Jellinek , seconded by Director Mohun, approving Resolution 2015-02 Authorizing the Issuance and Sale of the District’s 2015 Refunding Revenue Bonds. Roll call vote taken. Approved unanimously.

16.5. Community Benefit Committee – 03/27/15

Director Zipkin provided a summary of the first meeting of the Community Benefit Committee. The primary focus is to formalize and approve a community benefit budget.

16.6. Quality Committee – No Meeting

17. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

18. ITEMS FOR NEXT MEETING

Board report regarding the employee survey
Attorney's fees and costs

Special Meeting:

Engagement of Legal Counsel for the Board
CEO Replacement

ACTION: Motion made by Director Chamblin, Seconded by Mohun, to extend the meeting beyond 10 PM. Roll call vote taken. Approved unanimously.

Open session recessed at 10:00 p.m.

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

20. CLOSED SESSION CONTINUED, IF NECESSARY

Discussion held on privileged matters.

21. OPEN SESSION

Open Session reconvened at 10:39 pm.

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

None.

23. MEETING EFFECTIVENESS ASSESSMENT

Discussion took place regarding meeting effectiveness. any occurrences during the meeting that impacted the effectiveness and value of the meeting.

24. ADJOURN

Meeting adjourned at 10:41 p.m.

**TAHOE FOREST HOSPITAL DISTRICT
MARCH 2015 FINANCIAL REPORT
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Board of Directors
Of Tahoe Forest Hospital District

MARCH 2015 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the nine months ended March 31, 2015.

Activity Statistics

- ❑ TFH acute patient days were 403 for the current month compared to budget of 424. This equates to an average daily census of 13.0 compared to budget of 13.7.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Laboratory tests, Oncology Lab, Mammography, Oncology procedures, Nuclear Medicine, Ultrasounds, Cat Scans, PET CT, Pharmacy units, Physical Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgical cases, Radiation Oncology procedures, Oncology Pharmacy units, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 58.3% in the current month compared to budget of 55.2% and to last month's 55.8%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 55.7%, compared to budget of 55.0% and prior year's 57.9%.
- ❑ EBIDA was \$563,574 (3.2%) for the current month compared to budget of \$474,410 (2.8%), or \$89,164 (.3%) above budget. Year-to-date EBIDA was \$3,374,598 (2.2%) compared to budget of \$2,450,824 (1.6%) or \$923,774 (.5%) over budget.
- ❑ Cash Collections for the current month were \$9,409,790 which is 91% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 65.5, compared to the prior month of 65.9. Gross Accounts Receivables are \$33,213,977 compared to the prior month of \$33,516,821. The percent of Gross Accounts Receivable over 120 days old is 24.5%, compared to the prior month of 26.9%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 29.0 days. S&P Days Cash on Hand is 151.6. Working Capital cash increased \$2,193,000. Cash collections fell short of target by 9% and Accounts Payable increased \$2,126,000.
- ❑ Net Patients Accounts Receivable decreased approximately \$565,000. Cash collections were at 91% of target and days in accounts receivable were 65.5 days, a .4 days decrease.
- ❑ GO Bond Project Fund decreased \$532,000 after remitting payment to the District for funds advanced on the February Measure C projects.
- ❑ To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of March.
- ❑ Accounts Payable increased \$2,126,000 due to the timing of the final check run in March.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased after refunding overpayment on our Medicare Inpatient reimbursements.

Operating Revenue

- ❑ Current month’s Total Gross Revenue was \$17,844,521, compared to budget of \$16,812,059 or \$1,032,462 over budget.
- ❑ Current month’s Gross Inpatient Revenue was \$6,009,858, compared to budget of \$5,646,650 or \$363,208 above budget.
- ❑ Current month’s Gross Outpatient Revenue was \$11,834,663, compared to budget of \$11,165,409 or \$669,254 over budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month’s Gross Revenue Mix was 33.6% Medicare, 15.4% Medi-Cal, .0% County, 3.5% Other, and 47.5% Insurance compared to budget of 34.3% Medicare, 13.1% Medi-Cal, 1.7% County, 6.8% Other, and 44.1% Insurance. Last month’s mix was 30.8% Medicare, 19.3% Medi-Cal, .0% County, 3.6% Other, and 46.3% Insurance.
- ❑ Current month’s Deductions from Revenue were \$7,442,511 compared to budget of \$7,535,069 or \$92,558 under budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a .63% decrease in Medicare, a 2.33% increase to Medi-Cal, a 1.74% decrease in County, a 3.35% decrease in Other, and Commercial was over budget 3.40%, 2) revenues exceeded budget by 6.1%, and 3) we continue seeing increased activity on the collection of outsourced, older patient accounts and patients shifting from Self Pay to Medi-Cal or the State Health Insurance Exchange programs which is creating a positive variance in Bad Debt.

Operating Expenses

DESCRIPTION	March 2015 Actual	March 2015 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,667,936	3,479,788	(188,148)	
Employee Benefits	1,086,476	1,129,713	43,237	
Benefits – Workers Compensation	42,695	51,566	8,871	
Benefits – Medical Insurance	979,322	717,510	(261,813)	
Professional Fees	1,664,579	1,459,043	(205,536)	Legal services provided to the Corporate Compliance and Medical Staff departments, services provided to Patient Accounting/Admitting and Revenue Cycle by Jacobus Consulting, an increase in Inpatient and Outpatient Therapy revenues, and various service line analyses performed for Administration created a negative variance in Professional Fees.
Supplies	1,577,644	1,220,551	(357,092)	Medical Supplies Sold to Patients and Surgery revenues were over budget by 3.28% and Drugs Sold to Patients Revenue also came in above budget by 1.5% creating a negative variance in the Supplies category.
Purchased Services	868,534	840,884	(27,649)	Negative variances in Locum coverage for IP Pharmacy and services provided for network, system, and software maintenance created a negative variance in Purchased Services.
Other Expenses	576,273	544,395	(31,878)	Negative variance in Outside Training & Travel for Jacobus consultants, Other Building rents, and Dues & Subscriptions caused a negative variance in Other Expenses.
Total Expenses	10,463,457	9,443,450	(1,020,007)	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
MARCH 2015

	Mar-15	Feb-15	Mar-14	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 9,610,865	\$ 7,417,436	\$ 12,513,867	1
PATIENT ACCOUNTS RECEIVABLE - NET	15,481,600	16,046,120	20,036,347	2
OTHER RECEIVABLES	4,306,707	3,776,795	3,698,227	
GO BOND RECEIVABLES	653,771	257,264	1,002,488	
ASSETS LIMITED OR RESTRICTED	5,622,680	5,719,035	5,830,995	
INVENTORIES	2,484,421	2,470,281	2,280,452	
PREPAID EXPENSES & DEPOSITS	1,424,987	1,463,629	1,591,680	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	3,389,901	3,313,502	3,481,500	
OTHER CURRENT ASSETS	-	-	-	
TOTAL CURRENT ASSETS	<u>42,974,931</u>	<u>40,464,063</u>	<u>50,435,555</u>	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	40,705,163	40,705,163	33,614,370	1
BANC OF AMERICA MUNICIPAL LEASE	2,294,253	2,294,253	2,288,617	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	3,027,589	2,868,311	2,962,153	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	14,389,630	14,921,275	21,285,583	3
GO BOND TAX REVENUE FUND	549,282	556,531	395,117	
BOARD DESIGNATED FUND	2,297	2,297	2,297	
DIAGNOSTIC IMAGING FUND	2,967	2,967	3,140	
DONOR RESTRICTED FUND	1,115,873	1,115,568	709,241	
WORKERS COMPENSATION FUND	21,983	14,245	8,613	
TOTAL	62,109,038	62,480,612	61,269,131	
LESS CURRENT PORTION	(5,622,680)	(5,719,035)	(5,830,995)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	<u>56,486,358</u>	<u>56,761,576</u>	<u>55,438,136</u>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	393,277	393,277	539,521	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	129,395,597	129,996,949	117,764,834	
GO BOND CIP, PROPERTY & EQUIPMENT NET	18,798,045	18,008,052	26,331,068	
TOTAL ASSETS	<u>248,884,561</u>	<u>246,460,269</u>	<u>251,345,467</u>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	591,524	594,757	630,313	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	2,013,085	1,936,176	1,466,352	4
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>\$ 2,604,609</u>	<u>\$ 2,530,933</u>	<u>\$ 2,096,664</u>	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 5,944,311	\$ 3,818,482	\$ 4,932,109	5
ACCRUED PAYROLL & RELATED COSTS	7,754,534	7,195,309	7,550,448	
INTEREST PAYABLE	393,427	269,396	404,045	
INTEREST PAYABLE GO BOND	779,557	389,820	779,779	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	512,695	1,285,397	996,376	6
HEALTH INSURANCE PLAN	997,635	997,635	860,027	
WORKERS COMPENSATION PLAN	1,006,475	1,006,475	1,392,606	
COMPREHENSIVE LIABILITY INSURANCE PLAN	890,902	890,902	887,362	
CURRENT MATURITIES OF GO BOND DEBT	315,000	315,000	50,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,300,830	2,300,830	2,346,265	
TOTAL CURRENT LIABILITIES	<u>20,895,366</u>	<u>18,469,246</u>	<u>20,199,377</u>	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	33,382,286	33,483,513	35,643,826	
GO BOND DEBT NET OF CURRENT MATURITIES	98,130,000	98,130,000	98,450,220	
DERIVATIVE INSTRUMENT LIABILITY	2,013,085	1,936,176	1,466,352	4
TOTAL LIABILITIES	<u>154,420,737</u>	<u>152,018,935</u>	<u>155,759,774</u>	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS	95,952,561	95,856,699	96,973,116	
RESTRICTED	1,115,873	1,115,568	709,241	
TOTAL NET POSITION	<u>\$ 97,068,433</u>	<u>\$ 96,972,267</u>	<u>\$ 97,682,357</u>	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
MARCH 2015

1. Working Capital is at 29.0 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 151.6 days. Working Capital cash increased \$2,193,000. Cash collections fell short of target by 9% and Accounts Payable (See Note 5) increased \$2,126,000.
2. Net Patient Accounts Receivable decreased approximately \$565,000. Cash collections were 91% of target. Days in Accounts Receivable are at 65.5 days compared to prior months 65.9 days, a .40 day decrease.
3. G.O. Bond Project Fund decreased \$532,000 after reimbursing the District for funds advanced on Measure C projects.
4. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of March.
5. Accounts Payable increased \$2,126,000 due to the timing of the final check run in the month.
6. Estimated Settlements, Medi-Cal and Medicare decreased after refunding overpayment on our Medicare Inpatient reimbursements. This was known and had been reserved for in prior periods.

**Tahoe Forest Hospital District
Cash Investment
March 2015**

WORKING CAPITAL			
US Bank	\$ 9,094,029		
US Bank/Kings Beach Thrift Store	150,456		
US Bank/Truckee Thrift Store	366,380		
Wells Fargo Bank			
Local Agency Investment Fund	<u>-</u>	0.278%	
Total			\$ 9,610,865
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ 2,297	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ 2,297
 Building Fund			
Cash Reserve Fund	\$ -		
Local Agency Investment Fund	<u>40,705,163</u>	0.278%	
			\$ 40,705,163
 Banc of America Muni Lease			
			\$ 2,294,253
Bonds Cash 1999			
			\$ 2
Bonds Cash 2002			
			\$ -
Bonds Cash 2006			
			\$ 3,027,589
Bonds Cash 2008			
			\$ 14,938,913
 DX Imaging Education			
Workers Comp Fund - B of A	\$ 2,967	0.278%	
	21,983		
 Insurance			
Health Insurance LAIF	-	0.278%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.278%	
Total			<u>\$ 24,950</u>
TOTAL FUNDS			\$ 70,604,030
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,367	0.03%	
Foundation Restricted Donations	\$ 288,121		
Local Agency Investment Fund	<u>819,384</u>	0.278%	
TOTAL RESTRICTED FUNDS			<u>\$ 1,115,873</u>
TOTAL ALL FUNDS			<u>\$ 71,719,902</u>

**TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
KEY FINANCIAL INDICATORS
MARCH 2015**

	Current Status	Desired Position	Target	Bond Covenants	FY 2015 Jul 14 to Mar 15	FY 2014 Jul 13 to June 14	FY 2013 Jul 12 to June 13	FY 2012 Jul 11 to June 12	FY 2011 Jul 10 to June 11	FY 2010 Jul 09 to June 10	FY 2009 Jul 08 to June 09
Return On Equity: <u>Increase (Decrease) in Net Position</u> Net Position		↑	-2.7% (1)	-0.2	.0%	.001%	-4.0%	8.7%	6.3%	12.4%	9.8%
Days in Accounts Receivable (excludes SNF & MSC) <u>Gross Accounts Receivable</u> 90 Days		↓	FYE 63 Days		66	75	97	64	59	60	58
<u>Gross Accounts Receivable</u> 365 Days					67	75	93	64	59	59	66
Days Cash on Hand Excludes Restricted: <u>Cash + Short-Term Investments</u> (Total Expenses - Depreciation Expense)/ by 365		↑	Budget FYE 150 Days Projected FYE 154 Days Projected 3rd Qtr 151 Days Actual 3 rd Qtr 152 Days	60 Days BBB- 119 Days	152	164	148	203	209	219	163
Accounts Receivable over 120 days (excludes payment plan, legal and charitable balances)		↓	13%		20%	22%	29%	15%	11%	13%	13%
Accounts Receivable over 120 days (includes payment plan, legal and charitable balances)		↓	18%		25%	25%	34%	19%	16%	18%	20%
Cash Receipts Per Day (based on 90 day lag on Patient Net Revenue) excludes managed care reserve	 	↑	FYE Budget \$294,122 End 3rd Qtr Budget \$294,961 End 3rd Qtr Actual \$310,496		\$286,489	\$286,394	\$255,901	\$254,806	\$240,383	\$256,059	\$258,654
Debt Service Coverage: Excess Revenue over Exp + <u>Interest Exp + Depreciation</u> Debt Principal Payments + Interest Expense		↑	Without GO Bond 1.83 With GO Bond 1.07	1.95	2.10 1.17	2.18 1.29	.66 .89	4.83 2.70	4.35 2.45	3.48 3.00	3.23 2.71

Footnotes:

(1) Target Return on Equity was established during the FY15 budgeting process. Fiscal year 2014 ended with a higher net income than projected. Based upon the actual fiscal year end net asset number, our Target Return on Equity was .001%.

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
MARCH 2015

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD MAR 2014		
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%			
\$ 17,844,521	\$ 16,812,059	\$ 1,032,462	6.1%								
OPERATING REVENUE											
					Total Gross Revenue	\$ 155,639,520	\$ 150,396,944	\$ 5,242,575	3.5%	1	\$ 141,261,012
					Gross Revenues - Inpatient						
\$ 1,825,998	\$ 1,679,006	\$ 146,992	8.8%		Daily Hospital Service	\$ 15,435,069	\$ 14,488,954	\$ 946,115	6.5%		\$ 14,224,158
4,183,860	3,967,645	216,216	5.4%		Ancillary Service - Inpatient	36,306,354	35,399,986	906,369	2.6%		32,622,363
6,009,858	5,646,650	363,208	6.4%		Total Gross Revenue - Inpatient	51,741,423	49,888,939	1,852,483	3.7%	1	46,846,521
11,834,663	11,165,409	669,254	6.0%		Gross Revenue - Outpatient	103,898,097	100,508,005	3,390,092	3.4%		94,414,491
11,834,663	11,165,409	669,254	6.0%		Total Gross Revenue - Outpatient	103,898,097	100,508,005	3,390,092	3.4%	1	94,414,491
					Deductions from Revenue:						
6,736,747	6,290,976	(445,771)	-7.1%		Contractual Allowances	61,157,976	56,538,132	(4,619,844)	-8.2%	2	53,632,837
513,444	571,610	58,166	10.2%		Charity Care	4,782,903	5,113,496	330,593	6.5%	2	4,476,207
-	-	-	0.0%		Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
202,190	672,483	470,293	69.9%		Bad Debt	2,693,857	6,015,880	3,322,023	55.2%	2	2,230,998
(9,869)	-	9,869	0.0%		Prior Period Settlements	261,055	-	(261,055)	0.0%	2	(829,615)
7,442,511	7,535,069	92,558	1.2%		Total Deductions from Revenue	68,895,792	67,667,508	(1,228,284)	-1.8%		59,510,427
48,508	96,535	(48,027)	-49.8%		Property Tax Revenue- Wellness Neighborhood	609,475	792,819	(183,344)	-23.1%		356,607
576,514	544,336	32,178	5.9%		Other Operating Revenue	5,719,851	5,000,200	719,651	14.4%	3	5,410,540
11,027,031	9,917,860	1,109,171	11.2%		TOTAL OPERATING REVENUE	93,073,054	88,522,455	4,550,599	5.1%		87,517,732
OPERATING EXPENSES											
3,667,936	3,479,788	(188,148)	-5.4%		Salaries and Wages	30,714,639	30,923,790	209,151	0.7%	4	30,208,496
1,086,476	1,129,713	43,237	3.8%		Benefits	10,364,275	10,190,807	(173,468)	-1.7%	4	10,069,783
42,695	51,566	8,871	17.2%		Benefits Workers Compensation	453,577	464,098	10,520	2.3%	4	762,764
979,322	717,510	(261,813)	-36.5%		Benefits Medical Insurance	6,724,075	6,457,586	(266,489)	-4.1%	4	6,061,341
1,664,579	1,459,043	(205,536)	-14.1%		Professional Fees	15,875,966	14,496,909	(1,379,057)	-9.5%	5	14,113,376
1,577,644	1,220,551	(357,092)	-29.3%		Supplies	12,410,916	10,810,840	(1,600,076)	-14.8%	6	11,485,738
868,534	840,884	(27,649)	-3.3%		Purchased Services	8,103,939	7,553,955	(549,984)	-7.3%	7	7,245,805
576,273	544,395	(31,878)	-5.9%		Other	5,051,068	5,173,647	122,579	2.4%	8	4,450,409
10,463,457	9,443,450	(1,020,007)	-10.8%		TOTAL OPERATING EXPENSE	89,698,456	86,071,632	(3,626,824)	-4.2%		84,397,712
563,574	474,410	89,164	18.8%		NET OPERATING REVENUE (EXPENSE) EBIDA	3,374,598	2,450,824	923,774	37.7%		3,120,020
NON-OPERATING REVENUE/(EXPENSE)											
399,500	351,473	48,027	13.7%		District and County Taxes	3,431,241	3,239,253	191,988	5.9%	9	3,815,992
393,903	393,903	-	0.0%		District and County Taxes - GO Bond	3,545,130	3,545,130	-	0.0%		3,562,248
24,876	23,111	1,765	7.6%		Interest Income	209,877	198,297	11,580	5.8%	10	170,113
2,636	1,248	1,388	111.2%		Interest Income-GO Bond	27,536	18,502	9,034	48.8%		43,259
66,399	60,951	5,448	8.9%		Donations	363,015	548,558	(185,543)	-33.8%	11	378,217
-	(56,250)	56,250	0.0%		Gain/ (Loss) on Joint Investment	(67,418)	(168,750)	101,332	0.0%	12	(148,541)
-	-	-	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	-
(876,127)	(809,066)	(67,061)	-8.3%		Depreciation	(7,184,416)	(7,281,598)	97,183	1.3%	15	(6,693,427)
(140,513)	(139,820)	(693)	-0.5%		Interest Expense	(1,260,405)	(1,258,673)	(1,732)	-0.1%	16	(1,319,821)
(346,272)	(335,365)	(10,906)	-3.3%		Interest Expense-GO Bond	(2,634,193)	(1,862,055)	(772,138)	-41.5%		(2,477,699)
(475,599)	(509,815)	34,217	6.7%		TOTAL NON-OPERATING REVENUE/(EXPENSE)	(3,569,633)	(3,021,336)	(548,297)	-18.1%		(2,669,659)
\$ 87,975	\$ (35,405)	\$ 123,381	348.5%		INCREASE (DECREASE) IN NET POSITION	\$ (195,035)	\$ (570,512)	\$ 375,477	65.8%		\$ 450,361
					NET POSITION - BEGINNING OF YEAR	97,263,468					
					NET POSITION - AS OF MARCH 31, 2015	\$ 97,068,433					
3.2%	2.8%	0.3%			RETURN ON GROSS REVENUE EBIDA	2.2%	1.6%	0.5%			2.2%

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
MARCH 2015

		Variance from Budget	
		Fav / <Unfav>	
		MAR 2015	YTD 2015
1) Gross Revenues			
Acute Patient Days were under budget 4.95% or 21 days. Swing bed days were below budget 44.00% or 11 days. Ancillary Service revenues exceeded budget by 5.40%. We saw a higher acuity level in our patients, especially the Medicare population.	Gross Revenue -- Inpatient	\$ 363,208	\$ 1,852,483
	Gross Revenue -- Outpatient	669,254	3,390,092
	Gross Revenue -- Total	\$ 1,032,462	\$ 5,242,575
Outpatient volumes were over budget in the following departments: Laboratory tests, Oncology Lab, Mammography, Oncology procedures, Nuclear Medicine, MRI, Ultrasound, Cat Scans, PET CT, Pharmacy units, Physical Therapy, and Occupational Therapy.			
2) Total Deductions from Revenue			
The payor mix for March shows a .63% decrease to Medicare, a 2.33% increase to Medi-Cal, 3.35% decrease to Other, a 1.74% decrease to County, and a 3.40% increase to Commercial when compared to budget. Contractual Allowances were over budget as a result of increased revenues.	Contractual Allowances	\$ (445,771)	\$ (4,619,844)
	Managed Care Reserve	-	-
	Charity Care	58,166	330,593
	Charity Care - Catastrophic	-	-
	Bad Debt	470,293	3,322,023
	Prior Period Settlement	9,869	(261,055)
	Total	\$ 92,558	\$ (1,228,284)
We saw a large pick up in Bad Debt write-off as an increasing patient population retroactively qualifies and becomes insured through the Medi-Cal and State Health Insurance Exchange programs.			
3) Other Operating Revenue			
Retail Pharmacy revenues were above budget 24.10%.	Retail Pharmacy	\$ 49,216	\$ 207,450
	Hospice Thrift Stores	1,026	(5,850)
	The Center (non-therapy)	5,531	17,739
	IVCH ER Physician Guarantee	2,156	138,932
	Children's Center	(670)	4,819
	Miscellaneous	(39,634)	104,549
	Oncology Drug Replacement	-	-
	Grants	14,554	252,012
	Total	\$ 32,178	\$ 719,651
Revenues in The Center (non-therapy) exceeded budget in Sports Performance training, Fitness & Wellness classes, and Gym memberships.			
IVCH ER Physician Guarantee is tied to collections, which exceeded budget in March.			
Refunding of Medi-Cal E.H.R. Incentive payments created a negative variance in Miscellaneous			
Positive variance in Grants related to funds received on the Wellness Neighborhood HRSA Grant.			
4) Salaries and Wages			
Negative variance in Salaries and Wages was offset by positive variances in PL/SL and Standby.	Total	\$ (188,148)	\$ 209,151
Employee Benefits			
Negative variance in Nonproductive is an employee related matter.	PL/SL	\$ 107,143	\$ 208,342
	Nonproductive	(100,918)	(227,947)
	Pension/Deferred Comp	316	1,810
	Standby	7,051	(49,037)
	Other	29,646	(106,636)
	Total	\$ 43,237	\$ (173,468)
Employee Benefits - Workers Compensation	Total	\$ 8,871	\$ 10,520
Employee Benefits - Medical Insurance	Total	\$ (261,813)	\$ (266,489)
5) Professional Fees			
Negative variance in Corporate Compliance attributed to legal services provided to the department.	Corporate Compliance	\$ (48,741)	\$ (671,236)
	Patient Accounting/Admitting	(105,665)	(589,530)
	Miscellaneous	(48,701)	(313,014)
	The Center (includes OP Therapy)	(6,491)	(155,477)
	TFH/IVCH Therapy Services	(18,394)	(111,928)
	Financial Administration	11,835	(94,632)
	Oncology	446	(24,714)
	Business Performance	-	-
	Marketing	1,000	8,875
	Multi-Specialty Clinics	(7,384)	9,061
	Home Health/Hospice	1,200	9,600
	Multi-Specialty Clinics Admin	(1,406)	10,822
	Medical Staff Services	(13,424)	22,395
	Human Resources	(350)	23,085
	Information Technology	7,438	23,712
	Sleep Clinic	7,179	41,480
	Administration	(21,874)	46,976
	Managed Care	13,324	48,217
	IVCH ER Physicians	(2,965)	68,852
	TFH Locums	10,050	127,088
	Respiratory Therapy	17,387	141,310
	Total	\$ (205,536)	\$ (1,679,551)
Patient Accounting/Admitting exceeded budget due to services provided by Jacobus Consulting.			
Negative variance in Miscellaneous related to services provided by Jacobus Consulting and B.E. Smith in the Revenue Cycle and Case Management departments.			
TFH/IVCH Therapy Services revenue exceeded budget by 17.44%, creating a negative variance in this category.			
Negative variance in Medical Staff services related to legal services.			
Contracted fees for various service line analyses created a negative variance in Administration.			

6) <u>Supplies</u>		Patient & Other Medical Supplies	\$	(210,080)	\$	(1,048,985)
Medical Supplies Sold to Patients and Surgery revenues exceeded budget by 3.28% creating a negative variance in Patient & Other Medical Supplies.		Pharmacy Supplies		(142,688)		(606,454)
Oncology Drugs Sold to Patients revenues was over budget by 1.50%, creating a negative variance in Pharmacy Supplies. A more expensive mix of Chemo drugs also aided in the negative variance.		Minor Equipment		(2,578)		(28,495)
Purchases in Nursery, Sterile Processing, Housekeeping, Plant Ops, Retail Pharmacy, and the Gift Tree created a negative variance in Other Non-Medical Supplies.		Other Non-Medical Supplies		(18,909)		(24,388)
		Imaging Film		(170)		6,459
		Office Supplies		3,058		50,469
		Food		14,276		51,319
		Total	\$	(357,092)	\$	(1,600,076)
7) <u>Purchased Services</u>		Miscellaneous	\$	467	\$	(406,794)
Locums coverage created a negative variance in Pharmacy IP.		Pharmacy IP		(25,643)		(209,861)
Outsourced management over the retail operations of the Center for Health and Sports Performance created a negative variance in the Center.		Patient Accounting		(1,921)		(84,082)
Negative variance in Information Technology related to system, software, and network maintenance.		Laboratory		8,638		(50,211)
Positive variance in Diagnostic Imaging Services - All related to maintenance agreements and Imaging reads in all departments.		Multi-Specialty Clinics		2,347		(10,302)
		The Center		(9,858)		(10,014)
		Community Development		234		(2,308)
		Human Resources		9,705		852
		Medical Records		1,373		4,784
		Hospice		3,036		10,077
		Department Repairs		(3,873)		33,844
		Information Technology		(35,843)		36,323
		Diagnostic Imaging Services - All		23,687		137,709
		Total	\$	(27,649)	\$	(549,984)
8) <u>Other Expenses</u>		Outside Training & Travel	\$	(66,653)	\$	(300,608)
Negative variance in Outside Training & Travel associated with Jacobus Consultants lodging and travel.		Multi-Specialty Clinics Equip Rent		(1,157)		(825)
Other Building Rent exceeded budget due to increased need for off site storage and Employee/Locums housing rentals.		Physician Services		(4)		(97)
Negative variance in Dues and Subscriptions related to a catch up on Prepaid Expense write-offs due to the timing of the submission of invoices.		Innovation Fund		-		-
Electricity, Diesel, and Natural Gas came in below budget due to the mild winter we continue to experience.		Human Resources Recruitment		(1,258)		873
		Other Building Rent		(4,311)		6,329
		Multi-Specialty Clinics Bldg Rent		1,592		20,825
		Equipment Rent		(1,636)		33,255
		Miscellaneous		3,046		33,589
		Dues and Subscriptions		(10,404)		35,004
		Insurance		5,824		47,199
		Utilities		29,278		93,477
		Marketing		13,807		153,558
		Total	\$	(31,878)	\$	122,579
9) <u>District and County Taxes</u>		Total	\$	48,027	\$	191,988
10) <u>Interest Income</u>		Total	\$	1,765	\$	11,580
11) <u>Donations</u>		IVCH	\$	(4,200)	\$	(15,709)
		Operational		9,648		(169,834)
		Capital Campaign		-		-
		Total		5,448		(185,543)
12) <u>Gain/(Loss) on Joint Investment</u>		Total	\$	56,250	\$	101,332
12) <u>Gain/(Loss) on Impairment of Asset</u>		Total	\$	-	\$	-
13) <u>Gain/(Loss) on Sale</u>		Total	\$	-	\$	-
14) <u>Impairment Loss</u>		Total	\$	-	\$	-
15) <u>Depreciation Expense</u>		Total	\$	(67,061)	\$	97,183
Negative variance in Depreciation Expense related to the true-up of depreciation.		Total	\$	(693)	\$	(1,732)
16) <u>Interest Expense</u>						

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
KEY FINANCIAL INDICATORS
MARCH 2015

	Current Status	Desired Position	Target	<u>FY 2015</u> Jul 14 to Mar 15	<u>FY 2014</u> Jul 13 to June 14	<u>FY 2013</u> Jul 12 to June 13	<u>FY 2012</u> Jul 11 to June 12	<u>FY 2011</u> Jul 10 to June 11	<u>FY 2010</u> Jul 09 to June 10	<u>FY 2009</u> Jul 08 to June 09
Total Margin: <u>Increase (Decrease) In Net Position</u> Total Gross Revenue		↑	FYE -1.3% 3rd Qtr -38%	-13%	.0%	-2.2%	5.3%	3.6%	5.8%	4.6%
Charity Care: <u>Charity Care Expense</u> Gross Patient Revenue		↓	FYE 3.4% 3rd Qtr 3.4%	3.1%	3.2%	3.2%	2.6%	3.0%	3.1%	2.5%
Bad Debt Expense: <u>Bad Debt Expense</u> Gross Patient Revenue		↓	FYE 4.0% 3rd Qtr 4.0%	1.7%	1.6%	4.6%	4.3%	3.8%	4.1%	4.6%
Incline Village Community Hospital: EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue <Expense></u> Gross Revenue		↑	FYE 4.0% 3rd Qtr 4.8%	7.2%	4.9%	11.5%	10.8%	12.3%	6.7%	5.0%
Operating Expense Variance to Budget (Under<Over>)		↑	-0-	\$(3,626,824)	\$2,129,279	\$(1,498,683)	\$790,439	\$15,188	\$2,662,695	<\$1,292,399>
EBIDA: Earnings before interest, Depreciation, amortization <u>Net Operating Revenue <Expense></u> Gross Revenue		↑	FYE 1.0% 3rd Qtr 1.6%	2.2%	2.0%	.9%	5.6%	5.1%	6.6%	4.4%

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
MARCH 2015

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD MAR 2014	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
OPERATING REVENUE										
\$ 1,259,379	\$ 1,246,165	\$ 13,215	1.1%	Total Gross Revenue	\$ 11,229,691	\$ 10,890,690	\$ 339,001	3.1%	1	\$ 10,377,392
Gross Revenues - Inpatient										
\$ 2,717	\$ 6,988	\$ (4,271)	-61.1%	Daily Hospital Service	\$ 26,139	\$ 34,940	\$ (8,801)	-25.2%		\$ 42,520
28,354	8,295	20,059	241.8%	Ancillary Service - Inpatient	54,553	56,898	(2,345)	-4.1%		58,359
31,071	15,283	15,788	103.3%	Total Gross Revenue - Inpatient	80,692	91,838	(11,146)	-12.1%	1	100,879
1,228,308	1,230,882	(2,574)	-0.2%	Gross Revenue - Outpatient	11,148,999	10,798,851	350,147	3.2%		10,276,513
1,228,308	1,230,882	(2,574)	-0.2%	Total Gross Revenue - Outpatient	11,148,999	10,798,851	350,147	3.2%	1	10,276,513
Deductions from Revenue:										
410,614	371,148	(39,466)	-10.6%	Contractual Allowances	3,183,804	3,271,567	87,763	2.7%	2	2,945,559
40,760	42,370	1,610	3.8%	Charity Care	362,905	370,284	7,379	2.0%	2	390,823
-	-	-	0.0%	Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
53,195	49,847	(3,348)	-6.7%	Bad Debt	884,202	435,629	(448,573)	-103.0%	2	570,532
(9,869)	-	9,869	0.0%	Prior Period Settlements	5,409	-	(5,409)	0.0%	2	18,147
494,700	463,365	(31,335)	-6.8%	Total Deductions from Revenue	4,436,319	4,077,480	(358,839)	-8.8%	2	3,925,061
67,786	72,635	(4,850)	-6.7%	Other Operating Revenue	648,681	513,700	134,981	26.3%	3	512,468
832,465	855,435	(22,970)	-2.7%	TOTAL OPERATING REVENUE	7,442,052	7,326,909	115,143	1.6%		6,964,799
OPERATING EXPENSES										
244,147	255,839	11,692	4.6%	Salaries and Wages	2,212,878	2,287,040	74,162	3.2%	4	2,218,563
85,254	88,230	2,976	3.4%	Benefits	804,115	808,657	4,542	0.6%	4	797,382
3,075	2,717	(359)	-13.2%	Benefits Workers Compensation	27,841	24,449	(3,392)	-13.9%	4	17,044
56,284	48,049	(8,234)	-17.1%	Benefits Medical Insurance	443,655	432,444	(11,211)	-2.6%	4	369,272
210,201	215,340	5,138	2.4%	Professional Fees	1,882,096	2,002,312	120,216	6.0%	5	1,885,813
51,047	59,679	8,632	14.5%	Supplies	459,260	445,191	(14,069)	-3.2%	6	429,857
32,643	42,747	10,103	23.6%	Purchased Services	361,955	348,972	(12,983)	-3.7%	7	336,128
49,564	50,564	1,000	2.0%	Other	446,885	459,696	12,811	2.8%	8	424,544
732,216	763,164	30,948	4.1%	TOTAL OPERATING EXPENSE	6,638,685	6,808,760	170,075	2.5%		6,478,603
100,249	92,271	7,978	8.6%	NET OPERATING REV(EXP) EBIDA	803,367	518,149	285,218	55.0%		486,196
NON-OPERATING REVENUE/(EXPENSE)										
-	4,200	(4,200)	-100.0%	Donations-IVCH	22,091	37,800	(15,709)	-41.6%	9	77,858
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(53,943)	(53,601)	(342)	0.6%	Depreciation	(481,067)	(482,412)	1,345	-0.3%	11	(467,175)
(53,943)	(49,401)	(4,542)	-9.2%	TOTAL NON-OPERATING REVENUE/(EXP)	(458,977)	(444,612)	(14,364)	-3.2%		(389,317)
\$ 46,306	\$ 42,870	\$ 3,436	8.0%	EXCESS REVENUE(EXPENSE)	\$ 344,391	\$ 73,537	\$ 270,854	368.3%		\$ 96,879
8.0%	7.4%	0.6%		RETURN ON GROSS REVENUE EBIDA	7.2%	4.8%	2.4%			4.7%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
MARCH 2015**

		Variance from Budget	
		Fav<Unfav>	
		MAR 2015	YTD 2015
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget by 1 at 3 and Observation Days were under budget by 1 at 1.	Gross Revenue -- Inpatient	\$ 15,788	\$ (11,146)
	Gross Revenue -- Outpatient	(2,574)	350,147
		\$ 13,215	\$ 339,001
Outpatient volumes were below budget in Emergency Department visits, Surgical cases, Radiology exams, and Physical Therapy.			
2) <u>Total Deductions from Revenue</u>			
We saw a shift in our payor mix with a 3.58% decrease in Commercial, Insurance, a 6.51% decrease in Medicare, a 10.81% increase in Medicaid, a .36% decrease in Other, and a .35% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 1.1% and the shift to Medicaid from Commercial and Medicare.	Contractual Allowances	\$ (39,466)	\$ 87,763
	Charity Care	1,610	7,379
	Charity Care-Catastrophic Event	-	-
	Bad Debt	(3,348)	(448,573)
	Prior Period Settlement	9,869	(5,409)
	Total	\$ (31,335)	\$ (358,839)
3) <u>Other Operating Revenue</u>			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in March.	IVCH ER Physician Guarantee	\$ 2,156	\$ 138,932
	Miscellaneous	(7,006)	(3,951)
	Total	\$ (4,850)	\$ 134,981
4) <u>Salaries and Wages</u>	Total	\$ 11,692	\$ 74,162
<u>Employee Benefits</u>	PL/SL	\$ (1,129)	\$ 14,772
	Standby	3,532	2,826
	Other	2,350	(13,041)
	Nonproductive	(2,093)	(3,174)
	Pension/Deferred Comp	316	3,159
	Total	\$ 2,976	\$ 4,542
<u>Employee Benefits - Workers Compensation</u>	Total	\$ (359)	\$ (3,392)
<u>Employee Benefits - Medical Insurance</u>	Total	\$ (8,234)	\$ (11,211)
5) <u>Professional Fees</u>			
IVCH OP Occupational Therapy revenues exceeded budget by 38.25%, creating a negative variance in Therapy Services Pro Fees.	Multi-Specialty Clinics	\$ 720	\$ (10,353)
	Foundation	2,115	(7,122)
	Administration	150	1,350
	Miscellaneous	412	2,681
Sleep Clinic Pro Fees are tied to collections which fell short of budget in March.	Therapy Services	(2,473)	23,327
	Sleep Clinic	7,179	41,480
	IVCH ER Physicians	(2,965)	68,852
Negative variance in IVCH ER Physicians related to overlap coverage.	Total	\$ 5,138	\$ 120,216
6) <u>Supplies</u>			
Purchases of Vitamin D kits in Laboratory created a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	\$ (1,494)	\$ (28,782)
	Non-Medical Supplies	(2,014)	(1,265)
	Minor Equipment	(2,800)	(45)
	Food	166	856
Negative variance in Non-Medical Supplies related to Oxygen purchases.	Imaging Film	(338)	1,113
	Office Supplies	(376)	1,626
	Pharmacy Supplies	15,489	12,429
Small equipment purchases for the Sterile Processing Department created a negative variance in Minor Equipment.	Total	\$ 8,632	\$ (14,069)
Drugs Sold to Patients revenue fell short of budget by 31.24%, creating a positive variance in Pharmacy Supplies. We also received in vendor credits for returned product.			

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
MARCH 2015**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>MAR 2015</u>	<u>YTD 2015</u>
7) <u>Purchased Services</u>			
Negative variance in Miscellaneous primarily related to Purchased Services paid for outside management of the Medically Managed Fitness program.	Miscellaneous	\$ (3,901)	\$ (30,052)
	EVS/Laundry	1,345	(5,023)
	Pharmacy	(207)	(3,006)
	Engineering/Plant/Communications	5,205	(1,296)
Positive variance in Engineering/Plant/Communications associated with services provided for snow removal.	Surgical Services	-	-
	Multi-Specialty Clinics	491	1,066
	Department Repairs	(1,148)	2,496
	Foundation	333	4,146
Positive variance in Laboratory related to the reclassification of expenses to Prepaids on the Balance Sheet.	Laboratory	5,549	5,739
	Diagnostic Imaging Services - All	2,436	12,947
	Total	\$ 10,103	\$ (12,983)
8) <u>Other Expenses</u>			
Negative variance in Dues and Subscriptions attributed to the purchased of clinical manuals for the Lab.	Outside Training & Travel	\$ (425)	\$ (14,142)
	Other Building Rent	(582)	(1,164)
	Equipment Rent	261	(726)
	Multi-Specialty Clinics Equip Rent	-	-
	Physician Services	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Dues and Subscriptions	(1,745)	639
	Miscellaneous	515	1,303
	Insurance	213	1,920
	Utilities	13	9,747
	Marketing	2,750	15,233
	Total	\$ 1,000	\$ 12,811
9) <u>Donations</u>	Total	\$ -	\$ -
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ -	\$ -

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	AUDITED	BUDGET	PROJECTED	ACTUAL	BUDGET		ACTUAL	ACTUAL	ACTUAL	PROJECTED
	FYE 2014	FYE 2015	FYE 2015	MAR 2015	MAR 2015	DIFFERENCE	1ST QTR	2ND QTR	3RD QTR	4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 3,742,843	\$ 2,008,740	\$ 2,894,670	\$ 563,574	\$ 474,410	\$ 89,164	\$ 3,469,494	\$ (1,330,346)	\$ 1,213,071	\$ (457,549)
Interest Income	90,129	96,542	96,335	-	-	-	19,503	25,120	26,432	25,279
Property Tax Revenue	5,285,587	5,376,000	5,337,891	-	-	-	237,157	73,132	2,877,602	2,150,000
Donations	1,132,315	600,300	588,160	52,053	59,000	(6,947)	221,165	146,247	143,748	77,000
Debt Service Payments	(4,308,075)	(3,926,699)	(3,685,964)	(264,374)	(271,825)	7,450	(1,123,831)	(790,940)	(955,720)	(815,474)
Bank of America - 2012 Muni Lease	(1,243,647)	(1,243,644)	(1,243,530)	(103,637)	(103,637)	(0)	(310,795)	(310,912)	(310,912)	(310,911)
Bank of America - 2007 Muni Lease	(421,721)	-	-	-	-	-	-	-	-	-
Copier	(100,214)	(105,000)	(33,753)	(1,460)	(8,750)	7,290	(2,393)	(2,197)	(2,912)	(26,250)
2002 Revenue Bond	(633,393)	(664,805)	(496,875)	-	-	-	(332,811)	-	(164,064)	-
2006 Revenue Bond	(1,909,100)	(1,913,250)	(1,911,806)	(159,277)	(159,438)	160	(477,831)	(477,831)	(477,831)	(478,313)
Physician Recruitment	(129,886)	(150,000)	(97,092)	(5,407)	(12,500)	7,093	(27,246)	(16,112)	(16,233)	(37,500)
Investment in Capital										
Equipment	(2,157,004)	(1,748,150)	(2,223,150)	(103,287)	(899,234)	795,947	(270,964)	(334,607)	(205,260)	(1,412,319)
Municipal Lease Reimbursement	748,489	1,250,000	1,250,000	-	-	-	-	-	-	1,250,000
GO Bond Project Personal Property	(703,327)	(747,761)	(582,919)	(3,792)	-	(3,792)	(24,369)	(38,923)	(74,627)	(445,000)
IT	(339,004)	(2,804,763)	(1,440,055)	-	(194,839)	194,839	(113,054)	(1,092,933)	(84,068)	(150,000)
Building Projects	(1,339,652)	(3,557,916)	(2,357,343)	(214,160)	(451,864)	237,704	(617,090)	(596,944)	(543,309)	(600,000)
Health Information/Business System	(349,125)	(1,105,000)	(380,852)	-	(200,000)	200,000	(30,303)	(200,549)	-	(150,000)
Capital Investments										
MOB Suite Acquisition-Unbudgeted	-	-	(600,000)	-	-	-	-	-	-	(600,000)
Change in Accounts Receivable	3,825,683	1,989,042	N1 2,480,937	564,250	126,696	437,554	1,214,891	874,623	(67,768)	459,191
Change in Settlement Accounts	1,070,839	(900,000)	N2 (1,969,861)	(968,240)	-	(968,240)	(310,047)	(368,631)	(1,291,183)	-
Change in Other Assets	527,205	(548,326)	N3 (815,244)	(475,105)	28,318	(503,423)	(997,401)	(1,846,663)	1,957,036	71,785
Change in Other Liabilities	(40,000)	805,000	N4 134,169	2,809,085	1,150,000	1,659,085	547,692	(1,069,219)	755,696	(100,000)
Change in Cash Balance	7,057,017	(3,362,991)	(770,318)	1,954,597	(191,837)	2,146,434	2,195,597	(6,566,746)	3,735,417	(134,587)
Beginning Unrestricted Cash	43,894,743	50,951,760	N5 50,951,760	48,361,431	48,361,431	-	50,951,760	53,147,357	46,580,611	50,316,028
Ending Unrestricted Cash	50,951,760	47,588,769	50,181,442	50,316,028	48,169,594	2,146,434	53,147,357	46,580,611	50,316,028	50,181,442
Expense Per Day	311,010	316,480	326,483	332,048	318,724	13,325	328,735	329,124	332,048	326,483
Days Cash On Hand	164	150	154	152	151	0	162	142	152	154

Footnotes:

- N1 - Change in Accounts Receivable reflects the 60 day delay in collections. For example, in July 2014 we are collecting May 2014.
- 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.
- N5 - Change in Beginning Unrestricted Cash is different than as presented in budget package due to final adjustments for fiscal year end 2014.

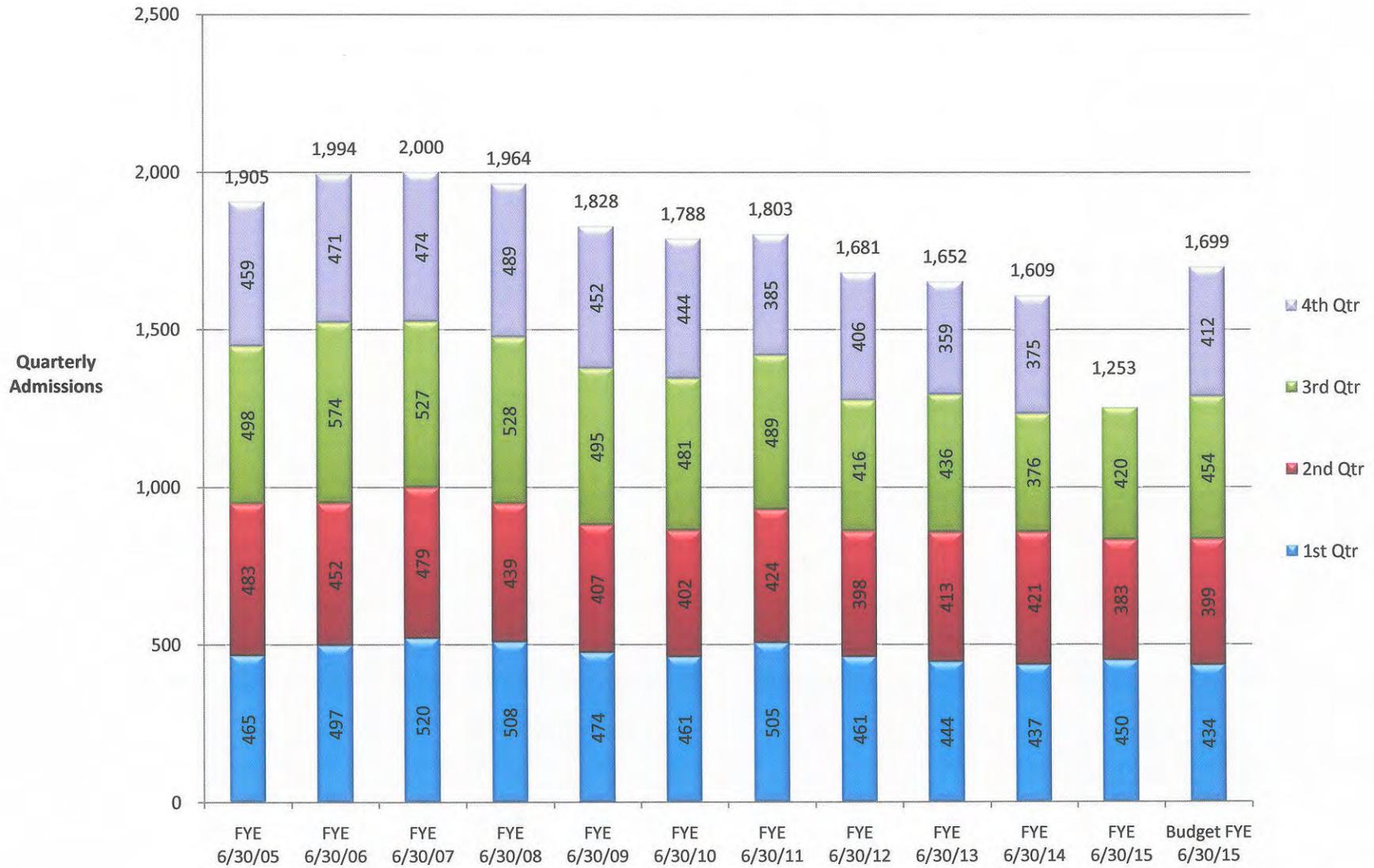
Tahoe Forest Hospital
 Operating Indicators
 Inpatient Volumes
 Month & YTD June 2015
 March 31, 2015

	Mar-14 Actual	Mar-14 YTD Actual	Jul-14 Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual	Jan-15 Actual	Feb-15 Actual	Mar-15 Actual	Mar-15 Budget	Mar-15 Variance	Mar-15 % Variance	Mar-15 YTD Actual	Mar-15 YTD Budget	YTD Variance	YTD % Variance
Acute																		
Admissions - (Excludes Swing)	115	1,231	167	151	132	131	101	151	140	133	147	152	(5.00)	-3.28%	1,253	1,238	(15)	-1.22%
Swing Admits	5	33	2	5	1	5	0	1	2	3	3	3	0.00	0.00%	22	30	(8)	-26.67%
Total Admissions	120	1,264	169	156	133	136	101	152	142	136	150	155	(5.00)	-3.23%	1,275	1,268	(7)	-0.55%
Length of Stay - Acute	3.12	2.79	2.77	2.72	2.84	2.56	2.77	2.72	2.81	2.58	2.69	2.79	(0.10)	-3.58%	2.72	2.78	(0.06)	-2.16%
Length of Stay - Swing	3.20	7.98	16.00	5.50	4.50	5.20	0.00	3.00	0.00	6.25	3.50	8.33	(4.83)	-57.98%	5.71	8.00	(2.29)	-28.63%
Length of Stay - Acute & Swing	3.13	2.89	2.85	2.79	2.87	2.85	2.77	2.72	2.85	2.89	2.71	2.80	(0.19)	-6.55%	2.77	2.90	(0.13)	-4.48%
LOS - Acute & Swing - Medicare	2.91	3.31	3.08	2.95	2.72	2.98	2.35	2.61	2.92	3.18	3.21	N/A	N/A	N/A	2.92	N/A	N/A	N/A
LOS - Acute & Swing - Medicaid	2.80	2.95	2.62	3.12	3.00	2.74	2.48	3.83	3.93	2.37	2.52	N/A	N/A	N/A	3.00	N/A	N/A	N/A
LOS - Acute & Swing - Self Pay	3.79	2.54	1.17	1.50	3.67	2.00	1.75	1.00	1.50	2.20	1.50	N/A	N/A	N/A	1.71	N/A	N/A	N/A
LOS - Acute & Swing - Commercial	3.77	2.48	3.75	2.27	2.23	2.00	3.85	1.43	2.48	2.50	2.74	N/A	N/A	N/A	2.56	N/A	N/A	N/A
LOS - Acute & Swing - Contract	3.11	2.87	2.68	2.67	3.13	2.48	3.29	2.52	2.33	2.51	2.38	N/A	N/A	N/A	2.62	N/A	N/A	N/A
Average Daily Census - Acute	13.7	12.7	14.9	13.3	11.6	11.7	9.0	12.6	13.8	12.0	13.0	13.6	(0.60)	-4.41%	12.5	13.0	(0.5)	-3.85%
Average Daily Census - Swing	0.5	0.9	0.6	0.7	0.3	0.8	0.0	0.1	0.2	0.9	0.5	0.8	(0.30)	-37.50%	0.4	0.1	0.3	300.00%
Avg Daily Census - Acute & Swing	14.2	13.6	15.4	14.0	11.9	12.5	9.0	12.7	13.8	12.9	13.5	14.4	(0.80)	-6.25%	12.9	13.1	(0.2)	-1.53%
Occupancy Percentage - Acute	55.2%	51.0%	59.4%	53.4%	48.3%	48.8%	35.9%	50.6%	54.9%	48.0%	52.0%	54.7%	(0.03)	-4.94%	49.7%	52.4%	(2.7)	-5.15%
Occupancy Percentage - Swing	2.1%	3.4%	2.1%	2.6%	1.2%	3.4%	0.0%	0.4%	0.9%	3.6%	1.8%	3.2%	(0.01)	-43.75%	1.8%	3.5%	(1.7)	-48.57%
Occupancy % - Acute & Swing	57.3%	54.4%	61.4%	56.3%	47.5%	50.2%	35.9%	51.0%	55.1%	51.6%	53.8%	57.9%	(0.04)	-7.08%	51.5%	55.9%	(4.4)	-7.87%
Patient Days (excludes swings)	428	3,492	460	414	347	363	269	392	422	336	403	424	(21.00)	-4.95%	3,406	3,567	(161)	-4.52%
Swing Days (inc swings)	16	235	18	22	9	29	0	3	5	25	14	25	(11.00)	-44.00%	120	240	(120)	-50.00%
Total Patient Days	444	3,727	478	436	356	389	269	395	427	361	417	449	(32.00)	-7.13%	3,526	3,827	(301)	-7.87%
ICU IP Days	7	190	34	19	22	6	8	28	16	12	14	27	(13.00)	-48.15%	157	211	(54)	-25.59%
ICU Stepdown Days	34	248	30	29	34	25	16	21	34	17	32	37	(6.00)	-16.51%	238	281	(43)	-15.30%
ICU Med/Surg Days	26	251	33	29	35	26	19	34	33	32	32	26	6.00	23.08%	273	240	33	13.75%
Medical/Surgical Days	270	2,076	272	253	185	216	152	251	286	181	230	259	(23.00)	-8.88%	2,032	2,116	(84)	-3.97%
Medical/Surgical in OB Days	0	6	0	0	0	0	0	0	0	0	0	1	(1.00)	-100.00%	0	8	(8)	-100.00%
Obstetrics Days	91	721	91	84	71	88	74	60	53	94	89	72	17.00	23.61%	704	704	0	0.00%
Nursery Re-Admits	0	0	0	0	0	2	0	0	0	0	0	0	0.00	0.00%	2	6	(4)	-66.67%
Total Acute Patient Days (excludes swing)	428	3,492	460	414	347	363	269	392	422	336	403	422	(19.00)	-4.50%	3,406	3,566	(160)	-4.49%
M/S Swing Days	16	235	16	22	9	26	0	3	5	25	14	25	(11.00)	-44.00%	120	239	(119)	-49.79%
Total Patient Days (includes swings)	444	3,727	476	436	356	389	269	395	427	361	417	447	(30.00)	-7.11%	3,526	3,805	(279)	-7.33%
Nursery Days	81	668	90	74	57	92	60	53	55	91	94	49	45.00	91.84%	666	650	16	2.46%
Deliveries	37	293	33	38	25	35	29	23	27	37	35	30	5.00	16.87%	287	297	(10)	-3.37%
ICU (Med/Surg) Days	26	251	33	29	35	26	19	34	33	32	32	26	6.00	23.08%	273	240	33	13.75%
IP Medical / Surgical Days	270	2,076	272	253	185	216	152	251	286	181	230	259	(23.00)	-8.88%	2,032	2,116	(84)	-3.97%
Medical / Surgical Days in OB	0	6	0	0	0	0	0	0	0	0	0	1	(1.00)	-100.00%	0	8	(8)	-100.00%
Total Medical / Surgical Days	266	2333	305	282	220	242	171	285	319	213	268	286	(18.00)	-6.29%	2,305	2,384	(79)	-3.30%
Medical / Surgical Swing Days	16	235	16	22	9	26	0	3	5	25	14	25	(11.00)	-44.00%	120	239	(119)	-49.79%
Total Med/Surg Days (inc Swings)	312	2568	321	304	229	268	171	288	324	238	282	311	(29.00)	-9.32%	2,425	2,603	(178)	-6.84%
Average Daily Census																		
ICU IP Days	0.2	0.7	1.1	0.6	0.7	0.2	0.3	0.8	0.5	0.4	0.5	0.9	(0.40)	-44.44%	0.6	0.8	(0.2)	-25.00%
ICU Stepdown Days	1.1	0.9	1.0	0.9	1.1	0.8	0.5	0.7	1.1	0.8	1.0	1.2	(0.20)	-16.67%	0.9	1.0	(0.1)	-10.00%
ICU Boarder Days	0.8	0.9	1.1	0.9	1.2	0.8	0.8	1.1	1.1	1.1	1.0	0.8	0.20	25.00%	1.0	0.9	0.1	11.11%
IP Medical / Surgical Days	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.80)	-9.52%	0.0	0.0	0.0	0.00%
Medical / Surgical Days in OB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00%	0.0	0.0	0.0	0.00%
Obstetrics Days	2.9	2.6	2.9	2.7	2.4	2.8	2.5	1.9	1.7	3.4	2.9	2.3	0.80	26.09%	2.8	2.8	0.0	0.00%
Newborn Re-Admits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00%	0.0	0.0	0.0	0.00%
al Acute Patient Average Daily Census	13.7	12.7	14.9	13.3	11.9	11.7	9.0	12.6	13.8	12.0	13.0	13.6	(0.60)	-4.41%	12.5	13.0	(0.5)	-3.85%
Medical / Surgical - Swing	0.5	0.9	0.5	0.7	0.3	0.8	0.0	0.1	0.2	0.9	0.5	0.8	(0.30)	-37.50%	0.4	0.1	0.3	300.00%
st Patient Avg Daily Census (inc swing)	14.2	13.6	15.4	14.0	11.9	12.5	9.0	12.7	13.8	12.9	13.5	14.4	(0.80)	-6.25%	12.9	13.1	(0.2)	-1.53%
Skilled Nursing Unit																		
Patient Days	1,001	9,239	1,056	1,090	1,030	1,108	1,030	1,051	965	914	1,028	1,054	(28.00)	-2.66%	9,270	9,316	(46)	-0.49%
Average Daily Census	32	34	34	35	34	36	34	34	31	33	33	34	(1.00)	-2.94%	34	34	0	0.00%
Occupancy Percentage	82.3%	96.3%	97.3%	100.5%	98.1%	102.1%	96.1%	96.9%	88.5%	83.3%	84.6%	87.1%	(0.03)	-2.37%	96.7%	97.1%	(0.4)	-0.41%
Operating Room																		
Cases	71	649	79	74	66	67	73	76	73	62	71	78	(7.00)	-8.97%	617	638	(21)	-3.29%
Minutes	7,520	22,856	7,665	6,946	7,908	7,244	6,993	8,151	7,270	7,520	7,169	8,630	(1,441.00)	-16.70%	62,149	70,334	(8,185)	-11.64%

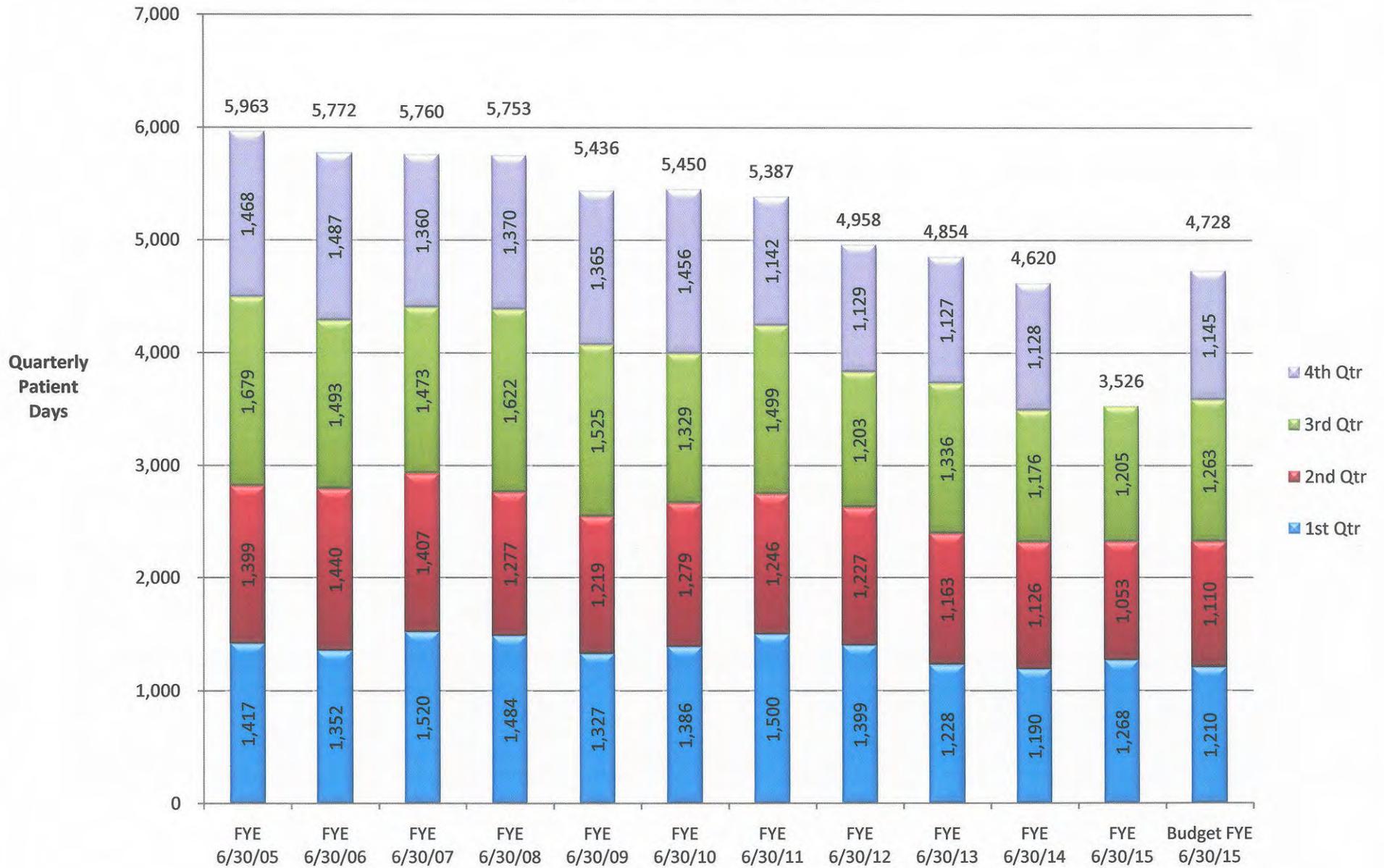
Incline Village Community Hospital
 Operating Indicators
 Month & YTD June 2015
 March 31, 2015

	Mar-14 Actual	Mar-14 YTD Actual	Jul-14 Actual	Aug-14 Actual	Sep-14 Actual	Oct-14 Actual	Nov-14 Actual	Dec-14 Actual	Jan-15 Actual	Feb-15 Actual	Mar-15 Actual	Mar-15 Budget	Mar-15 Variance	Mar-15 % Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance	
Admissions	1	7	4	0	0	0	0	1	1	0	2	1	1.00	100.00%	8	7	1	14.29%	
Registrations	598	7,077	989	885	795	765	622	791	783	710	719	792	(73.00)	-9.22%	7,059	7,461	(402)	-5.39%	
IP Days	1	13	5	0	0	0	0	1	1	0	3	2	1.00	50.00%	10	10	0	0.00%	
Observation Days	2	20	2	1	0	2	0	0	2	3	1	2	(1.00)	-50.00%	11	23	(12)	-52.17%	
Total Days	3	33	7	1	0	2	0	1	3	3	4	4	0.00	0.00%	21	33	(12)	-36.36%	
Emergency Visits	238	2,788	431	382	317	260	227	367	348	292	283	290	(7.00)	-2.41%	2,907	2,863	44	1.54%	
Surgical Services:																			
Cases - Inpatient	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%	
Cases - Outpatient	8	70	9	10	5	8	5	9	7	8	5	12	(7.00)	-58.33%	66	75	(9)	-12.00%	
Total Cases	8	70	9	10	5	8	5	9	7	8	5	12	(7.00)	-58.33%	66	75	(9)	-12.00%	
Minutes	2,551	22,785	2,668	3,087	1,400	2,024	1,188	2,568	2,283	947	539	3,440	(2,901.00)	-84.33%	16,704	22,276	(5,572)	-25.01%	
Laboratory Tests (inc EKG's)	2,125	18,319	3,128	2,824	2,944	2,438	2,021	2,233	2,335	2,332	2,503	1,858	645.00	34.71%	22,256	18,172	4,084	22.47%	
Radiology - I/P Exams	0	1	0	0	0	0	0	0	0	0	0	1	(1.00)	-100.00%	0	3	(3)	-100.00%	
Radiology - O/P Exams	66	681	82	71	57	66	55	65	52	45	65	81	(19.00)	-19.75%	558	688	(128)	-18.66%	
Radiology - ER Exams	94	1,143	181	172	128	104	59	158	146	145	118	112	8.00	5.36%	1,209	1,111	98	8.82%	
Radiology (inc mammos) Totals	160	1,805	263	243	185	170	114	221	198	190	183	194	(11.00)	-5.67%	1,787	1,800	(13)	-0.72%	
CT - I/P Exams	0	1	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	1	(1)	-100.00%	
CT - O/P Exams (inc. US)	15	110	23	12	16	8	17	14	13	14	14	11	3.00	27.27%	131	115	16	13.91%	
CT - ER Exams	25	380	48	47	33	30	48	43	50	45	48	40	6.00	15.00%	388	384	4	1.04%	
Total Cat Scan Exams	40	491	69	59	49	38	65	57	63	59	60	51	9.00	17.65%	519	510	9	1.76%	
Pharmacy - IP units	10	408	87	0	0	0	0	29	13	0	47	48	(1.00)	-2.08%	170	238	(68)	-28.57%	
Pharmacy - O/P units	548	6,106	1,043	840	564	521	475	692	798	807	653	637	16.00	2.51%	6,593	6,285	308	4.90%	
Pharmacy Totals	558	6,514	1,130	840	564	521	475	915	811	807	700	685	15.00	2.19%	6,763	6,523	240	3.68%	
IVs - Inpatient	3	55	2	0	0	0	0	0	0	0	5	7	(2.00)	-28.57%	7	34	(27)	-79.41%	
IVs - Outpatient	71	890	12	3	12	2	2	8	25	6	3	85	(82.00)	-96.84%	73	936	(863)	-92.20%	
Total IVs	74	945	14	3	12	2	2	8	25	6	8	102	(84.00)	-92.18%	80	970	(890)	-91.75%	
RT - IP Procedures	5	88	17	0	0	0	0	19	12	0	38	0	38.00	0.00%	86	0	86	0.00%	
RT - O/P Procedures	124	1,184	158	150	81	84	87	153	184	187	140	0	140.00	0.00%	1,235	0	1,235	0.00%	
R/T Totals	129	1,272	175	150	91	94	87	172	196	187	178	0	178.00	0.00%	1,321	0	1,321	0.00%	
Sleep Clinic Visits	7	118	9	13	18	14	7	8	8	7	12	16	(4.00)	-25.00%	96	150	(54)	-36.00%	
Perioperative Services - Minutes:																			
OR - Inpatients	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%	
OR - Outpatients	712	6,476	804	868	332	619	329	720	674	735	385	899	(484.00)	-55.70%	5,468	5,625	(157)	-2.83%	
OR - Total	712	6,476	804	868	332	619	329	720	674	735	385	899	(484.00)	-55.70%	5,468	5,625	(157)	-2.83%	
Total ASD	1,787	14,148	1,584	1,878	897	1,270	623	1,524	1,366	0	0	2,258	(2,258.00)	-100.00%	9,342	14,625	(5,283)	-36.12%	
IP Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%	
O/P Recovery	72	2,161	280	286	171	135	36	324	243	212	154	313	(159.00)	-50.80%	1,841	2,026	(185)	-9.13%	
Total Recovery	72	2,161	280	286	171	135	36	324	243	212	154	313	(159.00)	-50.80%	1,841	2,026	(185)	-9.13%	
Pain Clinic	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%	
Procedure Room	0	0	0	55	0	0	0	0	0	0	0	0	0.00	0.00%	55	0	55	0.00%	
Total Surgicenter Minutes	2,551	22,785	2,668	3,087	1,400	2,024	1,188	2,568	2,283	947	539	3,440	(2,901.00)	-84.33%	16,704	22,276	(5,572)	-25.01%	
Anesthesia - Minutes																			
Inpatient	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%	
Out Patient	721	6,665	848	926	357	566	342	739	702	759	403	903	(500.00)	-55.37%	5,662	5,890	(228)	-3.21%	
Elsewhere	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%	
Total Anesthesia - Minutes	721	6,665	848	926	357	566	342	739	702	759	403	903	(500.00)	-55.37%	5,662	5,890	(228)	-3.21%	
Dietary																			
Patient Meals	66	647	98	75	61	62	62	70	69	65	105	101	4.00	3.95%	665	680	(15)	-2.21%	
Pantries	178	1,842	228	201	230	188	155	168	140	166	179	81	98.00	120.89%	1,633	688	945	138.08%	
Non-patient Meals	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00%	0	0	0	0.00%	
Total Meals	245	2,489	324	276	291	228	217	238	209	231	284	182	102.00	56.04%	2,298	1,578	719	45.54%	
Flu Shots	0	397	0	0	74	317	46	8	4	0	0	1	(1.00)	-100.00%	449	400	49	12.25%	
P/T - 42 075	2,382	23,091	2,463	2,292	2,211	2,547	2,085	2,353	2,488	2,342	2,604	2,722	(119.00)	-4.34%	21,373	23,885	(2,512)	-10.52%	
OT - 42 080	99	921	108	153	175	151	118	87	160	174	176	124	52.00	41.94%	1,300	926	374	40.39%	
Diamond Peak - Patients Seen	42	308	0	0	0	0	0	84	71	53	38	57	(19.00)	-33.33%	246	340	(94)	-27.65%	
Incline Village Health Clinic	80	589	85	115	109	128	108	110	132	117	119	47	72.00	153.19%	1,023	423	600	141.84%	

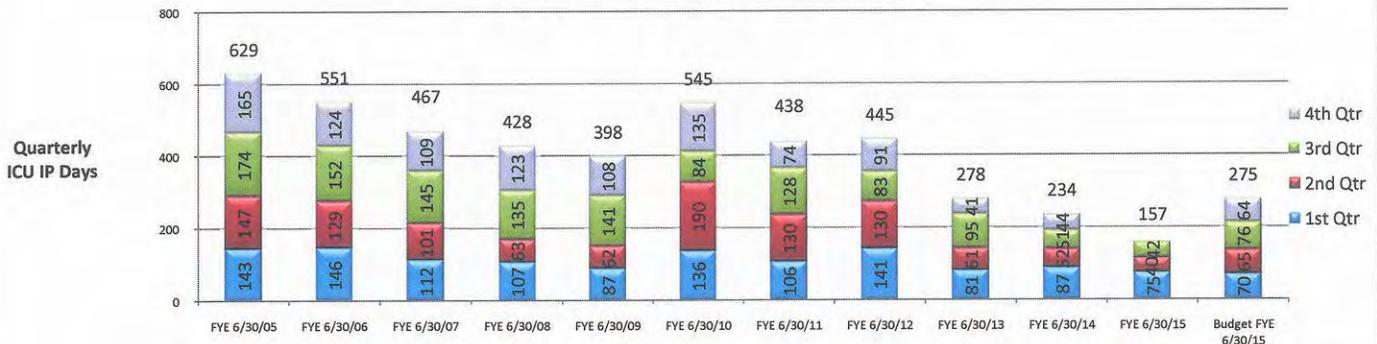
TOTAL TFH ADMISSIONS



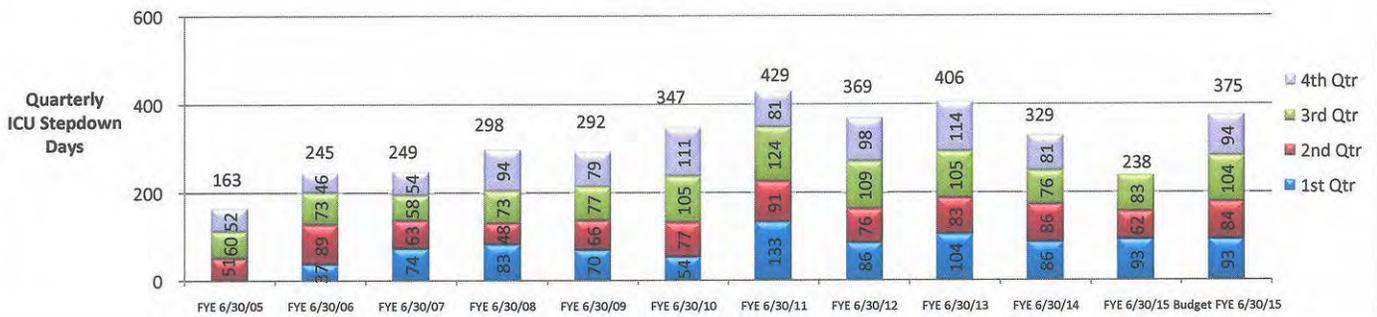
TOTAL TFH PATIENT DAYS



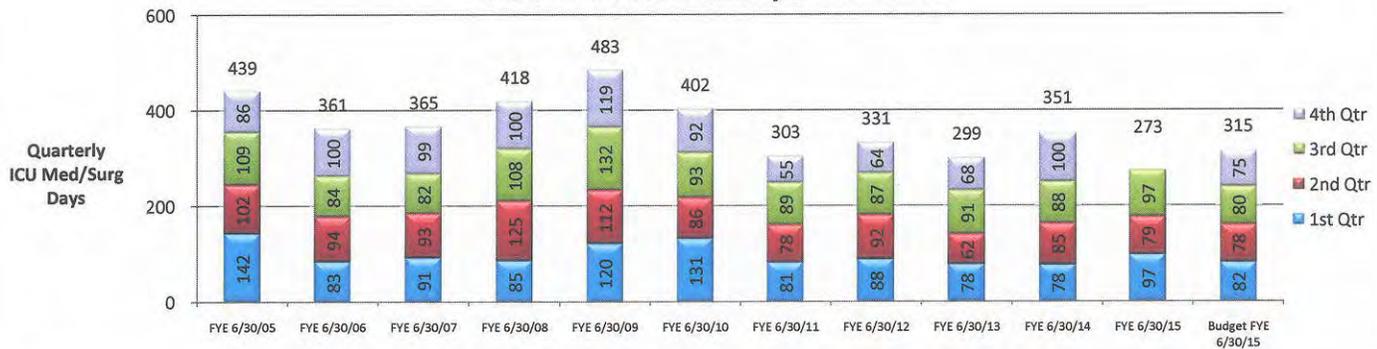
TOTAL TFH ICU INPATIENT DAYS



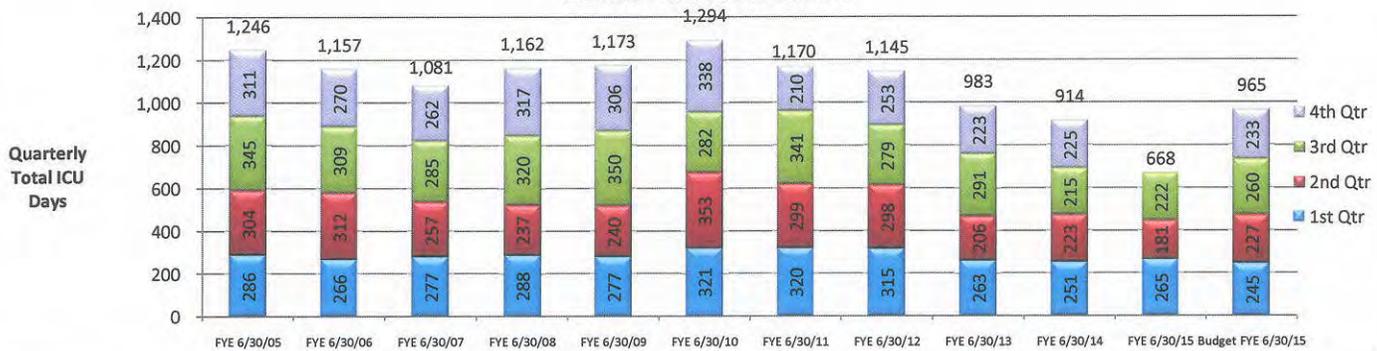
TOTAL TFH ICU STEPDOWN DAYS



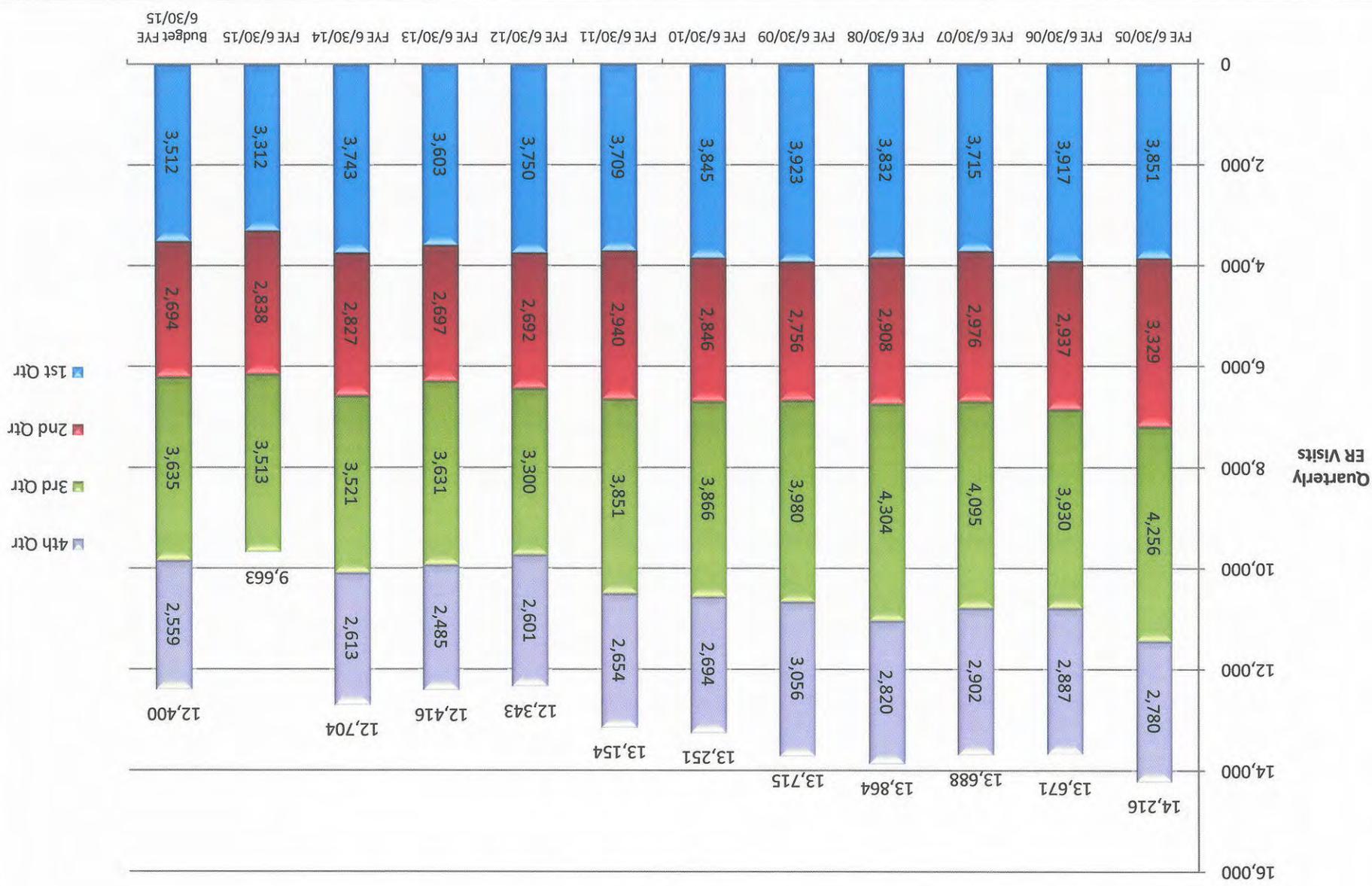
TOTAL TFH ICU MED/SURG DAYS



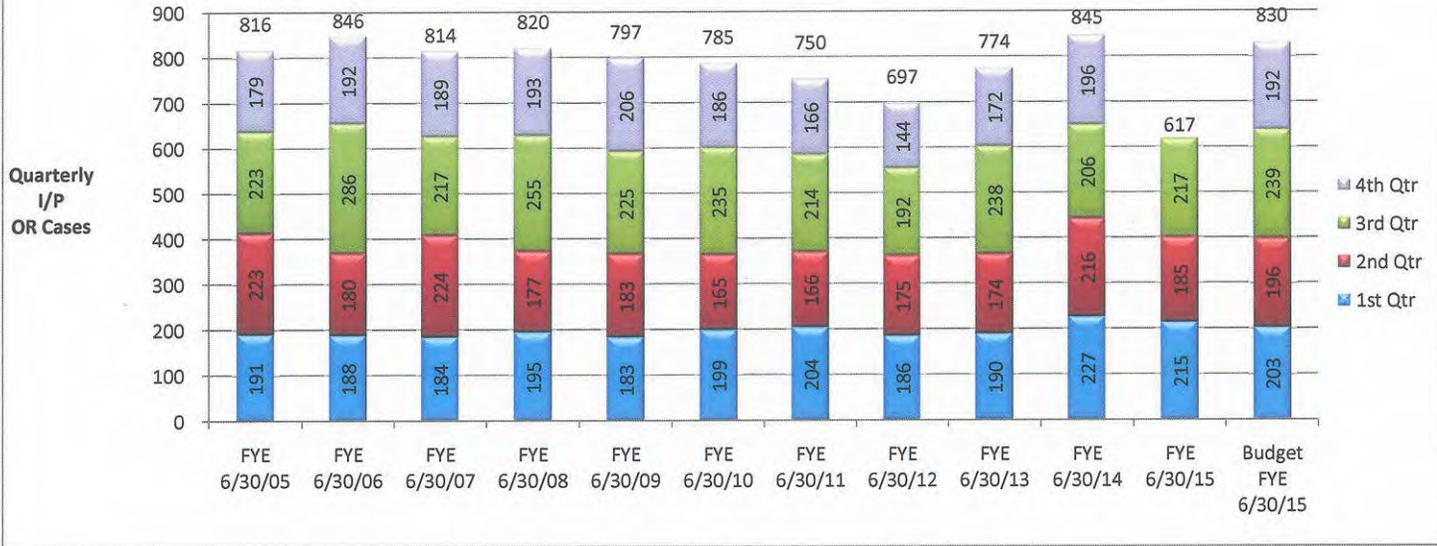
TOTAL TFH ICU DAYS



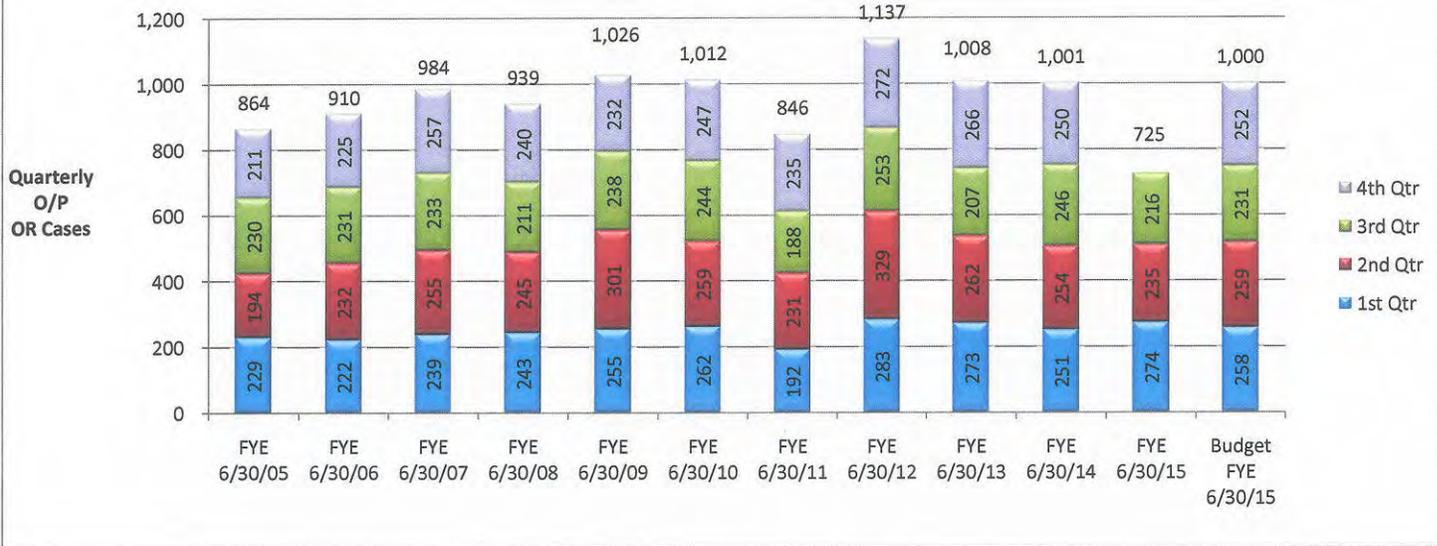
TOTAL TFH ER VISITS



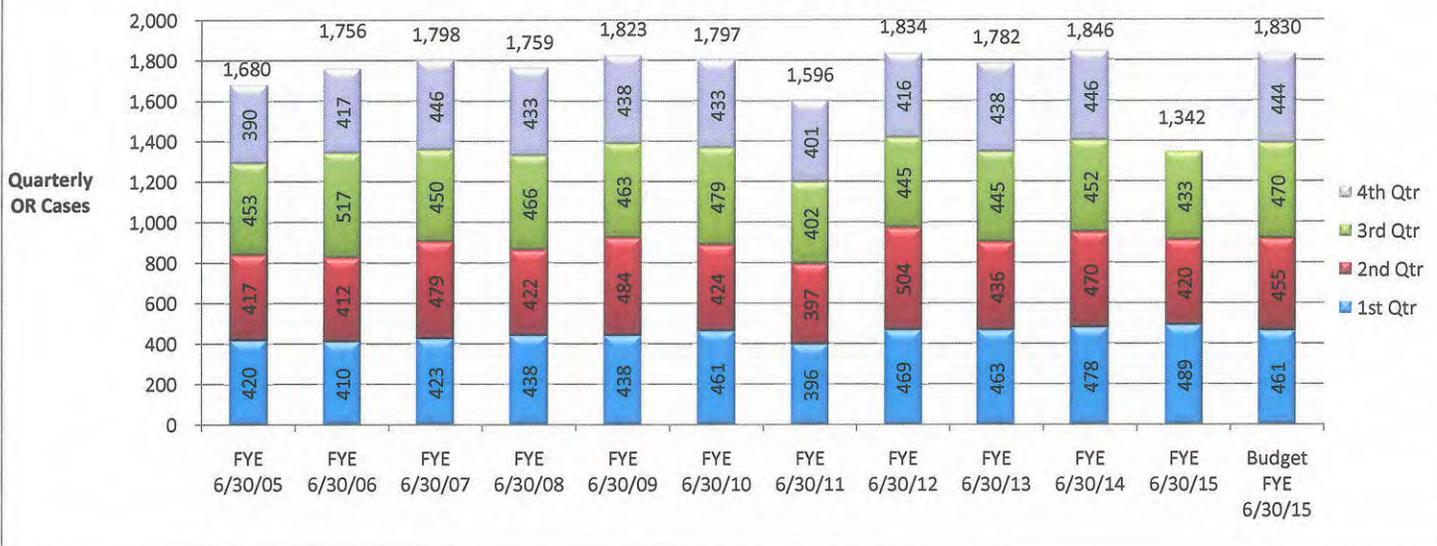
TOTAL TFH INPATIENT OR CASES



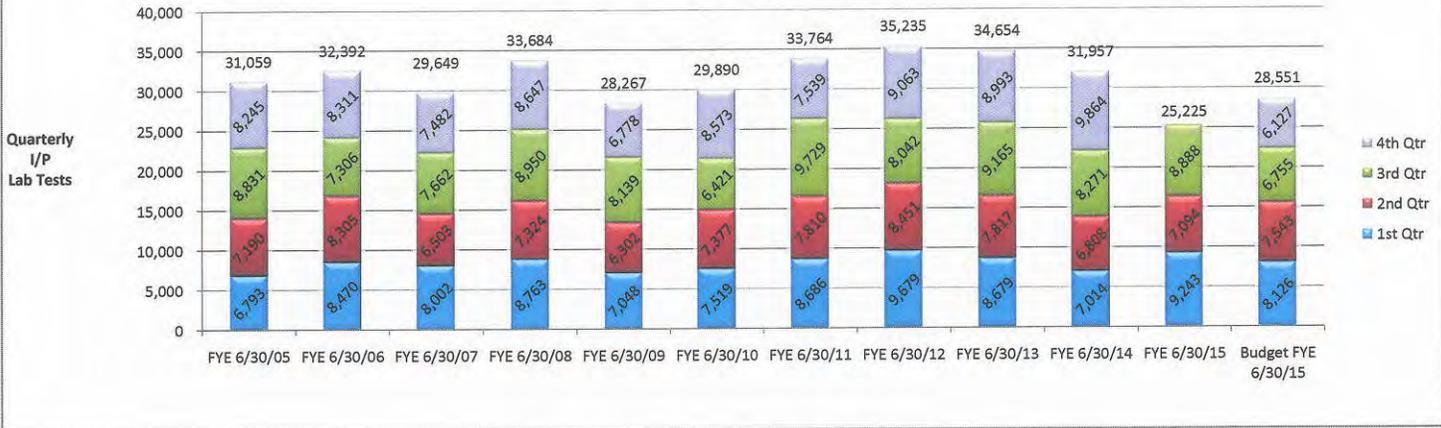
TOTAL TFH OUTPATIENT OR CASES



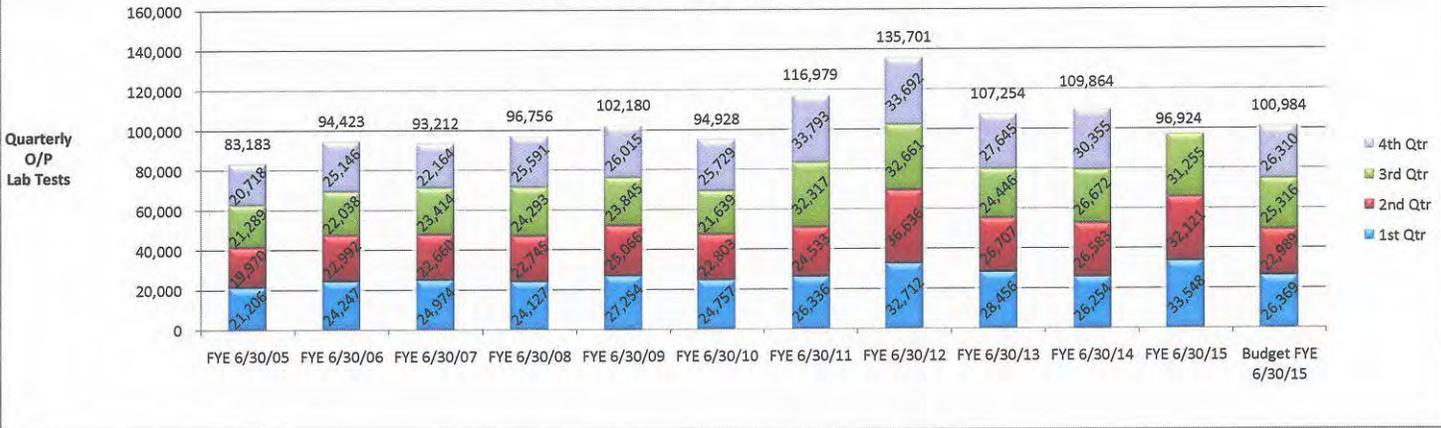
TOTAL TFH OR CASES



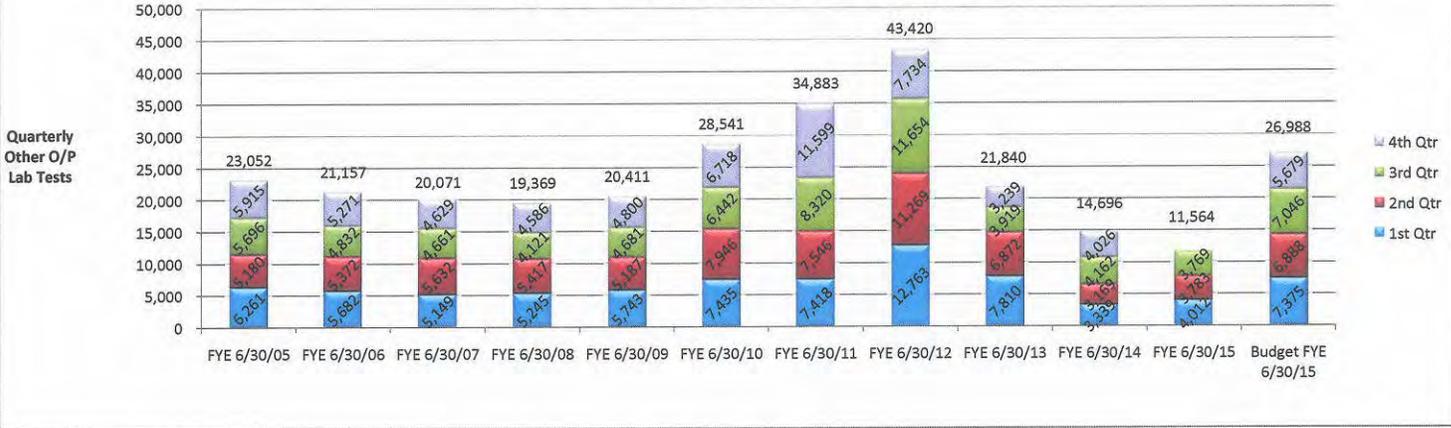
TOTAL TFH INPATIENT LAB TESTS



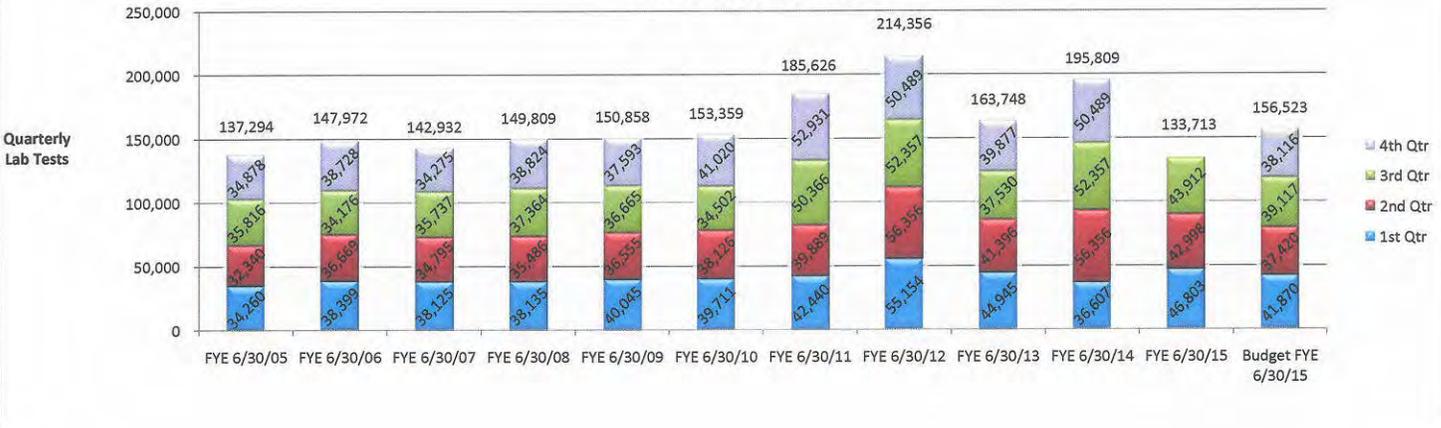
TOTAL TFH OUTPATIENT LAB TESTS



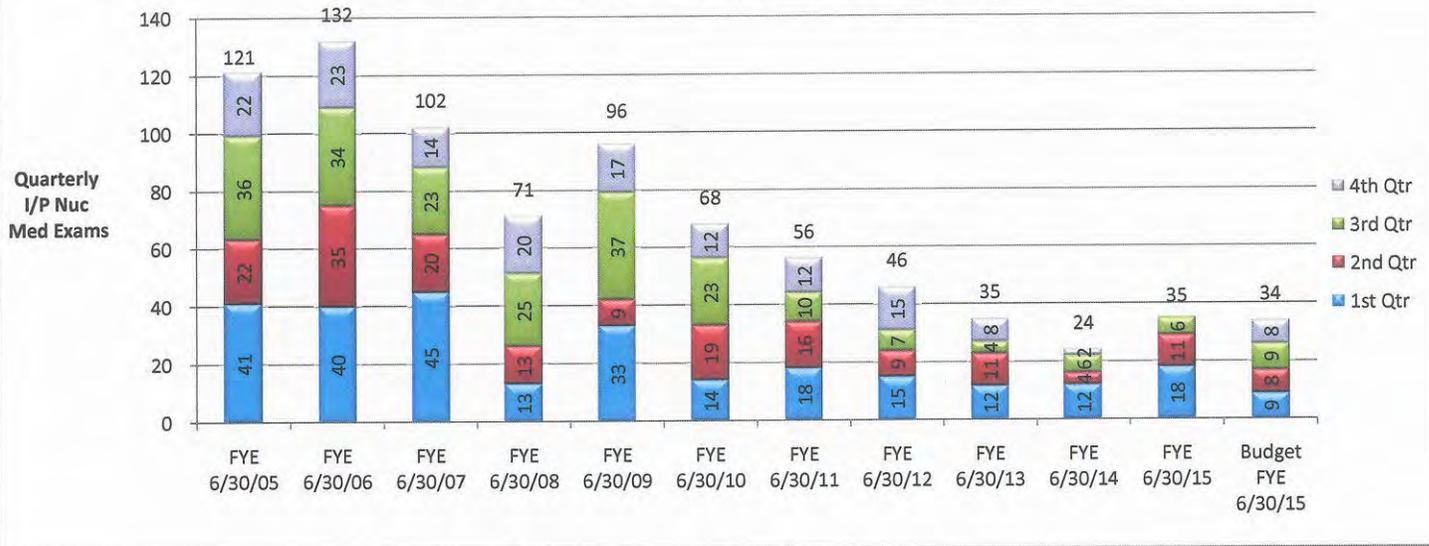
TOTAL TFH OTHER OUTPATIENT LAB TESTS



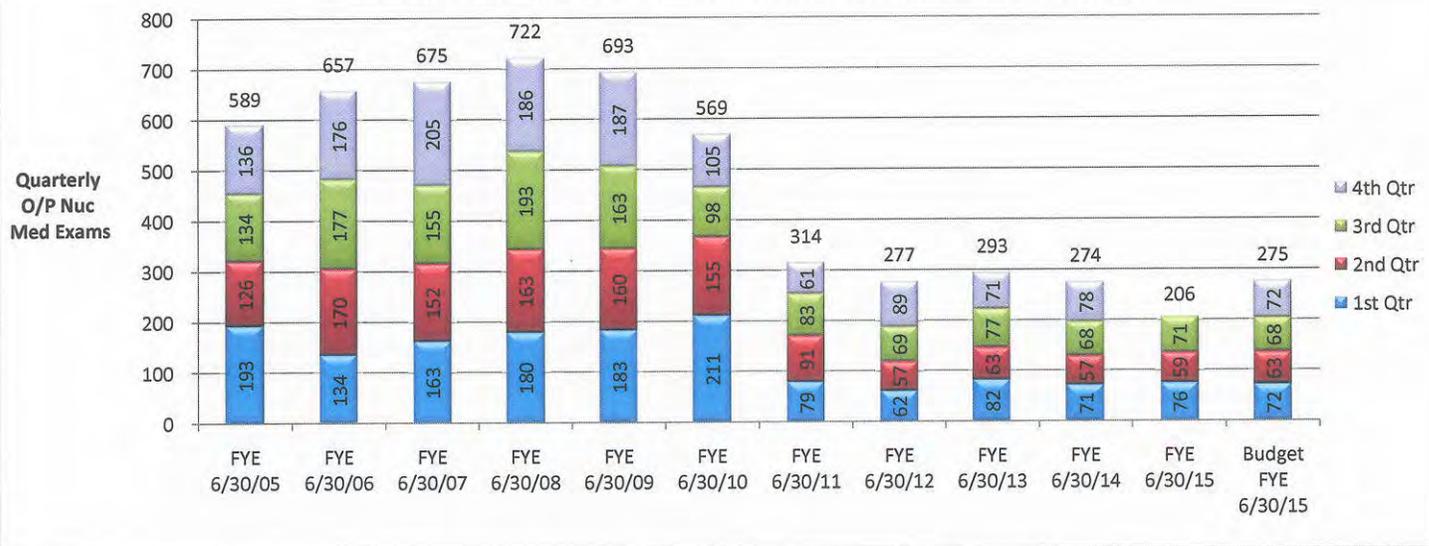
TOTAL TFH LAB TESTS



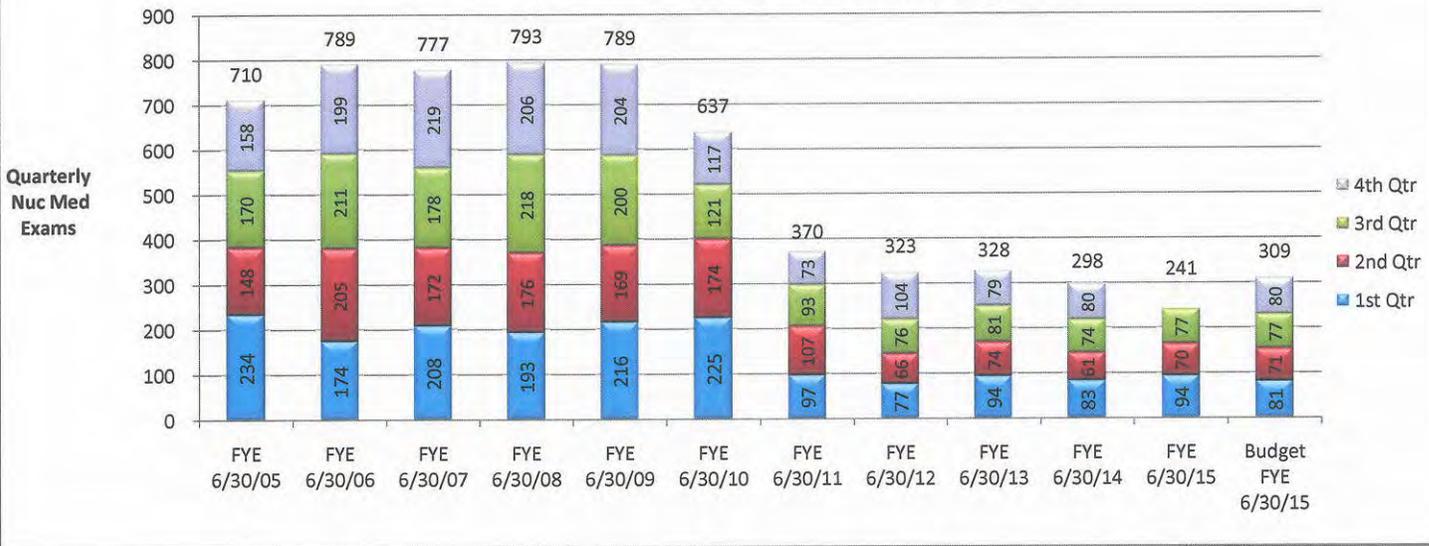
TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS



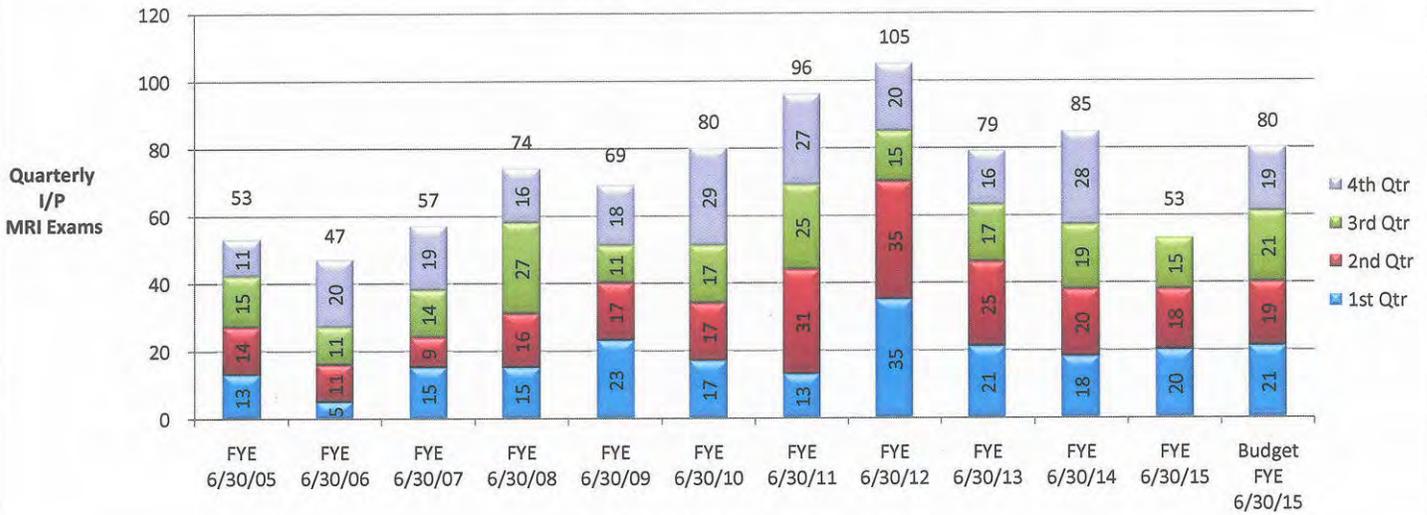
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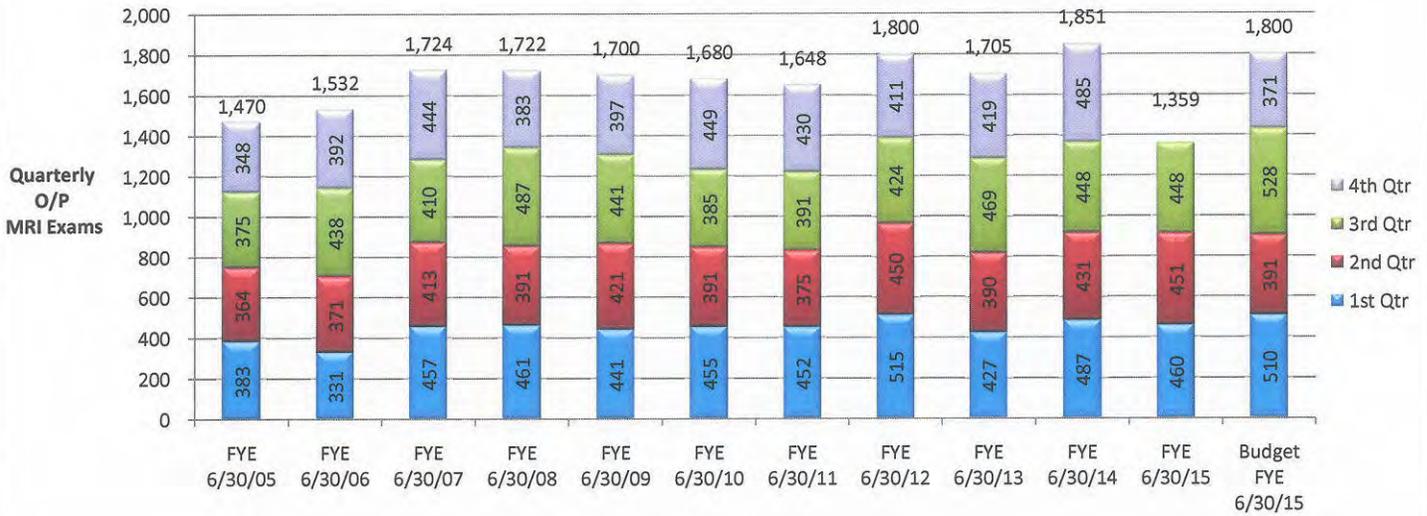
TOTAL TFH NUCLEAR MEDICINE EXAMS



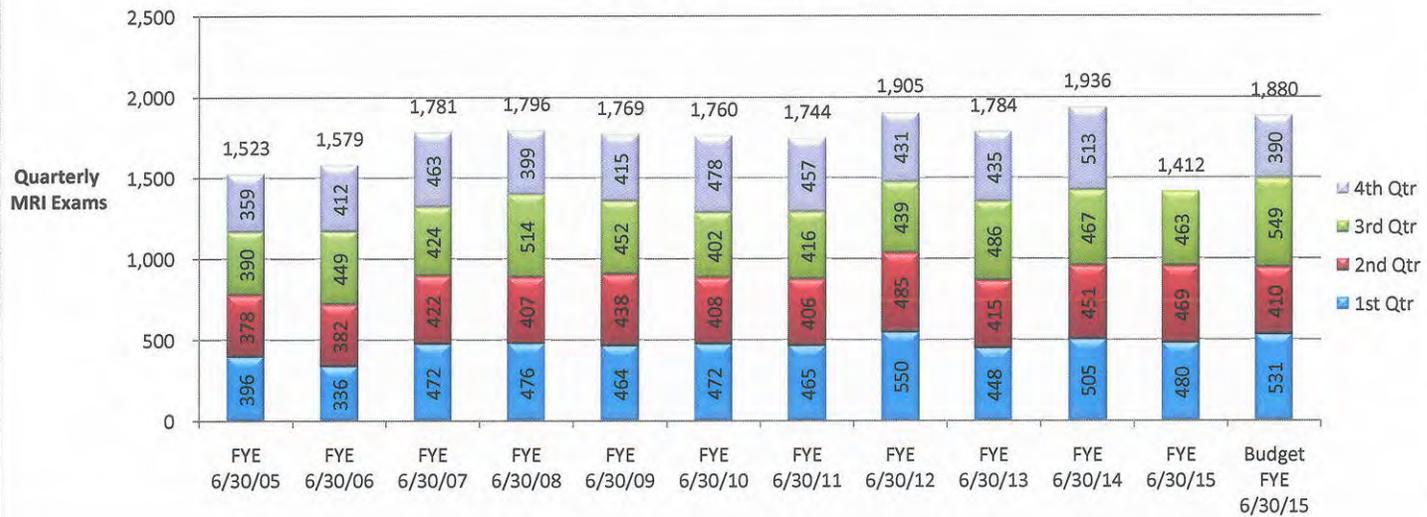
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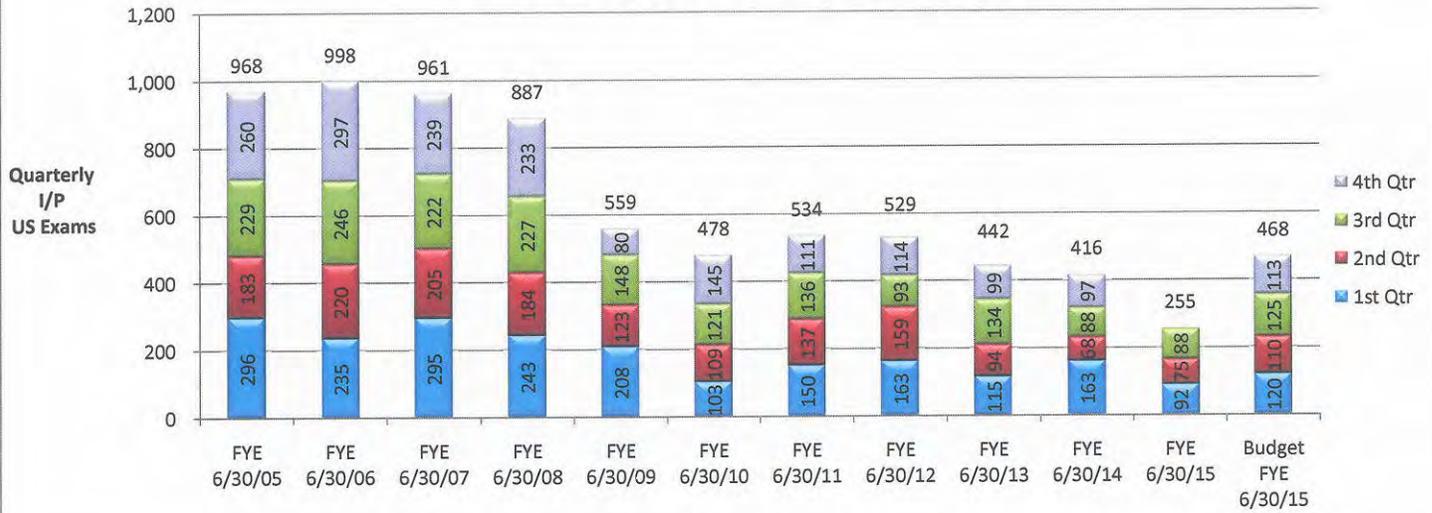
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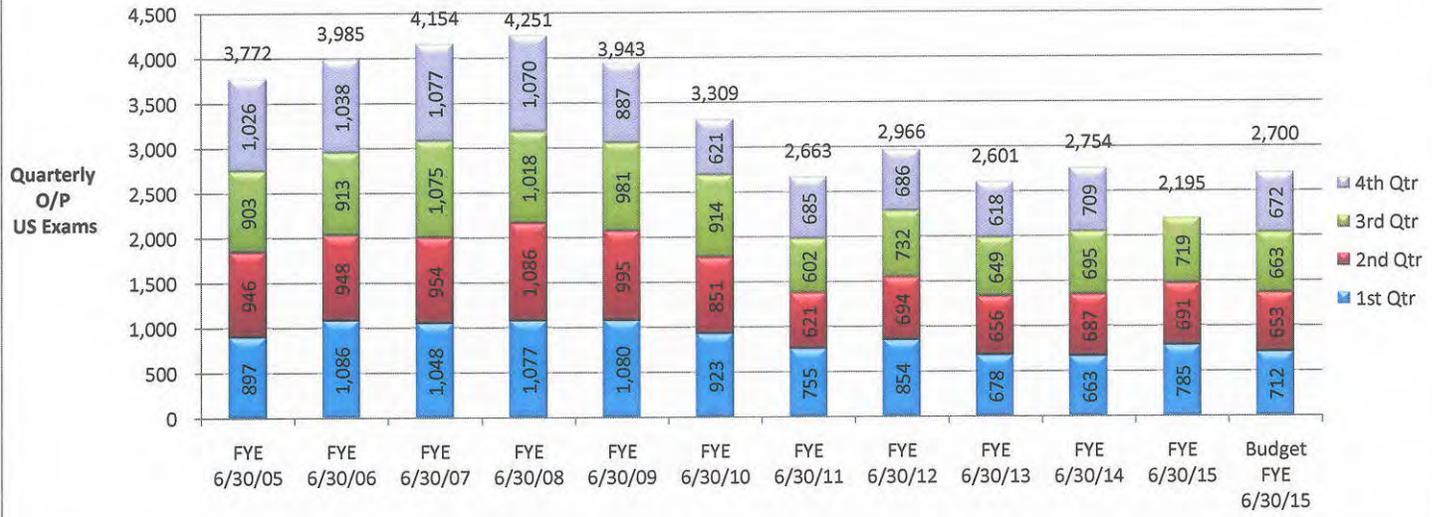
TOTAL TFH MRI EXAMS



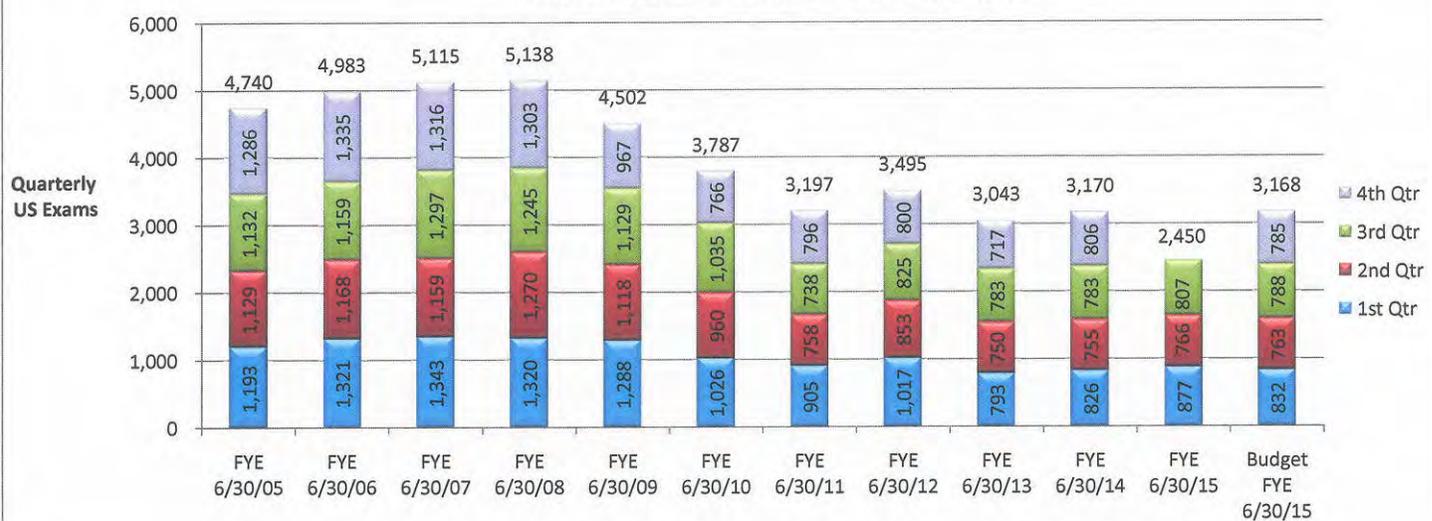
TOTAL TFH ULTRASOUND INPATIENT EXAMS



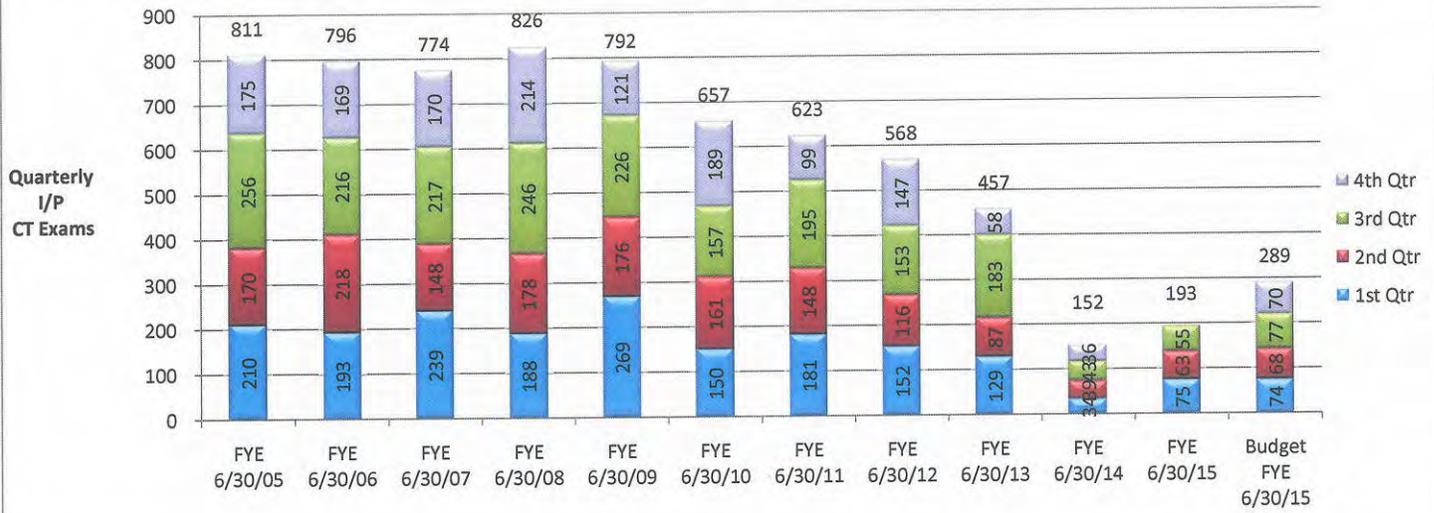
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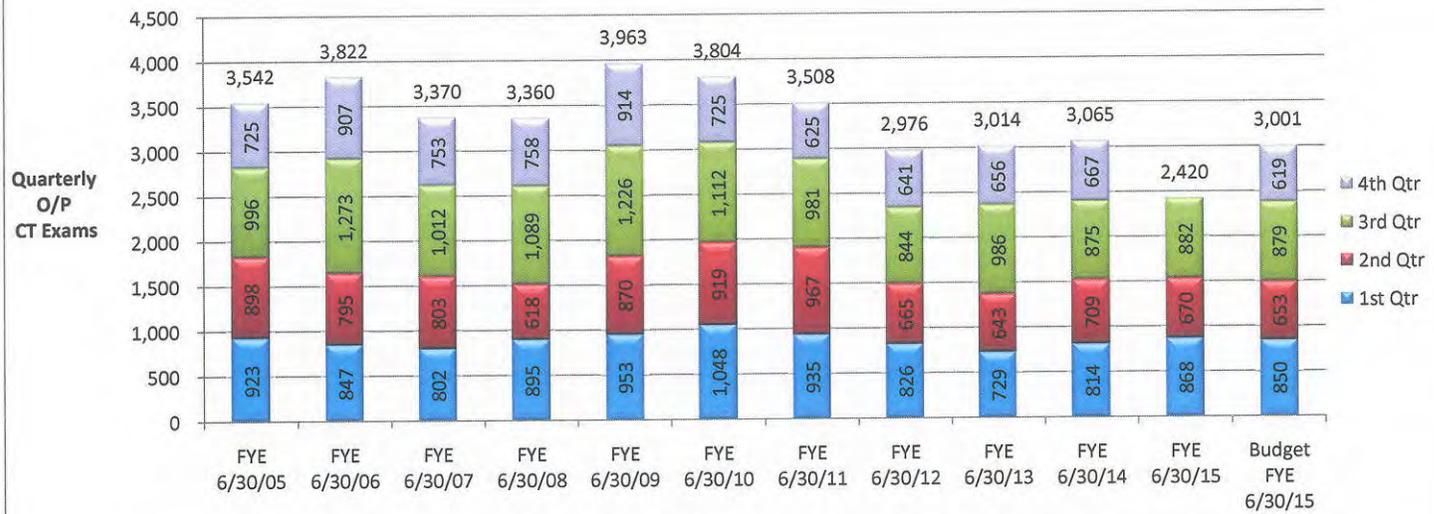
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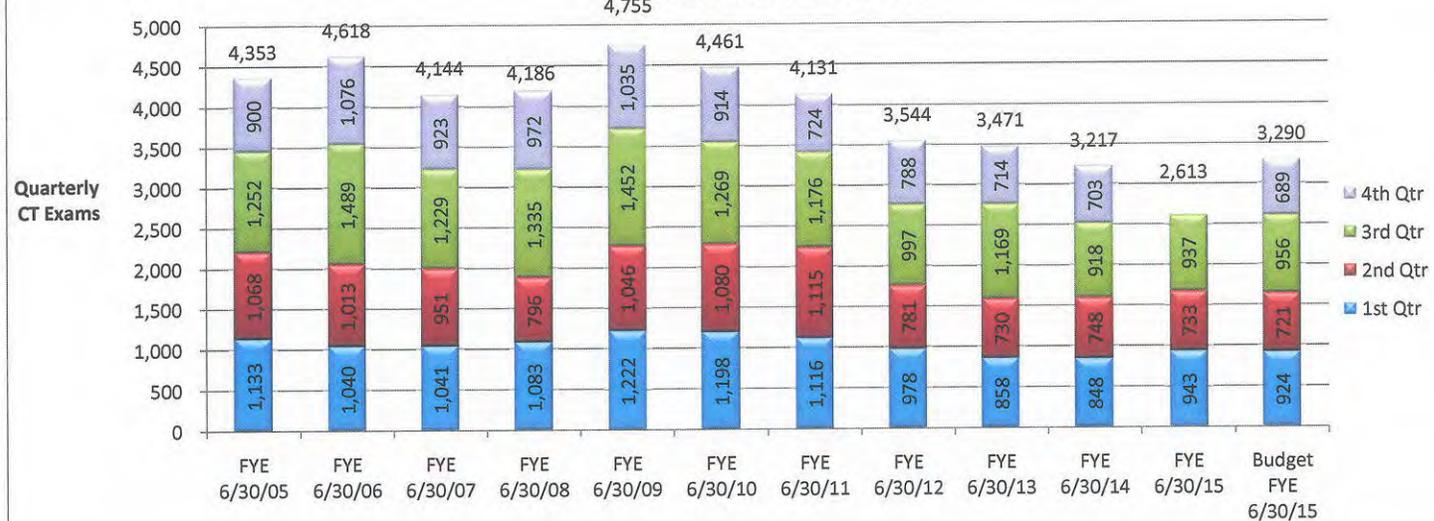
TOTAL TFH CT INPATIENT EXAMS



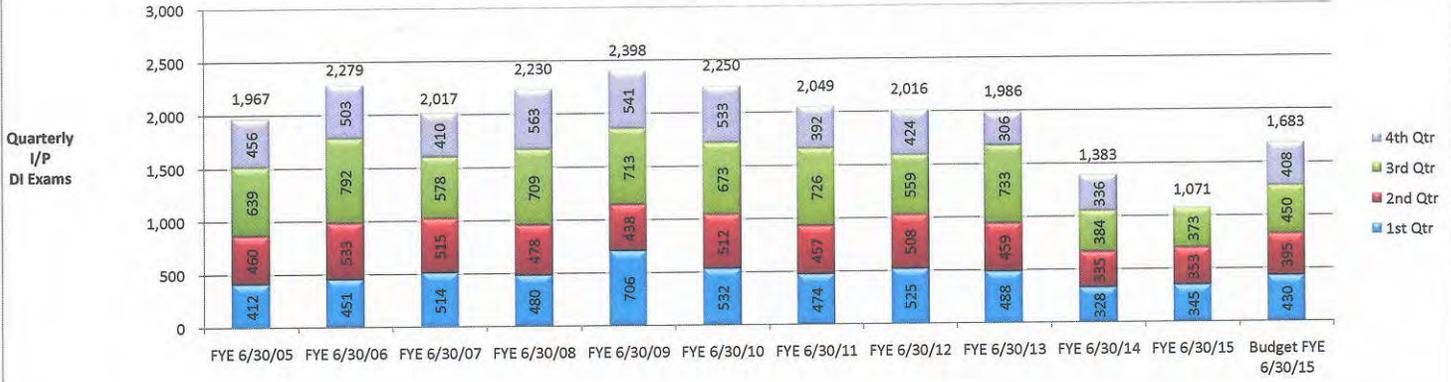
TOTAL TFH CT OUTPATIENT EXAMS



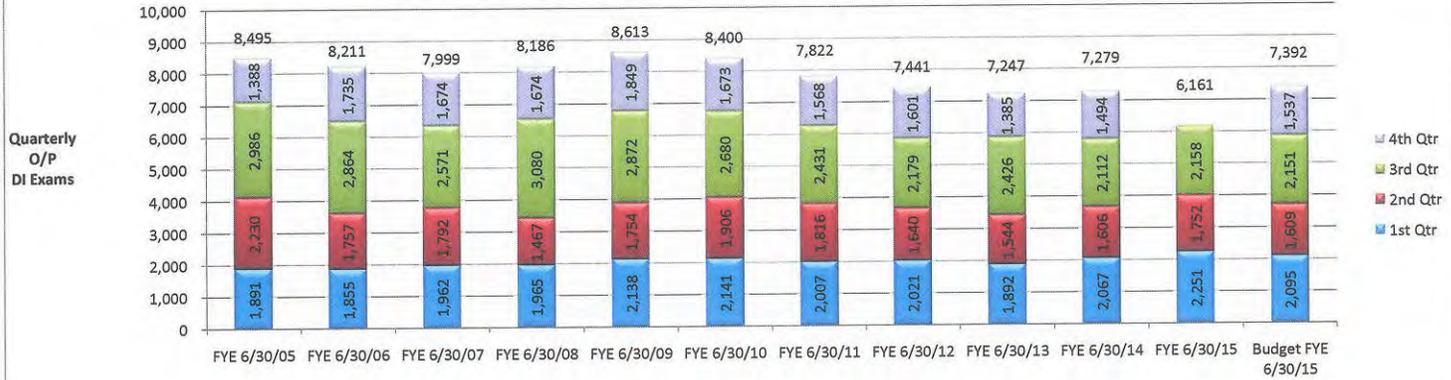
TOTAL TFH CT EXAMS



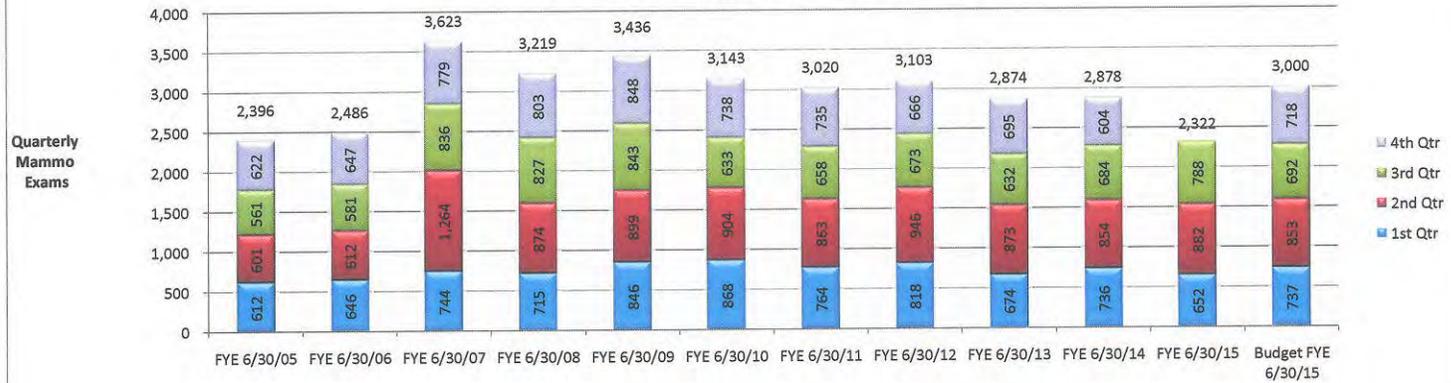
TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



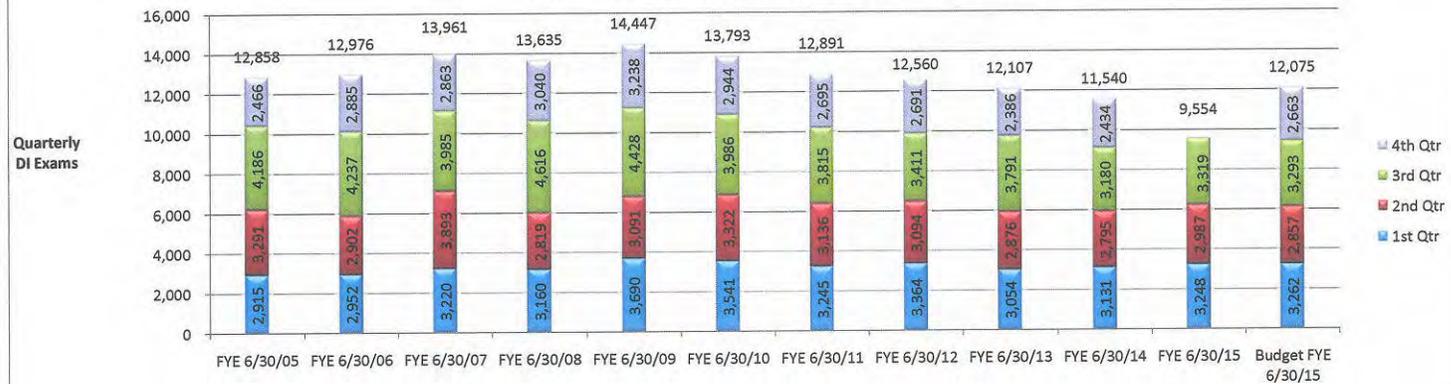
TOTAL TFH OUTPATIENT DIAGNOSTIC IMAGING EXAMS



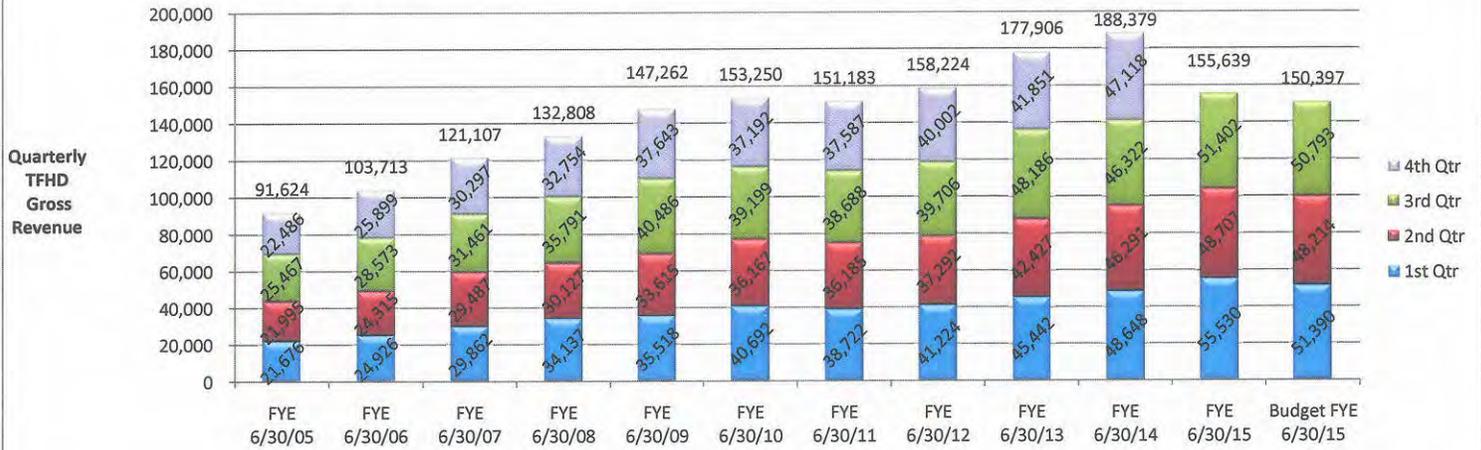
TOTAL TFH MAMMOGRAPHY EXAMS



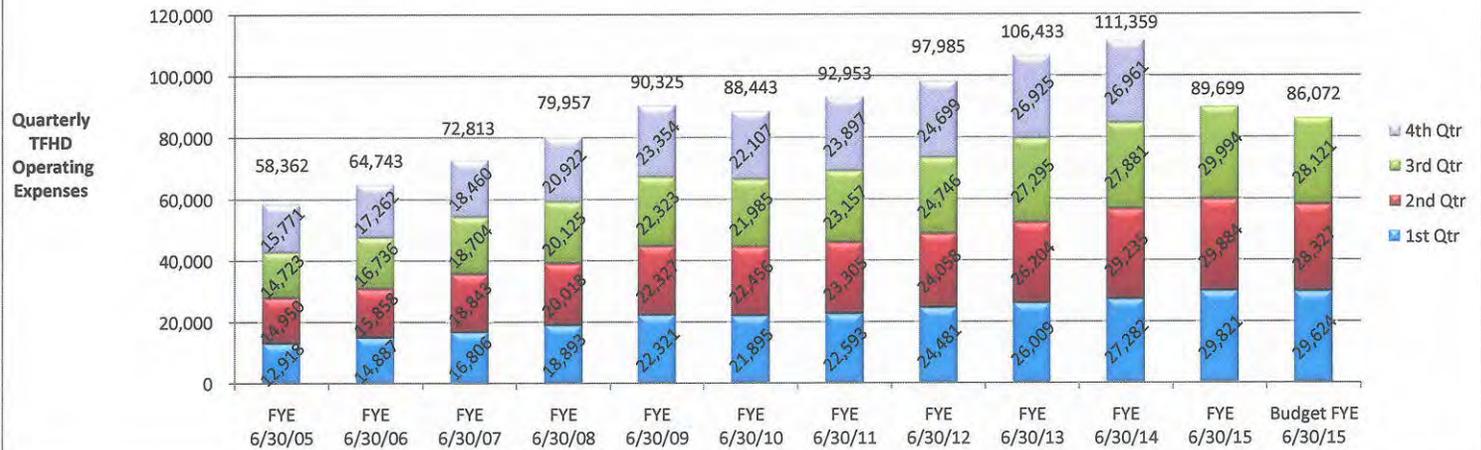
TOTAL TFH DIAGNOSTIC IMAGING EXAMS



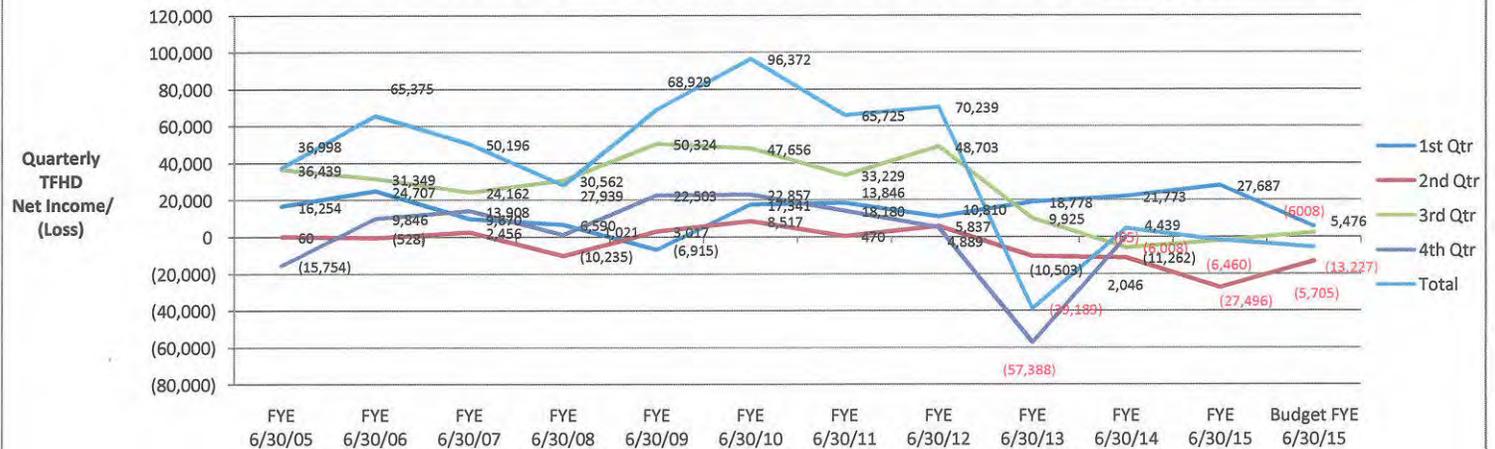
TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)



TAHOE FOREST HOSPITAL DISTRICT TOTAL NET INCOME/(LOSS) (In Hundreds)





Board Executive Summary

By: Patricia Barrett
Clerk of the Board

DATE: April 20, 2015

ISSUE:

As part of a required biennial review of the TFHD Conflict of Interest Code, an amendment is required to revise the designated positions included as part of the Code and to update the disclosure categories as requested by the Board.

BACKGROUND:

The law requires that multi-county agencies have a Conflict of Interest Code which identifies all agency officials and employees who make governmental decisions. To ensure each Conflict of Interest Code remains current and accurate, each multi-county agency is required to review its Conflict of Interest Code biennially.

At the request of the Board of Directors during their March 31, 2015 meeting, Appendix B of the Conflict of Interest Code has been updated to clarify that disclosures are required to be made in accordance with FPPC regulations.

ACTION REQUESTED:

TFHD is seeking board approval of the amended conflict of interest code reflecting additions, deletions and title changes to the designated positions and an update to the disclosure categories (addition of item 5).

Alternatives: None. Required by law to be submitted to the FPPC for review and approval.

		Tahoe Forest Health System			
		Title: Conflict of Interest Code		Policy/Procedure #: ABD-06	
		Responsible Department: Board of Directors			
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
<input checked="" type="checkbox"/>	Board	5/2/78	1/12; 1/14	6/91; 4/10; 3/14; 3/15	
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

PURPOSE:

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the **Tahoe Forest Hospital District [District]**.

Individuals holding designated positions shall file their statements of economic interests with the **District**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by the **District**.

**Appendix A
Designated Positions**

<u>Designated Positions</u>	<u>Category</u>
1. Members of the Board of Directors	1
2. Chief Executive Officer	1
3. Chief Operating Officer	1
4. Chief Nursing Officer	1
5. Chief Human Resources Officer	1
6. Chief Information and Innovation Officer	1
7. Administrator, Incline Village Community Hospital (IVCH)	1
8. Chief Facilities Development Officer	2,3
9. General Counsel	1
10. Consultants	*
11. Business Manager, ECC	4
12. Buyer	3
13. Compliance Officer	4
14. Controller	4
15. Coordinator, OR Materials Coordinator	4
16. Director, Cancer Center	4
17. Director, Children's Center	4
18. Director, Community Development	4
19. Director, Diagnostic Imaging/Patient Registration Services	4
20. Director, Education	4
21. Director, Emergency Services	4
22. Director, Facilities Management	4
23. Director, Health Information Management	4
24. Director, Infection Control	4
25. Director, Information Technology	4
26. Director, IVCH Foundation Development	4
27. Director, IVCH Patient Care Services	4
28. Director, Laboratory Services	4
29. Director, Marketing & Communications	4
30. Director, Materials Management	3
31. Director, Medical Staff Services	4
32. Director, MultiSpecialty Clinics	4
33. Director, Nutrition & Environmental Services, TFH & IVCH	4
34. Director, Orthopedics & Sports Medicine	4
35. Director, Patient Financial Services	4
36. Director, Pharmacy	4
37. Director, Post Acute Services	4
38. Director, Quality & Regulations	4

39. Director, Rehabilitation Services	4
40. Director, Respiratory Therapy	4
41. Director, Surgical Services	4
42. Director, Tahoe Forest Foundation	4
43. Director, Volunteer Services	4
44. Manager, Network Infrastructure	4
45. Manager, Nursing Informatics	4
46. Manager, Revenue Cycle/Case Management	4
47. Purchasing Assistant	4

*Consultants are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Note: The positions of General Counsel, Director, Rehabilitation Services and Director, Respiratory Therapy, Director, Tahoe Center For Health & Sports Performance Operations are filled by outside consultants, but act in a staff capacity.

Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments and will file a statement of economic interests pursuant to Government Code Section 87200. These positions are listed for informational purposes only:

- Chief Financial Officer

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

**Appendix B
Disclosure Categories**

1. All investments, business positions, and sources of income, including loans, gifts, and travel payments.

All interests in real property, located in whole or in part within the boundaries of the District or within two miles of the District.

2. All interests in real property, located in whole or in part within the boundaries of the District or within two miles of the District.

3. All investments, business positions, and sources of income, including loans, gifts, and travel payments, from sources that provide, or have provided, in the last two years, services, supplies, materials, machinery, or equipment of the type utilized by the District. Services include the full range of medical products, services and supplies including but not limited to pharmaceutical products, medical equipment, and medical consultants used by any patient.

4. All investments, business positions, and sources of income, including loans, gifts, and travel payments, from sources that provide, or have provided, in the last two years, services, supplies, materials, machinery, or equipment of the type utilized by designated employee's department or division.

5. All disclosure required herein shall be in accordance with the Political Reform Act and the regulations of the Fair Political Practices Commission.

Related Policies/Forms: Conflict of Interest Policy ABD-07
References: Government Code Section 81000, et seq
Policy Owner: Patricia Barrett, Clerk of the Board
Approved by: Virginia Razo, Chief Executive Officer

		Tahoe Forest Health System			
		Title: Conflict of Interest Code		Policy/Procedure #: ABD-06	
		Responsible Department: Board of Directors			
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	
<input checked="" type="checkbox"/>	Board	5/2/78	1/12; 1/14	6/91; 4/10; 3/14; 4/15	
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

PURPOSE:

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the **Tahoe Forest Hospital District [District]**.

Individuals holding designated positions shall file their statements of economic interests with the **District**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by the **District**.

**Appendix A
Designated Positions**

Designated Positions	Category
1. Members of the Board of Directors	1
2. Chief Executive Officer	1
3. Chief Operating Officer	1
4. Chief Nursing Officer	1
5. Chief Human Resources Officer	1
6. Chief Information and Innovation Officer – Title Change	1
7. <i>Chief Development Officer - REMOVED</i>	1
8. Administrator, Incline Village Community Hospital (IVCH) – Title Change	1
9. Director, Facilities Management	1
10. Chief Facilities Development Officer	2, 3
11. Director, Materials Management	3
12. Buyer	3
13. Director, Surgical Services	4
14. Director, Post Acute Services – Title Change	4
15. <i>REMOVED [position combined w/#13 above]</i>	
16. Director, Diagnostic Imaging/Patient Registration Services	4
17. Director, Patient Financial Services	4
18. Director, Information Technology	4
19. Coordinator, OR Materials	4
20. Director, Pharmacy	4
21. <i>Director, Community Health Services - REMOVED</i>	4
22. <i>Director, Tahoe Center For Health & Sports Performance Operations - REMOVED</i>	4
23. Director, Laboratory Services	4
24. Director, Nutrition & Environmental Services, TFH & IVCH	4
25. Director, Marketing & Communications	4
26. Director, Rehabilitation Services	4
27. Director, MultiSpecialty Clinics – Title Change	4
28. <i>Number not previously used</i>	
29. <i>REMOVED [position combined w/#27 above]</i>	4
30. Director, Emergency Services	4
31. Director, Quality & Regulations	4
32. Director, Cancer Center	4
33. Director, Respiratory Therapy	4
34. Director, Tahoe Forest Foundation	4
35. Director, IVCH Foundation Development	4
36. Director, Community Development – Title Change	4
37. Director, IVCH Patient Care Services	4
38. Controller	4
39. Director, Medical Staff Services	4
40. Director, Infection Control	4
41. Director, Education	4

42.	Director, Children’s Center	4
43.	Director, Volunteer Services	4
44.	Director, Health Information Management	4
45.	Manager, Revenue Cycle/Case Management	4
46.	Purchasing Assistant	4
47.	Manager, Network Infrastructure	4
48.	Manager, Systems Administration - REMOVED	4
49.	Manager, Nursing Informatics – Title Change	4
50.	Senior Infrastructure Architect - REMOVED	4
51.	Compliance Officer	4
52.	General Counsel	1
53.	Consultants	*
54.	ADD: Business Manager, ECC	4
55.	ADD: Director, Orthopedics & Sports Medicine	4

*Consultants are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Note: The positions of General Counsel, Director, Rehabilitation Services and Director, Respiratory Therapy, Director, Tahoe Center For Health & Sports Performance Operations are filled by outside consultants, but act in a staff capacity.

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- Chief Financial Officer

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

**Appendix B
Disclosure Categories**

1. All investments, business positions, and sources of income, including loans, gifts, and travel payments.

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2. All interests in real property, located in whole or in part within the boundaries of the District or within two miles of the District.

3. All investments, business positions, and sources of income, including loans, gifts, and travel payments, from sources that provide, or have provided, in the last two years, services, supplies, materials, machinery, or equipment of the type utilized by the District. Services include the full range of medical products, services and supplies including but not limited to pharmaceutical products, medical equipment, and medical consultants used by any patient.

4. All investments, business positions, and sources of income, including loans, gifts, and travel payments, from sources that provide, or have provided, in the last two years, services, supplies, materials, machinery, or equipment of the type utilized by designated employee's department or division.

5. All disclosure required herein shall be in accordance with the Political Reform Act and the regulations of the Fair Political Practices Commission.

Related Policies/Forms: Conflict of Interest Policy ABD-07
References: Government Code Section 81000, et seq
Policy Owner: Patricia Barrett, Clerk of the Board – New individual referenced
Approved by: Virginia Razo, Chief Executive Officer – New individual referenced

Disclosure & Compassion after Medical Errors



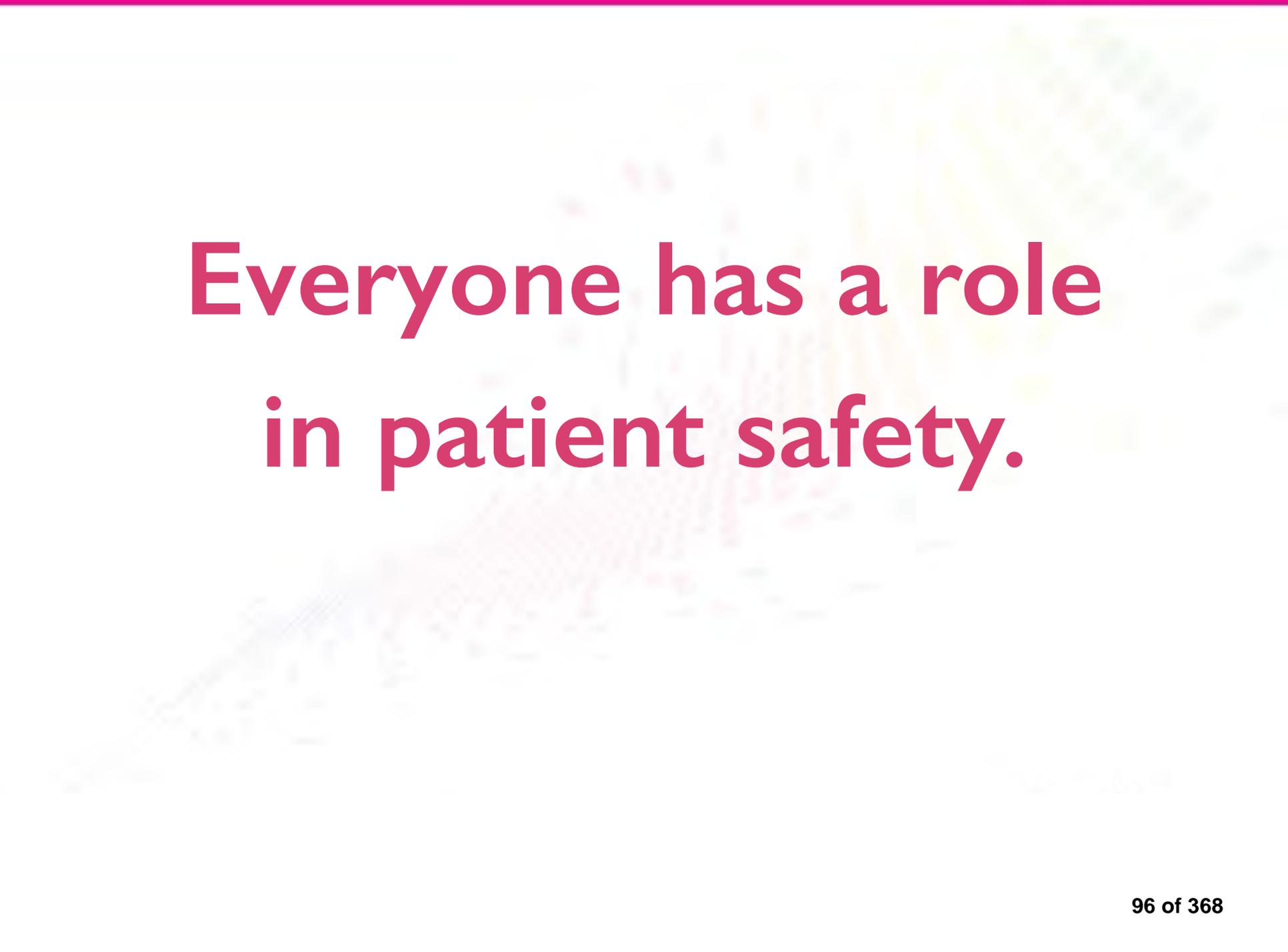


**Errors bring
opportunity
& obligation.**

400,000+ deaths
2,100,000+ injuries
Every year in the US.

*A New, Evidence-based Estimate of Patient Harms
Associated with Hospital Care*

Journal of Patient Safety, [September 2013](#)



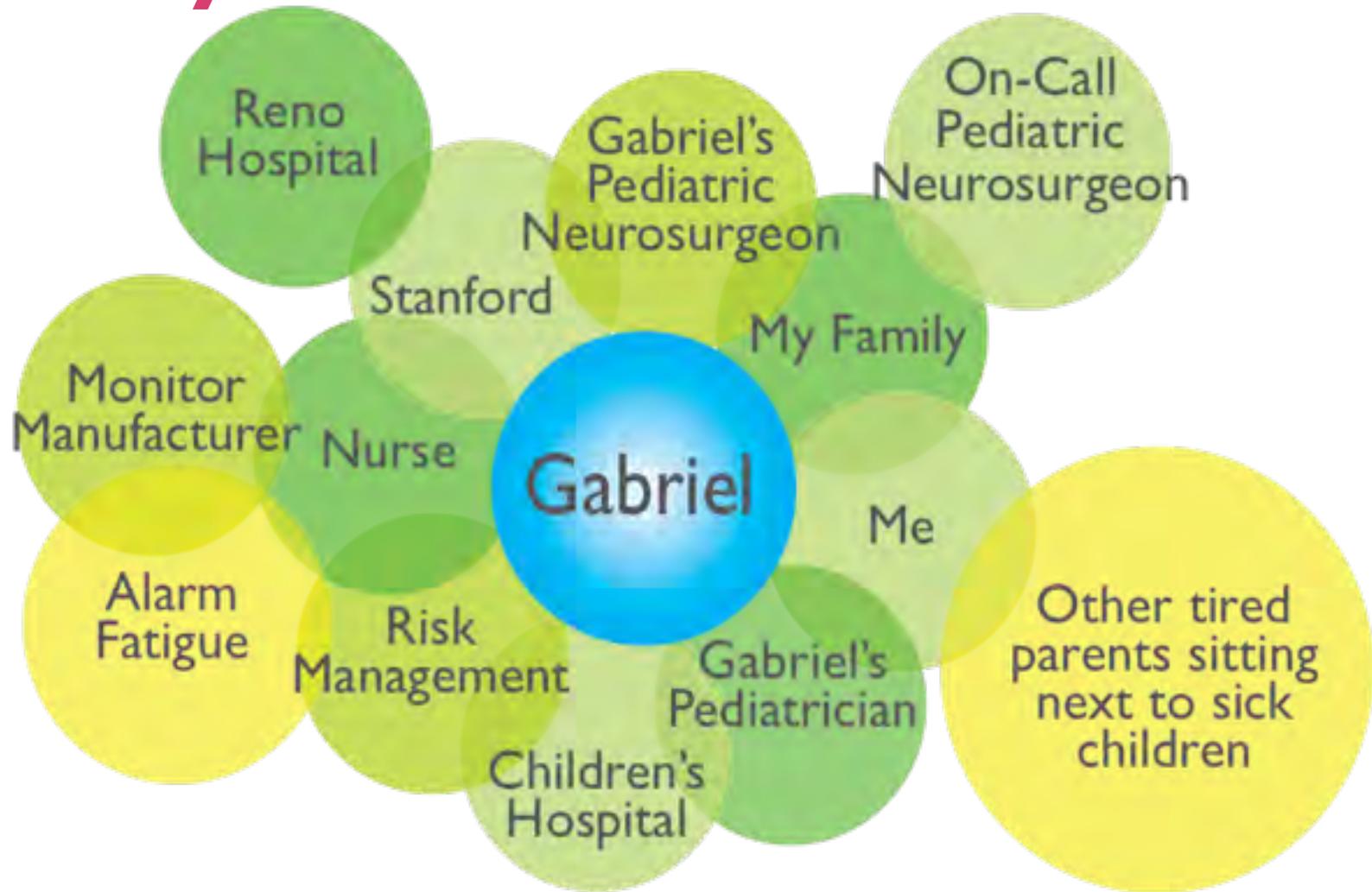
**Everyone has a role
in patient safety.**

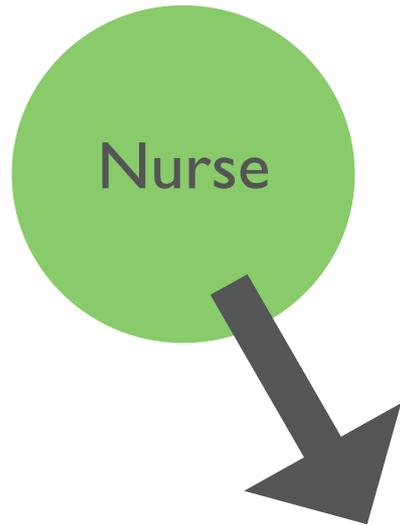
Disclosure as a policy.

Disclosure as a practice.



Ecosystem of Medical Errors





No longer working in medicine

Just Culture

Process Early Assessment Resolution of Loss



Early R's

Early Recognition

Early Response

Early Review

Early Resolution



TRA Results



PEARL Scorecard

Metric	Desired Result	Observed Result	Basis
Lawsuit Frequency	Lower	Lower	Pre vs Post PEARL
Average Claim Severity	Lower	Lower (inconclusive in 2013)	Pre vs Post PEARL
Average Defense	Lower	Lower	Pre vs Post PEARL
Closing Pattern	Faster	<u>Unchanged</u>	Pre vs Post PEARL

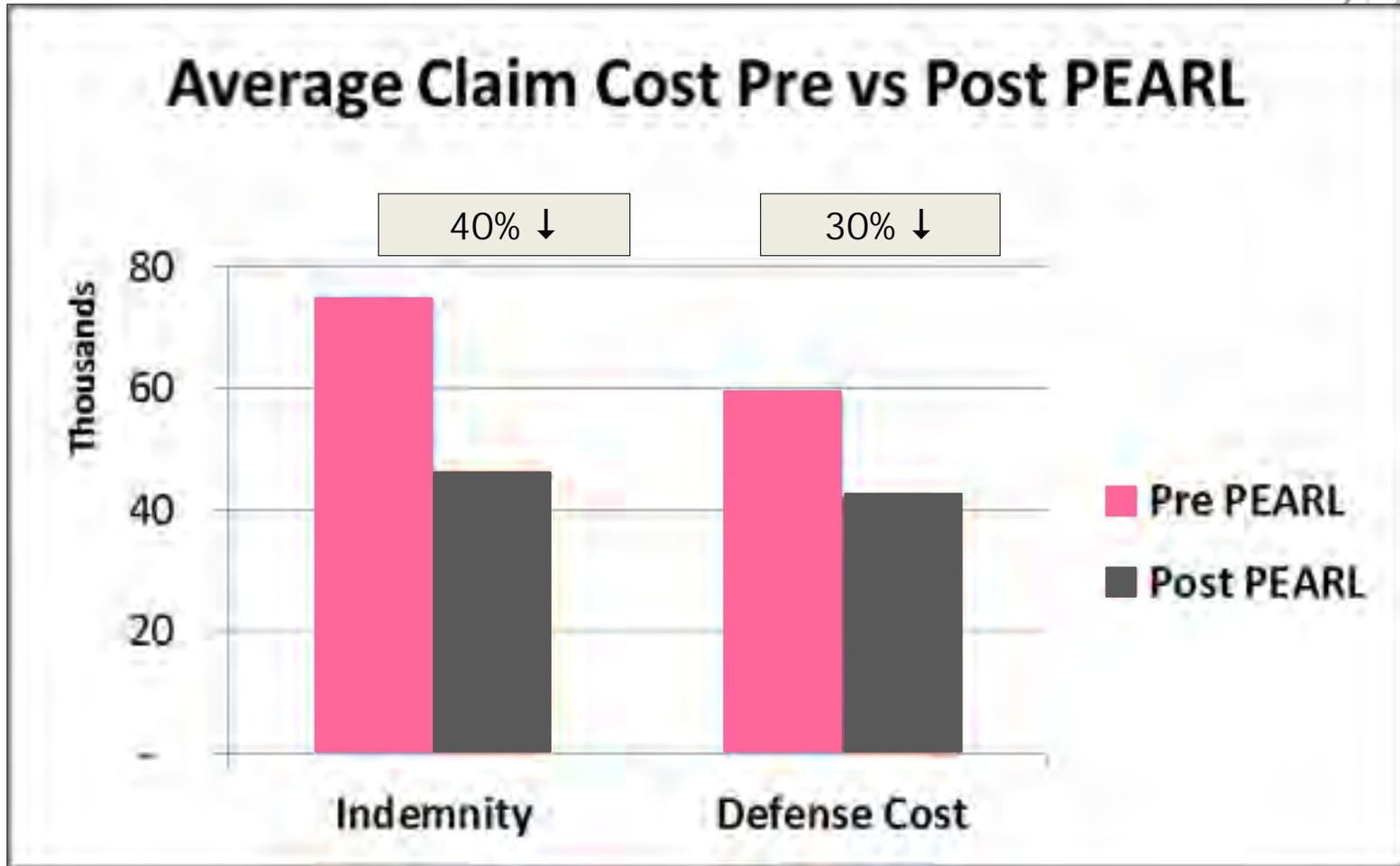
Notes:

Pre PEARL period includes FY 2003 to 2008

Post PEARL period includes FY 2009 to 2014



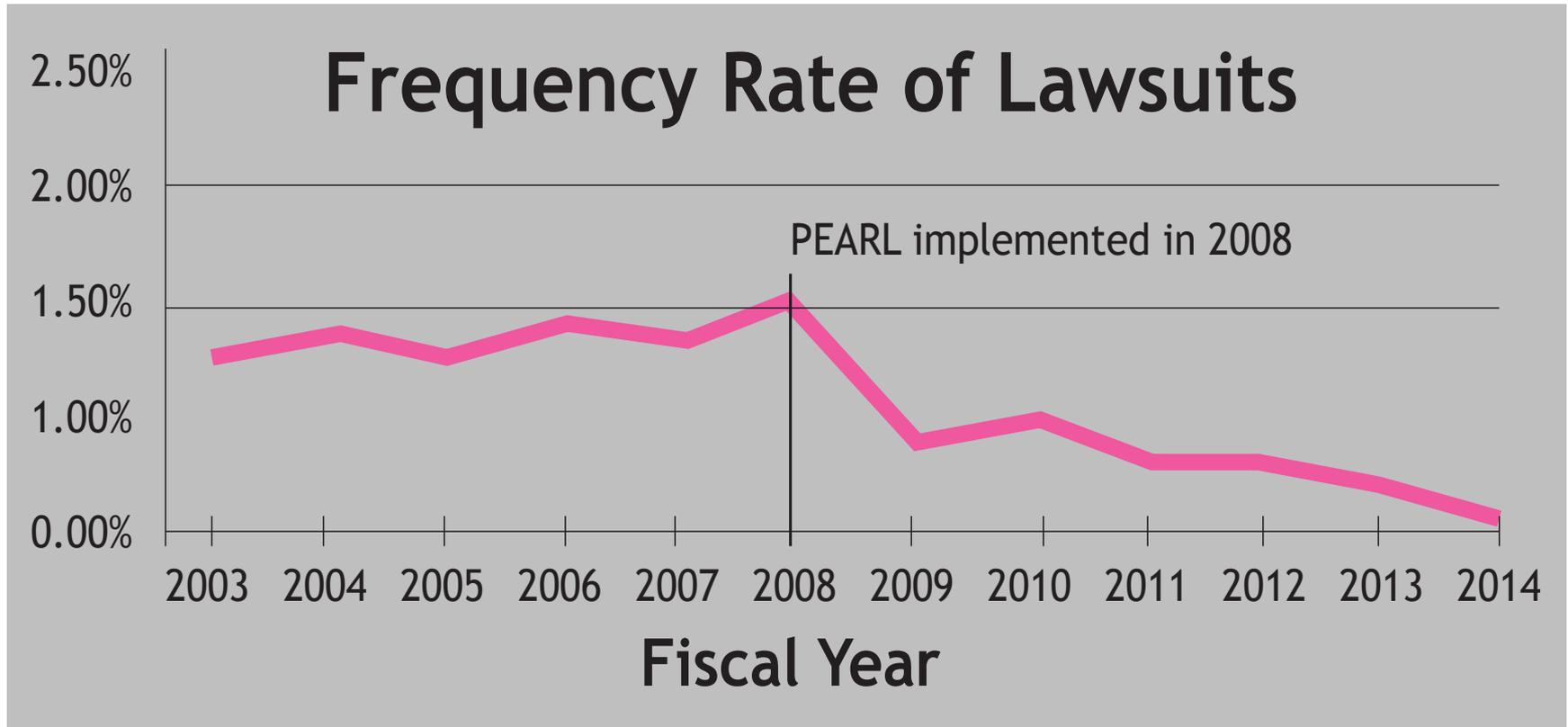
TRA Results



Note: Only includes claims with indemnity > \$1,000

In addition, defense cost on PEARL cases are 20% lower than non-PEARL cases.

TRA Results





First 3.5 years of PEARL

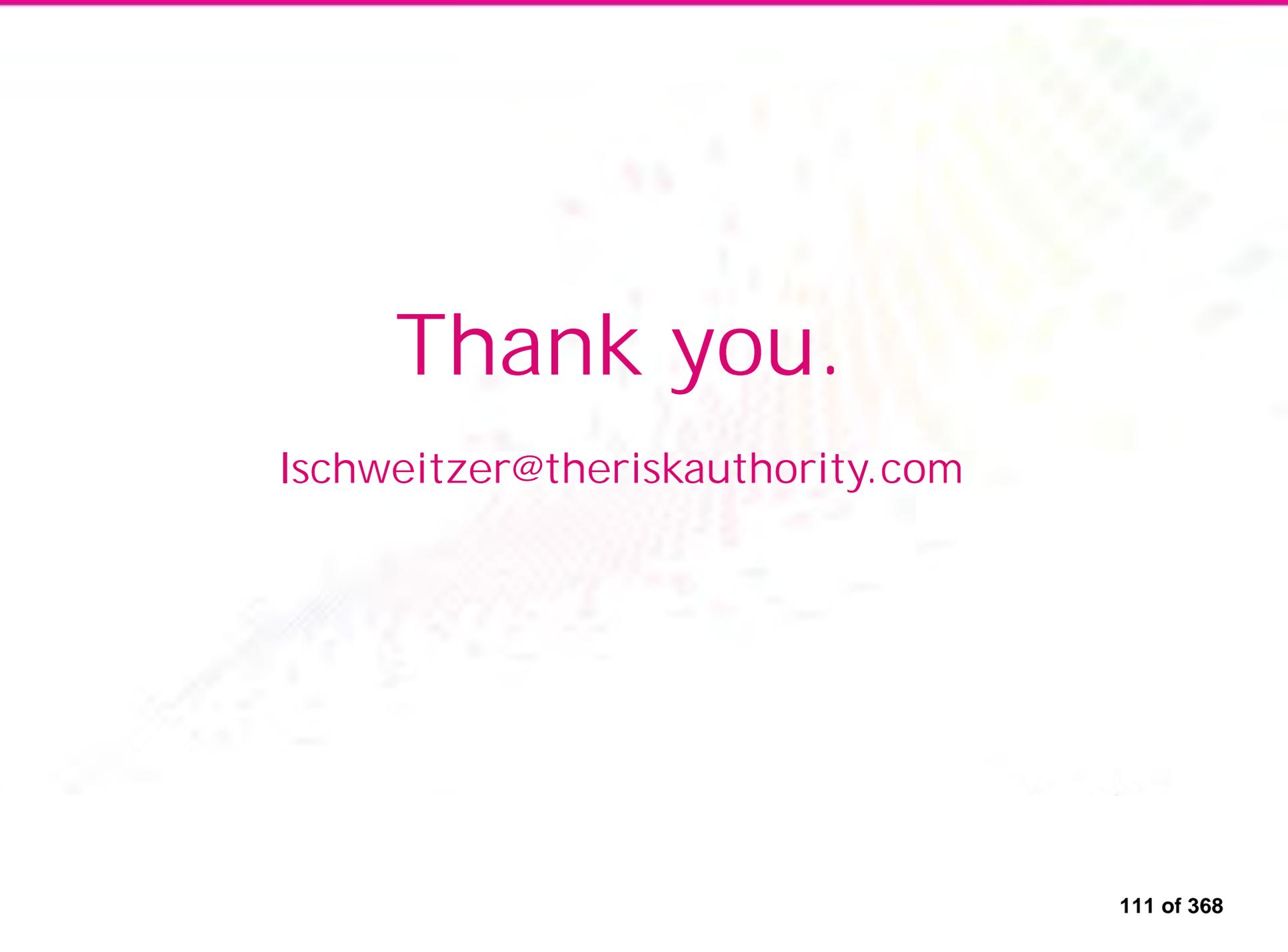
Claim frequency down 36%

Saving \$3.2 Million/year

2011 IHI, *Respectful Management of Serious Clinical adverse Events*.
Appendix E.

Unintended Errors & Deliberate, Intended Responses





Thank you.

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