



TAHOE FOREST HOSPITAL DISTRICT

# 2016-06-23 Regular Meeting of the Board of Directors

Thursday, June 23, 2016 at 4:00 p.m.

Tahoe City Public Utility District Conference Room

221 Fairway Drive, Tahoe City, CA 96145

# Meeting Book - 2016-06-23 Regular Meeting of the Board of Directors

## 06/23/16 Regular Meeting

---

### AGENDA

*2016-06-23 Regular BOD Meeting\_FINAL Agenda.pdf* Page 6

---

ITEMS 1 - 11 See Agenda

---

### 12. ACKNOWLEDGMENTS

12.1. ACHD Presentation

12.2. Best of Tahoe Chefs Event Recap  
Martha Simon

---

### 13. MEDICAL STAFF REPORT

*13.1. Medical Staff Report.pdf* Page 10

---

### 14. CONSENT CALENDAR

14.1. Approval of Meeting Minutes

*2016-05-26 Regular BOD Meeting\_DRAFT Minutes.pdf* Page 11

14.2. Financial Report

*14.2.1. Financial Report May 2016.pdf* Page 16

14.3. Contracts

*14.3.1. Foley – Physician Professional Services Agreement.pdf* Page 29

*14.3.2. Arth – Physician Professional Services Agreement.pdf* Page 56

*14.3.3. Uglum – Physician Professional Services Agreement.pdf* Page 85

<i>14.3.4. Vayner – Physician Professional Services Agreement.pdf</i>	Page 115
<i>14.3.5. Burkholder – Amendment to PSA for MSC and Hospitalist Services.pdf</i>	Page 145
<i>14.3.6. Scholnick – Second Amendment to PSA for MSC and Hospitalist Services.pdf</i>	Page 153
<i>14.3.7. Sierra MultiSpecialty Medical Group – Amendment to PSA MSC and Hospitalist.pdf</i>	Page 175
<i>14.3.8. Tirdel – Second Amendment to PSA for MSC and Hospitalist Services.pdf</i>	Page 195
<i>14.3.9. Winans - First Amendment to PSA MSC.pdf</i>	Page 219
<i>14.3.10. Forner – Amendment to Professional Services Agreement for MSC.pdf</i>	Page 234
<i>14.3.11. Cooper – Amendment to Agreement to Provide Coverage of ED Professional Services.pdf</i>	Page 240
<i>14.3.12. Camp – Second Amendment to Provide Coverage of ED Professional Services.pdf</i>	Page 244
<i>14.3.13. Silver State Hearing and Balance, Inc. – Amendment to PSA for MSC.pdf</i>	Page 248
<i>14.3.14. Standteiner - PSA Second Amendment Comp and QM.pdf</i>	Page 254
<i>14.3.15. Barta - PSA Second Amendment Comp and QM.pdf</i>	Page 261
<i>14.3.16. Ganong - PSA Third Amendment Comp and QM.pdf</i>	Page 268
<i>14.3.17. Hortareas - PSA First Amendment Comp and QM.pdf</i>	Page 275
<i>14.3.18. Jensen - PSA Third Amendment Comp and QM.pdf</i>	Page 282
<i>14.3.19. Samelson - PSA Third Amendment Comp and QM.pdf</i>	Page 289

*14.3.20. Sierra Nevada Oncology Physician Service Agreement.pdf* Page 296

*14.3.21. Gerald Schaffer - Professional Services Agreement Amendment.pdf* Page 338

*14.3.22. Ellen Cooper - Professional Services Agreement Amendment.pdf* Page 341

*14.3.23. Julie Conyers - Professional Services Agreement Amendment.pdf* Page 347

#### 14.4. Resolutions

*14.4.1. 2016-06 Resolution - General Election.pdf* Page 353

---

### 15. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

*15.1. Newco Management Services Organization.pdf* Page 355

*15.2. TIRHR Executive Summary.pdf* Page 357

*15.3. Renaming of the Women and Family Department.pdf* Page 359

---

### 16. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

---

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

*17.1. 2016-06-15 Governance Committee\_Agenda.pdf* Page 360

*17.2. 2016-06-14 Board Quality Committee\_Agenda.pdf* Page 362

*17.2.1. Governance Role in Quality Webinar Slides.pdf* Page 364

*17.3. 2016-06-14 Community Benefit Committee\_Agenda.pdf* Page 365

---

### 18. INFORMATIONAL REPORTS

*18.1. CEO BOD Report for June 2016.pdf* Page 366

*18.2.1. CNO-COO Board Update for June 2016.pdf* Page 373

---

ITEMS 19 - 24: See Agenda

---

25. MEETING EFFECTIVENESS ASSESSMENT

*MeetingEvaluationForm.pdf*

Page 377

---

26. ADJOURN



# REGULAR MEETING OF THE BOARD OF DIRECTORS

## AGENDA

Thursday, June 23, 2016 at 4:00 p.m.

Tahoe City Public Utility District Office  
221 Fairway, Tahoe City, CA 96145

1. **CALL TO ORDER**

2. **ROLL CALL**

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

4. **INPUT AUDIENCE:**

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

5. **CLOSED SESSION:**

**5.1. Conference with Real Property Negotiator (Gov. Code § 54956.8) ♦**

Property Addresses: 10956 Donner Pass Road # 130, Truckee, CA; 11015 Donner Pass Road, Truckee, CA; 10051 Lake Avenue, Truckee, CA

Agency Negotiator: Rick McConn for all properties

Negotiating Parties: Deborah Brown & Christopher Arth; Heather Crosse; Mountain Medical LLC

Under Negotiation: Price & Terms of Payment for all properties

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

*Proposed New Program: Two (2) items*

*Estimated date of public disclosure: 12/31/2016*

**5.3. Hearing (Health & Safety Code § 32155) ♦**

*Subject Matter: Medical Staff Credentials*

**5.4. Approval of Closed Session Minutes ♦**

05/26/2016

6. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**

8. **REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

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

10. **INPUT – AUDIENCE**

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**June 23, 2016 AGENDA– Continued**

---

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

**11. INPUT FROM EMPLOYEE ASSOCIATIONS**

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

**12. ACKNOWLEDGMENTS**

- 12.1. ACHD Presentation to TFHD
- 12.2. Best of Tahoe Chefs Event Recap

**13. MEDICAL STAFF REPORT ♦**

- 13.1. Medical Staff Report..... ATTACHMENT

**14. CONSENT CALENDAR ♦**

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

**14.1. Approval of Minutes of Meetings ♦**

- 05/26/2016 ..... ATTACHMENT

**14.2. Financial Report ♦**

- 14.2.1. Financial Report- May 2016 ..... ATTACHMENT

**14.3. Contracts ♦**

- 14.3.1. John Foley, M.D. – Physician Professional Services Agreement ..... ATTACHMENT
- 14.3.2. Christopher Arth, M.D. – Physician Professional Services Agreement ..... ATTACHMENT
- 14.3.3. Else Uglum, M.D. – Physician Professional Services Agreement ..... ATTACHMENT
- 14.3.4. Oleg Vayner, M.D. – Physician Professional Services Agreement..... ATTACHMENT
- 14.3.5. Lianne Burkholder, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services ..... ATTACHMENT
- 14.3.6. Joshua Scholnick, M.D. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services ..... ATTACHMENT
- 14.3.7. Sierra MultiSpecialty Medical Group, Inc. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services..... ATTACHMENT
- 14.3.8. Greg Tirdel, M.D. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services ..... ATTACHMENT
- 14.3.9. Nina Winans, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics ..... ATTACHMENT
- 14.3.10. Stephen Forner, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics ..... ATTACHMENT
- 14.3.11. Ellen Cooper, M.D. – Amendment to Agreement to Provide Coverage of Emergency Department Professional Services ..... ATTACHMENT
- 14.3.12. Jeff Camp, M.D. – Second Amendment to Provide Coverage of Emergency Department Professional Services ..... ATTACHMENT

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**June 23, 2016 AGENDA– Continued**

---

- 14.3.13.** Silver State Hearing and Balance, Inc. – Amendment to Professional Services Agreement for Multi-Specialty Clinics..... ATTACHMENT
- 14.3.14.** Heidi Standteiner, M.D. - Second Amendment to Hospitalist Services Agreement..... ATTACHMENT
- 14.3.15.** Gina Barta, M.D. - Second Amendment to Hospitalist Services Agreement ATTACHMENT
- 14.3.16.** Richard Ganong, M.D. - Third Amendment to Hospitalist Services Agreement..... ATTACHMENT
- 14.3.17.** John Hortareas, M.D. - First Amendment to Hospitalist Services Agreement..... ATTACHMENT
- 14.3.18.** Reini Jensen, M.D. - Third Amendment to Hospitalist Services Agreement. ATTACHMENT
- 14.3.19.** Scott Samelson, M.D. - Third Amendment to Hospitalist Services Agreement..... ATTACHMENT
- 14.3.20.** Sierra Nevada Oncology - Physician Services Agreement ..... ATTACHMENT
- 14.3.21.** Gerald Schaffer – Physician Professional Services Agreement Amendment ATTACHMENT
- 14.3.22.** Ellen Cooper – Physician Professional Services Agreement Amendment .... ATTACHMENT
- 14.3.23.** Julie Conyers – Physician Professional Services Agreement Amendment.... ATTACHMENT
- 14.4. Resolutions** ◆
- 14.4.1.** 2016-06 General Election Resolution..... ATTACHMENT

**15. ITEMS FOR BOARD DISCUSSION AND/OR ACTION**

- 15.1. Newco Management Services Organization** ◆ ..... ATTACHMENT  
Board of Directors will review and consider for approval the naming and governance structure of the District’s Management Services Organization.
- 15.2. Tahoe Institute of Rural Health Research, LLC** ◆ ..... ATTACHMENT  
Board of Directors will consider for approval an increase of TIRHR, LLC’s line of credit.
- 15.3. Renaming of the Women and Family Department** ◆ ..... ATTACHMENT  
Board of Directors will consider for approval a renaming of the Women and Family Department upon opening of the new unit.

**16. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY**

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

- 17.1. Governance Committee Meeting** – 06/15/2016..... ATTACHMENT
- 17.2. Quality Committee Meeting** – 06/14/2016..... ATTACHMENT
  - 17.2.1.** Governance Role in Quality Webinar Slides..... ATTACHMENT
- 17.3. Community Benefit Committee Meeting** – 06/14/2016 ..... ATTACHMENT
- 17.4. Finance Committee Meeting** – No meeting held in June.
- 17.5. Personnel Committee Meeting** – No meeting held in June.

**18. INFORMATIONAL REPORTS**

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

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



Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**June 23, 2016 AGENDA– Continued**

---

- 18.2.1. CNO/COO Board Report ..... ATTACHMENT
- 18.2.2. CIO Board Report..... ATTACHMENT

**19. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS**

**20. ITEMS FOR NEXT MEETING**

**21. BOARD MEMBERS REPORTS/CLOSING REMARKS**

**22. CLOSED SESSION CONTINUED, IF NECESSARY**

**23. OPEN SESSION**

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

**25. MEETING EFFECTIVENESS ASSESSMENT..... ATTACHMENT**

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

**26. ADJOURN**

*The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is July 28, 2016 at 11603 Donner Pass Rd., Truckee, CA. A copy of the Board meeting agenda is posted on the District’s web site ([www.tfhd.com](http://www.tfhd.com)) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.*

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

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

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

CONFIDENTIAL  
 PLEASE DO NOT REPRODUCE OR DISTRIBUTE  
 This is a Medical Staff Committee document protected by Sec. 1157 of the Calif. Evidence Code

**MEDICAL EXECUTIVE COMMITTEE  
CONSENT AGENDA  
 Wednesday, June 15, 2016**

REFERRED BY:	AGENDA ITEMS	RECOMMEND
--------------	--------------	-----------

<b>MEDICAL STAFF</b>	<b>A motion was made, seconded, and carried to recommend approval of the following to the Board of Directors:</b>	
1. P&T Committee	The P&T Committee recommended approval via email of the following Physician Order sets: <ul style="list-style-type: none"> <li>➤ Discharge Order</li> <li>➤ Congestive Heart Failure</li> <li>➤ Bronchiolitis</li> <li>➤ Outpatient Diabetes Management Services</li> <li>➤ Community Acquired Pneumonia</li> <li>➤ Pediatric Community Acquired Pneumonia</li> <li>➤ Continuous Subcutaneous Insulin Pump Orders</li> </ul>	Recommend approval
2. Department of Surgery & Medicine	The Department of Surgery and Medicine recommended approval of the following: <ul style="list-style-type: none"> <li>➤ NP PA Combined Privilege Form</li> </ul>	Recommend approval
3. Quality Assurance Committee	The Quality Assurance Committee recommended approval of the following: <ul style="list-style-type: none"> <li>➤ QA/PI ECC Plan 2016</li> <li>➤ Utilization Review Discharge Planning</li> </ul>	Recommend approval



# REGULAR MEETING OF THE BOARD OF DIRECTORS

## DRAFT MINUTES

Thursday, May 26, 2016 at 4:00 p.m.  
Tahoe Truckee Unified School District (TTUSD) Office  
11603 Donner Pass Rd, Truckee, CA

### 1. CALL TO ORDER

Meeting was called to order at 4:03 p.m.

### 2. ROLL CALL

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

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

Other: David Ruderman, Assistant General Counsel

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

No changes were made to the agenda.

### 4. INPUT AUDIENCE:

No public comment was received.

Open Session recessed at 4:05 p.m.

### 5. CLOSED SESSION

Discussion was held on privileged matters.

### 6. DINNER BREAK

APPROXIMATELY 6:00 P.M.

### 7. OPEN SESSION – CALL TO ORDER

Open Session reconvened at 6:00 p.m.

### 8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

General Counsel stated there were no reportable actions taken by the Board of Directors on items 5.1 through 5.3. The minutes of April 28, 2016 were approved by the Board with a unanimous vote.

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

General Counsel noted there is no need for a continued Closed Session later in the agenda.

### 10. INPUT – AUDIENCE

Public comment was received from Mark Brown.

**11. INPUT FROM EMPLOYEE ASSOCIATIONS**

No public comment was received from the Employee Associations.

**12. ACKNOWLEDGMENTS**

- 12.1. Vanessa Childress, Nurse of the Year
- 12.2. TFHD Volunteers
- 12.3. ACHD Presentation to TFHD at a future Board Meeting
- 12.4. June 23, 2016 Board Meeting to be held in Tahoe City

**13. MEDICAL STAFF REPORT**

13.1. Medical Staff Report

**ACTION: Motion made by Director Sessler, seconded by Director Jellinek, to accept the Medical Staff Report as presented.**

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

**NAYS: None**

**Abstention: None**

**14. ITEM FOR BOARD DISCUSSION AND/OR ACTION**

14.1. **Physician Contract Renewal Structure**

Discussion was held on the Physician Contract Renewal Structure.

No public comment was received.

**15. CONSENT CALENDAR**

15.1. **Approval of Minutes of Meetings**

04/28/2016, 05/03/2016

15.2. **Financial Report**

Financial Report- April 2016

15.3. **Contracts**

15.3.1. Gerald Schaffer – Physician Professional Services Agreement Amendment

15.3.2. Ellen Cooper – Physician Professional Services Agreement Amendment

15.3.3. Julie Conyers – Physician Professional Services Agreement Amendment

15.4. **Board Policies**

15.4.1. ABD-21 Physician and Professional Service Agreement

15.5. **IVCH Foundation Memorandum of Understanding**

**ACTION: Motion made by Director Sessler, seconded by Director Zipkin, to approve the Consent Calendar as presented.**

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

**NAYS: None**

**Abstention: None**

**16. ITEMS FOR BOARD DISCUSSION AND/OR ACTION**

16.1. **IVCH Siding Bid Approval**

Discussion was held on the award of a contract for siding replacement at Incline Village Community Hospital.

Discussion was held.

**ACTION:** Motion made by Director Jellinek, seconded by Director Zipkin, to award the IVCH Exterior Siding Replacement Bids as presented and approve Total Development Costs of \$1,643,931.

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

**NAYS:** None

**Abstention:** None

#### **16.2. Sierra Nevada Oncology Physician Services Agreement**

Discussion was held on the Sierra Nevada Oncology Physician Services Agreement.

Public comment was received from Rob Shattuck and Randy Hill.

Discussion was held.

**ACTION:** Motion made by Director Zipkin, seconded by Director Chamblin, to approve the Sierra Nevada Oncology Physician Services Agreement as presented. Roll call vote taken.

**Sessler – AYE**

**Mohun – AYE**

**Chamblin – AYE**

**Jellinek – AYE**

**Zipkin - AYE**

#### **16.3. California End of Life Act**

Discussion was held on upcoming legislation for the California End of Life Act.

Public comment was received from Dr. Johanna Koch, Rhonda Brooks, and Mike (no last name given).

**ACTION:** Motion made by Director Zipkin, seconded by Director Sessler, to approve the AGOV-1604 End of Life Option Act policy as presented.

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

**NAYS:** None

**Abstention:** None

#### **16.4. Corporate Compliance Program Report**

Discussion was held on the 1<sup>st</sup> Quarter 2016 Corporate Compliance Program Report.

No public comment received.

#### **16.5. LAFCO Ballot**

Discussion was held on a vote for the election of a Special District Representative to the Placer County Local Agency Formation Commission.

No public comment received.

**ACTION:** Motion made by Director Chamblin, seconded by Director Sessler, to vote for Sue Daniels as Special District Representative for Placer County Local Agency Formation Commission.

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

**NAYS:** None

**Abstention:** None

**17. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY**

None.

**18. BOARD COMMITTEE REPORTS/RECOMMENDATIONS FOR DISCUSSION AND/OR ACTION**

**18.1. Governance Committee Meeting – 05/18/2016**

Director Mohun provided an update from the May Governance Committee Meeting.

**18.2. Finance Committee Meeting – 05/23/2016**

Director Chamblin provided an update from the May Finance Committee Meeting.

**18.3. Personnel-Retirement Subcommittee Meeting – 05/12/2016**

Director Zipkin provided an update from the May Personnel-Retirement Subcommittee Meeting.

**18.4. Quality Meeting – No meeting held in May.**

**18.5. Community Benefit Committee Meeting – No meeting held in May.**

**19. INFORMATIONAL REPORTS**

**19.1. CEO Strategic Updates**

Discussion was held.

**19.2. Staff Report(s)**

**19.2.1. CNO/COO Board Report**

No discussion was held.

**19.2.2. CIO Board Report**

Discussion was held.

**20. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS**

No items for upcoming committee meetings.

**21. ITEMS FOR NEXT MEETING**

-Report from TIRHR

-future CEO evaluation

**22. BOARD MEMBERS REPORTS/CLOSING REMARKS**

None.

**23. CLOSED SESSION CONTINUED, IF NECESSARY**

Closed Session did not continue.

**24. OPEN SESSION**

**25. REPORT OF ACTIONS TAKEN IN CLOSED SESSION, IF NECESSARY**

None.

**26. MEETING EFFECTIVENESS ASSESSMENT**

No discussion was held on this item.

**27. ADJOURN**

Meeting adjourned at 8:05 p.m.

DRAFT

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

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



**Board of Directors**  
*Of Tahoe Forest Hospital District*

**MAY 2016 FINANCIAL NARRATIVE**

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

**Activity Statistics**

- ❑ TFH acute patient days were 342 for the current month compared to budget of 366. This equates to an average daily census of 11.03 compared to budget of 11.81.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Endoscopy procedures, Laboratory tests, Diagnostic Imaging, Mammography, Medical Oncology, Radiation Oncology, MRI exams, Cat Scans, PET CT, and Oncology Pharmacy units.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Nuclear Medicine, and Respiratory Therapy.

**Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 58.4% in the current month compared to budget of 53.3% and to last month's 53.8%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.9%, compared to budget of 53.3% and prior year's 55.5%.
- ❑ EBIDA was \$(361,068) (-2.1%) for the current month compared to budget of \$(750,520) (-4.8%), or \$389,453 2.7% above budget. Year-to-date EBIDA was \$13,946,808 (7.0%) compared to budget of \$1,917,074 (1.0%) or \$12,029,735 (5.9%) above budget.
- ❑ Cash Collections for the current month were \$10,060,375 which is 117% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 52.5, compared to the prior month of 55.0. Gross Accounts Receivables are \$28,141,149 compared to the prior month of \$30,385,708. The percent of Gross Accounts Receivable over 120 days old is 24.1%, compared to the prior month of 21.1%.

**Balance Sheet**

- ❑ Working Capital Days Cash on Hand is 51.0 days. S&P Days Cash on Hand is 203.9. Working Capital cash increased \$4,394,000. Cash collections exceeded target by 17%, the District received its second installment of property tax revenue in the amount of \$2,409,000, and Accrued Payroll & Related Costs increased \$880,000.
- ❑ Net Patients Accounts Receivable decreased approximately \$2,054,000. Cash collections were at 117% of target and days in accounts receivable were 52.5 days, a 2.5 days decrease.
- ❑ Other Receivables and G.O. Bond Receivables decreased \$2,417,000 and \$1,643,000, respectively, after recording the receipt of the second installment of property tax revenues.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased \$111,000. Adjustments to Settlements Receivable were made after the District received its FY16 Medi-Cal Outpatient Supplemental Reimbursement and was notified of a receivable due from Noridian based on the final desk audit of the FY14 Medicare cost report.
- ❑ Accrued Payroll & Related Costs increased \$880,000 as a result of 17 days of accrual in May.

May 2016 Financial Narrative

**Operating Revenue**

- ❑ Current month's Total Gross Revenue was \$17,016,842, compared to budget of \$15,657,068 or \$1,359,774 above budget.
- ❑ Current month's Gross Inpatient Revenue was \$4,362,200, compared to budget of \$5,388,908 or \$1,026,708 below budget.
- ❑ Current month's Gross Outpatient Revenue was \$12,654,642 compared to budget of \$10,268,160 or \$2,386,482 above budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 36.8% Medicare, 20.6% Medi-Cal, .0% County, 3.2% Other, and 39.4% Insurance compared to budget of 36.6% Medicare, 18.9% Medi-Cal, .0% County, 3.7% Other, and 40.8% Insurance. Last month's mix was 31.4% Medicare, 20.8% Medi-Cal, .0% County, 2.1% Other, and 45.7% Insurance.
- ❑ Current month's Deductions from Revenue were \$7,081,242 compared to budget of \$7,311,268 or \$230,026 under budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a .17% increase in Medicare, a 1.73% increase to Medi-Cal, a .02% decrease in County, a .41% decrease in Other, and Commercial was below budget 1.46%, 2) Revenues exceeded budget by 8.7%, and 3) the District received payment on its FY16 Medi-Cal Outpatient Supplemental Reimbursement, which exceeded year-end estimations, creating a positive variance in Prior Period Settlements.

**Operating Expenses**

DESCRIPTION	May 2016 Actual	May 2016 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,972,569	3,536,019	(436,550)	
Employee Benefits	1,543,515	1,439,554	(103,961)	
Benefits – Workers Compensation	40,177	60,541	20,364	
Benefits – Medical Insurance	439,082	750,099	311,016	
Professional Fees	1,975,888	1,364,778	(611,111)	Locums coverage for MSC's ENT, Urology, and Gastroenterology, the addition of MSC Orthopedics, physician RVU bonus accrual, legal and service line consulting for Administration, Anesthesia Income Guarantee and Occupational Health physician fees, Financial and Strategic Planning provided to Financial Administration, Interim Management over the Multi-Specialty Clinics, Managed Care Contract consultation, and locum coverage in the Emergency Department created a negative variance in Professional Fees.
Supplies	1,517,643	1,184,194	(333,449)	Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues exceeded budget by 24.1% and unbudgeted Patient & Other Medical Supplies for MSC Orthopedics created a negative variance in Supplies.
Purchased Services	1,014,705	857,319	(157,386)	Negative variance in Purchased Services for Town Halls, E.M.R. and Practice Management services, 340B third party administration, facility wide maintenance projects, Laboratory outsourced testing, Radiology reads, and Patient record storage and retrieval.
Other Expenses	500,594	503,231	2,637	Negative variance in Outside Training & Travel was offset by positive variances in Insurance, Utilities, and Marketing.
Total Expenses	11,004,174	9,695,734	(1,308,440)	

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
MAY 2016

ASSETS	May-16	Apr-16	May-15	
<b>CURRENT ASSETS</b>				
* CASH	\$ 16,956,307	\$ 12,562,588	\$ 14,060,098	1
PATIENT ACCOUNTS RECEIVABLE - NET	12,103,488	14,157,958	12,432,041	2
OTHER RECEIVABLES	2,832,972	5,250,138	2,851,930	3
GO BOND RECEIVABLES	(982,765)	660,017	(618,015)	4
ASSETS LIMITED OR RESTRICTED	5,220,539	4,993,755	5,638,197	
INVENTORIES	2,365,579	2,352,542	2,508,755	
PREPAID EXPENSES & DEPOSITS	1,326,172	1,436,949	1,359,918	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	3,147,972	3,475,167	2,872,736	5
<b>TOTAL CURRENT ASSETS</b>	<b>42,970,264</b>	<b>44,889,114</b>	<b>41,105,660</b>	
<b>NON CURRENT ASSETS</b>				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	50,888,997	50,888,997	40,730,601	1
BANC OF AMERICA MUNICIPAL LEASE	979,155	979,155	2,295,723	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	1,113,902	970,790	3,346,143	
TOTAL BOND TRUSTEE GO BOND	-	-	-	
GO BOND PROJECT FUND	3,259,544	3,259,656	12,877,043	
GO BOND TAX REVENUE FUND	3,397,316	1,361,348	499,866	4
BOARD DESIGNATED FUND	-	-	2,297	
DIAGNOSTIC IMAGING FUND	2,979	2,979	2,969	
DONOR RESTRICTED FUND	1,139,848	1,139,848	1,103,117	
WORKERS COMPENSATION FUND	14,487	10,713	15,874	
TOTAL	60,796,229	58,613,488	60,873,634	
LESS CURRENT PORTION	(5,220,539)	(4,993,755)	(5,638,197)	
<b>TOTAL ASSETS LIMITED OR RESTRICTED - NET</b>	<b>55,575,690</b>	<b>53,619,733</b>	<b>55,235,437</b>	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	202,785	202,785	393,277	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	126,151,868	126,615,576	128,404,069	
GO BOND CIP, PROPERTY & EQUIPMENT NET	31,098,590	30,196,028	20,296,677	
<b>TOTAL ASSETS</b>	<b>256,835,551</b>	<b>256,359,589</b>	<b>246,271,473</b>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	546,271	549,504	585,060	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	2,071,949	2,071,949	2,013,085	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	1,932,307	1,939,944	-	
GO BOND DEFERRED FINANCING COSTS	299,623	300,807	-	
DEFERRED FINANCING COSTS	213,257	214,297	-	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 5,063,407</b>	<b>\$ 5,076,502</b>	<b>\$ 2,598,145</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 5,471,732	\$ 5,271,995	\$ 4,266,441	
ACCRUED PAYROLL & RELATED COSTS	8,168,653	7,288,468	7,610,170	6
INTEREST PAYABLE	492,611	391,158	640,561	
INTEREST PAYABLE GO BOND	1,431,935	1,070,911	1,559,030	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	278,649	300,682	536,561	
HEALTH INSURANCE PLAN	1,307,731	1,307,731	997,635	
WORKERS COMPENSATION PLAN	404,807	404,807	1,006,475	
COMPREHENSIVE LIABILITY INSURANCE PLAN	824,203	824,203	890,902	
CURRENT MATURITIES OF GO BOND DEBT	530,000	530,000	315,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,323,994	2,323,994	2,300,830	
<b>TOTAL CURRENT LIABILITIES</b>	<b>21,234,315</b>	<b>19,713,947</b>	<b>20,123,605</b>	
<b>NONCURRENT LIABILITIES</b>				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	29,597,138	29,804,919	33,181,604	
GO BOND DEBT NET OF CURRENT MATURITIES	99,997,435	100,001,378	98,130,000	
DERIVATIVE INSTRUMENT LIABILITY	2,071,949	2,071,949	2,013,085	
<b>TOTAL LIABILITIES</b>	<b>152,900,837</b>	<b>151,592,193</b>	<b>153,448,294</b>	
<b>NET ASSETS</b>				
NET INVESTMENT IN CAPITAL ASSETS	107,858,273	108,704,050	94,318,207	
RESTRICTED	1,139,848	1,139,848	1,103,117	
<b>TOTAL NET POSITION</b>	<b>\$ 108,998,121</b>	<b>\$ 109,843,898</b>	<b>\$ 95,421,324</b>	

\* Amounts included for Days Cash on Hand calculation

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

1. Working Capital is at 51.0 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 203.9 days. Working Capital cash increased \$4,394,000. Cash collections exceeded target by 17%, the District received its second installment of property tax revenues in the amount of \$2,409,000 and Accrued Payroll & Related Costs (See Note 6) increased \$880,000.
2. Net Patient Accounts Receivable decreased approximately \$2,054,000. Cash collections were 117% of target. Days in Accounts Receivable are at 52.5 days compared to prior months 55.0 days, a 2.50 days decrease.
3. Other Receivables decreased a net \$2,417,000 after recording the receipt of the second installment of property tax revenues.
4. G.O. Bond Receivables decreased a net \$1,643,000 after booking the property tax revenues received and G.O. Bond Tax Revenue Fund increased \$2,036,000 after transferring the property tax revenues to this account to cover the debt service payments due at the end of July.
5. Estimated Settlements, Medi-Cal and Medicare decreased \$111,000. The District received payment on its FY2015 Medi-Cal Outpatient Supplemental Reimbursement and made adjustments to its FY2014 Medicare Cost Report receivable after receiving the final desk review audit.
6. Accrued Payroll & Related Costs increased \$880,000 due to 17 days of accrual in May.

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

<b>WORKING CAPITAL</b>			
US Bank	\$ 16,649,395		
US Bank/Kings Beach Thrift Store	80,864		
US Bank/Truckee Thrift Store	219,412		
Wells Fargo Bank			
Local Agency Investment Fund	-	0.55%	
Total			\$ 16,949,672
 <b>BOARD DESIGNATED FUNDS</b>			
US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	-		
Total			\$ -
Building Fund	\$ -		
Cash Reserve Fund	50,888,997	0.55%	
Local Agency Investment Fund			\$ 50,888,997
Banc of America Muni Lease			\$ 979,155
Bonds Cash 2002			\$ 2
Bonds Cash 2006			\$ 1,113,902
Bonds Cash 2008			\$ 6,656,860
DX Imaging Education	\$ 2,979	0.55%	
Workers Comp Fund - B of A	14,487		
Insurance			
Health Insurance LAIF	-	0.55%	
Comprehensive Liability Insurance LAIF	-	0.55%	
Total			<u>\$ 17,466</u>
<b>TOTAL FUNDS</b>			<b>\$ 76,606,053</b>
 <b>RESTRICTED FUNDS</b>			
Gift Fund			
US Bank Money Market	\$ 8,368	0.03%	
Foundation Restricted Donations	\$ 98,331		
Local Agency Investment Fund	1,033,149	0.55%	
<b>TOTAL RESTRICTED FUNDS</b>			<u>\$ 1,139,848</u>
<b>TOTAL ALL FUNDS</b>			<u><u>\$ 77,745,901</u></u>

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
MAY 2016

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD MAY 2015	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
\$ 17,016,842	\$ 15,657,068	\$ 1,359,774	8.7%							
<b>OPERATING REVENUE</b>										
\$ 17,016,842	\$ 15,657,068	\$ 1,359,774	8.7%		\$ 200,647,836	\$ 190,556,985	\$ 10,090,852	5.3%	1	\$ 187,558,813
<b>Total Gross Revenue</b>										
<b>Gross Revenues - Inpatient</b>										
\$ 1,669,498	\$ 1,770,720	\$ (101,222)	-5.7%		\$ 18,737,819	\$ 19,847,080	\$ (1,109,261)	-5.6%		\$ 18,605,708
2,692,702	3,618,189	(925,486)	-25.6%		39,356,842	43,216,119	(3,859,276)	-8.9%		43,384,990
4,362,200	5,388,908	(1,026,708)	-19.1%		58,094,661	63,063,199	(4,968,537)	-7.9%	1	61,990,698
<b>Total Gross Revenue - Inpatient</b>										
12,654,642	10,268,160	2,386,482	23.2%		142,553,175	127,493,786	15,059,389	11.8%		125,568,115
12,654,642	10,268,160	2,386,482	23.2%		142,553,175	127,493,786	15,059,389	11.8%	1	125,568,115
<b>Total Gross Revenue - Outpatient</b>										
<b>Deductions from Revenue:</b>										
7,409,453	6,423,614	(985,839)	-15.3%		80,401,923	78,191,122	(2,210,801)	-2.8%	2	74,234,047
766,573	511,408	(255,164)	-49.9%		6,307,159	6,224,553	(82,606)	-1.3%	2	5,740,901
39,208	-	(39,208)	0.0%		619,863	-	(619,863)	0.0%	2	-
(44,596)	376,246	420,841	111.9%		(531,031)	4,578,945	5,109,976	111.6%	2	3,436,838
(1,089,396)	-	1,089,396	0.0%		(2,385,299)	-	2,385,299	0.0%	2	151,042
7,081,242	7,311,268	230,026	3.1%		84,412,615	88,994,620	4,582,005	5.1%		83,562,828
<b>Total Deductions from Revenue</b>										
50,612	59,785	(9,173)	-15.3%		668,760	663,066	5,693	0.9%		732,549
656,894	539,629	117,265	21.7%		7,568,260	6,083,648	1,484,612	24.4%	3	6,866,444
10,643,106	8,945,214	1,697,892	19.0%		124,472,241	108,309,079	16,163,161	14.9%		111,594,978
<b>Property Tax Revenue- Wellness Neighborhood</b>										
<b>Other Operating Revenue</b>										
<b>TOTAL OPERATING REVENUE</b>										
<b>OPERATING EXPENSES</b>										
3,972,569	3,536,019	(436,550)	-12.3%		40,036,200	39,804,857	(231,343)	-0.6%	4	37,637,713
1,543,515	1,439,554	(103,961)	-7.2%		13,642,406	13,108,903	(533,504)	-4.1%	4	12,713,063
40,177	60,541	20,364	33.6%		564,108	665,949	101,842	15.3%	4	559,211
439,082	750,099	311,016	41.5%		7,098,955	8,251,086	1,152,131	14.0%	4	7,827,976
1,975,888	1,364,778	(611,111)	-44.8%		17,304,746	15,326,576	(1,978,170)	-12.9%	5	19,229,061
1,517,643	1,184,194	(333,449)	-28.2%		16,548,878	14,030,571	(2,518,308)	-17.9%	6	14,937,704
1,014,705	857,319	(157,386)	-18.4%		9,865,249	9,584,510	(280,739)	-2.9%	7	9,911,448
500,594	503,231	2,637	0.5%		5,464,889	5,619,554	154,665	2.8%	8	6,140,928
11,004,174	9,695,734	(1,308,440)	-13.5%		110,525,432	106,392,005	(4,133,427)	-3.9%		108,957,104
<b>TOTAL OPERATING EXPENSE</b>										
(361,068)	(750,520)	389,453	-51.9%		13,946,808	1,917,074	12,029,735	627.5%		2,637,874
<b>NET OPERATING REVENUE (EXPENSE) EBIDA</b>										
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
401,595	392,422	9,174	2.3%		4,332,867	4,311,206	21,661	0.5%	9	4,204,183
392,691	392,691	-	0.0%		4,321,997	4,319,604	2,392	0.1%		4,332,937
39,443	12,387	27,056	218.4%		337,694	198,367	139,327	70.2%	10	260,565
514	233	281	120.5%		17,640	12,324	5,316	43.1%		33,359
18,822	34,671	(15,849)	-45.7%		393,186	381,382	11,804	3.1%	11	512,622
-	-	-	0.0%		(121,610)	(112,500)	(9,110)	0.0%	12	(67,418)
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		7,500	-	7,500	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(856,217)	(855,178)	(1,039)	-0.1%		(9,386,995)	(9,406,959)	19,964	0.2%	15	(8,802,548)
(115,654)	(114,953)	(701)	-0.6%		(1,303,396)	(1,267,645)	(35,751)	-2.8%	16	(1,540,052)
(365,904)	(362,660)	(3,244)	-0.9%		(2,943,836)	(2,853,214)	(90,622)	-3.2%		(3,413,667)
(484,709)	(500,388)	15,678	3.1%		(4,344,952)	(4,417,434)	72,482	1.6%		(4,480,019)
<b>TOTAL NON-OPERATING REVENUE/(EXPENSE)</b>										
\$ (845,777)	\$ (1,250,908)	\$ 405,131	32.4%		\$ 9,601,856	\$ (2,500,361)	\$ 12,102,217	484.0%		\$ (1,842,145)
<b>INCREASE (DECREASE) IN NET POSITION</b>										
<b>NET POSITION - BEGINNING OF YEAR</b>					99,396,265					
<b>NET POSITION - AS OF MAY 31, 2016</b>					\$ 108,998,121					
-2.1%	-4.8%	2.7%			7.0%	1.0%	5.9%			1.4%
<b>RETURN ON GROSS REVENUE EBIDA</b>										

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

		Variance from Budget	
		Fav / <Unfav>	
		MAY 2016	YTD 2016
<b>1) Gross Revenues</b>			
Acute Patient Days were under budget 6.56% or 24 days. Swing Bed days were below budget 78.95% or 15 days. Ancillary revenues fell short of budget by 25.6% due to the decrease in patient days.	Gross Revenue -- Inpatient	\$ (1,026,708)	\$ (4,965,645)
	Gross Revenue -- Outpatient	2,386,482	15,056,497
	Gross Revenue -- Total	\$ 1,359,774	\$ 10,090,852
Outpatient volumes were above budget in the following departments: Emergency Department visits, Endoscopy procedures, Laboratory tests, Oncology Lab, Diagnostic Imaging, Mammography, Medical Oncology procedures, Radiation Oncology procedures, MRI exams, Ultrasounds, Cat Scans, PET CTs, Pharmacy units, and Oncology Pharmacy units.			
<b>2) Total Deductions from Revenue</b>			
The payor mix for May shows a .17% increase to Medicare, a 1.73% increase to Medi-Cal, .41% decrease to Other, a .02% decrease to County, and an 1.46% decrease to Commercial when compared to budget. Contractual Allowances exceeded budget as a result of revenues exceeding budget by 8.7% and the shift in payor mix from Commercial to Medi-Cal.	Contractual Allowances	\$ (985,839)	\$ (2,210,801)
	Charity Care	(255,164)	(82,606)
	Charity Care - Catastrophic	(39,208)	(619,863)
	Bad Debt	420,841	5,109,976
	Prior Period Settlements	1,089,396	2,385,299
	Total	\$ 230,026	\$ 4,582,005
The District received payment on its FY16 Medi-Cal Outpatient Supplemental Reimbursement which exceeded the year-end estimated calculations. The TFH FY14 Medicare Cost report audit was finalized and resulted in a receivable due to the District. These adjustments created a positive variance in Prior Period Settlements.			
<b>3) Other Operating Revenue</b>			
Retail Pharmacy revenues were under budget 7.63%.	Retail Pharmacy	\$ (16,893)	\$ 95,145
	Hospice Thrift Stores	(6,168)	(313)
	The Center (non-therapy)	20,152	21,152
	IVCH ER Physician Guarantee	3,186	186,761
	Children's Center	15,698	132,347
	Miscellaneous	102,541	1,015,721
	Oncology Drug Replacement	-	-
	Grants	(1,250)	33,800
	Total	\$ 117,265	\$ 1,484,612
The Center (non-therapy) revenues exceeded budget in Sports Performance training, Fitness Center memberships, Pilates classes, and Personal Training.			
Child Care Center exceeded budget by 12.14% or 202 days.			
Miscellaneous operating revenue exceeded budget in the areas of Rebates & Refunds and State of California Quality Assurance fees.			
<b>4) Salaries and Wages</b>			
Negative variance in Salaries and Wages related to unbudgeted Salaries and Wages in MSC Orthopedics, MSC Urology, MSC Surgery, MSC Gastroenterology, and MSC ENT as those speciality services grow, Registry services provided to Oncology, Purchasing, Revenue Cycle, and Medical Records, increased patient volumes in our Outpatient settings, and backfill for staff on vacation.	Total	\$ (436,550)	\$ (231,343)
<b>Employee Benefits</b>			
	PL/SL	\$ (111,716)	\$ (138,343)
	Nonproductive	25,984	(167,140)
	Pension/Deferred Comp	-	(7,114)
	Standby	(62,186)	(140,301)
	Other	43,957	(80,606)
	Total	\$ (103,961)	\$ (533,504)
<b>Employee Benefits - Workers Compensation</b>	Total	\$ 20,364	\$ 101,842
<b>Employee Benefits - Medical Insurance</b>	Total	\$ 311,016	\$ 1,152,131
<b>5) Professional Fees</b>			
Negative variance in Multi-Specialty Clinics related to locums coverage in MSC ENT, MSC Urology, and MSC Gastroenterology, the addition of the MSC Orthopedics, and physician RVU bonus accruals.	Multi-Specialty Clinics	\$ (330,140)	\$ (764,678)
	Administration	(142,297)	(648,609)
	Miscellaneous	(184,602)	(404,445)
	The Center (includes OP Therapy)	48,188	(266,051)
	TFH/IVCH Therapy Services	61,619	(216,422)
	Financial Administration	(59,485)	(113,097)
	Multi-Specialty Clinics Admin	(14,980)	(77,598)
	Managed Care	(7,337)	(43,581)
	TFH Locums	(17,683)	(12,454)
	Home Health/Hospice	(1,029)	(9,137)
	IVCH ER Physicians	(1,750)	(4,769)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
	Respiratory Therapy	(50)	1,025
	Sleep Clinic	(4,837)	14,197
	Marketing	2,375	26,125
	Oncology	(2,802)	46,504
Legal and Service Line consulting created a negative variance in Administration.			
Anesthesia Income Guarantee, Occupational Health physician fees, and services provided to TIRHR created a negative variance in Miscellaneous.			
Outpatient Therapy Services revenues fell short of budget by 4.39%, creating a positive variance in The Center (includes OP Therapy).			
TFH Inpatient Physical and Occupational Therapy and IVCH Outpatient Physical and Occupational Therapy revenues fell short of budget by 19.70%, creating a positive variance in TFH/IVCH Therapy Services.			

5) **Professional Fees (continued)**

Financial and Strategic Planning services provided to Financial Administration created a negative variance in this category.

Interim Management over the Multi-Specialty Clinics created a negative variance in Multi-Specialty Clinics Admin.

Consulting services provided for our managed care contract negotiations created a negative variance in Managed Care.

Locum services provided to the Emergency Department created a negative variance in TFH Locums.

Information Technology	7,101	57,754
Medical Staff Services	21,263	100,079
Corporate Compliance	5,506	151,181
Human Resources	9,828	185,805
Total	<u>\$ (611,111)</u>	<u>\$ (1,978,170)</u>

6) **Supplies**

Drugs Sold to Patients and Oncology Drugs Sold to Patients revenues exceeded budget by 24.06%, creating a negative variance in Pharmacy Supplies.

Unbudgeted Patient & Other Medical Supplies in MSC Orthopedics created a negative variance in this category.

Pantry items supplied to Outpatient areas increased due to overbudgeted volumes, creating a negative variance in Food.

Pharmacy Supplies	\$ (279,504)	\$ (2,220,695)
Patient & Other Medical Supplies	(32,165)	(102,772)
Food	(10,792)	(86,828)
Office Supplies	(1,916)	(72,750)
Minor Equipment	(4,079)	(66,537)
Imaging Film	362	(1,577)
Other Non-Medical Supplies	(5,355)	32,852
Total	<u>\$ (333,449)</u>	<u>\$ (2,518,308)</u>

7) **Purchased Services**

Negative variance in Miscellaneous related to expenses for Town Halls, E.M.R. and Practice Management fees, and 340B third party administration.

Facility wide maintenance projects created a negative variance in Department Repairs.

Negative variance in Laboratory related to outsourced testing.

Radiology reads for the diagnostic imaging service lines created a negative variance in Diagnostic Imaging - All.

Patient record storage and document retrieval created a negative variance in Medical Records.

April and May expenses related to software support, office cleaning, transcription services, and I/T support for MSC Orthopedics created a negative variance in Multi-Specialty Clinics. These are unbudgeted expenses in FY16.

Collection agency fees fell short of budget creating a positive variance in Patient Accounting.

Miscellaneous	\$ (114,352)	\$ (412,296)
Department Repairs	(28,030)	(93,952)
Laboratory	(28,075)	(77,311)
Diagnostic Imaging Services - All	(13,380)	(47,336)
The Center	4,444	(39,209)
Medical Records	(20,074)	(37,890)
Pharmacy IP	(2,827)	(11,693)
Community Development	392	4,285
Human Resources	1,365	5,120
Multi-Specialty Clinics	(25,789)	5,259
Hospice	4,908	22,758
Patient Accounting	31,364	165,936
Information Technology	32,668	235,591
Total	<u>\$ (157,386)</u>	<u>\$ (280,739)</u>

8) **Other Expenses**

Outside Training & Travel for Home Health, Pharmacy, Skilled Nursing, Emergency Department, Information Systems, Community Development, and Personnel created a negative variance in this category.

Management continues to monitor controllable/discretionary expenses, helping to create positive variances in most of the Other Expense categories.

Equipment Rent	\$ 1,672	\$ (56,684)
Dues and Subscriptions	(630)	(46,281)
Outside Training & Travel	(13,856)	(38,028)
Human Resources Recruitment	-	(29,165)
Other Building Rent	(1,297)	(16,320)
Multi-Specialty Clinics Bldg Rent	(1,401)	(15,289)
Multi-Specialty Clinics Equip Rent	(63)	(955)
Innovation Fund	-	-
Physician Services	(962)	388
Insurance	3,744	47,099
Utilities	5,014	71,317
Marketing	904	95,816
Miscellaneous	9,512	142,766
Total	<u>\$ 2,637</u>	<u>\$ 154,665</u>

9) **District and County Taxes**

Total	<u>\$ 9,174</u>	<u>\$ 21,661</u>
-------	-----------------	------------------

10) **Interest Income**

Total	<u>\$ 27,056</u>	<u>\$ 139,327</u>
-------	------------------	-------------------

11) **Donations**

IVCH	\$ (4,333)	\$ (12,011)
Operational	(11,516)	23,815
Capital Campaign	-	-
Total	<u>(15,849)</u>	<u>11,804</u>

12) **Gain/(Loss) on Joint Investment**

Total	<u>\$ -</u>	<u>\$ (9,110)</u>
-------	-------------	-------------------

13) **Gain/(Loss) on Sale**

Total	<u>\$ -</u>	<u>\$ 7,500</u>
-------	-------------	-----------------

15) **Depreciation Expense**

Total	<u>\$ (1,039)</u>	<u>\$ 19,964</u>
-------	-------------------	------------------

16) **Interest Expense**

Total	<u>\$ (701)</u>	<u>\$ (35,751)</u>
-------	-----------------	--------------------



INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
MAY 2016

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD MAY 2015	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%		
<b>OPERATING REVENUE</b>										
\$ 1,291,883	\$ 1,122,768	\$ 169,116	15.1%	Total Gross Revenue	\$ 15,857,847	\$ 13,797,487	\$ 2,060,360	14.9%	1	\$ 13,643,939
<b>Gross Revenues - Inpatient</b>										
\$ 11,464	\$ 3,513	\$ 7,951	226.3%	Daily Hospital Service	\$ 45,711	\$ 35,133	\$ 10,578	30.1%		\$ 33,538
24,502	3,730	20,772	556.8%	Ancillary Service - Inpatient	60,044	51,808	8,236	15.9%		55,135
35,966	7,244	28,722	396.5%	Total Gross Revenue - Inpatient	105,755	86,941	18,814	21.6%	1	88,673
1,255,917	1,115,524	140,393	12.6%	Gross Revenue - Outpatient	15,752,092	13,710,546	2,041,546	14.9%		13,555,266
1,255,917	1,115,524	140,393	12.6%	Total Gross Revenue - Outpatient	15,752,092	13,710,546	2,041,546	14.9%	1	13,555,266
<b>Deductions from Revenue:</b>										
436,849	307,989	(128,860)	-41.8%	Contractual Allowances	5,129,385	3,783,265	(1,346,121)	-35.6%	2	3,968,611
42,447	39,043	(3,404)	-8.7%	Charity Care	527,923	479,869	(48,054)	-10.0%	2	442,025
7,748	-	(7,748)	0.0%	Charity Care - Catastrophic Events	70,529	-	(70,529)	0.0%	2	-
46,245	78,087	31,842	40.8%	Bad Debt	572,461	959,738	387,277	40.4%	2	1,046,751
(49,043)	-	49,043	0.0%	Prior Period Settlements	(199,758)	-	199,758	0.0%	2	5,409
484,246	425,119	(59,127)	-13.9%	Total Deductions from Revenue	6,100,540	5,222,872	(877,668)	-16.8%	2	5,462,796
65,317	62,985	2,332	3.7%	Other Operating Revenue	906,320	699,285	207,036	29.6%	3	789,587
872,954	760,633	112,320	14.8%	<b>TOTAL OPERATING REVENUE</b>	10,663,628	9,273,900	1,389,728	15.0%		8,970,730
<b>OPERATING EXPENSES</b>										
260,207	240,104	(20,103)	-8.4%	Salaries and Wages	2,783,515	2,838,958	55,443	2.0%	4	2,684,319
169,029	181,962	12,932	7.1%	Benefits	931,501	994,973	63,472	6.4%	4	958,351
(2)	2,490	2,492	100.1%	Benefits Workers Compensation	23,678	27,393	3,715	13.6%	4	34,018
27,088	47,919	20,831	43.5%	Benefits Medical Insurance	454,883	527,108	72,225	13.7%	4	527,769
197,710	234,552	36,843	15.7%	Professional Fees	2,518,056	2,550,421	32,365	1.3%	5	2,300,664
54,544	48,667	(5,877)	-12.1%	Supplies	797,684	570,369	(227,315)	-39.9%	6	582,528
42,689	39,470	(3,218)	-8.2%	Purchased Services	455,860	456,694	835	0.2%	7	440,055
52,558	52,542	(16)	0.0%	Other	632,506	572,798	(59,708)	-10.4%	8	554,554
803,823	847,707	43,884	5.2%	<b>TOTAL OPERATING EXPENSE</b>	8,597,682	8,538,714	(58,969)	-0.7%		8,082,258
<b>69,131</b>	<b>(87,074)</b>	<b>156,204</b>	<b>-179.4%</b>	<b>NET OPERATING REV(EXP) EBIDA</b>	<b>2,065,945</b>	<b>735,186</b>	<b>1,330,760</b>	<b>181.0%</b>		<b>888,472</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
-	4,333	(4,333)	-100.0%	Donations-IVCH	35,656	47,666	(12,011)	-25.2%	9	22,091
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(58,359)	(58,359)	0	0.0%	Depreciation	(616,021)	(641,953)	25,932	-4.0%	11	(588,269)
(58,359)	(54,026)	(4,333)	-8.0%	<b>TOTAL NON-OPERATING REVENUE/(EXP)</b>	<b>(580,365)</b>	<b>(594,287)</b>	<b>13,922</b>	<b>2.3%</b>		<b>(566,178)</b>
<b>\$ 10,772</b>	<b>\$ (141,100)</b>	<b>\$ 151,871</b>	<b>-107.6%</b>	<b>EXCESS REVENUE(EXPENSE)</b>	<b>\$ 1,485,580</b>	<b>\$ 140,899</b>	<b>\$ 1,344,682</b>	<b>954.4%</b>		<b>\$ 322,294</b>
<b>5.4%</b>	<b>-7.8%</b>	<b>13.1%</b>		<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>13.0%</b>	<b>5.3%</b>	<b>7.7%</b>			<b>6.5%</b>

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

		<u>Variance from Budget</u>	
		<u>Fav&lt;Unfav&gt;</u>	
		<u>MAY 2016</u>	<u>YTD 2016</u>
<b>1) Gross Revenues</b>			
Acute Patient Days were at budget at 1 and Observation Days were above budget by 1 at 3.	Gross Revenue -- Inpatient	\$ 28,722	\$ 18,814
	Gross Revenue -- Outpatient	140,393	2,041,546
		<u>\$ 169,116</u>	<u>\$ 2,060,360</u>
Outpatient volumes were above budget in Emergency Department visits, Laboratory tests, Radiology exams, Cat Scans, Pharmacy units, and Sleep Clinic Visits.			
<b>2) Total Deductions from Revenue</b>			
We saw a shift in our payor mix with an 1.83% decrease in Commercial Insurance, a .78% decrease in Medicare, a 4.84% increase in Medicaid, a 2.22% decrease in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 15.1% and the shift in payor mix to Medicaid from Medicare and Commercial.	Contractual Allowances	\$ (128,860)	\$ (1,346,121)
	Charity Care	(3,404)	(48,054)
	Charity Care-Catastrophic Event	(7,748)	(70,529)
	Bad Debt	31,842	387,277
	Prior Period Settlement	49,043	199,758
	Total	<u>\$ (59,127)</u>	<u>\$ (877,668)</u>
<b>3) Other Operating Revenue</b>			
IVCH ER Physician Guarantee is tied to collections which exceeded budget in May.	IVCH ER Physician Guarantee	\$ 3,186	\$ 186,761
	Miscellaneous	(855)	20,274
	Total	<u>\$ 2,332</u>	<u>\$ 207,036</u>
<b>4) Salaries and Wages</b>			
	Total	<u>\$ (20,103)</u>	<u>\$ 55,443</u>
<b><u>Employee Benefits</u></b>			
	PL/SL	\$ (7,965)	\$ 47,613
	Standby	(1,171)	16,586
	Other	4,460	(11,030)
	Nonproductive	17,609	7,898
	Pension/Deferred Comp	(1)	2,404
	Total	<u>\$ 12,932</u>	<u>\$ 63,472</u>
<b><u>Employee Benefits - Workers Compensation</u></b>			
	Total	<u>\$ 2,492</u>	<u>\$ 3,715</u>
<b><u>Employee Benefits - Medical Insurance</u></b>			
	Total	<u>\$ 20,831</u>	<u>\$ 72,225</u>
<b>5) Professional Fees</b>			
Services provided for project management oversight created a negative variance in Administration.	Administration	\$ (2,310)	\$ (15,634)
	Multi-Specialty Clinics	1,618	(8,799)
	IVCH ER Physicians	(1,750)	(4,769)
	Miscellaneous	75	1,200
Physician Call exceeded budget creating a negative variance in IVCH ER Physicians.	Sleep Clinic	(4,837)	14,197
	Therapy Services	39,061	20,441
	Foundation	4,986	25,728
Sleep Clinic fees are tied to collections which exceeded budget in May.	Total	<u>\$ 36,843</u>	<u>\$ 32,365</u>
Therapy Services revenues fell short of budget by 13.64%, creating a positive variance in Therapy Services.			
<b>6) Supplies</b>			
Surgery and Medical Supplies Sold to Patients revenues exceeded budget by 22.52%, creating a negative variance in Patient & Other Medical Supplies.	Patient & Other Medical Supplies	\$ (3,160)	\$ (102,584)
	Pharmacy Supplies	(2,412)	(93,034)
	Minor Equipment	308	(17,071)
	Food	(419)	(11,456)
	Office Supplies	155	(1,927)
Drugs Sold to Patients revenue exceeded budget by 77.01%, creating a negative variance in Pharmacy Supplies.	Non-Medical Supplies	(480)	(1,337)
	Imaging Film	131	93
	Total	<u>\$ (5,877)</u>	<u>\$ (227,315)</u>

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

		<u>Variance from Budget</u>	
		<u>Fav&lt;Unfav&gt;</u>	
		<u>MAY 2016</u>	<u>YTD 2016</u>
<b>7) <u>Purchased Services</u></b>			
Hosting of the annual Foundation Reception created a negative variance in Foundation.	Laboratory	\$ 218	\$ (17,758)
	Foundation	(5,322)	(5,039)
	EVS/Laundry	(551)	(4,977)
	Department Repairs	449	(1,499)
	Pharmacy	-	(99)
	Surgical Services	-	-
	Miscellaneous	(210)	2,312
	Multi-Specialty Clinics	683	5,085
	Diagnostic Imaging Services - All	(1,612)	5,541
	Engineering/Plant/Communications	3,126	17,268
	<b>Total</b>	<b>\$ (3,218)</b>	<b>\$ 835</b>
<b>8) <u>Other Expenses</u></b>			
Oxygen tank rentals for Respiratory Therapy created a negative variance in Equipment Rent.	Equipment Rent	\$ (1,529)	\$ (79,692)
	Dues and Subscriptions	(1,888)	(5,233)
	Utilities	(1,462)	(1,153)
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Outside Training & Travel	159	51
	Insurance	223	2,450
	Other Building Rent	871	3,482
	Marketing	33	8,267
	Miscellaneous	3,579	12,120
	<b>Total</b>	<b>\$ (16)</b>	<b>\$ (59,708)</b>
<b>9) <u>Donations</u></b>	<b>Total</b>	<b>\$ (4,333)</b>	<b>\$ (12,011)</b>
<b>10) <u>Gain/(Loss) on Sale</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>11) <u>Depreciation Expense</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 25,932</b>

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

	AUDITED	BUDGET	PROJECTED	ACTUAL	PROJECTED		ACTUAL	ACTUAL	ACTUAL	PROJECTED
	FYE 2015	FYE 2016	FYE 2016	MAY 2016	MAY 2016	DIFFERENCE	1ST QTR	2ND QTR	3RD QTR	4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 7,190,440	\$ 2,054,135	\$ 14,392,063	\$ (361,068)	\$ (750,520)	\$ 389,452	\$ 4,890,732	\$ 2,113,378	\$ 8,328,650	\$ (940,697)
Interest Income	97,528	107,488	129,230	-	-	-	29,198	33,631	44,193	22,208
Property Tax Revenue	5,352,075	5,420,000	6,114,475	2,409,356	1,715,000	694,356	309,907	78,742	3,316,470	2,409,356
Donations	757,929	923,000	749,142	217,714	10,000	207,714	76,191	164,788	188,329	319,834
Debt Service Payments	(3,505,561)	(3,565,581)	(3,441,271)	(247,479)	(247,478)	(1)	(1,069,568)	(742,436)	(886,831)	(742,436)
Bank of America - 2012 Muni Lease	(1,243,531)	(1,243,644)	(1,243,649)	(103,637)	(103,637)	(0)	(310,912)	(310,912)	(310,912)	(310,912)
Copier	(8,962)	(8,760)	(8,759)	(730)	(730)	0	(2,190)	(2,190)	(2,190)	(2,190)
2002 Revenue Bond	(660,296)	(668,008)	(483,555)	-	-	-	(327,132)	-	(156,423)	-
2006 Revenue Bond	(1,592,771)	-	-	-	-	-	-	-	-	-
2015 Revenue Bond	-	(1,645,169)	(1,705,309)	(143,111)	(143,111)	(0)	(429,334)	(429,334)	(417,306)	(429,334)
Physician Recruitment	(155,902)	(311,000)	(263,769)	-	-	-	(216,785)	(5,884)	-	(41,100)
Investment in Capital										
Equipment	(2,491,260)	(1,418,900)	(1,356,460)	(50,975)	(150,000)	99,025	(302,633)	(286,725)	(221,705)	(545,397)
Municipal Lease Reimbursement	-	2,295,723	1,319,139	-	-	-	1,319,139	-	-	-
GO Bond Project Personal Property	(186,062)	(500,180)	(272,112)	(170,746)	(100,000)	(70,746)	(8,587)	(8,029)	(14,334)	(241,162)
IT	(1,394,200)	(559,300)	(967,925)	(57,303)	(270,000)	212,697	(318,453)	(193,238)	(79,501)	(376,733)
Building Projects	(2,218,063)	(4,487,480)	(1,919,604)	(138,121)	(200,000)	61,879	(337,663)	(674,563)	(506,786)	(400,592)
Health Information/Business System	(230,852)	(500,000)	(92,807)	(1,793)	-	(1,793)	(1,623)	(18,375)	(37,104)	(35,705)
Capital Investments										
Properties	(600,000)	-	(10,000)	-	-	-	-	-	-	(10,000)
Measure C Scope Modifications	-	(749,287)	-	-	(95,970)	95,970	-	-	-	-
Change in Accounts Receivable	2,648,682	282,832	N1 2,290,330	2,054,470	551,021	1,503,449	522,392	(891,685)	(2,247,607)	4,907,230
Change in Settlement Accounts	(2,438,657)	500,000	N2 2,755,633	305,162	-	305,162	623,667	(1,173,529)	1,631,801	1,673,694
Change in Other Assets	(1,717,188)	(768,000)	N3 (3,876,764)	(746,875)	170,000	(916,875)	(1,531,558)	(1,562,214)	435,078	(1,218,071)
Change in Other Liabilities	(30,538)	(71,000)	N4 209,725	1,181,377	(300,000)	1,481,377	247,630	(648,182)	425,956	184,321
Change in Cash Balance	1,078,371	(1,347,550)	15,774,943	4,393,719	332,053	4,061,665	4,247,906	(3,814,322)	10,376,609	4,964,750
Beginning Unrestricted Cash	50,951,760	52,227,897	52,227,897	63,451,585	63,451,585	-	52,227,897	56,475,803	52,661,481	63,038,090
Ending Unrestricted Cash	52,227,897	50,880,347	68,002,840	67,845,304	63,783,638	4,061,665	56,475,803	52,661,481	63,038,090	68,002,840
Expense Per Day	333,932	321,141	335,971	332,824	320,342	12,482	317,753	322,438	328,657	335,971
Days Cash On Hand	156	158	202	204	199	5	178	163	192	202

Footnotes:

N1 - Change in Accounts Receivable reflects the 30 day delay in collections. For example, in July 2015 we are collecting June 2015.

N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.

N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.

N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.

### **14.3. Contracts**

Contracts redacted.

Available for public viewing via a Public Records request.

RESOLUTION NO. 2016-06  
OF  
TAHOE FOREST HOSPITAL DISTRICT

DETERMINING TO CONSOLIDATE THE HOSPITAL DISTRICT GENERAL ELECTION WITH THE STATEWIDE GENERAL ELECTION AND AUTHORIZING THE CANVASS OF RETURNS BY THE RESPECTIVE BOARDS OF SUPERVISORS OF PLACER AND NEVADA COUNTIES, CALIFORNIA

WHEREAS, Tahoe Forest Hospital District is a Hospital District duly organized and existing under and by virtue of the laws of the State of California, and in particular, Division 23 of the California Health and Safety Code, and said Hospital District comprises, within its exterior boundaries, territory in the counties of Placer and Nevada; and

WHEREAS, pursuant to Section 32100.5 of the California Health and Safety Code, a General Election is to be held in said District on November 8, 2016 for the purpose of electing members of the Board of Directors of said District; and

WHEREAS, said election shall be to fill vacancies for the following Board Members whose terms will expire on Friday, December 2, 2016:

Karen Sessler	Regular Term
John Mohun	Regular Term

WHEREAS, California Elections Code Section 10509 permits each candidate to prepare a candidate's statement and the Board of Directors to require each candidate to pay for the publication of his/her statement and to limit the number of words in each statement; and

WHEREAS, California Elections Code Section 10400, et seq. authorizes the canvass of said election returns by the Boards of Supervisors respectively of Placer and Nevada Counties;

NOW, THEREFORE, BE IT RESOLVED BY, AND THE BOARD OF DIRECTORS OF TAHOE FOREST HOSPITAL DISTRICT DOES HEREBY DETERMINE, AS FOLLOWS:

1. That the Tahoe Forest Hospital District General Election in November 2016 for the purpose of electing two (2) persons to the Board of Directors thereof be consolidated and held with the statewide general election on November 8, 2016.
2. That the two (2) positions to be filled at such election be designated as follows:  
Karen Sessler – At Large – 4 Year Term  
John Mohun – At Large – 4 Year Term

That the candidate is to pay for the publication of the candidate's statement, pursuant to Elections Code Section 10509. The limitation on the number of words that a candidate may use in his/her candidate's statement is 200 words.

3. That the Boards of Supervisors respectively of Placer and Nevada Counties are hereby requested and authorized to canvass the returns of said election of District officers as to the respective election precincts comprising Hospital District territory with each said county.

4. That a copy of this Resolution shall be sent to the Boards of Supervisors of Placer and Nevada Counties respectively not later than July 6, 2016 for purposes, among others, of notice thereto of said consolidation and authorization to canvass returns.
5. Said District does not request Measure(s) be decided at this election.
6. That the election be conducted by the County Clerk for each county and the county shall prorate the cost of the election back to the District.
7. That there have been no changes to the Tahoe Forest Hospital District boundaries since our last election.
8. In the case of a tie vote, the procedure to be followed is to decide by lot.

Passed and adopted this \_\_\_\_\_ day of June, 2016 at a meeting of the Board of Directors of Tahoe Forest Hospital District by the following vote:

AYES: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_

NOES: \_\_\_\_\_, \_\_\_\_\_

ABSENT: \_\_\_\_\_, \_\_\_\_\_

ABSTAIN: \_\_\_\_\_, \_\_\_\_\_

TAHOE FOREST HOSPITAL DISTRICT

BY: \_\_\_\_\_  
Charles Zipkin, President  
Board of Directors

ATTEST:

\_\_\_\_\_  
John Mohun, Board Secretary



## Executive Summary –Startup of “Newco” Request for Approval

**By: Harry Weis**  
CEO

**Date 6/10/16**

---

At our Board of Directors meeting dated March 24, 2016, the Board approved Resolution 2016-04 empowering me on to complete a variety of critical matters pertaining to the acquisition and management of North Tahoe Orthopedics in a thoughtful effort to preserve and to protect this very important service line within the District. Included in that Resolution, within Section 2 was the empowerment for me to bring to life “Newco” a new corporation to commence a critical “management services organization” that nearly all forward looking integrated hospital system have.

It is to become the employment home for all non-physician staff of our recently acquired North Tahoe Orthopedics practice, and to be the new employment home for all non-physician staff of any future acquired physician or medical group practice. In addition this new corporate entity may be the employment home for our Physician Assistants, Nurse Practitioners, and non-physician staff in other clinics we presently operate. As time progresses this entity will very likely need to include all revenue cycle individuals who serve physician practices and the overall Administrative and/or financial leadership of healthcare activities outside of the hospital. This new “management services organization” will again manage physician practices and many types of healthcare activities outside of the hospital for greater efficiency and to focus a talent pool on the unique needs of these particular businesses in an integrated healthcare setting.

There is some urgency to this request as we need to move from leasing North Tahoe Orthopedics non physician staff to actually employing these staff.

This new “management services organization” will become the very important “hub” outside of the hospital with thoughtful “spoke” connections to the hospital and thoughtful “spokes” where at the end of each “spoke” a thoughtful entity directly including physicians we employ or contract with may exist. Also at the end of other “spokes” other types of non-hospital healthcare entities can reside as well.

### **Board Member Makeup Request for your Approval:**

We request your approval for a 9 Member Board of Directors on this new corporation. The initial term of board members shall be for one year and all future terms will be 3 years each with a maximum of up to 3 year terms to follow the initial term.

Further we request that our medical staff be allowed to select and recommend the 9 member board to the District Board of Directors and all successors as needed in future years. There are to be three categories of board members who make up the total of 9 board members.



The first category of board members are to come from senior leadership of the district. We recommend that there be 3 individuals in this category. The medical staff recommends: Harry Weis, Crystal Betts and Jake Dorst for this category of board members.

The second category of board members are recommended to come from the medical staff itself and they are also selected by the medical staff. There are to be 4 individuals in this category. The medical staff recommends: Dr. Ellen Cooper, Dr. Jeff Dodd, Dr. Gina Barta, and Dr. Larry Heifetz.

The third and final category of board members are recommended to come from the Community and/or from the elected Board of Directors of the District. There are to be 2 individuals in this category. The medical staff recommends: Dr. Chuck Zipkin and Dr. Karen Sessler.

**Entity Naming Request for your Approval:**

I'm requesting your approval to name this management services organization, "Tahoe Forest Healthcare Services Inc."

**Corporate entity formal "go live" Approval:**

I respectfully request your full approval to have our general counsel set up this new corporation with the above name and board structure and to develop all required Articles and Bylaws as are needed for such an entity. We will pursue a not for profit 501(c)3 status as soon as practical as well for this new corporation.



## Board Executive Summary

By: Tom Hobday

DATE: June 17, 2016

---

### ISSUE:

Request to the Tahoe Forest Hospital District Board of Directors for an increase of \$46,000 in the Line of credit to the Tahoe Institute for Rural Health Research – June 24, 2016.

---

### BACKGROUND:

TFHD extended a line of credit to TIRHR LLC., a wholly owned subsidiary, to pay for the cost of developing its technologies. The line of credit will be paid back to the Health System from the proceeds of the sale of the products developed, and any revenues exceeding that amount would help to further the mission of the TFHD.

A line of credit of \$2,000,000 was initially provided by the district in order to develop the projects of the Institute. This line was increased to \$2,250,000 in July 2016 and further increased to \$2,460,000 in December 2016. This amount was intended to provide cash flow for the Institute until the end of March.

As of June 1, 2016, the TIRHR ceased all expenditures to support the PACE and PBCM projects. The Cardiac Motion and mTBI projects are financially supported on their own, and both are showing good progress. There are plans being implemented to monetize PACE and the PBCM.

---

**ACTION REQUESTED**

TIRHR is requesting a \$46,000 increase in the TIRHR line of credit. The funds will be used approximately as follows:

- \$12,000 to pay patent legal expenses associated with perfecting PBCM patents (international fees and response to US examiner)
- \$ 4,000 to form an entity to allow the Personal Blood Count Monitor project to apply for a \$1.75 million NIH Grant.
- \$15,000 to cover expenses associated with preparing the grant proposal.
- \$12,000 to pay patent legal expenses associated with perfecting PACE patents (international fees and response to US examiner)
- \$3,000 in other PACE expenses



## Board Executive Summary

**By: Jim Sturtevant,  
Director of Acute  
Services**

**DATE: June 23, 2016**

---

**ISSUE: Renaming of the Women and Family Department from “Joseph Family Obstetrics and Newborn Care” to “Joseph Family Women and Newborn Care”**

---

### **BACKGROUND:**

The Physicians and Staff of the Women and Family Department requested that we rename the department once we move to our new home in September. The Board approved the name “Joseph Family Obstetrics and Newborn Care” at the March 24, 2016 Board Meeting.

At the Department of Obstetrics and Pediatrics Meeting on April 28, 2016, the physicians expressed that they felt they did not have sufficient opportunity to submit their suggestions for the renaming of the department. They felt the new name was not as friendly and inviting for our community. It was agreed that they could submit their suggestions to the Administrative Council for consideration retaining the Joseph Family name. After receiving the physician’s suggestions, the Administrative Council met and decided on “Joseph Family Women and Newborn Care”.

---

### **ACTION REQUESTED:**

**Approval of renaming of the Women and Family Department to “Joseph Family Women and Newborn Care” upon opening of our new unit.**



# GOVERNANCE COMMITTEE

## AGENDA

Wednesday, June 15, 2016 at 8:00 a.m.  
Tahoe Conference Room - Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

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

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

4. **INPUT – AUDIENCE**

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

5. **CLOSED SESSION**

5.1. **Approval of Closed Session Minutes: 04/20/2016**

6. **APPROVAL OF MINUTES OF: 05/18/2016**

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

7.1. **Contracts**

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

- 7.1.1. **John Foley, M.D. – Physician Professional Services Agreement** ..... ATTACHMENT
- 7.1.2. **Christopher Arth, M.D. – Physician Professional Services Agreement**..... ATTACHMENT
- 7.1.3. **Else Uglum, M.D. – Physician Professional Services Agreement** ..... ATTACHMENT
- 7.1.4. **Oleg Vayner, M.D. – Physician Professional Services Agreement** ..... ATTACHMENT
- 7.1.5. **Lisanne Burkholder, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services** ..... ATTACHMENT
- 7.1.6. **Joshua Scholnick, M.D. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services** ..... ATTACHMENT
- 7.1.7. **Sierra MultiSpecialty Medical Group, Inc. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services** ..... ATTACHMENT
- 7.1.8. **Greg Tirdel, M.D. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services** ..... ATTACHMENT
- 7.1.9. **Nina Winans, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics**..... ATTACHMENT

- 7.1.10. **Stephen Forner, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics**..... ATTACHMENT
- 7.1.11. **Ellen Cooper, M.D. – Amendment to Agreement to Provide Coverage of Emergency Department Professional Services** ..... ATTACHMENT
- 7.1.12. **Jeff Camp, M.D. – Second Amendment to Provide Coverage of Emergency Department Professional Services** ..... ATTACHMENT
- 7.1.13. **Silver State Hearing and Balance, Inc. – Amendment to Professional Services Agreement for Multi-Specialty Clinics**..... ATTACHMENT

**7.2. Committee Education**

- 7.2.1. **Health & Safety Code § 32125(b)** ..... ATTACHMENT\*

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

**9. NEXT MEETING DATE**

The next Governance Committee meeting is scheduled for July 20, 2016 at 8:00 a.m.

**10. ADJOURN**

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

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

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



# QUALITY COMMITTEE AGENDA

Tuesday, June 14, 2016 at 12:00 p.m.  
Eskridge Conference Room, Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA

**1. CALL TO ORDER**

**2. ROLL CALL**

Greg Jellinek, M.D., Chair; Karen Sessler, M.D., Board Member

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

**4. INPUT – AUDIENCE**

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

**5. APPROVAL OF MINUTES OF: 4/5/2016 ..... ATTACHMENT**

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

**6.1. Quality Committee Charter and Goals 2016 ..... ATTACHMENT**

The *Quality Committee Charter and Goals 2016* were approved by the Committee at the February 9, 2016 meeting. Informational for reference during the meeting if needed.

**6.2. Patient & Family Centered Care (PFCC)**

**6.2.1. Patient & Family Advisory Council Update ..... ATTACHMENT**

An update will be provided related to the activities of the Patient and Family Advisory Council (PFAC).

**6.3. BOD Quality & Service Excellence Dashboard ..... ATTACHMENT**

Discuss the quality and service excellence dashboard and the process for BOD review including content, quality metrics, benchmarks, and plans for improvement.

**6.4. Healthcare Facilities Accreditation Program (HFAP) Survey**

Provide an update on preparation for the unannounced triennial HFAP accreditation survey in the spring of 2017.

**6.5. Board Quality Education ..... ATTACHMENT**

**6.5.1. The Committee will review and discuss key learning points from the following articles:**

6.5.1.1. BMJ Article *Medical Error—the third leading cause of death in the US* (May 3, 2016)

6.5.1.2. National Patient Safety Foundation (NPSF) Article *Shining a light: Safer healthcare through transparency* (2015)

6.5.1.3. CHA's *Governance Role in Quality and Performance Improvement* Webinar presentation (June 1, 2016)

**6.5.2. Committee will review and discuss future topics for Board Quality education.**

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

**8. NEXT MEETING DATE**

The date and time of the next committee meeting, Tuesday, August 16, 2016, will be proposed and/or confirmed.

**9. ADJOURN**

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

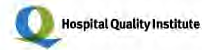
Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

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



## Questions You Should Ask: Connecting the Dots

1. Is there a systemic view, (e.g., planning process, strategy, design, drivers and measures)?
2. Are there measures that answer whether or not strategy is advancing, (i.e., is care getting better, or worse)?
3. How were the measures selected?
4. Why are the measures important to our hospital, patients, workforce and community?



## Questions You Should Ask

5. Is there a coordinated process?
6. Can all staff leaders answer the following questions?
  - How does "this" compare to past?
  - How does "this" compare to best-of-class?
  - What are we doing to improve and close the performance gap?
  - What can we predict from what we know?
  - What might be unintended consequences of our improvement efforts?
7. How do we engage frontline caregivers, physicians, and patients and families?





# COMMUNITY BENEFIT COMMITTEE

## AGENDA

Tuesday, June 14, 2016 at 2:00 p.m.  
Eskridge Conference Room - Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA.

1. **CALL TO ORDER**

2. **ROLL CALL**

Karen Sessler, M.D., Chair; Charles Zipkin, M.D., Board Member

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

4. **INPUT – AUDIENCE**

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

5. **APPROVAL OF MINUTES OF: 03/07/2016 ..... ATTACHMENT**

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

6.1. **Committee Education..... ATTACHMENT**

Committee will discuss the District’s Prime program initiatives.

6.2. **Community Health Needs Assessment Update ..... ATTACHMENT**

Committee will discuss planning for a Community Health Needs Assessment in the future.

6.3. **HPSA Designation ..... ATTACHMENT**

Committee will discuss whether or not to pursue a HPSA renewal.

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

8. **AGENDA INPUT FOR NEXT COMMITTEE MEETING**

9. **NEXT MEETING DATE**

10. **ADJOURN**

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

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

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



## Board Informational Report

**By: Harry Weis**  
CEO

**DATE: 6/17/16**

---

Our team has been energetically working on many operational and strategic improvements for the System during the last month.

We are actively searching for a highly skilled Executive Director of Physician Services, to assure that our most critical service lines have the strategic, administrative and operational support needed. Our Executive in this area left a few months ago and we have a great Interim Executive Director Tom Wright assisting us in the interim. This leadership position is extremely critical to healthcare systems today and for the rapidly changing future of healthcare.

We have named Judy Newland as Chief Operating Officer for the District, who has many years of experience in our Health System. She has also been serving as the Administrator of our Incline Village Community Hospital (IVCH), and as our CNO in the past. She will continue to serve as the Administrator of IVCH and we have begun the process to find and name a Chief Nursing Officer for the System. We will really work to optimize the span of control across departments to assure that we can maintain and improve Quality, Patient Satisfaction and increase entrepreneurial results.

We were very happy to honor our Volunteers this month with a lunch for their many hours of dedicated hard work in nearly all departments of our hospitals. We thank each of our Volunteers so much for the positive impact they make on our patients and on our system of care!

We really enjoy getting out in the public and sharing a bit about Tahoe Forest Health System and receiving comments back. I also had the privilege of speaking at Good Morning Truckee this month.

We are increasing our ways of connecting with all residents in our community in the weeks and months to come and this will continue indefinitely.

We have also released a new program to reach out to our communities 24/7 on [www.TFHD.com](http://www.TFHD.com) and the program is titled Mountain Health Today. It also airs at select times on TTCTV. We hope to produce at least 5 more programs in the next several months.

We have been actively working with our Physician Task Force on the issues around starting up "Newco", a critical management services organization, which will be brought to the Board on June 23 for your consideration and approval. This critical entity will serve as the hub for all physician activities within the healthcare system for physicians who serve in IP or OP roles. It will allow us to incrementally build Newco over time while improving skills at the staff and

supervisory levels of those who serve our physicians. This will allow us to be more proactive in our efforts to improve community wellness thereby decreasing non-emergency visits to our Emergency Department or Inpatient Services. We believe having this new hub entity for physician services will greatly increase access to providers, improve quality and financial efficiency over time.

Our team has also been very busy working on the Budget for FY 17 over the past few months. We have also proposed thoughtful revisions to a critical Board Fiscal policy, raising the bar just a little so that we consistently pursue rating agency ratings of at least A- instead of the old goal of BBB- to provide a much higher assurance that TFHS is a sustainable system through the difficult years which lie ahead. We are also recommending development of a policy that will keep the District sustainable while focusing on Finances, Quality, and Patient Satisfaction.

Our budget has carefully considered the resources needed for our 6 Critical Strategies that we regularly speak of as well.

Our Capital improvement needs remain strong and very large over the next several years, so this is one of 10 or more reasons to have the improved Board Fiscal policy just noted. We have critical capital requests just over the next 2 years that total more than 40 M dollars.

We look forward to connecting with our Community in the Fall to have an Open House with our District to share all of the results of the Measure C Bond issue. So please watch for announcements on this!

#### **Other Projects:**

We continue to work on our research on Out-migration. We also have substantial In-migration that we don't speak about often enough. We hope to have an approximate date by the actual Board meeting as to when we can bring forward critical information on this topic.

#### **Board and Community Education Information:**

Last month I shared a rather large list of educational topics and information and created a record of comments I've received along with thoughtful, objective source information for responses to these various comments so that together we can begin a more positive journey of what is true in healthcare vs what is perception, myth, or anecdote. Responding to employee and public comments was a key driver last month to content shared in my CEO report.

We will continue this journey of what is really true about healthcare for as long as it takes. Again healthcare is a very expensive industry, the cost path is rapidly growing and there is no greater champion out there, than I, for "sustainable" high quality healthcare that is as cost efficient as possible.

Last month we took a "macro" view, not using my words or my hypothesis or anecdotes but using real independent data to show how TFHS looks vs. the rest of CA and vs some local area hospitals in CA and in Reno.

We should review that our Cost of Living index (COLI) for Truckee is 1.57 compared to a COLI for all of CA that is 1.36 and for Sacramento which is 1.17 and for Reno which is 1.1. This

COLI must be acknowledged for sustainable businesses where they are healthcare or in any other industry to be sustainable in this local region. These indices come from [www.areavibes.com](http://www.areavibes.com).

Further, if you look at [www.areavibes.com](http://www.areavibes.com) for Truckee, “healthcare” is the second lowest index noted. Groceries and Fuel are noted as more expensive than healthcare with Housing being the most expensive index, really driving upwards our local COLI index to 1.57.

It is important to share that construction costs are much more expensive for hospitals in this region than across CA in total or in the Reno area. Also the wear and tear, maintenance expenses are much higher here per year vs Reno and many other areas of the State of CA.

Only a portion, about half of our Depreciation, Interest Expense, and Principle payments on debt are covered by the Measure C bond issue, which we very much respect relative to the hard earned dollars that assist us in this issue.

Also to review on a 600K assessed value home, we receive approximately 70 dollars per year in general property tax support per year and separately we receive about 168 dollars per year for our Measure C bond issue and this amount will decline over the next 24 years as we have shared a 15.8 M savings with our district property tax payers.

With the above COLI information, using objective sources, not my words, which are from the Office of Statewide Health Planning and Development, Tahoe Forest Hospital is 49% below the statewide average in IP Revenue per Discharge right now when our comparable state data is more than a year old and the state wide data is increasing 4 to 7% per year. Further Tahoe Forest Hospital is 64% below the statewide average on OP Revenue per Visit as well using the same more than a year old comparison. Again this is done in a COLI zone that is 21 percentage points higher than the State of CA and 47 percentage points higher than Reno.

Last month I noted that we were taking a “Macro” view. This month we are taking a “Micro” view and so I’ve attached a sheet of our top 25 individual hospital prices. These top 25 individual hospital prices cover the Emergency Department, Laboratory, Radiology, and Room Rates. The Macro view is critically important because this is the way all hospitals bill for patient care, which is at the end of the IP discharge or at the end of OP visit, or OP surgery. Hospitals have more than 20K individual charges so it’s very relevant to see how they commonly add up per visit or per discharge.

We have an attachment to this memo which shows we are significantly lower than our comparator local hospitals on the top 25 individual retail prices again in ED, Lab, Radiology and in Room rates and we are only able to see data on our comparator hospitals which is possibly around 2 years old and we are sharing our current prices so this understates just how much lower we really are vs these comparator hospitals.

We also have an attachment shared last month on a Macro basis which shows deep discounts in our retail charges per IP discharge or per OP visit vs the State and other local hospitals.

Then we have a new Attachment which shows how just the labor portion only of a healthcare business grows if its open 5 days a week, 6 days a week or 24/7. 24/7 hospitals have baseline labor costs which are at least 318% higher than a 5 day a week free standing business. 24/7

hospitals have just labor costs which are at least 309% higher than a free standing business which is open 6 days a week. Again, 24/7 hospital costs are further aggravated by the obligation to provide service regardless of the ability to pay.

Again, high hospital retail prices across the 50 states is not a root cause issue but a symptom of a serious problem somewhere else. The root causes of high retail hospital prices are:

1. The obligation to provide service regardless of the ability to pay, coupled with 24/7 operational costs.
2. The fact that we have 32 M uninsured individuals in America.
3. The fact that we have per my estimate 100 M underinsured individuals in America.

TAHOE FOREST HOSPITAL DISTRICT  
CHARGE COMPARISON  
HOSPITAL TO HOSPITAL WITHOUT ANY OUTPATIENT LOWER TIERED PRICING

	Note Reference	CPT Code	Current TFHD	5% Proposed Rate Increase Effective 8/1/16 TFHD	Percentile Ranking	Inclusive of TFHD Average	Inclusive of TFHD Median	CALIFORNIA				NEVADA		6 Hospital Average	6 Hospital Median	6 Hospital Average % Var.	6 Hospital Median % Var.	
								Barton Memorial	Sutter Auburn Faith	Marshall Medical	Dignity Sierra Nevada	Renown	Prime St. Mary's Regional					
Emergency Room	Visit - Level 1	(A)	99281	\$ 334	\$ 351	33%	\$ 445	\$ 370	\$ 390	\$ 637	\$ 706	\$ 390	\$ 323	\$ 321	\$ 461	\$ 390	-23.9%	-10.0%
	Visit - Level 2	(A) (B)	99282	\$ 567	\$ 595	0%	\$ 785	\$ 685	\$ 652	\$ 983	\$ 1,119	\$ 775	\$ 717	\$ 654	\$ 817	\$ 746	-27.1%	-20.2%
	Visit - Level 3	(A) (B)	99283	\$ 866	\$ 909	17%	\$ 1,250	\$ 1,035	\$ 957	\$ 1,636	\$ 1,985	\$ 1,259	\$ 1,114	\$ 889	\$ 1,307	\$ 1,187	-30.4%	-23.4%
	Visit - Level 4	(A) (B)	99284	\$ 1,399	\$ 1,469	17%	\$ 2,082	\$ 2,065	\$ 2,344	\$ 2,505	\$ 2,785	\$ 2,517	\$ 1,785	\$ 1,166	\$ 2,184	\$ 2,425	-32.7%	-39.4%
	Visit - Level 5	(A)	99285	\$ 2,264	\$ 2,377	17%	\$ 2,989	\$ 2,878	\$ 3,380	\$ 3,002	\$ 3,900	\$ 3,870	\$ 2,755	\$ 1,636	\$ 3,091	\$ 3,191	-23.1%	-25.5%
Laboratory	Basic Metabolic Panel	(B)	80048	\$ 97	\$ 102	17%	\$ 244	\$ 192	\$ 284	\$ 182	\$ 435	\$ 62	\$ 203	\$ 439	\$ 267	\$ 243	-61.9%	-58.1%
	Blood Gas Analysis, including O <sub>2</sub> saturation	(B)	82805	\$ 208	\$ 218	33%	\$ 284	\$ 218	N/A	\$ 464	\$ 298	\$ 157	N/A	N/A	\$ 306	\$ 298	-28.7%	-26.7%
	Complete Blood Count, automated	(B)	85027	\$ 69	\$ 72	17%	\$ 150	\$ 123	\$ 193	\$ 167	\$ 332	\$ 39	\$ 102	\$ 144	\$ 163	\$ 156	-55.5%	-53.5%
	Complete Blood Count, with differential WBC, automated	(B)	85025	\$ 88	\$ 92	17%	\$ 165	\$ 134	\$ 252	\$ 141	\$ 286	\$ 41	\$ 127	\$ 213	\$ 177	\$ 177	-47.7%	-47.8%
	Comprehensive Metabolic Panel	(B)	80053	\$ 120	\$ 126	17%	\$ 285	\$ 226	\$ 268	\$ 230	\$ 652	\$ 64	\$ 221	\$ 435	\$ 312	\$ 249	-59.6%	-49.4%
	Creatine Kinase (CK), (CPK), Total	(B)	82550	\$ 80	\$ 84	17%	\$ 156	\$ 118	\$ 212	\$ 191	\$ 328	\$ 45	\$ 131	\$ 104	\$ 169	\$ 161	-50.2%	-47.8%
	Lipid Panel	(B)	80061	\$ 151	\$ 159	33%	\$ 274	\$ 185	\$ 212	\$ 487	\$ 616	\$ 83	\$ 139	\$ 223	\$ 293	\$ 218	-45.9%	-27.1%
	Partial Thromboplastin Time	(B)	85730	\$ 74	\$ 78	17%	\$ 163	\$ 161	\$ 197	\$ 175	\$ 252	\$ 62	\$ 147	\$ 234	\$ 178	\$ 186	-56.3%	-58.2%
	Prothrombin Time	(B)	85610	\$ 49	\$ 51	17%	\$ 114	\$ 83	\$ 103	\$ 117	\$ 244	\$ 47	\$ 62	\$ 173	\$ 125	\$ 110	-58.7%	-53.3%
	Thyroid Stimulating Hormone (TSH)	(B)	84443	\$ 190	\$ 200	33%	\$ 237	\$ 207	\$ 214	\$ 458	\$ 269	\$ 99	\$ 193	\$ 224	\$ 243	\$ 219	-17.9%	-8.9%
	Troponin, Quantitative	(B)	84484	\$ 174	\$ 183	17%	\$ 275	\$ 241	\$ 316	\$ 214	\$ 501	\$ 76	\$ 268	\$ 367	\$ 290	\$ 292	-37.1%	-37.5%
	Urinalysis, without microscopy	(B)	81002-81003	\$ 30	\$ 32	0%	\$ 67	\$ 40	\$ 99	\$ 43	\$ 155	\$ 36	\$ 74	\$ 32	\$ 73	\$ 59	-56.9%	-46.2%
	Urinalysis, with microscopy	(B)	81000-81001	\$ 37	\$ 39	20%	\$ 79	\$ 46	N/A	\$ 95	\$ 162	\$ 34	\$ 101	\$ 46	\$ 88	\$ 95	-55.7%	-59.1%
Diagnostic Imaging	Xray - Chest two views	(B)	71020	\$ 303	\$ 318	17%	\$ 458	\$ 403	\$ 501	\$ 103	\$ 1,023	\$ 452	\$ 440	\$ 366	\$ 481	\$ 446	-33.8%	-28.7%
	Xray - Lower Back - four views	(B)	72110	\$ 551	\$ 579	17%	\$ 833	\$ 799	\$ 875	\$ 198	\$ 1,409	\$ 1,023	\$ 722	\$ 1,023	\$ 875	\$ 949	-33.9%	-39.0%
	MRI - Head or Brain without contrast followed by contrast	(B)	70553	\$ 3,674	\$ 3,858	17%	\$ 4,907	\$ 4,660	\$ 5,548	\$ 5,466	\$ 6,859	\$ 3,301	\$ 4,476	\$ 4,844	\$ 5,082	\$ 5,155	-24.1%	-25.2%
	Mammography - Screening, Bilateral	(B)	77057	\$ 276	\$ 290	50%	\$ 321	\$ 279	\$ 438	\$ 175	\$ 437	\$ 268	N/A	N/A	\$ 329	\$ 352	-12.0%	-17.8%
	US - OB, 14 weeks or more, transabdominal	(B)	76805	\$ 695	\$ 730	33%	\$ 881	\$ 873	\$ 1,017	\$ 649	\$ 1,064	\$ 661	\$ 1,022	\$ 1,022	\$ 906	\$ 1,019	-19.4%	-28.4%
	US - Abdomen complete	(B)	76700	\$ 695	\$ 730	0%	\$ 1,276	\$ 1,192	\$ 1,540	\$ 1,208	\$ 1,680	\$ 1,525	\$ 1,175	\$ 1,076	\$ 1,367	\$ 1,366	-46.6%	-46.6%
	CT Scan - Pelvis, with contrast	(B)	72193	\$ 2,122	\$ 2,228	17%	\$ 3,224	\$ 2,732	\$ 3,680	\$ 4,437	\$ 5,041	\$ 1,719	\$ 2,865	\$ 2,598	\$ 3,390	\$ 3,273	-34.3%	-31.9%
	CT Scan - Head or Brain without contrast	(B)	70450	\$ 1,394	\$ 1,464	17%	\$ 2,434	\$ 2,390	\$ 2,851	\$ 2,899	\$ 3,854	\$ 1,189	\$ 2,304	\$ 2,476	\$ 2,595	\$ 2,664	-43.6%	-45.1%
CT Scan - Abdomen with contrast	(B)	74160	\$ 2,122	\$ 2,228	17%	\$ 3,482	\$ 2,879	\$ 4,086	\$ 5,079	\$ 5,508	\$ 1,719	\$ 3,023	\$ 2,734	\$ 3,691	\$ 3,554	-39.6%	-37.3%	
Room Rates	Intensive Care Unit			\$ 6,498	\$ 6,823	40%	\$ 7,642	\$ 6,823	\$ 8,352	\$ 8,976	\$ 9,184	\$ 6,329	N/A	\$ 6,188	\$ 7,806	\$ 8,352	-12.6%	-18.3%
	Medical/Surgical Unit - Private			\$ 2,853	\$ 2,996	20%	\$ 3,496	\$ 3,507	\$ 3,628	\$ 3,844	\$ 4,200	\$ 2,804	N/A	\$ 3,507	\$ 3,597	\$ 3,628	-16.7%	-17.4%
	Nursery Unit			\$ 893	\$ 938	0%	\$ 1,905	\$ 1,323	\$ 1,096	N/A	\$ 3,570	\$ 2,369	N/A	\$ 1,550	\$ 2,146	\$ 1,960	-56.3%	-52.1%
	Skilled Nursing Facility			\$ 431	\$ 453	0%	\$ 1,717	\$ 453	N/A	\$ 2,981	N/A	N/A	N/A	N/A	\$ 2,981	\$ 2,981	-84.8%	-84.8%
Average of all 25 common outpatient procedures noted by (B) above				\$ 641	\$ 673	0%	\$ 1,003	\$ 933	\$ 1,167	\$ 1,132	\$ 1,492	\$ 690	\$ 931	\$ 934	\$ 1,058	\$ 1,033	-36.3%	-34.8%

**Note Reference:**

- (A) Level 1 - low severity - example a toothache with treatment other than a prescription, Plan B Rx.  
 Level 2 - low to moderate severity - minor illness with no lab or x-ray other than a simple strep screen or UTI, abrasions, small cuts with no suturing  
 Level 3 - moderate severity - labs, x-rays, medications simple lacerations with sutures, simple asthma that resolves, sprains  
 Level 4 - moderate to high severity - IV's for hydration, IV medications, splinting of fractures that are straight forward, simple chest pain, asthma that needs repeated breathing treatment or medications  
 Level 5 - high severity - traumas, transfers, GI bleeds, overdoses, sedation for fracture reductions

- (B) Charge is listed in the 25 most common outpatient procedures performed in a hospital per the OSHPD web site listed below under Source.

Charge is lower than TFHD  
 Charge is higher than TFHD

TFHDs percentile ranking is lower than the 50th  
 TFHDs percentile ranking is higher than the 50th

**Source:** California Hospitals - Office of Statewide Health Planning and Development (OSHPD) Healthcare Information Division - Annual Financial Data - Hospital Chargemasters ( <http://www.oshpd.ca.gov/Chargemaster> ), charges effective 6/1/2015.  
 Nevada Hospitals - MedAssets, 2014 data  
 Charges for Tahoe Forest Hospital District are as of today.

**Definitions:** Median - is the middle value in a list ordered from smallest to largest.  
 N/A - Not Applicable or Not Available

### Simple Illustration of a 5 and 6 Day Office Hour Comparison to a 24/7 Illustration

**Notes:** A 5 day a week office hour healthcare operational entity requires at least 1.1 Full Time Equivalent Employees (FTE) to cover the office 52 weeks per year.

A 6 day a week office hour healthcare oprational entity requires at least 1.2 Full Time Equivalent Employees to cover the office 52 weeks per year.

A 24/7 day a week healthcare entity requires at least 4.6 Full Time Equivalent Employees to cover the department 52 weeks per year. The below cost illustration for a 24/7 healthcare entity, a hospital exlcudes the economic impact of the exclusive requirement on hospitals to provide a services regardless of the ability to pay, that other non hospital healthcare entities have no burden to meet!

If we use a simple example of just 1 FTE/shift in three different businesses, one open 5 days a week, one open 6 days a week and a 24/7 hospital we see the following cost different if we assume a person costs 40 dollars per hour including benefits.

	<b>Total Annual Labor Cost</b>	<b>Percent Difference</b>	
5 Day a week office hour operation	91,520	Baseline	
6 Day a week office hour operation	99,840	9.1%	
24/7 coveage operation	382,720	318.2%	<<< excludes the loss or cost impact of having to provide a service regardless of the ability to pay!



### How Does Tahoe Forest Hospital Compare to Several Other Local Hospitals and the Statewide Average?

Description	CA Statewide Average	Tahoe Forest Hospital	Barton Memorial Hospital	Sierra Nevada Memorial Hospital	Sutter Auburn Faith Hospital	Marshall Medical Center	Sutter Roseville Medical Center	Southern Mono Healthcare	Renown Regional Medical Center	St. Mary's Regional Medical Center	Carson Tahoe Regional Med Ctr
Average IP Gross Revenue Per Discharge	73,875	37,668	61,204	61,011	47,944	97,581	63,275	53,331	54,672	47,541	44,977
Average OP Gross Revenue Per Visit	2,594	923	2,429	1,434	5,146	1,508	6,773	1,427	3,040	5,939	2,202
Average Gross Revenue Per ER Visit	n/a	3,780	6,852	5,236	5,117	9,121	5,982	3,082	7,502	2,872	3,436
Average Gross Revenue Per OP Surgery	n/a	6,833	9,131	10,801	12,434	7,793	11,404	15,433	20,371	23,373	10,642

**Note:** The CA Statewide average data comes from a 9/15/15 data extract from OSHPD Hospital Annual Disclosure Data Website: <http://oshpd.ca.gov/HID/Hospital-Financial.asp#Profile>. The Data for Tahoe Forest Hospital IP and OP Gross Revenue per Discharge or Per OP Visit comes from this just mentioned OSHPD source. Other CA or NV hospital data and other Tahoe Forest data comes from a data company in S. CA who can provide information if any person purchases work from their company. This source can be provided if a person seeks to purchase their own independent research.



## Board CNO/COO Report

By: **Judith B. Newland**

DATE: June, 2016

---

### **Strategic Initiative 1. Patient Safety and Quality**

The inpatient units, ICU, Med/Surg and Women and Family, have implemented Nurse Bedside Shift Report. Nurse shift changes require the successful transfer of information between nurses to prevent adverse events and medical errors. Research shows that when patients are engaged in their health care, it can lead to measureable improvements in safety and quality. Nurse Bedside Shift Report helps ensure the safe handoff of care between nurses by involving the patient and family. Guidelines provided by the Agency for the Healthcare Research and Quality were utilized to implement the new nurse reporting process. At the time of Nurse Bedside Shift Report, White Boards in patient rooms are updated to include name of shift nurse, tasks that need to be done, needs and concerns of patient and family, and set agreed upon goals for the shift.

The Women and Family Center Measure C project is on target to be completed by the end of August. It is anticipated that the Women and Family Center will move from its current temporary location to the new unit in September once the California Department of Public Health licenses the unit.

Sierra Donor Services is a nonprofit, federally designated transplant donor network serving nearly four million people in Northern California and Nevada. Sierra Donor Services provides consultation services to TFHD and IVCH for the purpose of facilitating the organ donation process. Recently Sierra Donor Services recognized the need to improve the tissue referral process. The new process focuses on improving service to families, hospitals and funeral homes. The new process includes increased communication to family while they are still in the hospital. This process takes place with the utmost respect and concern for the gift, the family, the donor and those who receive the lifesaving gift.

For the convenience of the Tahoe/Truckee community, Tahoe Forest Health System continues to offer appointment scheduling for lab services, online or by telephone. This service began in November of 2015 to make laboratory visits faster, easier and more efficient for patients at TFH, IVCH, and Tahoe City Laboratory. A process improvement team is working to expand usage of this service.

### **Strategic Initiative 7.3. Develop and expand philanthropic and volunteer service.**

The annual Tahoe Forest Hospital Auxiliary Appreciation Luncheon was held on June 15th at Garwoods. The volunteers were recognized for their dedication and support to Tahoe Forest Hospital District.

The annual Incline Village Community Hospital Auxiliary Appreciation Luncheon was held on June 13<sup>th</sup> at IVCH, catering was provided by TFHD Executive Chef Daniel Burckhard. The Auxiliary has contributed over \$400,000 to the purchasing of equipment at IVCH since 1996.

The Incline Village Community Hospital Foundation (IVCHF) had a successful Donor Appreciation Luncheon on May 23, 2016. The luncheon is a thank you to donors for their philanthropic contribution to IVCH. Mr. Harry Weis, CEO, was the guest speaker.

### **Strategic Initiative Master Plan**

As Measure C projects near completion, it is time to begin Master Planning and space needs for the Health System. The New Master Plan will have to reach out several years into the future to assure we have the appropriate clinical space for physicians, hospital activities and critical parking for all. We have engaged architect, Kelly Maves, who has supported other health systems/hospitals through the Master Planning process. The planning process will have multiple steps. It is important as we progress through this process that we plan for both short term and long term needs as we consider future trends and new services.

## **STRATEGIC INITIATIVE 4.0**

### **Epic Mercy /Renown**

- Epic has granted permission to use Mercy or Renown as an epic connect provider
- Lab visit to Mercy to review Beaker July 13,14,15
- Renown call and Renown meeting Friday for 4 hours to begin logistics discussions

### **CancerLinQ**

- Technical call revealed that this involves an agent installed on the server for data extraction and ingestion to their system.
- 3-4 month project.

### **CPSI Evident Upgrade and Patches**

- Began end to end testing. Multiple situations with CPSI and work with other interfaced vendors.  
Working on fixes for issues with the current patch load into the test system and continued testing. Much more testing needed.
- Trying to complete testing before June 14 so we have a stable test environment for M Modal Transcription testing which is scheduled to start then.

### **MD Staff Visit Importer**

- Data on their end needs rework.
- Much more of my time than anticipated.
- Project was supposed to be done a while ago.

### **M Modal Fluency for Transcription**

- Testing has begun. Go live on Aug 1<sup>st</sup> .

### **AMION-Physician Scheduling Program**

- Build complete. Plan go live first week of Aug.

### **MediMobile**

- In review to determine if the program should be rolled out to all other physicians
- 3 physicians did the pilot and pro fees process is established now

### **ER Site Visit at IVCH today with Big Bear Hospital**

- They have CPSI and are looking at T Systems.

### **M Modal Voice Recognition**

- Slow roll out replacing Dragon now in all the MSCs

## **M Modal Fluency for Transcription**

### **Agility Health**

- Charge interface work underway with CPSI.
- Provided a File and automating that for Inpatient Therapy charge data.

### **Share Point and InfoPath**

- Ready to move test server to 2013
- Policy and Procedure Project - Policy Stat project underway- Barbara Widder doing an awesome job - Go Live should be early July

### **Security Assessment**

- We have CDW proposal, Cisco, and Veris. We will review and make a decision.

# Tahoe Forest Hospital District

## Board of Directors Meeting Evaluation Form

Date: \_\_\_\_\_

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

Please provide further feedback here:

---



---



---



---



---



---



---



---



---



---