



TAHOE FOREST HOSPITAL DISTRICT

# 2016-07-28 Regular Meeting of the Board of Directors

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

North Tahoe Event Center

8318 North Lake Blvd, Kings Beach, CA

# Meeting Book - 2016-07-28 Regular Meeting of the Board of Directors

7/28/16 Regular Board Meeting

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## AGENDA

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## ITEMS 1 - 11 See Agenda

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## 12. ACKNOWLEDGMENTS

12.1. TFH named Top 50 Critical Access Hospitals to Know.pdf Page 9

12.2. IVCH Foundation Philanthropy

No related materials.

12.3. Employee of the Month.pdf Page 10

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## 13. MEDICAL STAFF REPORT

13.1. Medical Staff Report.pdf Page 11

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## 14. CONSENT CALENDAR

14.1. Approval of Meeting Minutes

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14.3.2. Richard Ganong MD - Hospitalist Services Agreement.pdf Page 52

14.3.3. Reini Jensen MD - Hospitalist Services Agreement.pdf Page 54

14.3.4. David Kitts MD - 4th Amendment to Agreement to Provide Coverage of ED Services.pdf Page 56

#### 14.4. Policies

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14.4.2. ABD-21 Physicians and Professional Service Agreements revised 062716.pdf Page 63

14.5. IVCH Foundation Board Member Nomination.pdf Page 78

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

#### 15.1. Quarterly Facilities Development Update Rick McConn

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TFHD FDP MC Expenditure Summary 3 31 16.pdf Page 81

TFHD FDP MC Non Qualified Expenditure Summary 3 31 16.pdf Page 86

#### 15.2. Citizens Oversight Committee Update Gerald Herrick

No related materials.

15.3. General Obligation Bond Property Tax Rate Calculation and Resolution 2.pdf Page 87

15.4. Memo regarding Health & Safety Code 32125b.pdf Page 111

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

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

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17.2. 2016-07-20 Personnel Committee\_Agenda.pdf Page 116

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18. INFORMATIONAL REPORTS

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18.2.1. COO Board Report - July 2016.pdf

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18.2.2. CIO Board Report - July 2016.pdf

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18.2.3. CNO Community Health Wellness Neighborhood Annual Report.pdf

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ITEMS 19 - 24: See Agenda

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25. MEETING EFFECTIVENESS ASSESSMENT

MeetingEvaluationForm.pdf

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26. ADJOURN



# REGULAR MEETING OF THE BOARD OF DIRECTORS

## AGENDA

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

**Please note location change:**

North Tahoe Event Center  
8318 North Lake Boulevard, Kings Beach, CA 96143

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

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

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

*Name of person or entity threatening litigation: Baehan Babakah*

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

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

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

*Name of person or entity threatening litigation: Dylan Crosby*

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

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

*Facts and circumstances that might result in litigation but which the District believes are not yet*

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**July 28, 2016 AGENDA– Continued**

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*known to potential plaintiff or plaintiffs.  
(Gov. Code § 54956.9(e)(1))*

**5.4. Hearing (Health & Safety Code § 32155) ♦**  
*Subject Matter: Medical Staff Credentials*

**5.5. Approval of Closed Session Minutes ♦**  
06/23/2016

**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**

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.** Tahoe Forest Hospital named 50 Critical Access Hospitals to Know 2016
- 12.2.** IVCH Foundation
- 12.3.** Employee of the Month

**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 ♦**

- 06/22/2016, 06/23/2016..... ATTACHMENT

**14.2. Financial Report ♦**

- 14.2.1.** Financial Report- June 2016 ..... ATTACHMENT

**14.3. Contracts ♦**

- 14.3.1.** Gina Barta, M.D. – Hospitalist Services Agreement ..... ATTACHMENT

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**July 28, 2016 AGENDA– Continued**

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- 14.3.2. Richard Ganong, M.D. – Hospitalist Services Agreement ..... ATTACHMENT
- 14.3.3. Reini Jensen, M.D. – Hospitalist Services Agreement ..... ATTACHMENT
- 14.3.4. David Kitts, M.D. – Fourth Amendment to Agreement to Provide Emergency Department Professional Services ..... ATTACHMENT

**14.4. Policies** ♦

- 14.4.1. ABD-11 Fiscal Policy..... ATTACHMENT
- 14.4.2. ABD-21 Physician and Professional Service Agreements..... ATTACHMENT

**14.5. IVCH Foundation Board Member Nomination** ♦ ..... ATTACHMENT

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

- 15.1. **Quarterly Facilities Development Update** ♦ ..... ATTACHMENT  
Rick McConn and Mike Geney will provide a quarterly update of the Facilities Development Plan (FDP; includes updates pertaining to the Measure C Projects and related Owner and Regulatory Scope Modifications.

**15.2. Citizens Oversight Committee (COC) Update**

Gerald Herrick will provide the Board of Directors with a Citizens Oversight Committee update.

- 15.3. **Resolution 2016-07** ♦ ..... ATTACHMENT  
The Board of Directors will review and consider for approval a resolution regarding the General Obligation (GO) Bond Property Tax Rate Calculation.

- 15.4. **Health & Safety Code Section 32125(b)** ..... ATTACHMENT  
General Counsel will review a memorandum regarding rates for District residents and non-residents.

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

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

- 17.1. **Governance Committee Meeting – 06/20/2016**..... ATTACHMENT
- 17.2. **Personnel Committee Meeting – 06/20/2016** ..... ATTACHMENT
- 17.3. **Finance Benefit Committee Meeting – 06/26/2016**..... ATTACHMENT
- 17.4. **Community Benefit Committee Meeting – No meeting held in July.**
- 17.5. **Quality Committee Meeting – No meeting held in July.**

**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)**
  - 18.2.1. COO Board Report ..... ATTACHMENT
  - 18.2.2. CIO Board Report..... ATTACHMENT
  - 18.2.3. CNO Community Health and Wellness Neighborhood Update ..... 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 August 25, 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.

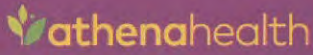
Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

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.



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## Tahoe Forest Hospital | 50 Critical Access Hospitals to Know 2016

Written by Staff | July 07, 2016

**Tahoe Forest Hospital (Truckee, Calif.)** Tahoe Forest Hospital has served its northeastern California community since 1952. Accredited as a critical access hospital by the Healthcare Facilities Accreditation Program, it is regarded highly by its patients, as it has been awarded a five-star rating by CMS based on HCAHPS survey results.

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### Top 40 Articles from the Past 6 Months

1. 100 great hospitals in America | 2016
2. Current Issue of Becker's Hospital Review
3. List nominations
4. Broward Health CEO dies of self-inflicted gunshot wound
5. 150 great places to work in healthcare | 2016
6. Healthcare CEO faces life in prison for fraud that led to 2 patient deaths
7. Hackers shut down Hollywood Presbyterian Medical Center IT systems, demand \$3.6M ransom
8. Oklahoma hospital abruptly closes
9. 100 great hospitals in America | 2016

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To receive the latest hospital and health system business and legal news and analysis from *Becker's Hospital Review*, sign-up for the free *Becker's Hospital Review E-weekly* by [clicking here](#).



Employee of the Month, July 2016  
Allison Veliquette, Master Teacher— **Children's Center**

We are honored to announce Allison Veliquette, Master Teacher, Children's Center as our July Employee of the Month. **In the short time Allison has been with the Children's Center she has made a significant impact not only on the children, but the department as a whole. She has brought back core curriculum and structure to the Preschool 3 classroom by incorporating field trips to get the children out and about and themed days such as pajama day. The children are learning letters, songs, colors, numbers, and most of all how to be "super friends."**

Allison demonstrates teamwork in her ability to take initiative to see something that needs to be done and does it right away. She is skilled at multitasking when she accomplishes her own department duties while managing a group of 12 children. Allison demonstrates excellence in her department by going the extra mile in making something not only for her classroom but for others as well. Allison always provides stewardship when she is willing to say longer when others need a little help. She is self motivated and comes into work with a smile and a positive attitude.

Allison meets and exceeds the definition of the TFHD mission and values but most of all **has made the Children's Center a better place.**

Please join us in congratulating all of our Terrific Nominees!

Jennifer Sartoris- Patient Account Rep, Billing  
Quinton Buchanan- Access Rep II, Patient Registration

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**MEDICAL EXECUTIVE COMMITTEE  
 RECOMMENDATIONS TO BOARD OF DIRECTORS  
CONSENT AGENDA  
 Thursday, July 28, 2016**

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

| MEDICAL STAFF               | A motion was made, seconded, and carried to recommend approval of the following to the Board of Directors:  |                    |
|-----------------------------|---|--------------------|
| 1. Department of Medicine   | Following the annual review of privilege forms, the Department of Medicine recommended approval of the following:<br>➤ Palliative Medicine Privilege Form: Recommend approval of amended privilege form.  | Recommend approval |
| 2. Department of Anesthesia | The Department of Anesthesia recommended approval of the following amended forms:<br>➤ Anesthesia Pre-Operative Orders<br>➤ Pre-Admit Anesthesia Evaluation Orders<br>➤ Pre-Admit Anesthesia Evaluation<br>➤ Cardiac Risk Screening – Eliminate screening tool as it is no longer required by CMS. Now addressed in Anesthesia Pre-Admit pre-op orders. | Recommend approval |



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

## DRAFT MINUTES

Wednesday, June 22, 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 4:06 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: Michael Cobden, Acting 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.

### 5. ITEMS FOR BOARD DISCUSSION AND ACTION

#### 5.1. ABD-11 Fiscal Policy

Board of Directors will review and consider for approval ABD-11 Fiscal Policy.

Discussion was held.

Public comment was received from Gaylan Larson and Mark Spohr.

Board directed Administration to bring the policy back to the Finance Committee.

**ACTION: Motion made by Director Jellinek to refer ABD-11 Fiscal Policy to the Finance Committee for review, followed by review from Governance Committee and Legal Counsel before returning to the full board.**

Discussion was held.

**ACTION: Revised motion made by Director Jellinek, seconded by Director Mohun, to refer ABD-11 Fiscal Policy to the Finance Committee for review, followed by review from Legal Counsel before returning to the full board.**

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

**NAYS: None**  
**Abstention: None**

### **5.2. Approval of TFHD Budget Fiscal Year 2017**

Discussion was held.

**ACTION: Motion made by Director Mohun to approve the FY2017 Budget without the proposed rate increase.**

Board President stated public comment on the agenda item would need to be taken prior to a vote on the motion.

Discussion continued.

Public comment was received by Mark Spohr, Gaylan Larson, Jack Kashtan and Stacey Tedsen.

*Meeting recessed at 5:38 p.m.*

*Meeting reconvened at 5:48 p.m.*

Discussion on the FY2017 Budget continued.

*Director Mohun departed the meeting at 5:49 p.m.*

*Director Mohun rejoined the meeting at 5:50 p.m.*

**ACTION: Motion made by Director Mohun, seconded by Director Jellinek, to approve the FY2017 Budget without the proposed rate increase.**

Employee comment received from Stacey Tedsen.

Discussion was held.

**Director Jellinek retracted his second on the previously stated motion.**

**Motion failed.**

**ACTION: Motion made by Director Chamblin, seconded by Director Sessler, to approve the FY2017 Budget with the proposed rate increase as presented.**

**Roll call vote taken.**

**Sessler – AYE**

**Mohun – NAY**

**Chamblin – AYE**

**Jellinek – NAY**

**Zipkin – AYE**

**Motion passed 3-2.**

### **5.3. Approval of TFHD 3 Year Capital Plan – FY 2018-2020**

Board of Directors will review and consider for approval the FY2018-2020 3 Year Capital Plan.

Discussion was held.

No public comment was received.

Director Zipkin requested that MR/Mammography be a priority for the women of this community.

**ACTION:** Motion made by Director Jellinek, seconded by Director Chamblin, to approve the FY2018-2020 3-Year Capital Plan as presented.

Roll call vote taken.

Sessler – AYE

Mohun – AYE

Chamblin – AYE

Jellinek – AYE

Zipkin – AYE

Motion passed unanimously.

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

No discussion was held.

**7. MEETING EFFECTIVENESS ASSESSMENT**

No discussion was held.

**8. ADJOURN**

Meeting was adjourned at 6:11 p.m.



# REGULAR MEETING OF THE BOARD OF DIRECTORS

## DRAFT MINUTES

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

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

### 1. CALL TO ORDER

Meeting was called to order at 4:01 p.m.

### 2. ROLL CALL

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

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

Other: Michael Cobden, Acting General Counsel

*Absent: John Mohun, Secretary*

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

No changes were made to the changes.

### 4. INPUT AUDIENCE:

No public comment was received.

### 5. CLOSED SESSION:

Discussion was held on privileged matters.

### 6. DINNER BREAK

APPROXIMATELY 6:00 P.M.

### 7. OPEN SESSION – CALL TO ORDER

Meeting reconvened at 6:00 p.m.

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

No reportable action taken by the Board in Closed Session.

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

No changes were made to the agenda.

### 10. INPUT – AUDIENCE

Public comment received from Dale Chamblin (as public citizen).

### 11. INPUT FROM EMPLOYEE ASSOCIATIONS

No public comment was received from the Employee Associations.

## **12. ACKNOWLEDGMENTS**

### **12.1. ACHD Presentation to TFHD**

Ken Cohen, Executive Director from Association of California Healthcare Districts, presented the District with a certificate as a Certified Healthcare District.

### **12.2. Best of Tahoe Chefs Event Recap**

Martha Simon, Director of TFHS Foundation, provided a recap of the May 15, 2016 Best of Tahoe Chefs event.

## **13. MEDICAL STAFF REPORT**

### **13.1. Medical Staff Report**

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

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

**NAYS:** None

**Abstention:** None

## **14. CONSENT CALENDAR**

### **14.1. Approval of Minutes of Meetings**

05/26/2016

### **14.2. Financial Report**

**14.2.1.** Financial Report- May 2016

### **14.3. Contracts**

**14.3.1.** John Foley, M.D. – Physician Professional Services Agreement

**14.3.2.** Christopher Arth, M.D. – Physician Professional Services Agreement

**14.3.3.** Else Uglum, M.D. – Physician Professional Services Agreement

**14.3.4.** Oleg Vayner, M.D. – Physician Professional Services Agreement

**14.3.5.** Lianne Burkholder, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services

**14.3.6.** Joshua Scholnick, M.D. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services

**14.3.7.** Sierra MultiSpecialty Medical Group, Inc. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services

**14.3.8.** Greg Tirdel, M.D. – Second Amendment to Professional Services Agreement for Multi-Specialty Clinics and Hospitalist Services

**14.3.9.** Nina Winans, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics

**14.3.10.** Stephen Forner, M.D. – Amendment to Professional Services Agreement for Multi-Specialty Clinics

**14.3.11.** Ellen Cooper, M.D. – Amendment to Agreement to Provide Coverage of Emergency Department Professional Services

**14.3.12.** Jeff Camp, M.D. – Second Amendment to Provide Coverage of Emergency Department Professional Services



**14.3.13.** Silver State Hearing and Balance, Inc. – Amendment to Professional Services Agreement for Multi-Specialty Clinics

**14.3.14.** Heidi Standteiner, M.D. - Second Amendment to Hospitalist Services Agreement

**14.3.15.** Gina Barta, M.D. - Second Amendment to Hospitalist Services Agreement

**14.3.16.** Richard Ganong, M.D. - Third Amendment to Hospitalist Services Agreement

**14.3.17.** John Hortareas, M.D. - First Amendment to Hospitalist Services Agreement

**14.3.18.** Reini Jensen, M.D. - Third Amendment to Hospitalist Services Agreement

**14.3.19.** Scott Samelson, M.D. - Third Amendment to Hospitalist Services Agreement

**14.3.20.** Sierra Nevada Oncology - Physician Services Agreement

**14.3.21.** Gerald Schaffer – Physician Professional Services Agreement Amendment

**14.3.22.** Ellen Cooper – Physician Professional Services Agreement Amendment

**14.3.23.** Julie Conyers – Physician Professional Services Agreement Amendment

**14.4. Resolutions**

**14.4.1.** 2016-06 General Election Resolution

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

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

**NAYS:** None

**Abstention:** None

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

**15.1. Newco Management Services Organization**

Board of Directors will review and consider for approval the naming and governance structure of the District's Management Services Organization.

Discussion was held.

Public comment was received from Dr. Paul Krause and Rhonda Brooks.

Discussion continued.

**ACTION:** Motion made by Director Chamblin, seconded by Director Sessler, to approve the naming and governance structure of the District's Management Services Organization as presented in the Executive Summary.

Roll call vote taken.

Sessler – AYE

Mohun – AYE

Chamblin – AYE

Jellinek – AYE

Zipkin – AYE

**15.2. Tahoe Institute of Rural Health Research, LLC**

Board of Directors will consider for approval an increase of TIRHR, LLC's line of credit.

Discussion was held.

No public comment was received.

**ACTION:** Motion made by Director Chamblin, seconded by Director Sessler, to approve an increase of \$46,000 to the TIRHR, LLC Line of Credit.

Discussion was held.

No public comment was received.

**Roll call vote taken.**

**Sessler – AYE**

**Mohun – AYE**

**Chamblin – AYE**

**Jellinek – AYE**

**Zipkin – AYE**

### **15.3. Renaming of the Women and Family Department**

Board of Directors will consider for approval a renaming of the Women and Family Department upon opening of the new unit.

Discussion was held.

**ACTION:** Motion made by Director Zipkin, seconded by Director Mohun, to approve the renaming of the Women and Family Department to *Joseph Family Center for Women and Newborn Care*.

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

**NAYS:** None

**Abstention:** None

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

None.

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

#### **17.1. Governance Committee Meeting – 06/15/2016**

Director Mohun provided an update from the recent Governance Committee meeting.

#### **17.2. Quality Committee Meeting – 06/14/2016**

Director Jellinek provided an update from the recent Quality Committee meeting.

##### **17.2.1. Governance Role in Quality Webinar Slides**

#### **17.3. Community Benefit Committee Meeting – 06/14/2016**

Director Sessler provided an update from the recent Community Benefit Committee meeting.

Public comment received from Rhonda Brooks.

#### **17.4. Finance Committee Meeting – No meeting held in June.**

#### **17.5. Personnel Committee Meeting – No meeting held in June.**

### **18. INFORMATIONAL REPORTS**

#### **18.1. CEO Strategic Updates**

Discussion was held.

#### **18.2. Staff Report(s)**

**18.2.1. CNO/COO Board Report**

**18.2.2. CIO Board Report**

Discussion was held.

Public comment received from Dr. Paul Krause.

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

None.

**20. ITEMS FOR NEXT MEETING**

None.

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

-Possible July meeting to take place near Lake Tahoe due to TTUSD construction.

Meetings should take place in North Lake Tahoe area a couple times a year.

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

Closed Session did not continue.

**23. OPEN SESSION**

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

None.

**25. MEETING EFFECTIVENESS ASSESSMENT**

No discussion was held.

**26. ADJOURN**

Meeting adjourned at 7:44 p.m.

**TAHOE FOREST HOSPITAL DISTRICT  
JUNE 2016 FINANCIAL REPORT - PRELIMINARY  
INDEX**

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

## **JUNE 2016 FINANCIAL NARRATIVE**

The following is the preliminary financial narrative analyzing financial and statistical trends for the twelve months ended June 30, 2016.

### **Activity Statistics**

- ❑ TFH acute patient days were 391 for the current month compared to budget of 383. This equates to an average daily census of 13.03 compared to budget of 12.77.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Surgery cases, Endoscopy procedures, Oncology Lab, Diagnostic Imaging, Oncology procedures, Radiation Oncology procedures, Nuclear Medicine, Cat Scans, PET CTs, Oncology Drugs, Physical Therapy, Speech Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits and Respiratory Therapy.

### **Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 52.1% in the current month compared to budget of 53.4% and to last month's 58.4%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.4%, compared to budget of 53.3% and prior year's 57.5%.
- ❑ EBIDA was \$90,237 (.5%) for the current month compared to budget of \$59,225 (.4%), or \$31,012 (.1%) above budget. Year-to-date EBIDA was \$14,031,400 (6.4%) compared to budget of \$1,976,299 (1.0%) or \$12,055,101 (5.4%) above budget.
- ❑ Cash Collections for the current month were \$8,876,085 which is 101% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 57.3, compared to the prior month of 52.5. Gross Accounts Receivables are \$29,605,379 compared to the prior month of \$28,141,149. The percent of Gross Accounts Receivable over 120 days old is 23.6%, compared to the prior month of 24.1%.

### **Balance Sheet**

- ❑ Working Capital Days Cash on Hand is 38.6 days. S&P Days Cash on Hand is 205.2. Working Capital cash decreased \$4,022,000. Cash collections exceeded target by 1%, the District received reimbursement from the GO Bond Project fund for advancements on April and May Measure C costs, Accounts Payable and Accrued Payroll & Related Liabilities increased \$1,488,000 and the District moved an additional \$5,000,000 in to its LAIF Reserve Fund.
- ❑ Net Patients Accounts Receivable increased approximately \$1,393,000. Cash collections were at 101% of target and days in accounts receivable were 57.3 days, a 4.8 days increase.
- ❑ Inventories increased \$306,000 after booking an adjustment to the Pharmacy inventories based on final counts performed by our outsourced inventory agency.
- ❑ Estimated Settlements, Medi-Cal & Medicare increased \$421,000 after booking an additional receivable for the SNF Supplemental Reimbursement program and a receivable to participate in the Medi-Cal PRIME IGT program.
- ❑ G.O. Bond Project Fund decreased \$1,776,292 after reimbursing the District for April and May advancements on the Measure C projects.
- ❑ Investment in TSC, LLC decreased \$72,000 after recording the District's 51% share of losses for January through March activity.
- ❑ To comply with GASB No. 63, the District booked an adjustment to the asset and offsetting liability to fairly reflect the value of the Piper Jaffray swap transaction at the close of June.
- ❑ Accounts Payable increased \$813,000 due to the timing of the final check run in June.
- ❑ Accrued Payroll & Related Costs increased \$675,000 as a result of 19 days of accrual in June.

June 2016 Financial Narrative

- ❑ Estimated Settlements, Medi-Cal and Medicare increased \$876,500 after recording an amount due to the Medicare program for FY2016 based on the interim rate review.
- ❑ Workers Compensation Plan IBNR increased \$716,000 after booking an additional liability based on the actuarial studies provided by our Third Party Administrator.
- ❑ Comprehensive Liability Insurance liability decreased \$73,000 based on the year-end IBNR calculation.

**Operating Revenue**

- ❑ Current month's Total Gross Revenue was \$19,719,232, compared to budget of \$16,694,864 or \$3,024,368 above budget.
- ❑ Current month's Gross Inpatient Revenue was \$5,556,314, compared to budget of \$5,552,917 or \$3,397 over budget.
- ❑ Current month's Gross Outpatient Revenue was \$14,162,918 compared to budget of \$11,141,947 or \$3,020,972 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 37.3% Medicare, 20.7% Medi-Cal, .0% County, 2.4% Other, and 39.6% Insurance compared to budget of 36.3% Medicare, 18.8% Medi-Cal, .0% County, 3.8% Other, and 41.1% Insurance. Last month's mix was 36.8% Medicare, 20.6% Medi-Cal, .0% County, 3.2% Other, and 39.4% Insurance.
- ❑ Current month's Deductions from Revenue were \$9,450,577 compared to budget of \$7,788,625 or \$1,661,951 over budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.0% increase in Medicare, a 1.9% increase to Medi-Cal, a .0% decrease in County, a 1.4% decrease in Other, and Commercial was below budget 1.5%, 2) Revenues exceeded budget by 18.1%, and 3) the District booked an amount due to the Medicare program for FY2016 based on our interim rate review.

**Operating Expenses**

| DESCRIPTION                     | June 2016 Actual | June 2016 Budget | Variance    | BRIEF COMMENTS  |
|---------------------------------|------------------|------------------|-------------|---|
| Salaries & Wages                | 3,654,073        | 3,552,033        | (102,040)   |   |
| Employee Benefits               | 1,406,152        | 1,147,079        | (259,073)   |   |
| Benefits – Workers Compensation | 736,799          | 60,541           | (676,258)   | An adjustment was made to the Workers Compensation IBNR liability at year-end.  |
| Benefits – Medical Insurance    | 493,666          | 750,099          | 256,432     |   |
| Professional Fees               | 1,838,331        | 1,400,590        | (437,742)   | Locums coverage for MSC ENT, MSC Urology, and MSC GI along with the addition of MSC Orthopedics, Legal and consulting services provided to Administration, OP Therapy Services revenues exceeding budget by 45.9%, Financial and Strategic Planning services provided to Financial Administration, and Interim Management for the Multi-Specialty Clinics created a negative variance in Professional Fees. |
| Supplies                        | 1,242,085        | 1,225,069        | (17,017)    | Surgical Services revenues exceeded budget by 13.4%, and small equipment and office supply purchases created a negative variance in Supplies. This was offset by a positive variance in Pharmacy Supplies due to the year-end inventory adjustments.  |
| Purchased Services              | 953,663          | 837,971          | (115,693)   | Services provided to the Wellness Neighborhood, Community Health, and IVCH Foundation, Patient Access software upgrade fees, 340B audit services, Employee Health Screenings, and credit card fees created a negative variance in Purchased Services.   |
| Other Expenses                  | 509,452          | 469,440          | (40,012)    | Negative variance related to Outside Training & Travel, HR recruitment fees, Marketing, and postage/shipping costs.   |
| Total Expenses                  | 10,834,222       | 9,442,820        | (1,391,402) |   |

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 2016 PRELIMINARY

|  | Jun-16                | May-16                | Jun-15               |    |
|--|-----------------------|-----------------------|----------------------|----|
| <b>ASSETS</b>  |                       |                       |                      |    |
| <b>CURRENT ASSETS</b>                                    |                       |                       |                      |    |
| * CASH   | \$ 12,934,726         | \$ 16,956,307         | \$ 11,497,296        | 1  |
| PATIENT ACCOUNTS RECEIVABLE - NET                        | 13,496,147            | 12,103,488            | 14,854,694           | 2  |
| OTHER RECEIVABLES  | 3,398,110             | 2,832,972             | 3,228,156            |    |
| GO BOND RECEIVABLES                                      | (590,919)             | (982,765)             | (120,270)            |    |
| ASSETS LIMITED OR RESTRICTED                             | 5,569,379             | 5,220,539             | 5,479,161            |    |
| INVENTORIES  | 2,671,556             | 2,365,579             | 2,317,563            | 3  |
| PREPAID EXPENSES & DEPOSITS                              | 1,310,945             | 1,326,172             | 1,454,115            |    |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE                    | 3,569,021             | 3,147,972             | 4,522,927            | 4  |
| <b>TOTAL CURRENT ASSETS</b>                              | <u>42,358,964</u>     | <u>42,970,264</u>     | <u>43,233,642</u>    |    |
| <b>NON CURRENT ASSETS</b>                                |                       |                       |                      |    |
| ASSETS LIMITED OR RESTRICTED:                            |                       |                       |                      |    |
| * CASH RESERVE FUND                                      | 55,888,997            | 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                                  | 1,257,013             | 1,113,902             | 444,376              |    |
| TOTAL BOND TRUSTEE GO BOND                               | -                     | -                     | -                    |    |
| GO BOND PROJECT FUND                                     | 1,483,252             | 3,259,544             | 12,148,491           | 5  |
| GO BOND TAX REVENUE FUND                                 | 3,404,000             | 3,397,316             | 2,839,203            |    |
| BOARD DESIGNATED FUND                                    | -                     | -                     | 2,297                |    |
| DIAGNOSTIC IMAGING FUND                                  | 3,159                 | 2,979                 | 2,969                |    |
| DONOR RESTRICTED FUND                                    | 1,139,843             | 1,139,848             | 1,081,058            |    |
| WORKERS COMPENSATION FUND                                | 16,467                | 14,487                | 12,798               |    |
| TOTAL  | <u>64,171,889</u>     | <u>60,796,229</u>     | <u>59,557,517</u>    |    |
| LESS CURRENT PORTION                                     | (5,569,379)           | (5,220,539)           | (5,479,161)          |    |
| <b>TOTAL ASSETS LIMITED OR RESTRICTED - NET</b>          | <u>58,602,510</u>     | <u>55,575,690</u>     | <u>54,078,356</u>    |    |
| NONCURRENT ASSETS AND INVESTMENTS:                       |                       |                       |                      |    |
| INVESTMENT IN TSC, LLC                                   | 130,747               | 202,785               | 324,395              | 6  |
| PROPERTY HELD FOR FUTURE EXPANSION                       | 836,353               | 836,353               | 836,353              |    |
| PROPERTY & EQUIPMENT NET                                 | 126,118,285           | 126,151,868           | 131,428,469          |    |
| GO BOND CIP, PROPERTY & EQUIPMENT NET                    | <u>31,794,069</u>     | <u>31,098,590</u>     | <u>19,220,182</u>    |    |
| <b>TOTAL ASSETS</b>                                      | <u>259,840,927</u>    | <u>256,835,551</u>    | <u>249,121,397</u>   |    |
| DEFERRED OUTFLOW OF RESOURCES:                           |                       |                       |                      |    |
| DEFERRED LOSS ON DEFEASANCE                              | 543,039               | 546,271               | 581,827              |    |
| ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE | 2,281,527             | 2,071,949             | 1,774,439            | 7  |
| DEFERRED OUTFLOW OF RESOURCES ON REFUNDING               | 1,924,669             | 1,932,307             | 2,016,320            |    |
| GO BOND DEFERRED FINANCING COSTS                         | 298,439               | 299,623               | 312,650              |    |
| DEFERRED FINANCING COSTS                                 | <u>212,217</u>        | <u>213,257</u>        | <u>224,700</u>       |    |
| <b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>               | <u>\$ 5,259,890</u>   | <u>\$ 5,063,407</u>   | <u>\$ 4,909,936</u>  |    |
| <b>LIABILITIES</b>                                       |                       |                       |                      |    |
| <b>CURRENT LIABILITIES</b>                               |                       |                       |                      |    |
| ACCOUNTS PAYABLE   | \$ 6,284,485          | \$ 5,471,732          | \$ 5,635,464         | 8  |
| ACCRUED PAYROLL & RELATED COSTS                          | 8,843,703             | 8,168,653             | 8,167,981            | 9  |
| INTEREST PAYABLE   | 579,583               | 492,611               | 24,117               |    |
| INTEREST PAYABLE GO BOND                                 | 1,278,486             | 1,431,935             | 1,694,846            |    |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE                    | 1,155,149             | 278,649               | 366,356              | 10 |
| HEALTH INSURANCE PLAN                                    | 1,307,731             | 1,307,731             | 1,307,731            |    |
| WORKERS COMPENSATION PLAN                                | 1,120,999             | 404,807               | 404,807              | 11 |
| COMPREHENSIVE LIABILITY INSURANCE PLAN                   | 751,298               | 824,203               | 824,203              | 12 |
| CURRENT MATURITIES OF GO BOND DEBT                       | 530,000               | 530,000               | 380,000              |    |
| CURRENT MATURITIES OF OTHER LONG TERM DEBT               | 2,323,994             | 2,323,994             | 1,529,911            |    |
| <b>TOTAL CURRENT LIABILITIES</b>                         | <u>24,175,427</u>     | <u>21,234,315</u>     | <u>20,335,416</u>    |    |
| <b>NONCURRENT LIABILITIES</b>                            |                       |                       |                      |    |
| OTHER LONG TERM DEBT NET OF CURRENT MATURITIES           | 29,488,477            | 29,597,138            | 31,954,411           |    |
| GO BOND DEBT NET OF CURRENT MATURITIES                   | 99,993,493            | 99,997,435            | 100,570,802          |    |
| DERIVATIVE INSTRUMENT LIABILITY                          | <u>2,281,527</u>      | <u>2,071,949</u>      | <u>1,774,439</u>     | 7  |
| <b>TOTAL LIABILITIES</b>                                 | <u>155,938,924</u>    | <u>152,900,837</u>    | <u>154,635,068</u>   |    |
| <b>NET ASSETS</b>  |                       |                       |                      |    |
| NET INVESTMENT IN CAPITAL ASSETS                         | 108,022,052           | 107,858,273           | 98,315,207           |    |
| RESTRICTED   | <u>1,139,843</u>      | <u>1,139,848</u>      | <u>1,081,058</u>     |    |
| <b>TOTAL NET POSITION</b>                                | <u>\$ 109,161,894</u> | <u>\$ 108,998,121</u> | <u>\$ 99,396,265</u> |    |

\* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT  
NOTES TO STATEMENT OF NET POSITION  
JUNE 2016 PRELIMINARY

1. Working Capital is at 38.6 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 205.2 days. Working Capital cash decreased a net \$4,022,000. Cash collections exceeded target by 1%, the District received reimbursement of \$1,776,292 for funds advanced on the April and May Measure C projects (Note 5), Accounts Payable (See Note 8) increased \$813,000, and Accrued Payroll & Related Costs (See Note 9) increased \$675,000. The District moved \$5,000,000 into its Cash Reserve Fund held at LAIF.
2. Net Patient Accounts Receivable increased approximately \$1,393,000. Cash collections were 101% of target. Days in Accounts Receivable are at 57.3 days compared to prior months 52.5 days, a 4.8 days increase.
3. Inventories increased \$306,000 after booking the year-end inventory adjustment to our Pharmacy inventories. This includes Inpatient Pharmacy, Retail Pharmacy, and Oncology Pharmaceuticals.
4. Estimated Settlements, Medi-Cal & Medicare increased \$421,000. The District booked an additional amount due from the State from the SNF Supplemental Reimbursement program and a receivable to participate in the Medi-Cal PRIME IGT program.
5. G.O. Bond Project Fund decreased \$1,776,292 after remitting reimbursement to the District for funds advanced on the April and May Measure C projects.
6. Investment in TSC, LLC decreased \$72,000 after booking the Districts 51% share of losses for January through March 2016 activity.
7. To comply with GASB No. 63, the District has booked an adjustment to the asset and offsetting liability to reflect the fair value of the Piper Jaffray swap transaction at the close of June.
8. Accounts Payable increased \$813,000 due to the timing of the final check run in June.
9. Accrued Payroll & Related Costs increased \$675,000 due to 19 days of accrual in June.
10. Estimated Settlements, Medi-Cal & Medicare increased \$876,500 after booking an estimated amount due to the Medicare program for FY2016 based on our interim rate review.
11. Workers Compensation Plan IBNR increased \$716,000 after booking an additional amount to the liability account based on the actuarial studies provided by our Third Party Administrator.
12. Comprehensive Liability Insurance decreased \$73,000 after booking an adjustment to the liability based on the year-end IBNR calculation.



**Tahoe Forest Hospital District  
Cash Investment  
June 2016 Preliminary**

|  |                   |       |                             |
|--|-------------------|-------|-----------------------------|
| <b>WORKING CAPITAL</b>                 |                   |       |                             |
| US Bank                                | \$ 12,865,156     |       |                             |
| US Bank/Kings Beach Thrift Store       | 25,715            |       |                             |
| US Bank/Truckee Thrift Store           | 36,844            |       |                             |
| US Bank/Payroll Clearing               | 7,011             |       |                             |
| Local Agency Investment Fund           | <u>-</u>          | 0.55% |                             |
| Total                                  |                   |       | \$ 12,934,726               |
| <br><b>BOARD DESIGNATED FUNDS</b>      |                   |       |                             |
| US Bank Savings                        | \$ -              | 0.03% |                             |
| Capital Equipment Fund                 | <u>-</u>          |       |                             |
| Total                                  |                   |       | \$ -                        |
| Building Fund                          | \$ -              |       |                             |
| Cash Reserve Fund                      | <u>55,888,997</u> | 0.55% |                             |
| Local Agency Investment Fund           |                   |       | \$ 55,888,997               |
| Banc of America Muni Lease             |                   |       | \$ 979,155                  |
| Bonds Cash 2002                        |                   |       | \$ 2                        |
| Bonds Cash 2006                        |                   |       | \$ 1,257,013                |
| Bonds Cash 2008                        |                   |       | \$ 4,887,252                |
| DX Imaging Education                   | \$ 3,159          | 0.55% |                             |
| Workers Comp Fund - B of A             | 16,467            |       |                             |
| Insurance                              |                   |       |                             |
| Health Insurance LAIF                  | -                 | 0.55% |                             |
| Comprehensive Liability Insurance LAIF | <u>-</u>          | 0.55% |                             |
| Total                                  |                   |       | <u>\$ 19,627</u>            |
| <b>TOTAL FUNDS</b>                     |                   |       | <b>\$ 75,966,772</b>        |
| <br><b>RESTRICTED FUNDS</b>            |                   |       |                             |
| Gift Fund                              |                   |       |                             |
| US Bank Money Market                   | \$ 8,363          | 0.03% |                             |
| Foundation Restricted Donations        | \$ 98,331         |       |                             |
| Local Agency Investment Fund           | <u>1,033,149</u>  | 0.55% |                             |
| <b>TOTAL RESTRICTED FUNDS</b>          |                   |       | <b><u>\$ 1,139,843</u></b>  |
| <b>TOTAL ALL FUNDS</b>                 |                   |       | <b><u>\$ 77,106,615</u></b> |

**TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
KEY FINANCIAL INDICATORS  
JUNE 2016 PRELIMINARY**

|   | Current Status | Desired Position | Target  | Bond Covenants                  | FY 2016<br>Jul 15 to<br>June 16 | FY 2015<br>Jul 14 to<br>June 15 | FY 2014<br>Jul 13 to<br>June 14 | FY 2013<br>Jul 12 to<br>June 13 | FY 2012<br>Jul 11 to<br>June 12 | FY 2011<br>Jul 10 to<br>June 11 | FY 2010<br>Jul 09 to<br>June 10 |
|---|----------------|------------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Return On Equity:</b><br>Increase (Decrease) in Net Position<br>Net Position   |                | ↑                | -3.1% (1)   |                                 | 9.0%                            | 2.19%                           | .001%                           | -4.0%                           | 8.7%                            | 6.3%                            | 12.4%                           |
| <b>Days in Accounts Receivable</b><br>(excludes SNF & MSC)<br><u>Gross Accounts Receivable</u><br>90 Days   |                | ↓                | FYE<br>63 Days  |                                 | 57                              | 60                              | 75                              | 97                              | 64                              | 59                              | 60                              |
| <u>Gross Accounts Receivable</u><br>365 Days  |                |                  |   |                                 | 55                              | 62                              | 75                              | 93                              | 64                              | 59                              | 59                              |
| <b>Days Cash on Hand Excludes<br/>Restricted:</b><br><u>Cash + Short-Term Investments</u><br>(Total Expenses - Depreciation<br>Expense)/ by 365   | <br>           | ↑                | Budget FYE<br>158 Days<br><br>Budget 4th Qtr<br>158 Days<br><br>Projected 4th Qtr<br>202 Days         | 60 Days<br><br>BBB-<br>147 Days | 205                             | 156                             | 164                             | 148                             | 203                             | 209                             | 219                             |
| <b>Accounts Receivable over 120<br/>days (excludes payment plan, legal<br/>and charitable balances)</b>   |                | ↓                | 13%   |                                 | 19%                             | 18%                             | 22%                             | 29%                             | 15%                             | 11%                             | 13%                             |
| <b>Accounts Receivable over 120<br/>days (includes payment plan, legal<br/>and charitable balances)</b>   |                | ↓                | 18%   |                                 | 24%                             | 23%                             | 25%                             | 34%                             | 19%                             | 16%                             | 18%                             |
| <b>Cash Receipts Per Day (based on<br/>30 day lag on Patient Net<br/>Revenue) excludes managed care<br/>reserve</b>                               | <br>           | ↑                | FYE Budget<br>\$301,827<br><br>End 4th Qtr Budget<br>\$301,827<br><br>End 4th Qtr Actual<br>\$338,445 |                                 | \$313,153                       | \$290,776                       | \$286,394                       | \$255,901                       | \$254,806                       | \$240,383                       | \$256,059                       |
| <b>Debt Service Coverage:</b><br>Excess Revenue over Exp +<br><u>Interest Exp + Depreciation</u><br>Debt Principal Payments +<br>Interest Expense |                | ↑                | Without GO Bond<br>2.00<br>With GO Bond<br>1.18   | 1.95                            | 5.43<br><br>2.40                | 3.28<br><br>1.59                | 2.18<br><br>1.29                | .66<br><br>.89                  | 4.83<br><br>2.70                | 4.35<br><br>2.45                | 3.48<br><br>3.00                |

Footnotes:

- (1) Target Return on Equity was established during the FY16 budgeting process. Fiscal year 2015 ended with a higher net income than projected. Based upon the actual fiscal year end net asset number, our Target Return on Equity was 2.15%.

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

| CURRENT MONTH                             |                     |                   |               | Note   | YEAR TO DATE          |                       |                      |               | PRIOR YTD   |                     |
|---|---------------------|-------------------|---------------|--|-----------------------|-----------------------|----------------------|---------------|-------------|---------------------|
| ACTUAL                                    | BUDGET              | VAR\$             | VAR%          |  | ACTUAL                | BUDGET                | VAR\$                | VAR%          | JUNE 2015   |                     |
| \$ 19,719,232                             | \$ 16,694,864       | \$ 3,024,368      | 18.1%         |  |                       |                       |                      |               |             |                     |
| <b>OPERATING REVENUE</b>                  |                     |                   |               |  |                       |                       |                      |               |             |                     |
|   |                     |                   |               | Total Gross Revenue                          | \$ 220,367,068        | \$ 207,251,848        | \$ 13,115,220        | 6.3%          | 1           | \$ 206,838,355      |
|   |                     |                   |               | Gross Revenues - Inpatient                   |                       |                       |                      |               |             |                     |
| \$ 1,847,716                              | \$ 1,800,963        | \$ 46,753         | 2.6%          | Daily Hospital Service                       | \$ 20,585,535         | \$ 21,648,043         | \$ (1,062,508)       | -4.9%         |             | \$ 20,501,947       |
| 3,708,598                                 | 3,751,954           | (43,357)          | -1.2%         | Ancillary Service - Inpatient                | 43,065,440            | 46,968,073            | (3,902,633)          | -8.3%         |             | 48,541,196          |
| 5,556,314                                 | 5,552,917           | 3,397             | 0.1%          | Total Gross Revenue - Inpatient              | 63,650,975            | 68,616,116            | (4,965,141)          | -7.2%         | 1           | 69,043,143          |
| 14,162,918                                | 11,141,947          | 3,020,972         | 27.1%         | Gross Revenue - Outpatient                   | 156,716,093           | 138,635,733           | 18,080,361           | 13.0%         |             | 137,795,212         |
| 14,162,918                                | 11,141,947          | 3,020,972         | 27.1%         | Total Gross Revenue - Outpatient             | 156,716,093           | 138,635,733           | 18,080,361           | 13.0%         | 1           | 137,795,212         |
|   |                     |                   |               | Deductions from Revenue:                     |                       |                       |                      |               |             |                     |
| 8,929,393                                 | 6,840,770           | (2,088,623)       | -30.5%        | Contractual Allowances                       | 89,331,316            | 85,031,893            | (4,299,424)          | -5.1%         | 2           | 79,499,338          |
| 570,175                                   | 545,554             | (24,620)          | -4.5%         | Charity Care                                 | 6,877,334             | 6,770,107             | (107,227)            | -1.6%         | 2           | 6,372,980           |
| -   | -                   | -                 | 0.0%          | Charity Care - Catastrophic Events           | 619,863               | -                     | (619,863)            | 0.0%          | 2           | -                   |
| 13,732                                    | 402,301             | 388,568           | 96.6%         | Bad Debt                                     | (517,299)             | 4,981,245             | 5,498,545            | 110.4%        | 2           | 3,321,783           |
| (62,724)                                  | -                   | 62,724            | 0.0%          | Prior Period Settlements                     | (2,448,023)           | -                     | 2,448,023            | 0.0%          | 2           | (1,310,360)         |
| 9,450,577                                 | 7,788,625           | (1,661,951)       | -21.3%        | Total Deductions from Revenue                | 93,863,192            | 96,783,245            | 2,920,053            | 3.0%          |             | 87,883,741          |
| 49,066                                    | 59,098              | (10,031)          | -17.0%        | Property Tax Revenue- Wellness Neighborhood  | 717,826               | 722,164               | (4,338)              | -0.6%         |             | 838,496             |
| 606,738                                   | 536,710             | 70,028            | 13.0%         | Other Operating Revenue                      | 8,174,998             | 6,620,358             | 1,554,640            | 23.5%         | 3           | 7,608,921           |
| 10,924,459                                | 9,502,046           | 1,422,414         | 15.0%         | <b>TOTAL OPERATING REVENUE</b>               | <b>135,396,700</b>    | <b>117,811,125</b>    | <b>17,585,575</b>    | <b>14.9%</b>  |             | <b>127,402,031</b>  |
| <b>OPERATING EXPENSES</b>                 |                     |                   |               |  |                       |                       |                      |               |             |                     |
| 3,654,073                                 | 3,552,033           | (102,040)         | -2.9%         | Salaries and Wages                           | 43,690,273            | 43,356,890            | (333,384)            | -0.8%         | 4           | 41,304,998          |
| 1,406,152                                 | 1,147,079           | (259,073)         | -22.6%        | Benefits                                     | 15,048,558            | 14,255,982            | (792,577)            | -5.6%         | 4           | 13,417,754          |
| 736,799                                   | 60,541              | (676,258)         | -1117.0%      | Benefits Workers Compensation                | 1,300,907             | 726,490               | (574,416)            | -79.1%        | 4           | 10,365              |
| 493,666                                   | 750,099             | 256,432           | 34.2%         | Benefits Medical Insurance                   | 7,592,622             | 9,001,185             | 1,408,563            | 15.6%         | 4           | 9,070,486           |
| 1,838,331                                 | 1,400,590           | (437,742)         | -31.3%        | Professional Fees                            | 19,143,077            | 16,727,166            | (2,415,912)          | -14.4%        | 5           | 21,056,005          |
| 1,242,085                                 | 1,225,069           | (17,017)          | -1.4%         | Supplies                                     | 17,796,608            | 15,255,639            | (2,540,969)          | -16.7%        | 6           | 17,160,233          |
| 953,663                                   | 837,971             | (115,693)         | -13.8%        | Purchased Services                           | 10,818,913            | 10,422,481            | (396,432)            | -3.8%         | 7           | 11,213,964          |
| 509,452                                   | 469,440             | (40,012)          | -8.5%         | Other  | 5,974,342             | 6,088,994             | 114,652              | 1.9%          | 8           | 6,977,786           |
| 10,834,222                                | 9,442,820           | (1,391,402)       | -14.7%        | <b>TOTAL OPERATING EXPENSE</b>               | <b>121,365,300</b>    | <b>115,834,826</b>    | <b>(5,530,474)</b>   | <b>-4.8%</b>  |             | <b>120,211,591</b>  |
| <b>90,237</b>                             | <b>59,225</b>       | <b>31,012</b>     | <b>52.4%</b>  | <b>NET OPERATING REVENUE (EXPENSE) EBIDA</b> | <b>14,031,400</b>     | <b>1,976,299</b>      | <b>12,055,101</b>    | <b>610.0%</b> |             | <b>7,190,440</b>    |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>    |                     |                   |               |  |                       |                       |                      |               |             |                     |
| 410,967                                   | 393,109             | 17,858            | 4.5%          | District and County Taxes                    | 4,743,834             | 4,704,315             | 39,519               | 0.8%          | 9           | 4,642,110           |
| 392,691                                   | 392,691             | -                 | 0.0%          | District and County Taxes - GO Bond          | 4,714,688             | 4,712,296             | 2,392                | 0.1%          |             | 4,829,411           |
| 42,212                                    | 10,435              | 31,777            | 304.5%        | Interest Income                              | 379,906               | 208,801               | 171,105              | 81.9%         | 10          | 281,155             |
| 498                                       | 225                 | 272               | 120.9%        | Interest Income-GO Bond                      | 18,138                | 12,549                | 5,589                | 44.5%         |             | 35,887              |
| 35,984                                    | 34,671              | 1,313             | 3.8%          | Donations                                    | 429,170               | 416,053               | 13,117               | 3.2%          | 11          | 648,045             |
| (72,039)                                  | (37,500)            | (34,539)          | 0.0%          | Gain/ (Loss) on Joint Investment             | (193,649)             | (150,000)             | (43,649)             | 0.0%          | 12          | (136,300)           |
| -   | -                   | -                 | 0.0%          | Loss on Impairment of Asset                  | -                     | -                     | -                    | 0.0%          | 12          | -                   |
| 2,500                                     | -                   | 2,500             | 0.0%          | Gain/ (Loss) on Sale of Equipment            | 10,000                | -                     | 10,000               | 0.0%          | 13          | -                   |
| -   | -                   | -                 | 0.0%          | Impairment Loss                              | -                     | -                     | -                    | 0.0%          | 14          | -                   |
| (804,468)                                 | (855,178)           | 50,710            | 5.9%          | Depreciation                                 | (10,191,463)          | (10,262,137)          | 70,675               | 0.7%          | 15          | (10,099,035)        |
| (96,617)                                  | (113,923)           | 17,306            | 15.2%         | Interest Expense                             | (1,400,013)           | (1,381,568)           | (18,445)             | -1.3%         | 16          | (1,673,405)         |
| 167,453                                   | (343,933)           | 511,386           | 148.7%        | Interest Expense-GO Bond                     | (2,776,383)           | (3,197,146)           | 420,764              | 13.2%         |             | (3,585,511)         |
| 79,181                                    | (519,403)           | 598,584           | 115.2%        | <b>TOTAL NON-OPERATING REVENUE/(EXPENSE)</b> | <b>(4,265,771)</b>    | <b>(4,936,837)</b>    | <b>671,066</b>       | <b>13.6%</b>  |             | <b>(5,057,643)</b>  |
| <b>\$ 169,418</b>                         | <b>\$ (460,177)</b> | <b>\$ 629,596</b> | <b>136.8%</b> | <b>INCREASE (DECREASE) IN NET POSITION</b>   | <b>\$ 9,765,629</b>   | <b>\$ (2,960,538)</b> | <b>\$ 12,726,167</b> | <b>429.9%</b> |             | <b>\$ 2,132,797</b> |
| <b>NET POSITION - BEGINNING OF YEAR</b>   |                     |                   |               |  | <b>99,396,265</b>     |                       |                      |               |             |                     |
| <b>NET POSITION - AS OF JUNE 30, 2016</b> |                     |                   |               |  | <b>\$ 109,161,894</b> |                       |                      |               |             |                     |
| <b>0.5%</b>                               | <b>0.4%</b>         | <b>0.1%</b>       |               | <b>RETURN ON GROSS REVENUE EBIDA</b>         | <b>6.4%</b>           | <b>1.0%</b>           | <b>5.4%</b>          |               | <b>3.5%</b> |                     |

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

|   |                                  | <u>Variance from Budget</u> |                       |
|---|----------------------------------|-----------------------------|-----------------------|
|   |                                  | <u>Fav / &lt;Unfav&gt;</u>  |                       |
|   |                                  | <u>JUNE 2016</u>            | <u>YTD 2016</u>       |
| <b>1) <u>Gross Revenues</u></b>   |                                  |                             |                       |
| Acute Patient Days were above budget 2.09% or 8 days. Swing Bed days were over budget 370.59% or 63 days. Ancillary revenues fell slightly short of budget due to the lower acuity levels in our Swing patients.  | Gross Revenue -- Inpatient       | \$ 3,397                    | \$ (4,962,249)        |
|   | Gross Revenue -- Outpatient      | 3,020,972                   | 18,077,469            |
|   | Gross Revenue -- Total           | <u>\$ 3,024,368</u>         | <u>\$ 13,115,220</u>  |
| Outpatient volumes were above budget in the following departments: Emergency Department visits, Surgical cases, Endoscopy procedures, Laboratory tests, Oncology Lab, Diagnostic Imaging, Oncology procedures, Radiation Oncology procedures, MRI exams, Ultrasounds, Cat Scans, PET CTs, Oncology drugs, Physical Therapy, Speech Therapy, and Occupational Therapy.   |                                  |                             |                       |
| <b>2) <u>Total Deductions from Revenue</u></b>  |                                  |                             |                       |
| The payor mix for June shows a 1.02% increase to Medicare, a 1.92% increase to Medi-Cal, 1.37% decrease to Other, a .02% decrease to County, and an 1.55% decrease to Commercial when compared to budget. Contractual Allowances exceeded budget as a result of revenues exceeding budget by 18.1%, the shift in payor mix from Commercial to Medi-Cal, and booking an amount due to Medicare based on our interim rate review. | Contractual Allowances           | \$ (2,088,623)              | \$ (4,299,424)        |
|   | Charity Care                     | (24,620)                    | (107,227)             |
|   | Charity Care - Catastrophic      | -                           | (619,863)             |
|   | Bad Debt                         | 388,568                     | 5,498,545             |
|   | Prior Period Settlements         | 62,724                      | 2,448,023             |
|   | Total                            | <u>\$ (1,661,951)</u>       | <u>\$ 2,920,053</u>   |
| Positive variance in Prior Period settlements resulted from an amount due from Medicare based on our final desk review audit for FY2014.  |                                  |                             |                       |
| <b>3) <u>Other Operating Revenue</u></b>  |                                  |                             |                       |
| Retail Pharmacy revenues exceeded budget 23.77%.  | Retail Pharmacy                  | \$ 52,880                   | \$ 148,024            |
|   | Hospice Thrift Stores            | 9,635                       | 9,322                 |
|   | The Center (non-therapy)         | (4,499)                     | 16,652                |
| IVCH ER Physician Guarantee is tied to collections, which exceeded budget in June.  | IVCH ER Physician Guarantee      | 11,507                      | 198,268               |
|   | Children's Center                | 20,526                      | 152,873               |
|   | Miscellaneous                    | (18,771)                    | 996,950               |
| Child Care Center revenues exceeded budget by 31.81% or 258 days.   | Oncology Drug Replacement        | -                           | -                     |
|   | Grants                           | (1,250)                     | 32,550                |
| Miscellaneous operating revenue fell short of budget in the area of Rebates & Refunds.  | Total                            | <u>\$ 70,028</u>            | <u>\$ 1,554,640</u>   |
| <b>4) <u>Salaries and Wages</u></b>   |                                  |                             |                       |
|   | Total                            | <u>\$ (102,040)</u>         | <u>\$ (333,384)</u>   |
| <b><u>Employee Benefits</u></b>   |                                  |                             |                       |
| Negative variance in Other related to employer payroll taxes and the year-end adjustment to Accrued Payroll Liabilities.  | PL/SL                            | \$ (50,339)                 | \$ (188,682)          |
|   | Nonproductive                    | (8,883)                     | (176,023)             |
|   | Pension/Deferred Comp            | 627                         | (6,487)               |
|   | Standby                          | (8,563)                     | (148,864)             |
|   | Other                            | (191,915)                   | (272,520)             |
|   | Total                            | <u>\$ (259,073)</u>         | <u>\$ (792,577)</u>   |
| <b><u>Employee Benefits - Workers Compensation</u></b>  |                                  |                             |                       |
| An adjustment to the WorkComp IBNR was made at year-end, creating a negative variance in Employee Benefits - Workers Compensation.  | Total                            | <u>\$ (676,258)</u>         | <u>\$ (574,416)</u>   |
| <b><u>Employee Benefits - Medical Insurance</u></b>   |                                  |                             |                       |
|   | Total                            | <u>\$ 256,432</u>           | <u>\$ 1,408,563</u>   |
| <b>5) <u>Professional Fees</u></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          | \$ (211,786)                | \$ (976,464)          |
|   | Administration                   | (162,372)                   | (810,981)             |
|   | Miscellaneous                    | (27,500)                    | (431,945)             |
| Legal and Service Line consulting created a negative variance in Administration.  | The Center (includes OP Therapy) | (20,069)                    | (286,120)             |
|   | TFH/IVCH Therapy Services        | (5,691)                     | (222,113)             |
| Services provided to TIRHR created a negative variance in Miscellaneous.  | Financial Administration         | (36,953)                    | (150,050)             |
|   | Multi-Specialty Clinics Admin    | (64,227)                    | (141,826)             |
| Outpatient Therapy Services revenues exceeded budget by 45.89%, creating a negative variance in The Center (includes OP Therapy).   | Managed Care                     | (4,740)                     | (48,321)              |
|   | Home Health/Hospice              | (2,200)                     | (11,337)              |
| Financial and Strategic Planning services provided to Financial Administration created a negative variance in this category.  | IVCH ER Physicians               | (680)                       | (5,449)               |
|   | Patient Accounting/Admitting     | -                           | -                     |
| Interim Management over the Multi-Specialty Clinics created a negative variance in Multi-Specialty Clinics Admin.   | Business Performance             | -                           | -                     |
|   | Respiratory Therapy              | 200                         | 1,225                 |
|   | TFH Locums                       | 25,988                      | 13,535                |
|   | Sleep Clinic                     | 762                         | 14,959                |
|   | Marketing                        | 2,375                       | 28,500                |
|   | Oncology                         | 12,429                      | 58,933                |
|   | Information Technology           | 1,984                       | 59,738                |
|   | Medical Staff Services           | 10,789                      | 110,868               |
|   | Corporate Compliance             | 17,338                      | 168,518               |
|   | Human Resources                  | 26,613                      | 212,417               |
|   | Total                            | <u>\$ (437,742)</u>         | <u>\$ (2,415,912)</u> |

**6) Supplies**  
 The year-end adjustment to Pharmacy inventory was made based on physical inventory counts performed by an outsourced company. This created a positive variance in Pharmacy Supplies.

Surgical Services revenues exceeded budget by 13.36%, creating a negative variance in Patient & Other Medical Supplies.

Small equipment purchases for MSC Urology, Housekeeping, Inpatient Pharmacy, Engineering, Information Technology, and Administration created a negative variance in Minor Equipment.

Office Supply purchases for MSC Orthopedics, MSC GI, Copy Machine, Patient Financial Services, Patient Admitting, Medical Records, and the Wellness Neighborhood created a negative variance in this category.

|                                  |    |                 |           |                    |
|----------------------------------|----|-----------------|-----------|--------------------|
| Pharmacy Supplies                | \$ | 177,325         | \$        | (2,043,370)        |
| Patient & Other Medical Supplies |    | (146,075)       |           | (253,024)          |
| Minor Equipment                  |    | (32,895)        |           | (100,616)          |
| Office Supplies                  |    | (19,459)        |           | (92,209)           |
| Food                             |    | 71              |           | (86,757)           |
| Imaging Film                     |    | 419             |           | (1,158)            |
| Other Non-Medical Supplies       |    | 3,598           |           | 36,166             |
| <b>Total</b>                     |    | <b>(17,017)</b> | <b>\$</b> | <b>(2,540,969)</b> |

**7) Purchased Services**  
 Negative variance in Miscellaneous related to expenses for the software upgrade for Patient Admitting, the Wellness Neighborhood, Community Health, IVCH Foundation for Philanthropic consulting services, and Accounting for credit card fees.

Services provided for our 340B audit and the year-end inventory count created a negative variance in Pharmacy IP.

Employee Health screenings and an employee engagement survey created a negative variance in Human Resources.

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                     | \$        | (65,057)         | \$        | (477,352)        |
| Department Repairs                |           | (1,641)          |           | (95,592)         |
| Laboratory                        |           | (6,335)          |           | (83,646)         |
| Diagnostic Imaging Services - All |           | (8,963)          |           | (56,299)         |
| Medical Records                   |           | (142)            |           | (38,032)         |
| The Center                        |           | 5,733            |           | (33,477)         |
| Pharmacy IP                       |           | (16,209)         |           | (27,903)         |
| Human Resources                   |           | (20,780)         |           | (15,661)         |
| Multi-Specialty Clinics           |           | (10,218)         |           | (4,960)          |
| Community Development             |           | 392              |           | 4,677            |
| Hospice                           |           | (505)            |           | 22,253           |
| Patient Accounting                |           | 11,270           |           | 177,206          |
| Information Technology            |           | (3,236)          |           | 232,354          |
| <b>Total</b>                      | <b>\$</b> | <b>(115,693)</b> | <b>\$</b> | <b>(396,432)</b> |

**8) Other Expenses**  
 Leadership training, Patient Admitting training on the software upgrade, Information Technology site visits, MSC Locums travel, and training for Women & Family staff created a negative variance in Outside Training & Travel.

Negative variance in Recruitment fees and related expenses for the Chief Operating Officer position created a negative variance in Human Resources Recruitment.

Advertising for Foundation activities, Media Branding, Yellow Page advertising, and marketing for Incline Village Community Hospital created a negative variance in Marketing.

Postage and interdepartmental transfers of food and pantry items created a negative variance in Miscellaneous.

Positive variance in Utilities related to a large credit received from our communications carrier.

An adjustment was made to the Comprehensive Liability IBNR at year-end, creating a positive variance in Insurance.

|                                    |           |                 |           |                |
|------------------------------------|-----------|-----------------|-----------|----------------|
| Outside Training & Travel          | \$        | (54,915)        | \$        | (92,943)       |
| Human Resources Recruitment        |           | (42,892)        |           | (72,057)       |
| Equipment Rent                     |           | (2,447)         |           | (59,130)       |
| Dues and Subscriptions             |           | (692)           |           | (46,973)       |
| Other Building Rent                |           | (2,457)         |           | (18,777)       |
| Multi-Specialty Clinics Bldg Rent  |           | (1,401)         |           | (16,690)       |
| Multi-Specialty Clinics Equip Rent |           | 27              |           | (928)          |
| Physician Services                 |           | (1,099)         |           | (711)          |
| Innovation Fund                    |           | -               |           | -              |
| Marketing                          |           | (15,096)        |           | 80,720         |
| Miscellaneous                      |           | (38,499)        |           | 104,267        |
| Utilities                          |           | 44,954          |           | 116,270        |
| Insurance                          |           | 74,505          |           | 121,604        |
| <b>Total</b>                       | <b>\$</b> | <b>(40,012)</b> | <b>\$</b> | <b>114,652</b> |

**9) District and County Taxes**

|       |    |        |    |        |
|-------|----|--------|----|--------|
| Total | \$ | 17,858 | \$ | 39,519 |
|-------|----|--------|----|--------|

**10) Interest Income**

|       |    |        |    |         |
|-------|----|--------|----|---------|
| Total | \$ | 31,777 | \$ | 171,105 |
|-------|----|--------|----|---------|

**11) Donations**

|                  |    |              |    |               |
|------------------|----|--------------|----|---------------|
| IVCH             | \$ | (4,333)      | \$ | (16,344)      |
| Operational      |    | 5,646        |    | 29,461        |
| Capital Campaign |    |              |    |               |
| <b>Total</b>     |    | <b>1,313</b> |    | <b>13,117</b> |

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

The District recorded its 51% share of losses in the Truckee Surgery Center for the months of January through March, creating a negative variance in this category.

|       |    |          |    |          |
|-------|----|----------|----|----------|
| Total | \$ | (34,539) | \$ | (43,649) |
|-------|----|----------|----|----------|

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

|       |    |       |    |        |
|-------|----|-------|----|--------|
| Total | \$ | 2,500 | \$ | 10,000 |
|-------|----|-------|----|--------|

**15) Depreciation Expense**

True-up of depreciation expense through May 2016 created a positive variance in Depreciation Expense.






|       |    |        |    |        |
|-------|----|--------|----|--------|
| Total | \$ | 50,710 | \$ | 70,675 |
|-------|----|--------|----|--------|

**16) Interest Expense**

Interest Payable 2002 Revenue Bonds was true-up at year-end, creating a positive variance in Interest Expense.

|       |    |        |    |          |
|-------|----|--------|----|----------|
| Total | \$ | 17,306 | \$ | (18,445) |
|-------|----|--------|----|----------|

**TAHOE FOREST HOSPITAL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**KEY FINANCIAL INDICATORS**  
**JUNE 2016 PRELIMINARY**

|   | <b>Current Status</b>   | <b>Desired Position</b> | <b>Target</b>                        | <b>FY 2016<br/>Jul 15 to<br/>June 16</b> | <b>FY 2015<br/>Jul 14 to<br/>June 15</b> | <b>FY 2014<br/>Jul 13 to<br/>June 14</b> | <b>FY 2013<br/>Jul 12 to<br/>June 13</b> | <b>FY 2012<br/>Jul 11 to<br/>June 12</b> | <b>FY 2011<br/>Jul 10 to<br/>June 11</b> | <b>FY 2010<br/>Jul 09 to<br/>June 10</b> |
|---|---|-------------------------|--------------------------------------|--|--|--|--|--|--|--|
| <b>Total Margin:</b><br><u>Increase (Decrease) In Net Position</u><br>Total Gross Revenue   |    | ↑                       | FYE<br>-1.4%<br><br>4th Qtr<br>-1.4% | 4.4%                                     | 1.0%                                     | .01%                                     | -2.2%                                    | 5.3%                                     | 3.6%                                     | 5.8%                                     |
| <b>Charity Care:</b><br><u>Charity Care Expense</u><br>Gross Patient Revenue  |    | ↓                       | FYE<br>3.3%<br><br>4th Qtr<br>3.3%   | 3.4%                                     | 3.1%                                     | 3.2%                                     | 3.2%                                     | 2.6%                                     | 3.0%                                     | 3.1%                                     |
| <b>Bad Debt Expense:</b><br>Bad Debt Expense<br>Gross Patient Revenue   |    | ↓                       | FYE<br>2.4%<br><br>4th Qtr<br>2.4%   | -2%                                      | 1.6%                                     | 1.6%                                     | 4.6%                                     | 4.3%                                     | 3.8%                                     | 4.1%                                     |
| <b>Incline Village Community Hospital:</b><br>EBIDA: Earnings before interest,<br>Depreciation, amortization<br><u>Net Operating Revenue &lt;Expense&gt;</u><br>Gross Revenue |    | ↑                       | FYE<br>5.3%<br><br>4th Qtr<br>5.3%   | 11.9%                                    | 9.1%                                     | 4.9%                                     | 11.5%                                    | 10.8%                                    | 12.3%                                    | 6.7%                                     |
| <b>Operating Expense Variance to Budget (Under&lt;Over&gt;)</b>   |  | ↑                       | -0-                                  | \$(5,530,474)                            | \$(6,371,653)                            | \$2,129,279                              | \$(1,498,683)                            | \$790,439                                | \$15,188                                 | \$2,662,695                              |
| <b>EBIDA:</b><br>Earnings before interest,<br>Depreciation, amortization<br><u>Net Operating Revenue &lt;Expense&gt;</u><br>Gross Revenue                                     |  | ↑                       | FYE<br>1.0%<br><br>4th Qtr<br>1.0%   | 6.4%                                     | 3.5%                                     | 2.0%                                     | .9%                                      | 5.6%                                     | 5.1%                                     | 6.6%                                     |

INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
JUNE 2016 PRELIMINARY

| CURRENT MONTH                          |              |             |         | Note | YEAR TO DATE                             |                     |                   |                     | PRIOR YTD<br>JUNE 2015 |    |                   |
|--|--------------|-------------|---------|------|--|---------------------|-------------------|---------------------|------------------------|----|-------------------|
| ACTUAL                                 | BUDGET       | VAR\$       | VAR%    |      | ACTUAL                                   | BUDGET              | VAR\$             | VAR%                |                        |    |                   |
| <b>OPERATING REVENUE</b>               |              |             |         |      |  |                     |                   |                     |                        |    |                   |
| \$ 1,437,925                           | \$ 1,220,988 | \$ 216,937  | 17.8%   |      | Total Gross Revenue                      | \$ 17,295,773       | \$ 15,018,475     | \$ 2,277,297        | 15.2%                  | 1  | \$ 14,797,824     |
| <b>Gross Revenues - Inpatient</b>      |              |             |         |      |  |                     |                   |                     |                        |    |                   |
| \$ -                                   | \$ -         | \$ -        | 0.0%    |      | Daily Hospital Service                   | \$ 45,711           | \$ 35,133         | \$ 10,578           | 30.1%                  |    | \$ 33,538         |
| 290                                    | 2,319        | (2,029)     | -87.5%  |      | Ancillary Service - Inpatient            | 60,334              | 54,128            | 6,206               | 11.5%                  |    | 55,135            |
| 290                                    | 2,319        | (2,029)     | -87.5%  |      | Total Gross Revenue - Inpatient          | 106,045             | 89,261            | 16,784              | 18.8%                  | 1  | 88,673            |
| 1,437,635                              | 1,218,669    | 218,966     | 18.0%   |      | Gross Revenue - Outpatient               | 17,189,727          | 14,929,215        | 2,260,513           | 15.1%                  |    | 14,709,151        |
| 1,437,635                              | 1,218,669    | 218,966     | 18.0%   |      | Total Gross Revenue - Outpatient         | 17,189,727          | 14,929,215        | 2,260,513           | 15.1%                  | 1  | 14,709,151        |
| <b>Deductions from Revenue:</b>        |              |             |         |      |  |                     |                   |                     |                        |    |                   |
| 625,281                                | 335,754      | (289,527)   | -86.2%  |      | Contractual Allowances                   | 5,754,666           | 4,119,019         | (1,635,648)         | -39.7%                 | 2  | 4,106,515         |
| 47,526                                 | 42,653       | (4,873)     | -11.4%  |      | Charity Care                             | 575,449             | 522,523           | (52,926)            | -10.1%                 | 2  | 479,403           |
| -                                      | -            | -           | 0.0%    |      | Charity Care - Catastrophic Events       | 70,529              | -                 | (70,529)            | 0.0%                   | 2  | -                 |
| 69,275                                 | 85,307       | 16,032      | 18.8%   |      | Bad Debt                                 | 641,736             | 1,045,045         | 403,309             | 38.6%                  | 2  | 1,088,696         |
| -                                      | -            | -           | 0.0%    |      | Prior Period Settlements                 | (199,758)           | -                 | 199,758             | 0.0%                   | 2  | (100,552)         |
| 742,082                                | 463,714      | (278,368)   | -60.0%  |      | Total Deductions from Revenue            | 6,842,622           | 5,686,586         | (1,156,035)         | -20.3%                 | 2  | 5,574,062         |
| 72,244                                 | 62,985       | 9,259       | 14.7%   |      | Other Operating Revenue                  | 978,564             | 762,270           | 216,295             | 28.4%                  | 3  | 858,988           |
| 768,087                                | 820,259      | (52,171)    | -6.4%   |      | <b>TOTAL OPERATING REVENUE</b>           | <b>11,431,715</b>   | <b>10,094,158</b> | <b>1,337,557</b>    | <b>13.3%</b>           |    | <b>10,082,750</b> |
| <b>OPERATING EXPENSES</b>              |              |             |         |      |  |                     |                   |                     |                        |    |                   |
| 250,916                                | 249,418      | (1,498)     | -0.6%   |      | Salaries and Wages                       | 3,034,431           | 3,088,376         | 53,945              | 1.7%                   | 4  | 2,910,654         |
| 90,780                                 | 81,769       | (9,011)     | -11.0%  |      | Benefits                                 | 1,022,281           | 1,076,742         | 54,461              | 5.1%                   | 4  | 1,005,609         |
| 2,494                                  | 2,490        | (4)         | -0.2%   |      | Benefits Workers Compensation            | 26,172              | 29,883            | 3,711               | 12.4%                  | 4  | (7,587)           |
| 31,073                                 | 47,919       | 16,846      | 35.2%   |      | Benefits Medical Insurance               | 485,956             | 575,027           | 89,071              | 15.5%                  | 4  | 611,273           |
| 223,234                                | 236,076      | 12,842      | 5.4%    |      | Professional Fees                        | 2,741,291           | 2,786,497         | 45,207              | 1.6%                   | 5  | 2,502,507         |
| 80,010                                 | 50,760       | (29,250)    | -57.6%  |      | Supplies                                 | 878,391             | 621,129           | (257,262)           | -41.4%                 | 6  | 611,481           |
| 48,211                                 | 39,820       | (8,391)     | -21.1%  |      | Purchased Services                       | 504,071             | 496,515           | (7,557)             | -1.5%                  | 7  | 499,880           |
| 43,315                                 | 51,711       | 8,396       | 16.2%   |      | Other                                    | 675,821             | 624,509           | (51,311)            | -8.2%                  | 8  | 597,960           |
| 770,034                                | 759,964      | (10,070)    | -1.3%   |      | <b>TOTAL OPERATING EXPENSE</b>           | <b>9,368,414</b>    | <b>9,298,678</b>  | <b>(69,736)</b>     | <b>-0.7%</b>           |    | <b>8,731,776</b>  |
| (1,947)                                | 60,294       | (62,241)    | -103.2% |      | <b>NET OPERATING REV(EXP) EBIDA</b>      | <b>2,063,301</b>    | <b>795,480</b>    | <b>1,267,821</b>    | <b>159.4%</b>          |    | <b>1,350,973</b>  |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |              |             |         |      |  |                     |                   |                     |                        |    |                   |
| -                                      | 4,333        | (4,333)     | -100.0% |      | Donations-IVCH                           | 35,656              | 51,999            | (16,344)            | -31.4%                 | 9  | 22,091            |
| -                                      | -            | -           | 0.0%    |      | Gain/ (Loss) on Sale                     | -                   | -                 | -                   | 0.0%                   | 10 | -                 |
| (33,974)                               | (58,359)     | 24,386      | -41.8%  |      | Depreciation                             | (649,994)           | (700,312)         | 50,318              | -7.2%                  | 11 | (652,335)         |
| (33,974)                               | (54,026)     | 20,052      | 37.1%   |      | <b>TOTAL NON-OPERATING REVENUE/(EXP)</b> | <b>(614,339)</b>    | <b>(648,313)</b>  | <b>33,974</b>       | <b>5.2%</b>            |    | <b>(630,245)</b>  |
| \$ (35,921)                            | \$ 6,268     | \$ (42,189) | -673.1% |      | <b>EXCESS REVENUE(EXPENSE)</b>           | <b>\$ 1,448,963</b> | <b>\$ 147,167</b> | <b>\$ 1,301,795</b> | <b>884.6%</b>          |    | <b>\$ 720,729</b> |
| -0.1%                                  | 4.9%         | -5.1%       |         |      | <b>RETURN ON GROSS REVENUE EBIDA</b>     | <b>11.9%</b>        | <b>5.3%</b>       | <b>6.6%</b>         |                        |    | <b>9.1%</b>       |

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

|  |                                  | <b>Variance from Budget</b> |                 |
|--|----------------------------------|-----------------------------|-----------------|
|  |                                  | <b>Fav&lt;Unfav&gt;</b>     |                 |
|  |                                  | <b>JUNE 2016</b>            | <b>YTD 2016</b> |
| <b>1) Gross Revenues</b>   |                                  |                             |                 |
| Acute Patient Days were at budget at 0 and Observation Days were at budget at 2.   | Gross Revenue -- Inpatient       | \$ (2,029)                  | \$ 16,784       |
|  | Gross Revenue -- Outpatient      | 218,966                     | 2,260,513       |
|  |                                  | \$ 216,937                  | \$ 2,277,297    |
| Outpatient volumes were above budget in Emergency Department visits, Surgical cases, Laboratory tests, Radiology exams, Cat Scans, Pharmacy units, Physical Therapy and Occupational Therapy.  |                                  |                             |                 |
| <b>2) Total Deductions from Revenue</b>  |                                  |                             |                 |
| We saw a shift in our payor mix with an 2.00% decrease in Commercial Insurance, a 3.64% decrease in Medicare, a 8.61% increase in Medicaid, a 2.96% decrease in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 17.8% and the shift in payor mix to Medicaid from Medicare and Commercial. | Contractual Allowances           | \$ (289,527)                | \$ (1,635,648)  |
|  | Charity Care                     | (4,873)                     | (52,926)        |
|  | Charity Care-Catastrophic Event  | -                           | (70,529)        |
|  | Bad Debt                         | 16,032                      | 403,309         |
|  | Prior Period Settlement          | -                           | 199,758         |
|  | Total                            | \$ (278,368)                | \$ (1,156,035)  |
| <b>3) Other Operating Revenue</b>  |                                  |                             |                 |
| IVCH ER Physician Guarantee is tied to collections which exceeded budget in June.  | IVCH ER Physician Guarantee      | \$ 11,507                   | \$ 198,268      |
|  | Miscellaneous                    | (2,248)                     | 18,026          |
|  | Total                            | \$ 9,259                    | \$ 216,295      |
| <b>4) Salaries and Wages</b>   | Total                            | \$ (1,498)                  | \$ 53,945       |
| <b>Employee Benefits</b>   | PL/SL                            | \$ 1,134                    | \$ 48,747       |
|  | Standby                          | 4,434                       | 21,019          |
|  | Other                            | (14,107)                    | (25,137)        |
|  | Nonproductive                    | (1,098)                     | 6,801           |
|  | Pension/Deferred Comp            | 626                         | 3,030           |
|  | Total                            | \$ (9,011)                  | \$ 54,461       |
| <b>Employee Benefits - Workers Compensation</b>  | Total                            | \$ (4)                      | \$ 3,711        |
| <b>Employee Benefits - Medical Insurance</b>   | Total                            | \$ 16,846                   | \$ 89,071       |
| <b>5) Professional Fees</b>  |                                  |                             |                 |
| Services provided for project management oversight created a negative variance in Administration.  | Administration                   | \$ (3,071)                  | \$ (18,705)     |
|  | Multi-Specialty Clinics          | (983)                       | (9,782)         |
|  | IVCH ER Physicians               | (680)                       | (5,449)         |
|  | Miscellaneous                    | (305)                       | 895             |
| Although Therapy revenues exceeded budget, the mix of modalities delivered created a positive variance in Therapy Services professional fees.  | Sleep Clinic                     | 762                         | 14,959          |
|  | Therapy Services                 | 10,320                      | 30,762          |
|  | Foundation                       | 6,800                       | 32,528          |
|  | Total                            | \$ 12,842                   | \$ 45,207       |
| <b>6) Supplies</b>   |                                  |                             |                 |
| Surgery and Medical Supplies Sold to Patients revenues exceeded budget by 19.72%, creating a negative variance in Patient & Other Medical Supplies.  | Patient & Other Medical Supplies | \$ (10,589)                 | \$ (113,870)    |
|  | Pharmacy Supplies                | (14,657)                    | (107,691)       |
|  | Minor Equipment                  | (2,918)                     | (19,989)        |
|  | Food                             | (1,005)                     | (12,460)        |
|  | Office Supplies                  | (1,969)                     | (3,896)         |
|  | Imaging Film                     | 144                         | 238             |
| Drugs Sold to Patients revenue exceeded budget by 26.72%, creating a negative variance in Pharmacy Supplies. The year-end adjustment to pharmacy inventory was posted based on our contracted vendor report which aided in the negative variance.  | Non-Medical Supplies             | 1,744                       | 406             |
|  | Total                            | \$ (29,250)                 | \$ (257,262)    |



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

|  |                                    | <u>Variance from Budget</u> |                    |
|--|------------------------------------|-----------------------------|--------------------|
|  |                                    | <u>Fav&lt;Unfav&gt;</u>     |                    |
|  |                                    | <u>JUNE 2016</u>            | <u>YTD 2016</u>    |
| <b>7) <u>Purchased Services</u></b>  |                                    |                             |                    |
| Outsourced services provided to the Foundation to optimize its Philanthropic activities created a negative variance in Foundation. | Laboratory                         | \$ 1,589                    | \$ (16,169)        |
|  | Foundation                         | (6,962)                     | (12,001)           |
|  | EVS/Laundry                        | (894)                       | (5,872)            |
|  | Department Repairs                 | 78                          | (1,421)            |
|  | Pharmacy                           | -                           | (99)               |
| Negative variance in Diagnostic Imaging Services - All related to maintenance services for the Cat Scan machine.                   | Diagnostic Imaging Services - All  | (5,542)                     | (1)                |
|  | Surgical Services                  | -                           | -                  |
|  | Miscellaneous                      | 613                         | 2,925              |
|  | Multi-Specialty Clinics            | 580                         | 5,665              |
|  | Engineering/Plant/Communications   | 2,147                       | 19,416             |
|  | <b>Total</b>                       | <b>\$ (8,391)</b>           | <b>\$ (7,557)</b>  |
| <b>8) <u>Other Expenses</u></b>  |                                    |                             |                    |
| Oxygen tank rentals for Respiratory Therapy created a negative variance in Equipment Rent.   | Equipment Rent                     | \$ (3,342)                  | \$ (83,034)        |
|  | Dues and Subscriptions             | (705)                       | (5,939)            |
|  | Utilities                          | 99                          | (1,054)            |
| Negative variance in Marketing related to advertising the hospital's services in local magazines.                                  | Physician Services                 | -                           | -                  |
|  | Multi-Specialty Clinics Equip Rent | -                           | -                  |
|  | Multi-Specialty Clinics Bldg Rent  | -                           | -                  |
|  | Outside Training & Travel          | 2,034                       | 2,086              |
| Positive variance in Insurance related to the year-end adjustment to the Comprehensive Liability IBNR.                             | Other Building Rent                | 871                         | 4,353              |
|  | Marketing                          | (2,143)                     | 6,124              |
|  | Insurance                          | 8,508                       | 10,958             |
|  | Miscellaneous                      | 3,075                       | 15,195             |
|  | <b>Total</b>                       | <b>\$ 8,396</b>             | <b>\$ (51,311)</b> |
| <b>9) <u>Donations</u></b>   | <b>Total</b>                       | <b>\$ (4,333)</b>           | <b>\$ (16,344)</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>\$ 24,386</b>            | <b>\$ 50,318</b>   |
| A true-up to depreciation was made through May 2016, creating a positive variance in this category.                                |                                    |                             |                    |

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

|                                    | AUDITED<br>FYE 2015 | BUDGET<br>FYE 2016 | PRELIMINARY<br>FYE 2016 | PRELIMINARY BUDGET |            |             | ACTUAL<br>1ST QTR | ACTUAL<br>2ND QTR | ACTUAL<br>3RD QTR | PRELIMINARY<br>4TH QTR |
|------------------------------------|---------------------|--------------------|-------------------------|--------------------|------------|-------------|-------------------|-------------------|-------------------|------------------------|
|                                    |                     |                    |                         | JUNE 2016          | JUNE 2016  | DIFFERENCE  |                   |                   |                   |                        |
| Net Operating Rev/(Exp) - EBIDA    | \$ 7,190,440        | \$ 2,054,135       | \$ 14,031,400           | \$ 90,237          | \$ 59,225  | \$ 31,012   | \$ 4,890,732      | \$ 2,113,378      | \$ 8,328,650      | \$ (1,301,360)         |
| Interest Income                    | 97,528              | 107,488            | 160,650                 | -                  | -          | -           | 29,198            | 33,631            | 42,916            | 54,905                 |
| Property Tax Revenue               | 5,352,075           | 5,420,000          | 6,120,218               | 5,743              | -          | 5,743       | 309,907           | 78,742            | 3,316,470         | 2,415,099              |
| Donations                          | 757,929             | 923,000            | 702,906                 | 13,764             | 60,000     | (46,236)    | 76,191            | 164,788           | 188,329           | 273,598                |
| Debt Service Payments              | (3,505,561)         | (3,565,581)        | (3,441,272)             | (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)        | (1,243,650)             | (103,637)          | (103,637)  | (0)         | (310,912)         | (310,912)         | (310,912)         | (310,912)              |
| Copier                             | (8,962)             | (8,760)            | (8,758)                 | (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)        | (1,495,214)             | (371,307)          | (232,553)  | (138,754)   | (302,633)         | (286,725)         | (221,705)         | (684,151)              |
| Municipal Lease Reimbursement      | -                   | 2,295,723          | 1,319,139               | -                  | -          | -           | 1,319,139         | -                 | -                 | -                      |
| GO Bond Project Personal Property  | (186,062)           | (500,180)          | (346,744)               | (124,632)          | (50,000)   | (74,632)    | (8,587)           | (8,029)           | (14,334)          | (315,794)              |
| IT                                 | (1,394,200)         | (559,300)          | (808,636)               | (101,986)          | (261,275)  | 159,289     | (318,453)         | (193,238)         | (79,501)          | (217,444)              |
| Building Projects                  | (2,218,063)         | (4,487,480)        | (1,915,170)             | (171,920)          | (176,354)  | 4,434       | (337,663)         | (674,563)         | (506,786)         | (396,158)              |
| Health Information/Business System | (230,852)           | (500,000)          | (92,807)                | -                  | -          | -           | (1,623)           | (18,375)          | (37,104)          | (35,705)               |
| Capital Investments                |                     |                    |                         |                    |            |             |                   |                   |                   |                        |
| Properties                         | (600,000)           | -                  | -                       | -                  | (10,000)   | 10,000      | -                 | -                 | -                 | -                      |
| Measure C Scope Modifications      | -                   | (749,287)          | -                       | -                  | -          | -           | -                 | -                 | -                 | -                      |
| Change in Accounts Receivable      | 2,648,682           | 282,832            | N1 1,358,547            | (1,392,659)        | (460,876)  | (931,783)   | 522,392           | (891,685)         | (2,247,607)       | 3,975,447              |
| Change in Settlement Accounts      | (2,438,657)         | 500,000            | N2 1,387,101            | -                  | 1,368,532  | (1,368,532) | 623,667           | (1,173,529)       | 1,631,801         | 305,162                |
| Change in Other Assets             | (1,717,188)         | (768,000)          | N3 (2,234,399)          | 1,703,884          | 61,519     | 1,642,365   | (1,531,558)       | (1,562,214)       | 435,078           | 424,295                |
| Change in Other Liabilities        | (30,538)            | (71,000)           | N4 2,123,256            | 1,574,774          | (338,757)  | 1,913,531   | 247,630           | (648,182)         | 425,956           | 2,097,852              |
| Change in Cash Balance             | 1,078,371           | (1,347,550)        | 16,595,826              | 978,419            | (228,017)  | 1,206,436   | 4,247,906         | (3,814,322)       | 10,376,609        | 5,785,633              |
| Beginning Unrestricted Cash        | 50,951,760          | 52,227,897         | 52,227,897              | 67,845,304         | 67,845,304 | -           | 52,227,897        | 56,475,803        | 52,661,481        | 63,038,090             |
| Ending Unrestricted Cash           | 52,227,897          | 50,880,347         | 68,823,723              | 68,823,723         | 67,617,287 | 1,206,436   | 56,475,803        | 52,661,481        | 63,038,090        | 68,823,723             |
| Expense Per Day                    | 333,932             | 321,141            | 335,424                 | 335,424            | 320,219    | 15,206      | 317,753           | 322,438           | 328,657           | 335,424                |
| Days Cash On Hand                  | 156                 | 158                | 205                     | 205                | 211        | (5)         | 178               | 163               | 192               | 205                    |

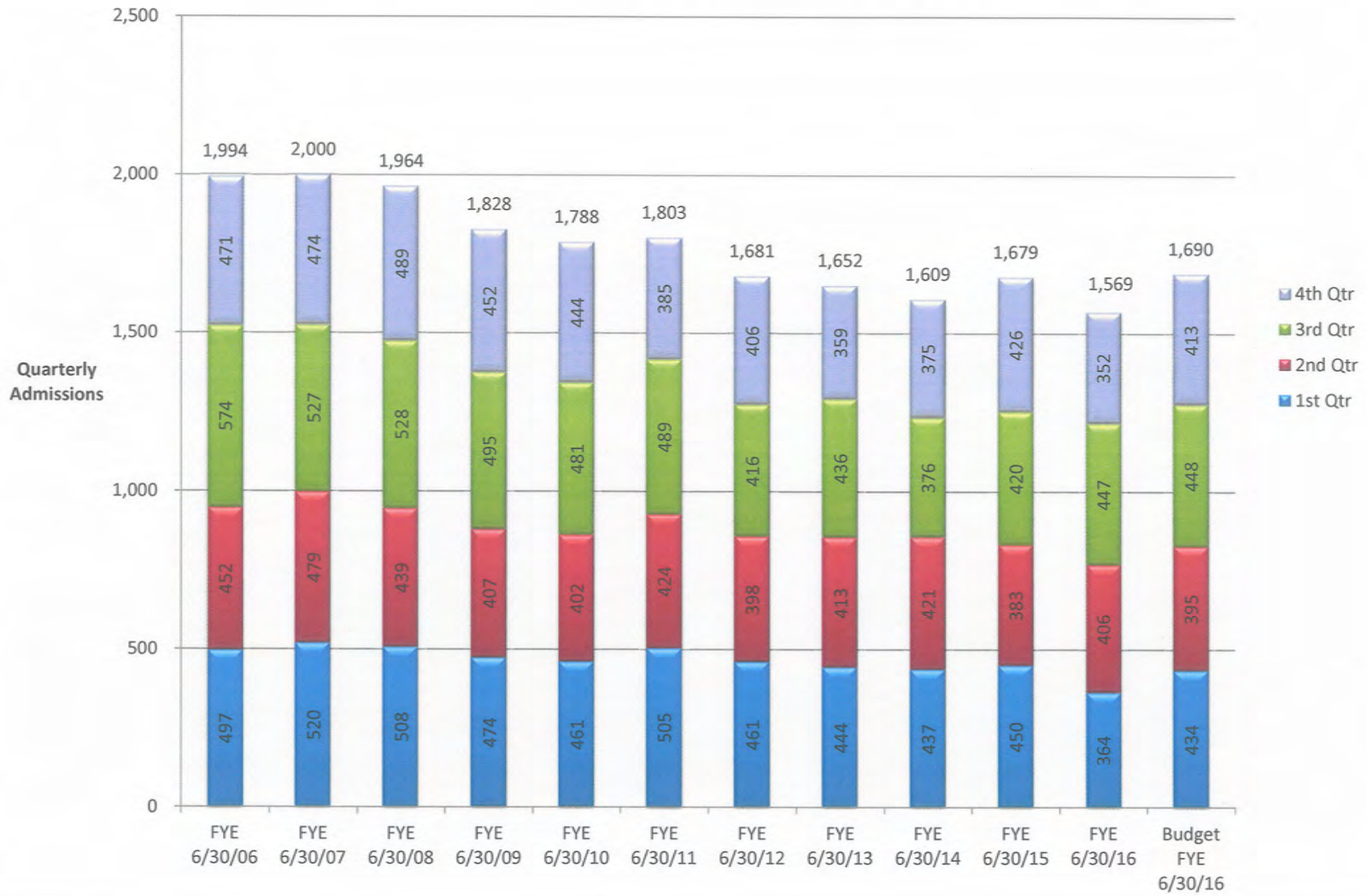
Footnotes:

- 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.

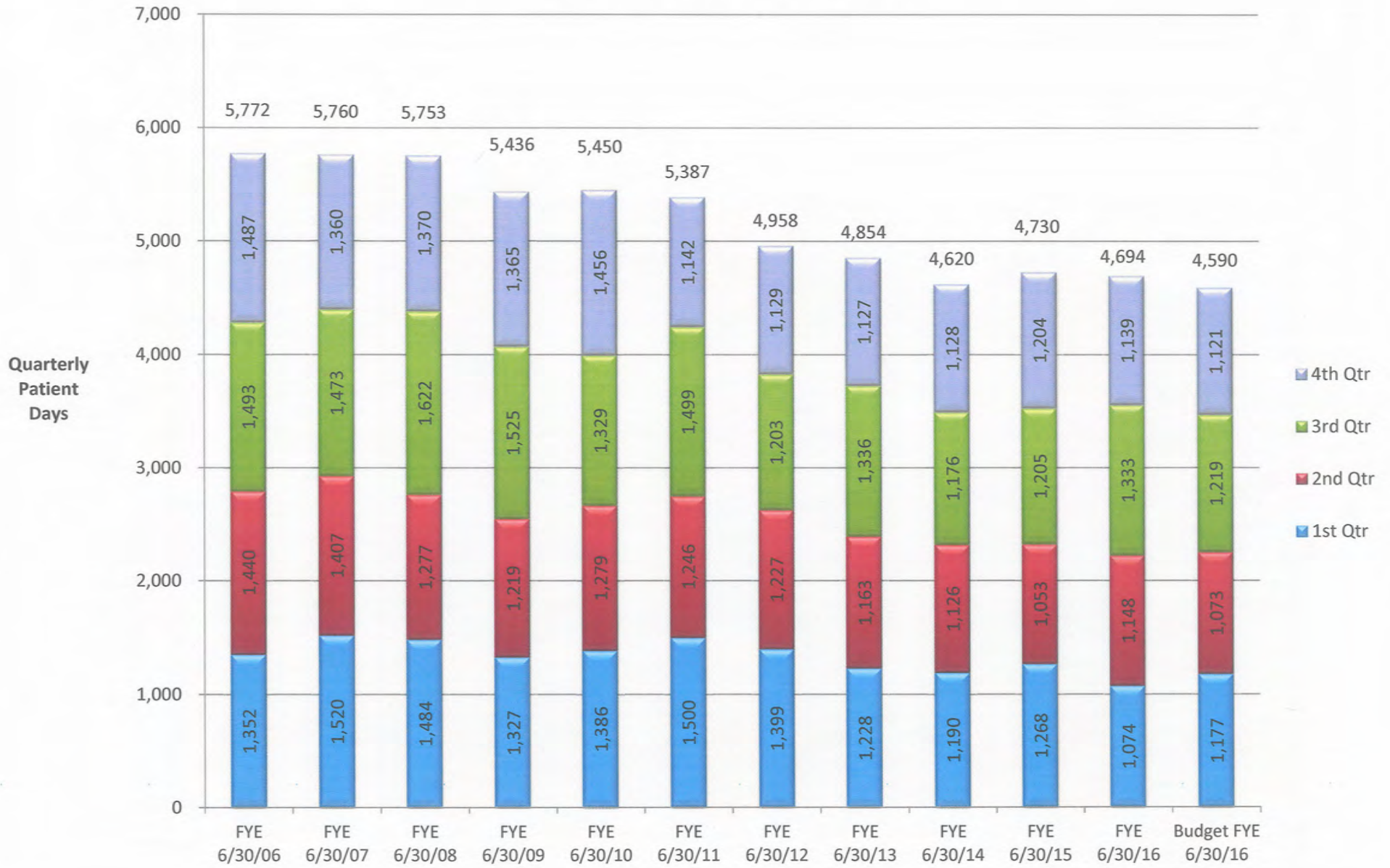
Incline Village Community Hospital  
 Operating Indicators  
 Month & YTD June 2016  
 June 30, 2016

|                                       | YTD<br>Actual | YTD<br>Budget | YTD<br>Variance | YTD<br>% Variance |
|---------------------------------------|---------------|---------------|-----------------|-------------------|
| Admissions                            | 6             | 10            | -4              | -40.00%           |
| Registrations                         | 9,322         | 9,700         | (378)           | -3.90%            |
| I/P Days                              | 12            | 10            | 2               | 20.00%            |
| Observation Days                      | 26            | 25            | 1               | 4.00%             |
| Total Days                            | 38            | 35            | 3               | 8.57%             |
| Emergency Visits                      | 3,888         | 3,675         | 213             | 5.80%             |
| <u>Surgical Services:</u>             |               |               |                 |                   |
| Cases - Inpatient                     | 0             | 0             | 0               | 0.00%             |
| Cases - Outpatient                    | 107           | 95            | 12              | 12.63%            |
| Total Cases                           | 107           | 95            | 12              | 12.63%            |
| Minutes                               | 33,171        | 27,906        | 5,265           | 18.87%            |
| Laboratory Tests (inc EKG's)          | 26,725        | 25,758        | 967             | 3.75%             |
| Radiology - I / P Exams               | 5             | 3             | 2               | 66.67%            |
| Radiology - O / P Exams               | 784           | 825           | (41)            | -4.97%            |
| Radiology - ER Exams                  | 1,845         | 1,490         | 355             | 23.83%            |
| Radiology (inc mammos) Totals         | 2,634         | 2,318         | 316             | 13.63%            |
| CT - I / P Exams                      | 0             | 1             | (1)             | -100.00%          |
| CT - O / P Exams ( Inc. U/S)          | 154           | 155           | (1)             | -0.65%            |
| CT - ER Exams                         | 682           | 478           | 204             | 42.68%            |
| Total Cat Scan Exams                  | 836           | 634           | 202             | 31.86%            |
| Pharmacy - I/P units                  | 182           | 199           | (17)            | -8.54%            |
| Pharmacy - O/P units                  | 9,437         | 8,085         | 1,352           | 16.72%            |
| Pharmacy Totals                       | 9,619         | 8,284         | 1,335           | 16.12%            |
| IV's - Inpatient                      | 8             | 15            | (7)             | -46.67%           |
| IV's - Outpatient                     | 239           | 515           | (276)           | -53.59%           |
| Total IV's                            | 247           | 530           | (283)           | -53.40%           |
| RT - I/P Procedures                   | 80            | 0             | 80              | 0.00%             |
| RT - O/P Procedures                   | 1,781         | 0             | 1,781           | 0.00%             |
| R/T Totals                            | 1,861         | 0             | 1,861           | 0.00%             |
| Sleep Clinic Visits                   | 163           | 155           | 8               | 5.16%             |
| <u>Perioperative Services Minutes</u> |               |               |                 |                   |
| OR - Inpatients                       | 0             | 0             | 0               | 0.00%             |
| OR - Outpatients                      | 9,521         | 7,505         | 2,016           | 26.86%            |
| OR - Total                            | 9,521         | 7,505         | 2,016           | 26.86%            |
| Total ASD                             | 21,019        | 17,765        | 3,254           | 18.32%            |
| I/P Recovery                          | 0             | 0             | 0               | 0.00%             |
| O/P Recovery                          | 2,631         | 2,636         | -5              | -0.19%            |
| Total Recovery                        | 2,631         | 2,636         | (5)             | -0.19%            |
| Pain Clinic                           | 0             | 0             | 0               | 0.00%             |
| Procedure Room                        | 0             | 0             | 0               | 0.00%             |
| Total Surgicenter Minutes             | 33,171        | 27,906        | 5,265           | 18.87%            |
| <u>Anesthesia - Minutes</u>           |               |               |                 |                   |
| Inpatient                             | 0             | 0             | 0               | 0.00%             |
| Out Patient                           | 9,901         | 7,838         | 2,063           | 26.32%            |
| Elsewhere                             | 0             | 0             | 0               | 0.00%             |
| Total Anesthesia - Minutes            | 9,901         | 7,838         | 2,063           | 26.32%            |
| <u>Dietary</u>                        |               |               |                 |                   |
| Patient Meals                         | 798           | 860           | (62)            | -7.21%            |
| Pantries                              | 5,408         | 2,200         | 3,208           | 145.82%           |
| Non-patient Meals                     | 0             | 0             | 0               | 0.00%             |
| Total Meals                           | 6,206         | 3,060         | 3,146           | 102.81%           |
| Flu Shots                             | 200           | 400           | (200)           | -50.00%           |
| P/T - 42 076                          | 29,772        | 30,000        | (228)           | -0.76%            |
| OT - 42 080                           | 1,164         | 1,200         | -36             | -3.00%            |
| Diamond Peak - Patients Seen          | 443           | 325           | 118             | 36.31%            |
| Incline Village Health Clinic         | 1,879         | 1,020         | 859             | 84.22%            |

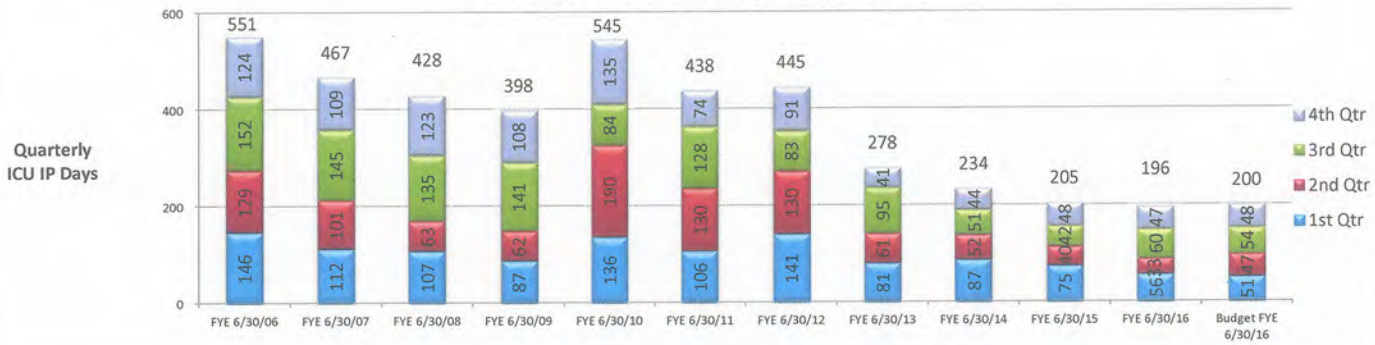
## TOTAL TFH ADMISSIONS



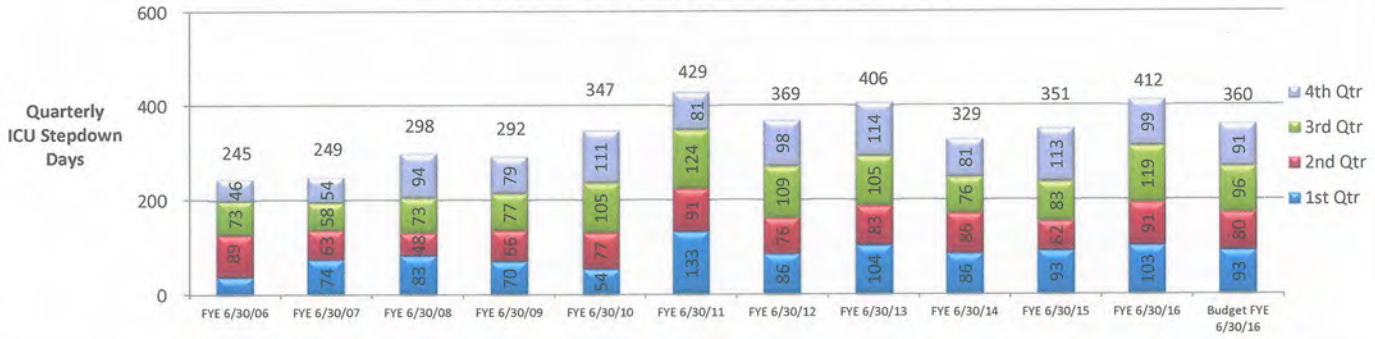
# TOTAL TFH PATIENT DAYS



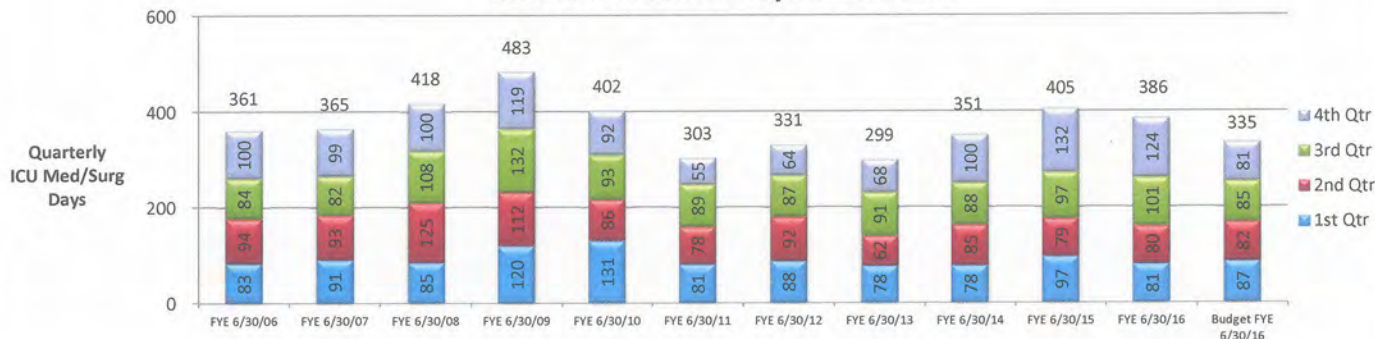
### TOTAL TFH ICU INPATIENT DAYS



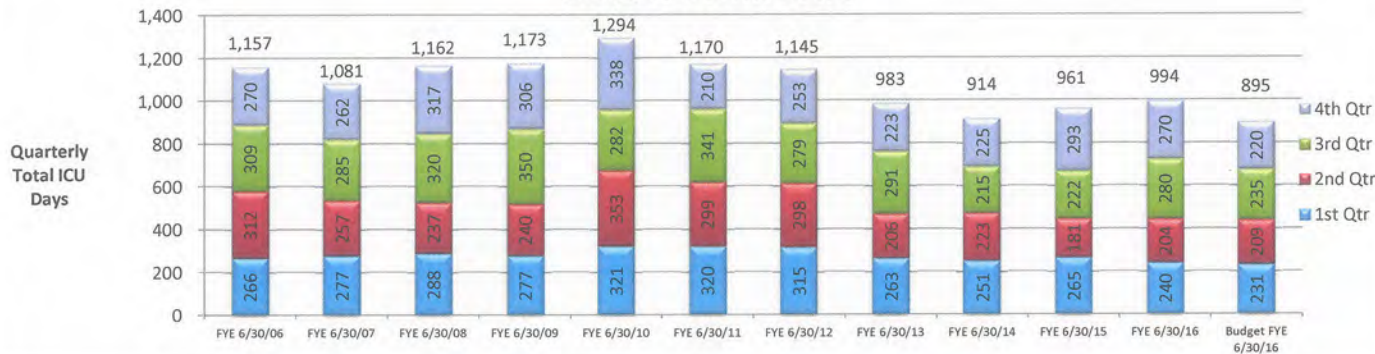
### TOTAL TFH ICU STEPDOWN DAYS



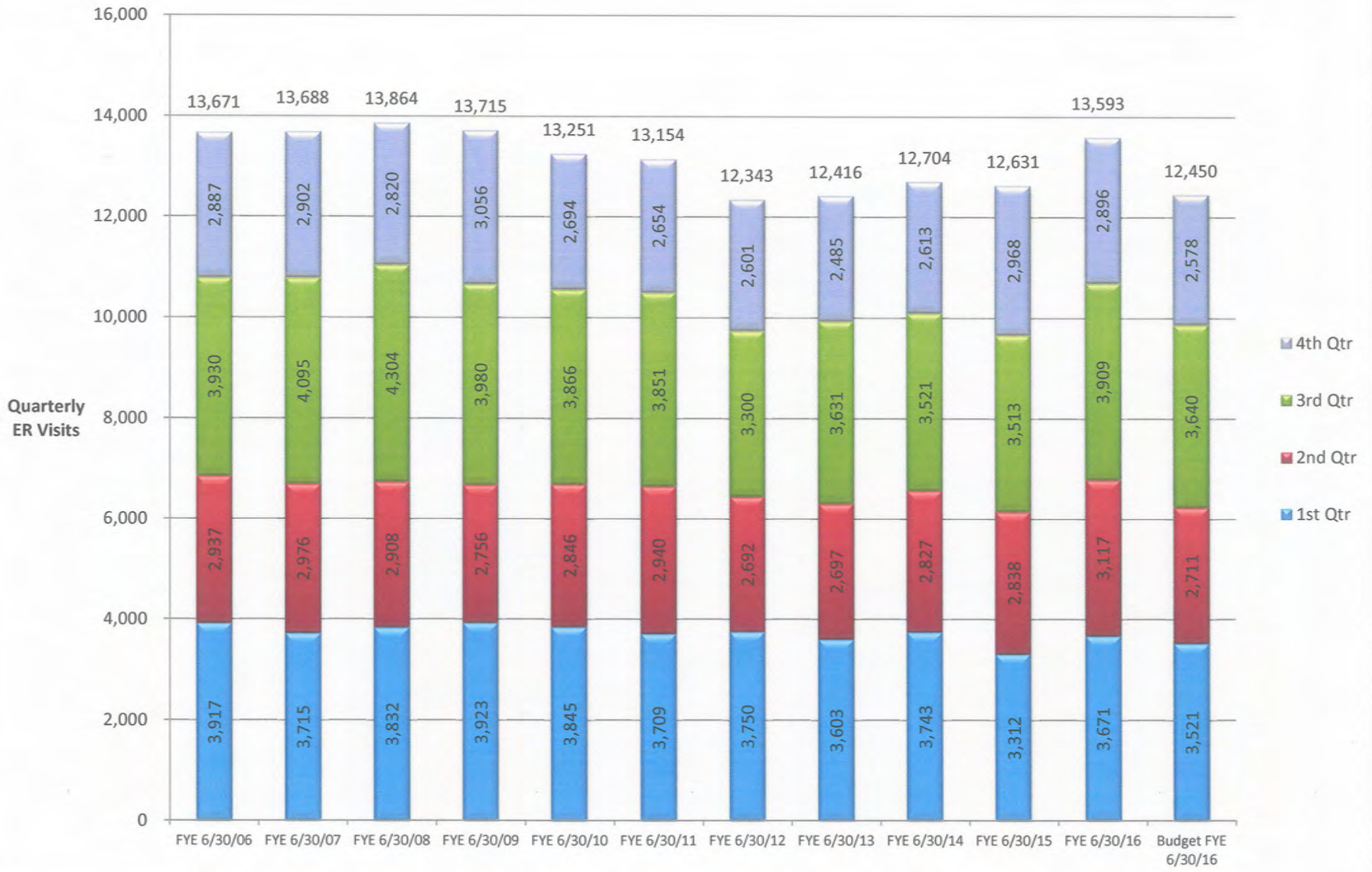
### TOTAL TFH ICU MED/SURG DAYS



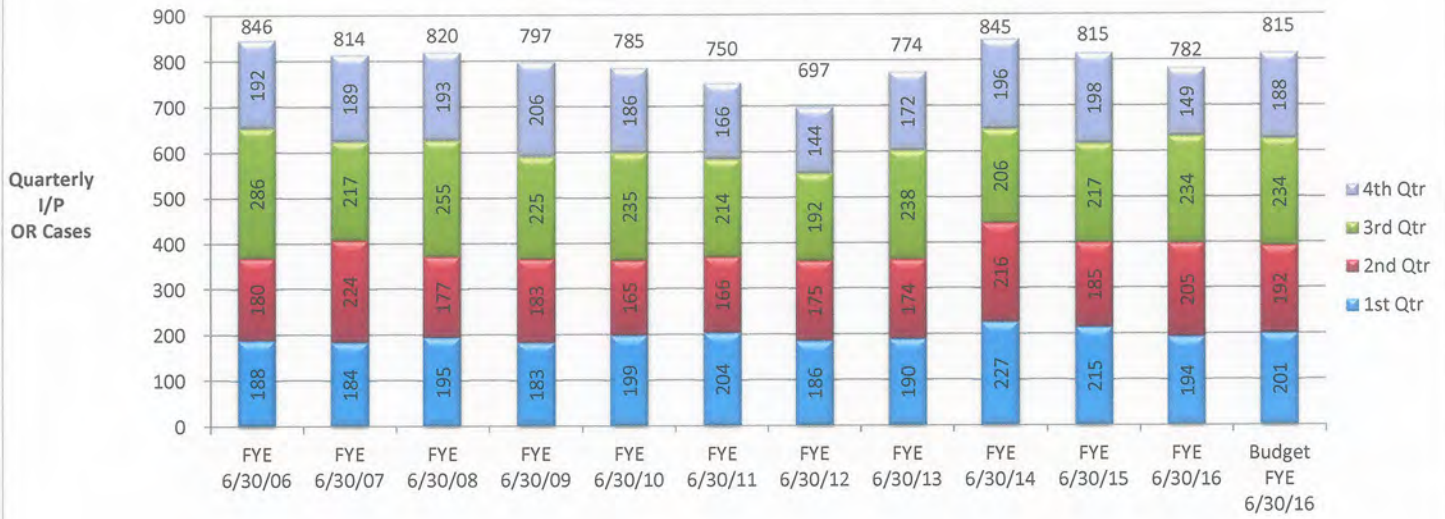
### TOTAL TFH ICU DAYS



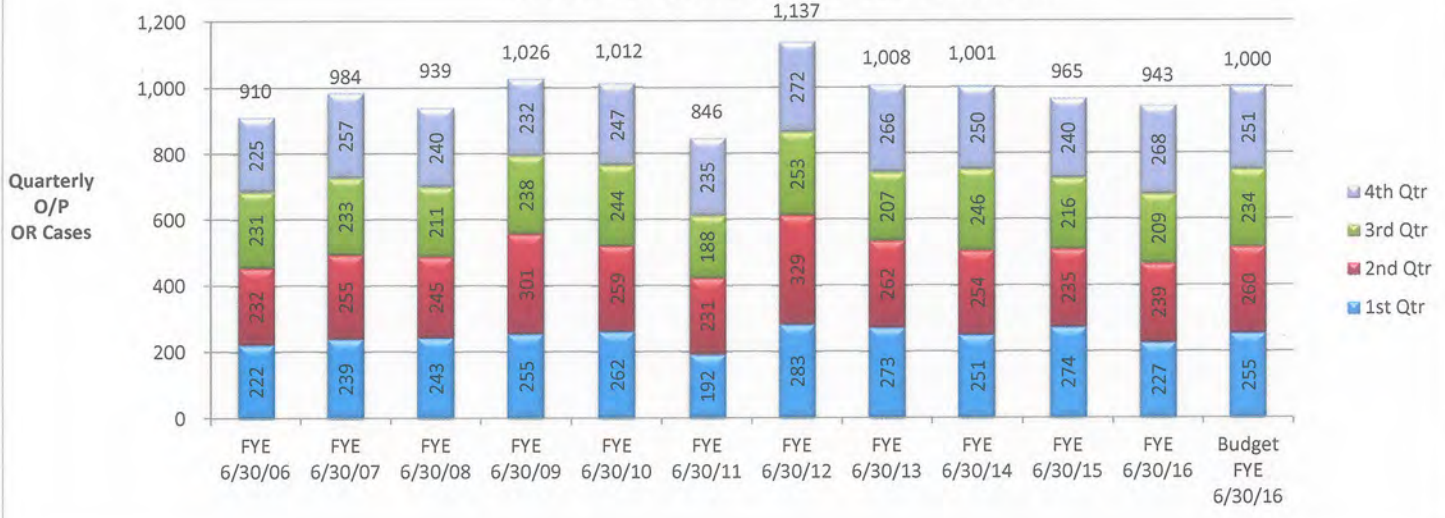
## TOTAL TFH ER VISITS



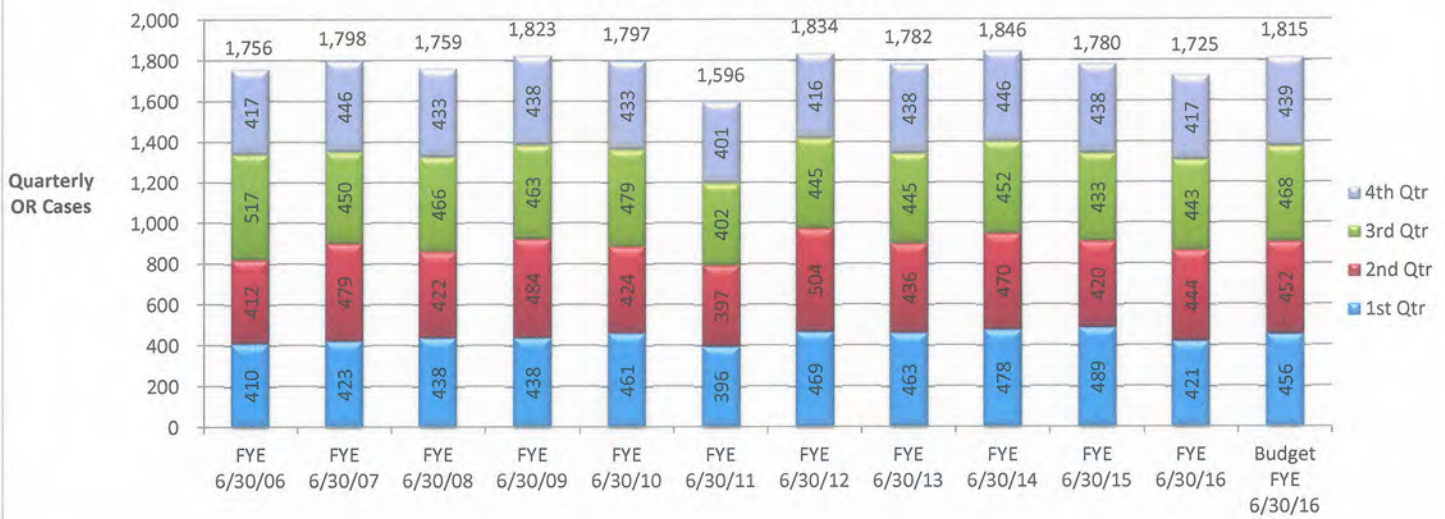
### TOTAL TFH INPATIENT OR CASES



### TOTAL TFH OUTPATIENT OR CASES

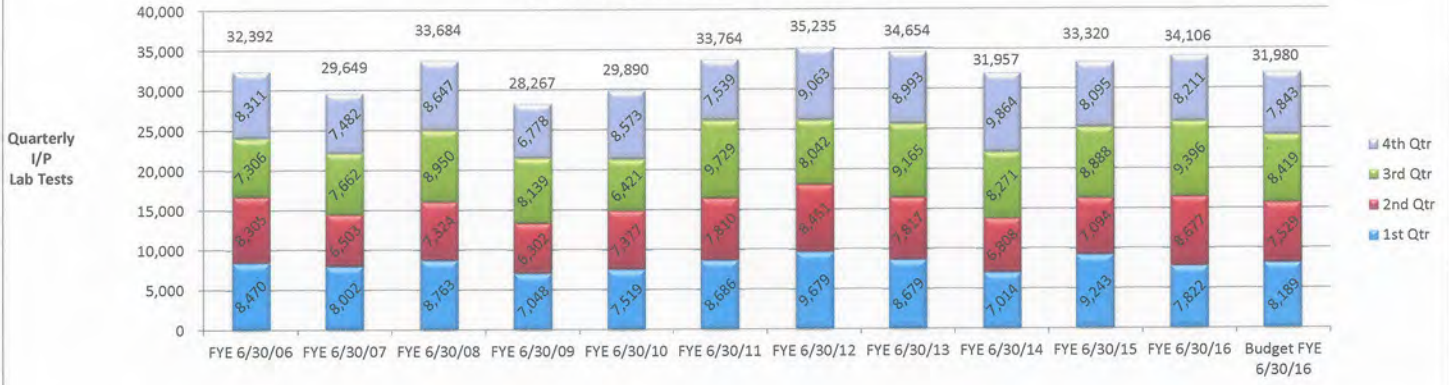


### TOTAL TFH OR CASES

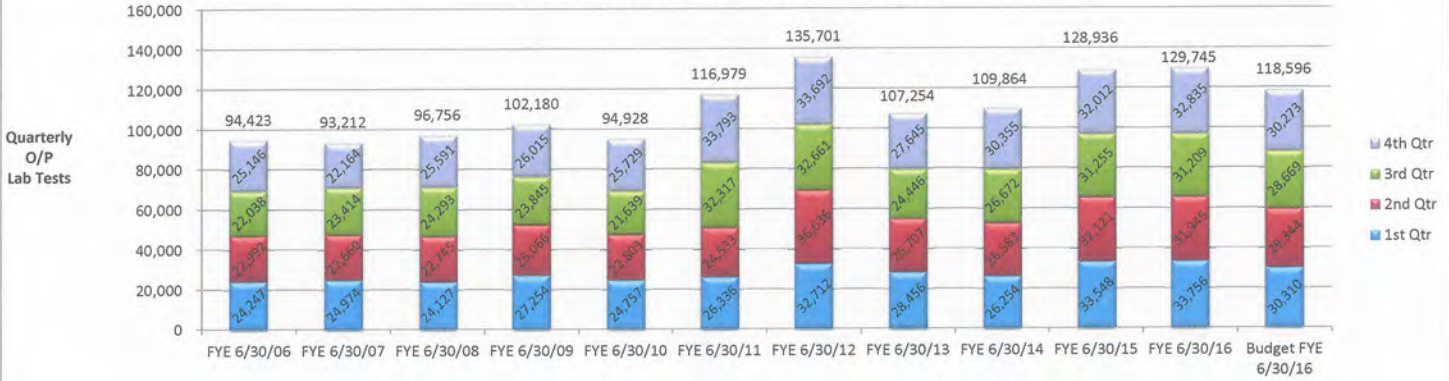




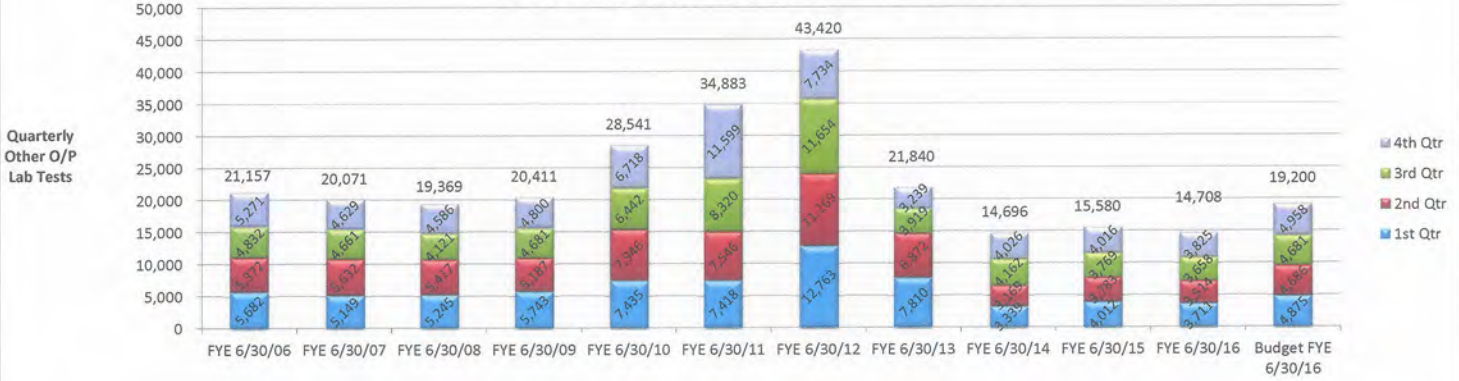
### TOTAL TFH INPATIENT LAB TESTS



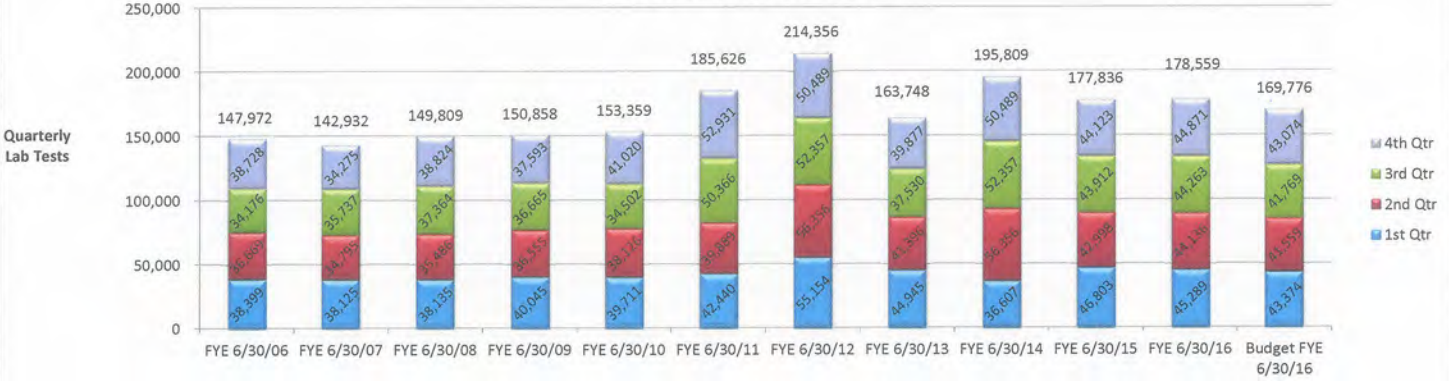
### TOTAL TFH OUTPATIENT LAB TESTS



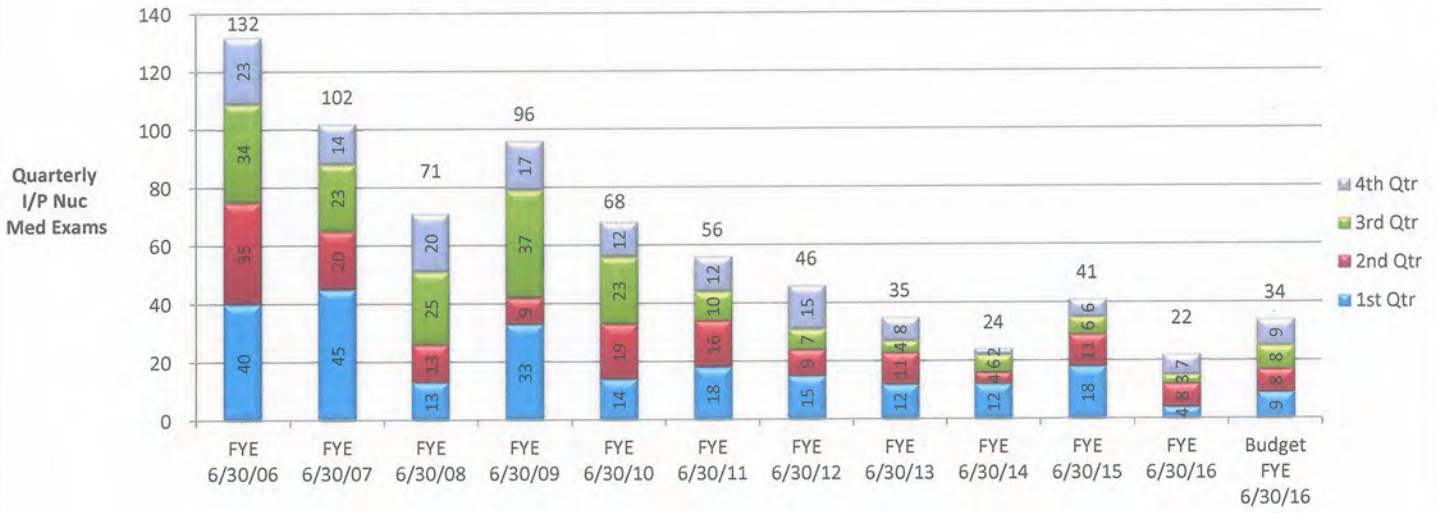
### TOTAL TFH OTHER OUTPATIENT LAB TESTS



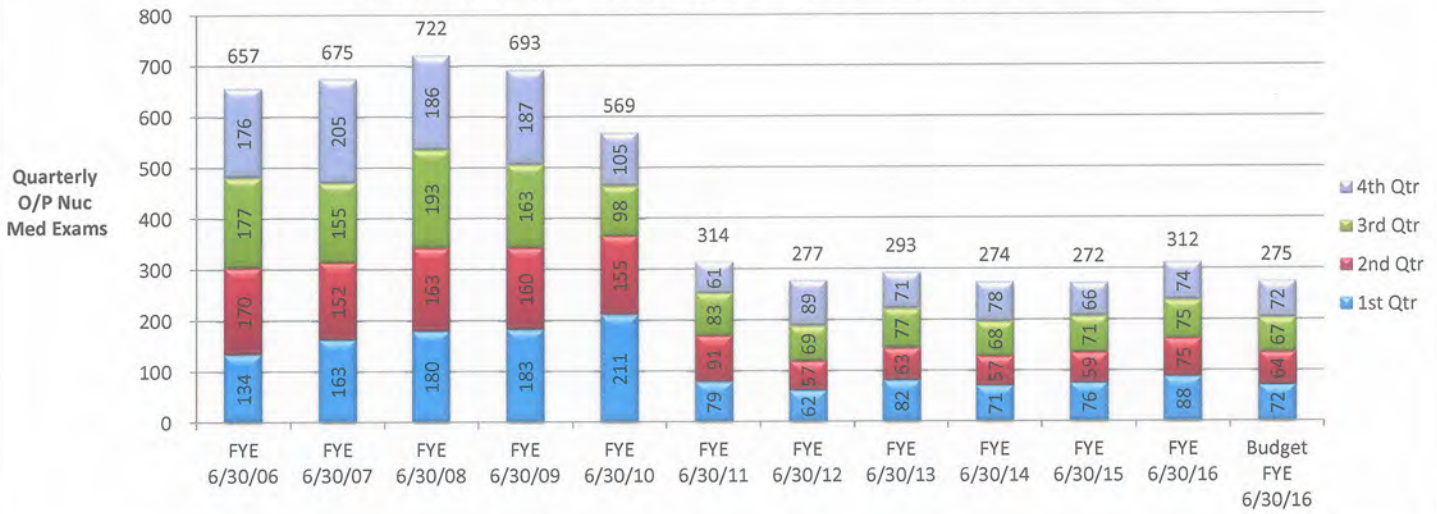
### TOTAL TFH LAB TESTS



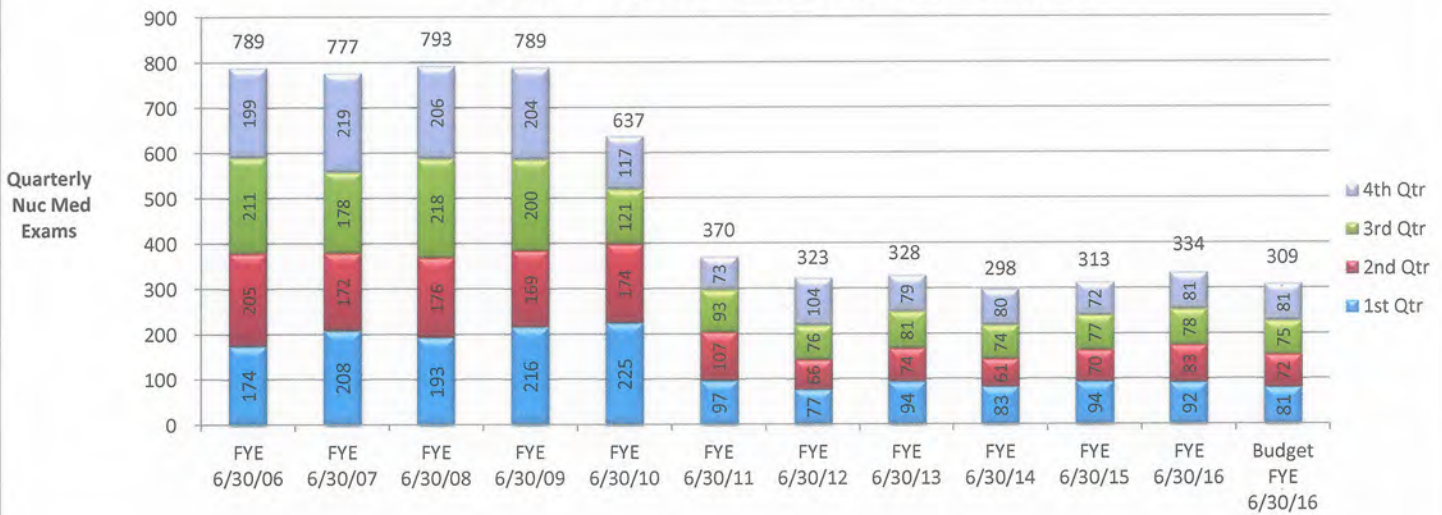
### TOTAL TFH NUCLEAR MEDICINE INPATIENT EXAMS



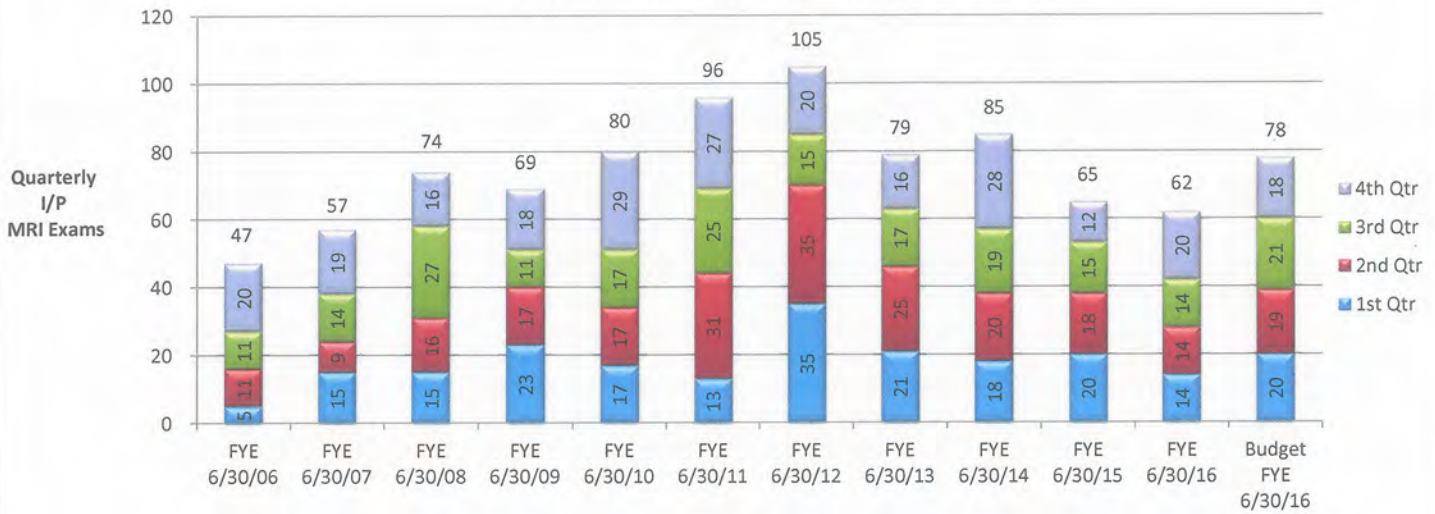
### TOTAL TFH NUCLEAR MEDICINE OUTPATIENT EXAMS



### TOTAL TFH NUCLEAR MEDICINE EXAMS



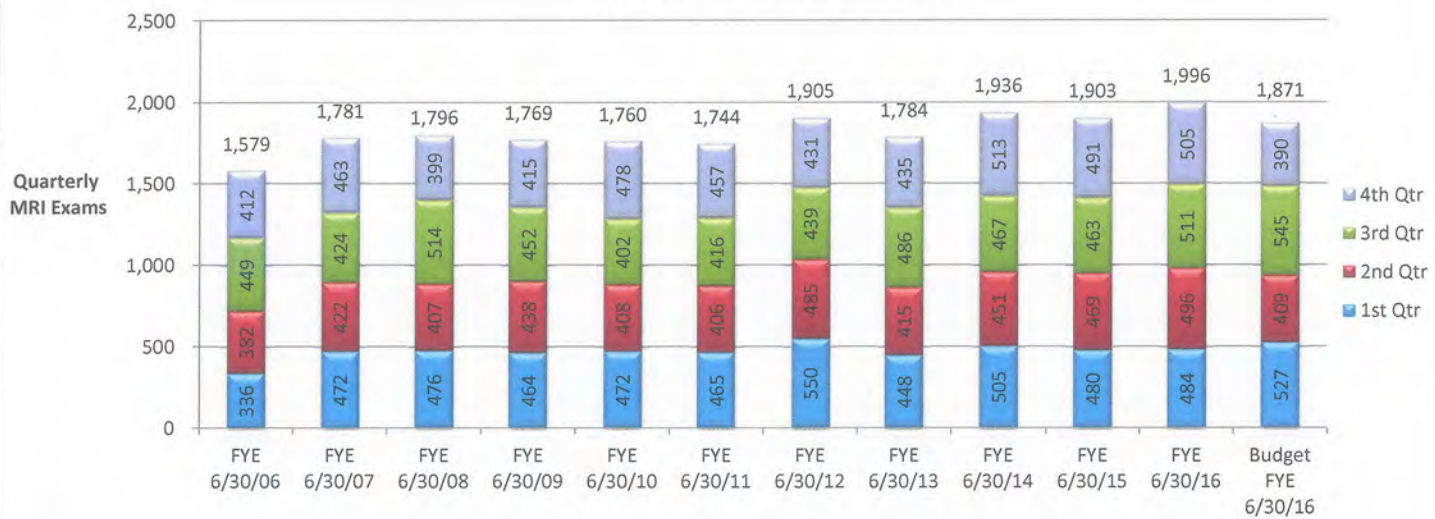
### TOTAL TFH MRI INPATIENT EXAMS



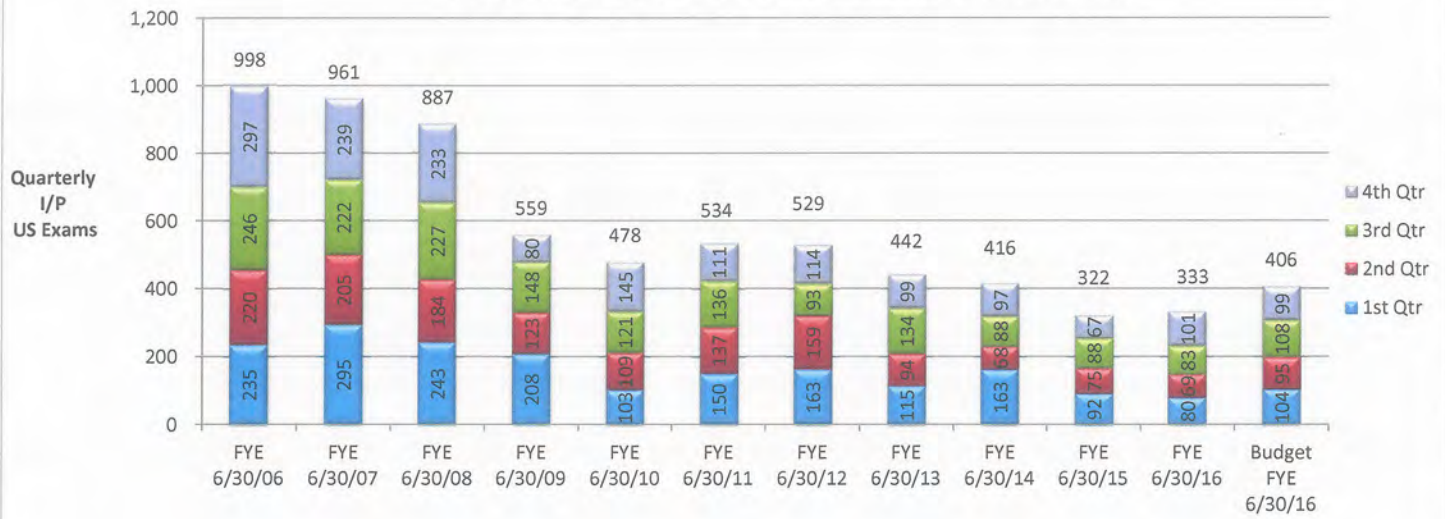
### TOTAL TFH MRI OUTPATIENT EXAMS



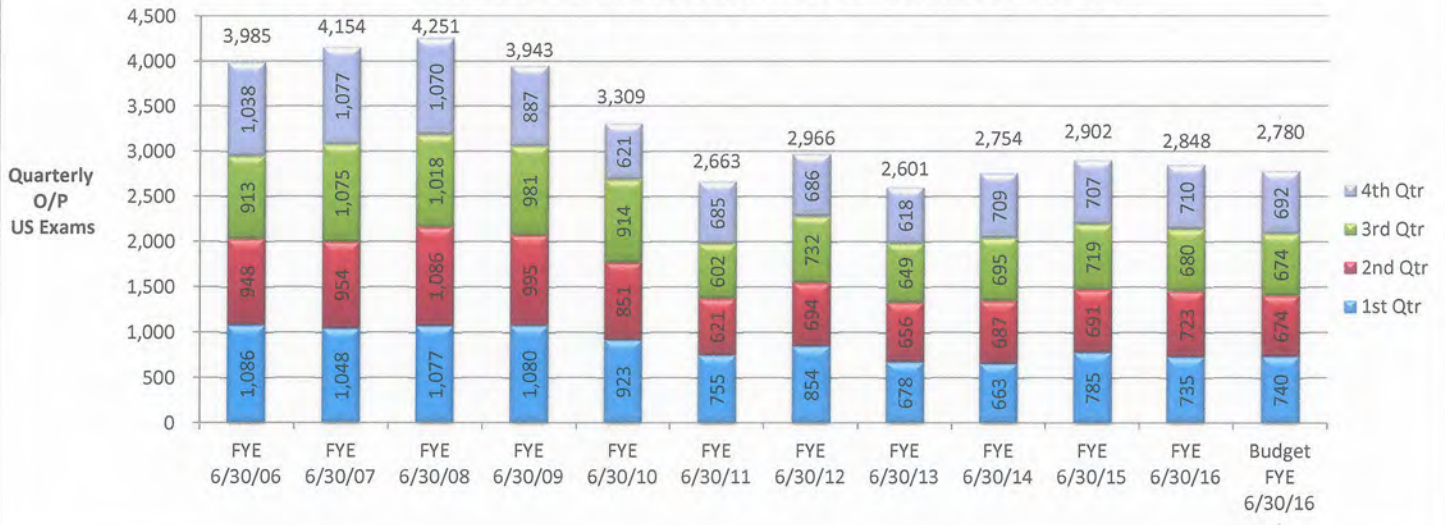
### TOTAL TFH MRI EXAMS



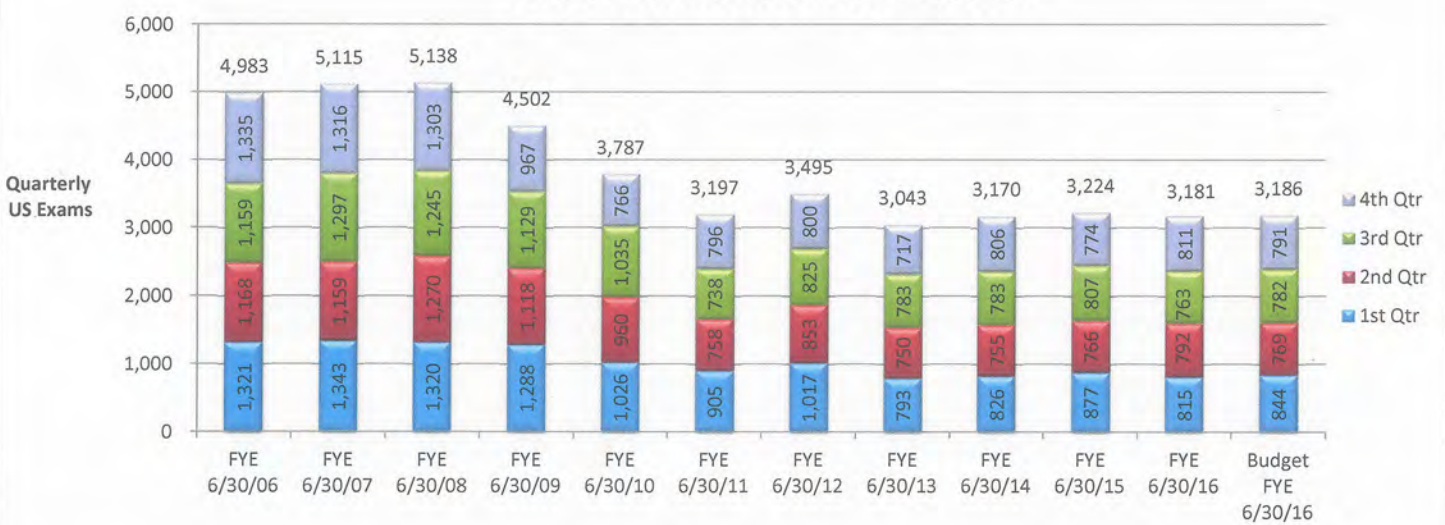
### TOTAL TFH ULTRASOUND INPATIENT EXAMS



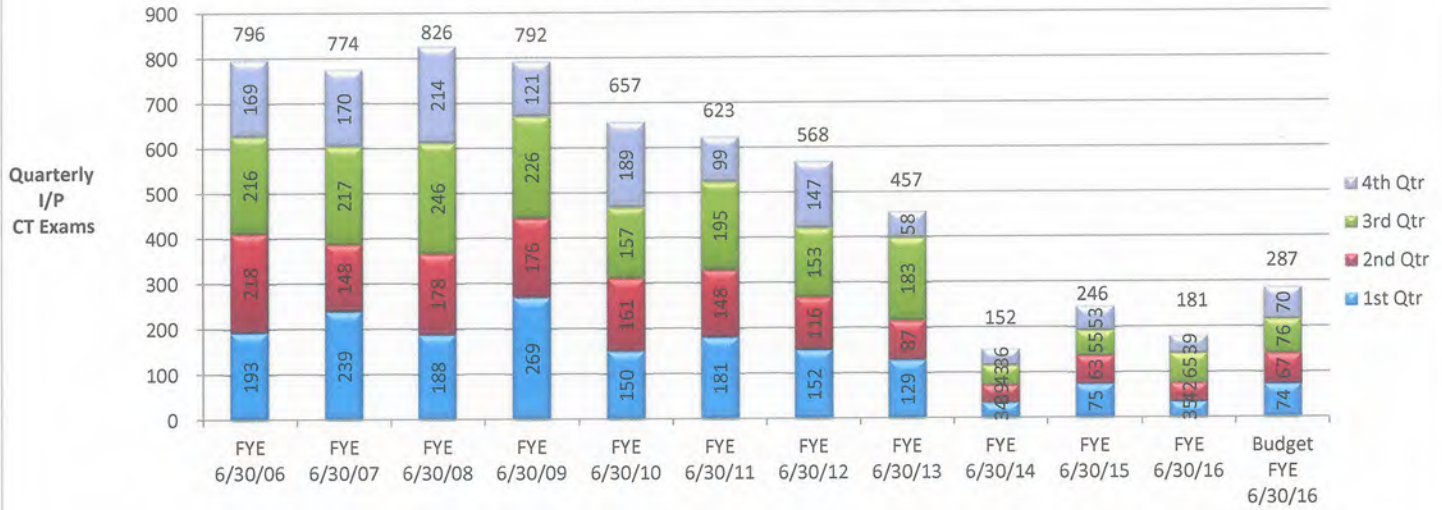
### TOTAL TFH ULTRASOUND OUTPATIENT EXAMS



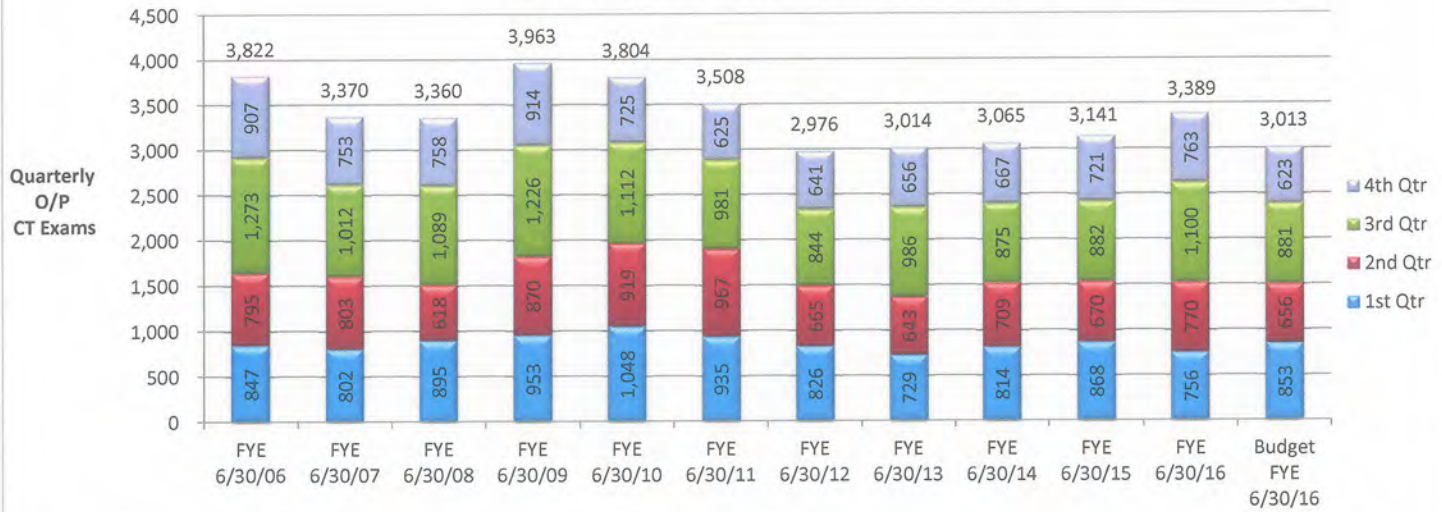
### TOTAL TFH ULTRASOUND EXAMS



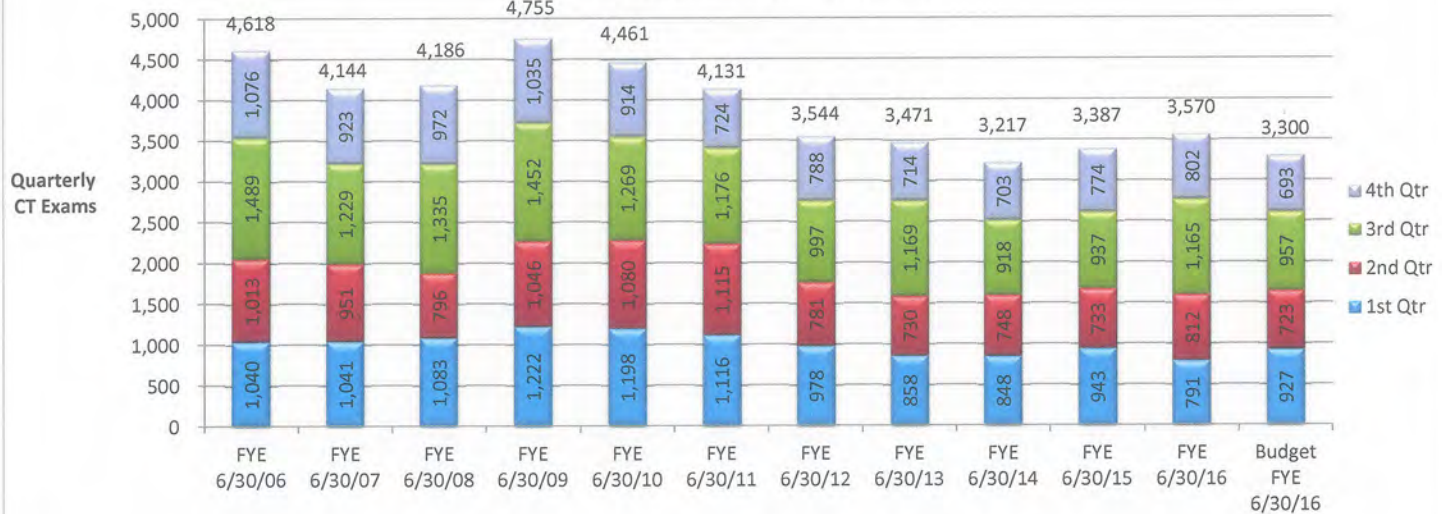
### TOTAL TFH CT INPATIENT EXAMS



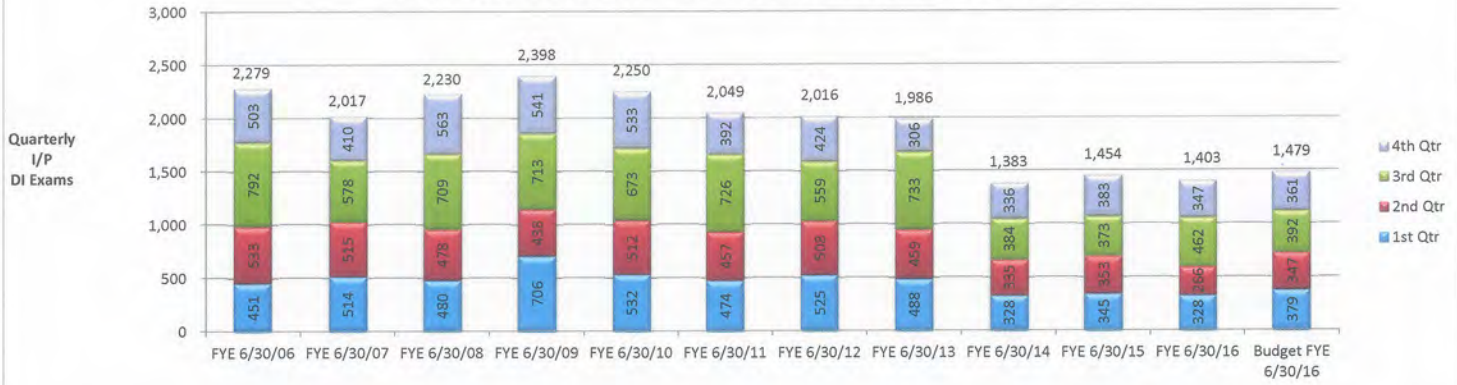
### TOTAL TFH CT OUTPATIENT EXAMS



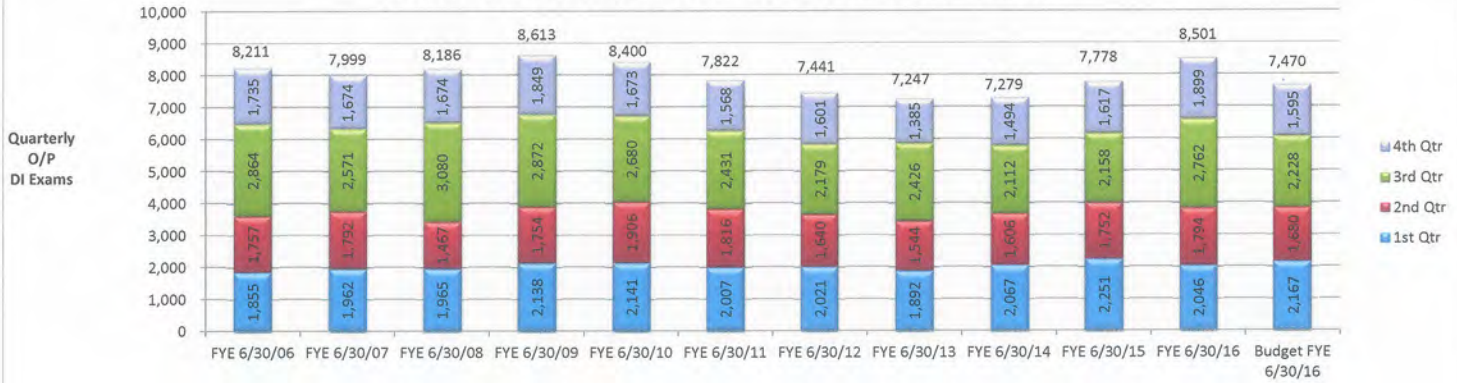
### TOTAL TFH CT EXAMS



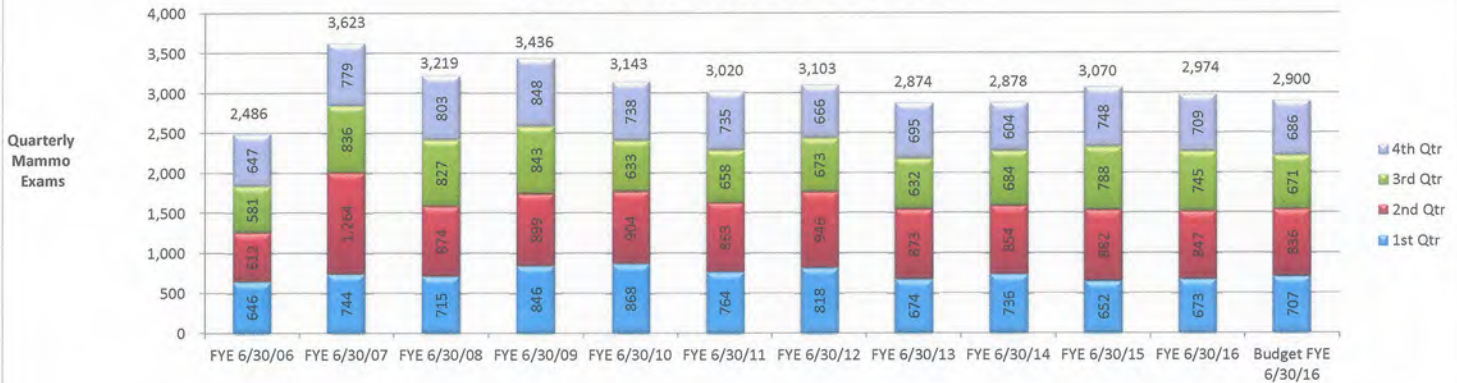
### TOTAL TFH INPATIENT DIAGNOSTIC IMAGING EXAMS



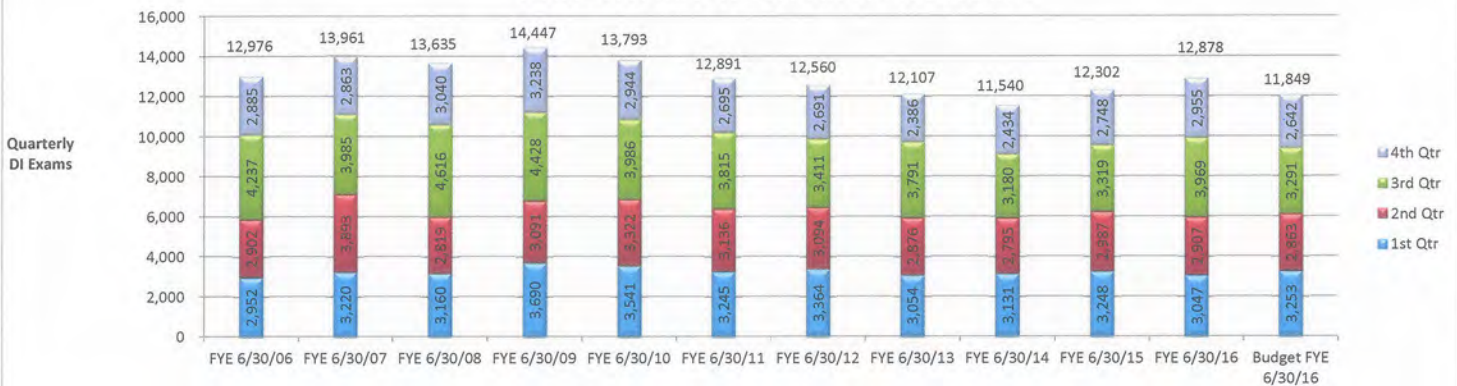
### TOTAL TFH OUTPATIENT DIAGNOSTIC IMAGING EXAMS



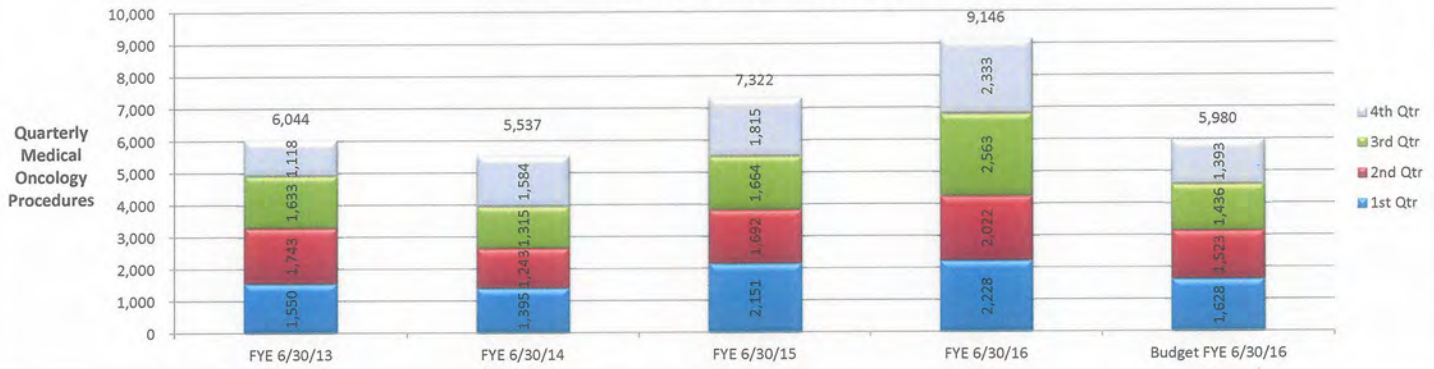
### TOTAL TFH MAMMOGRAPHY EXAMS



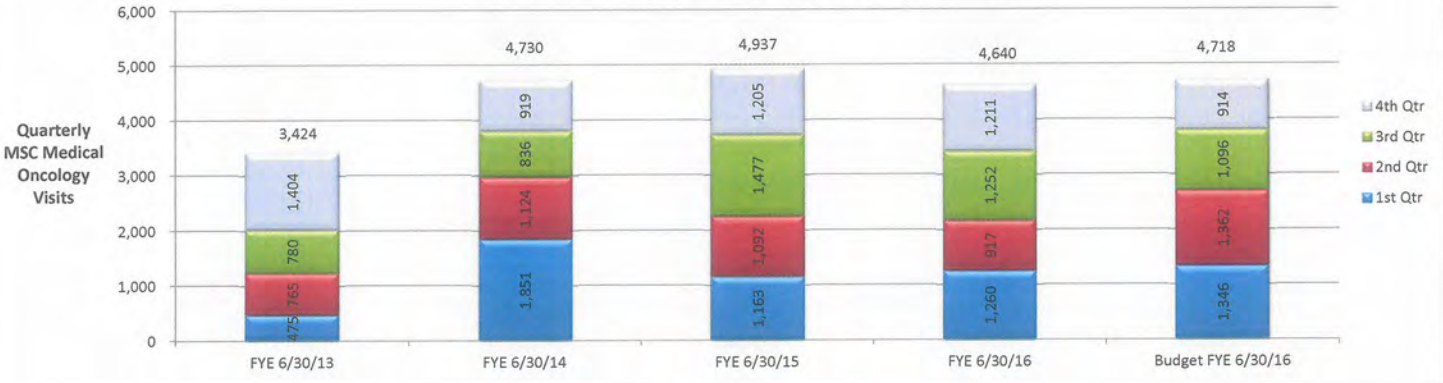
### TOTAL TFH DIAGNOSTIC IMAGING EXAMS



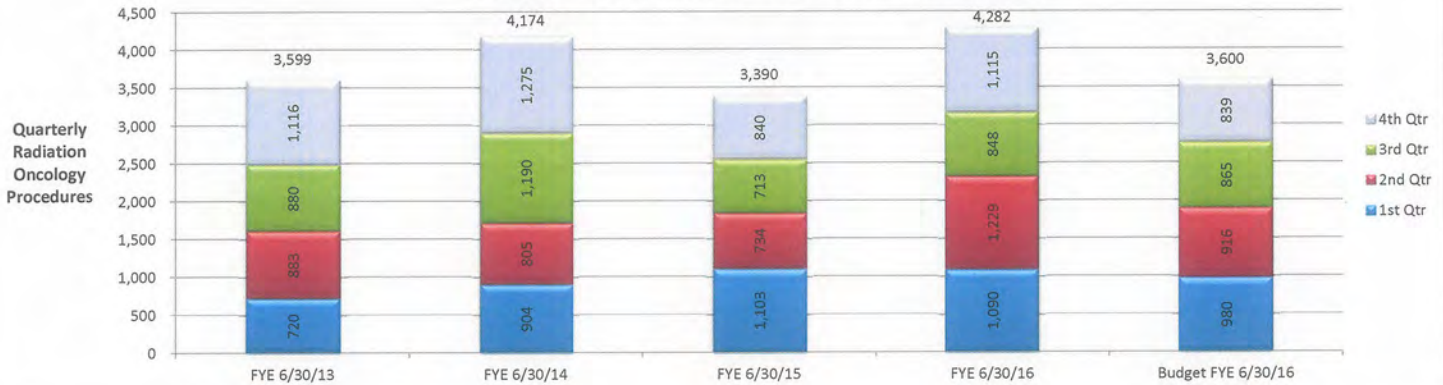
### TOTAL TFH MEDICAL ONCOLOGY PROCEDURES



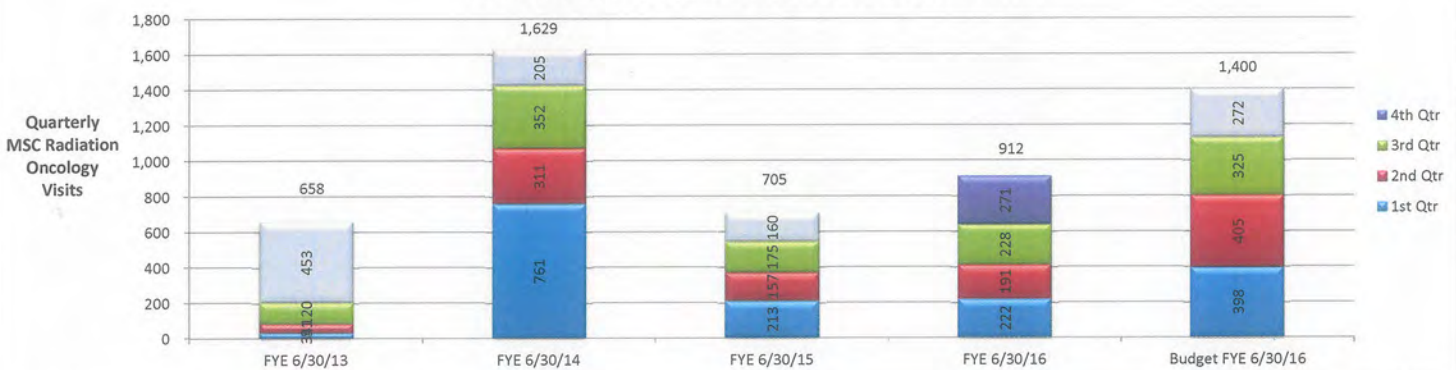
### TOTAL TFH MSC MEDICAL ONCOLOGY VISITS



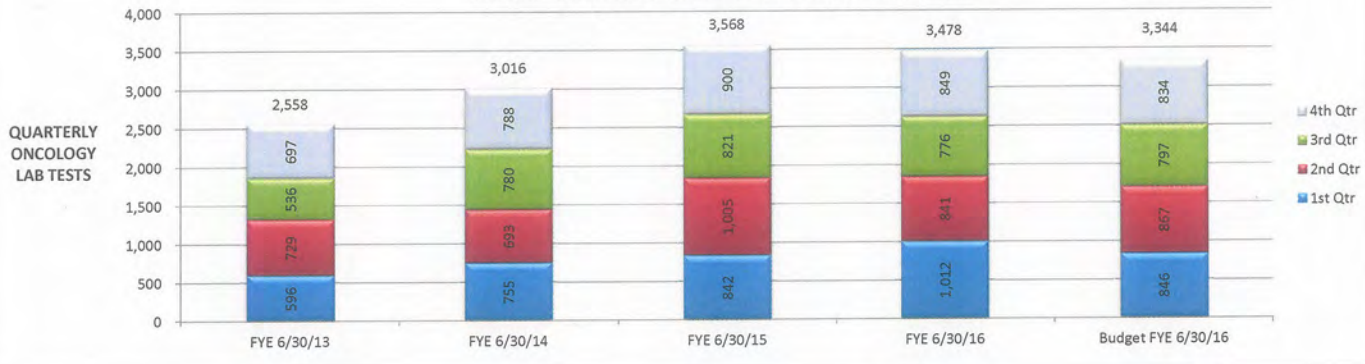
### TOTAL TFH RADIATION ONCOLOGY PROCEDURES



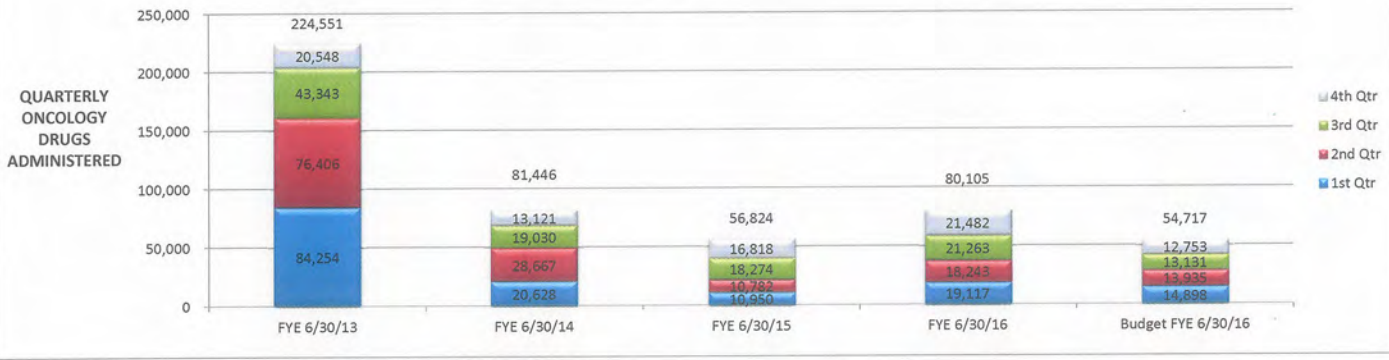
### TOTAL TFH MSC RADIATION ONCOLOGY VISITS



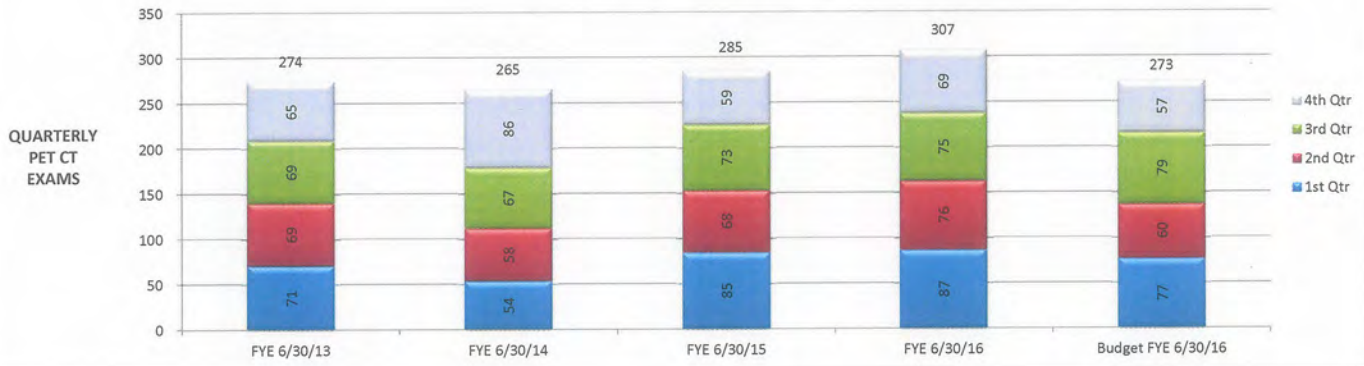
### TOTAL TFH ONCOLOGY LABORATORY TESTS



### TOTAL TFH ONCOLOGY DRUGS SOLD TO PATIENTS

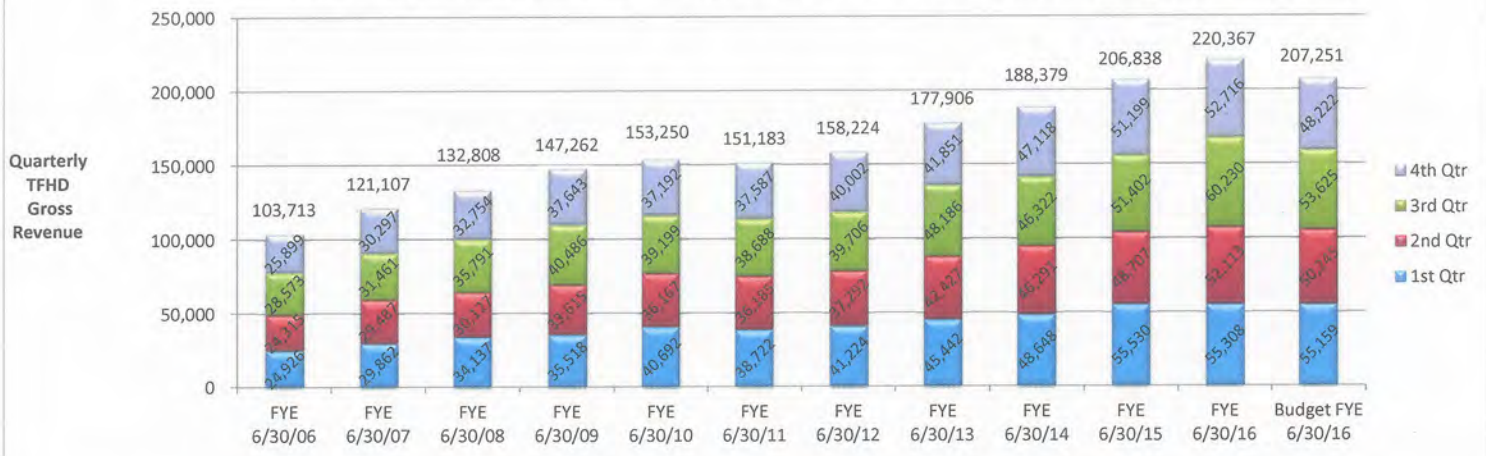


### TOTAL TFH PET CT EXAMS

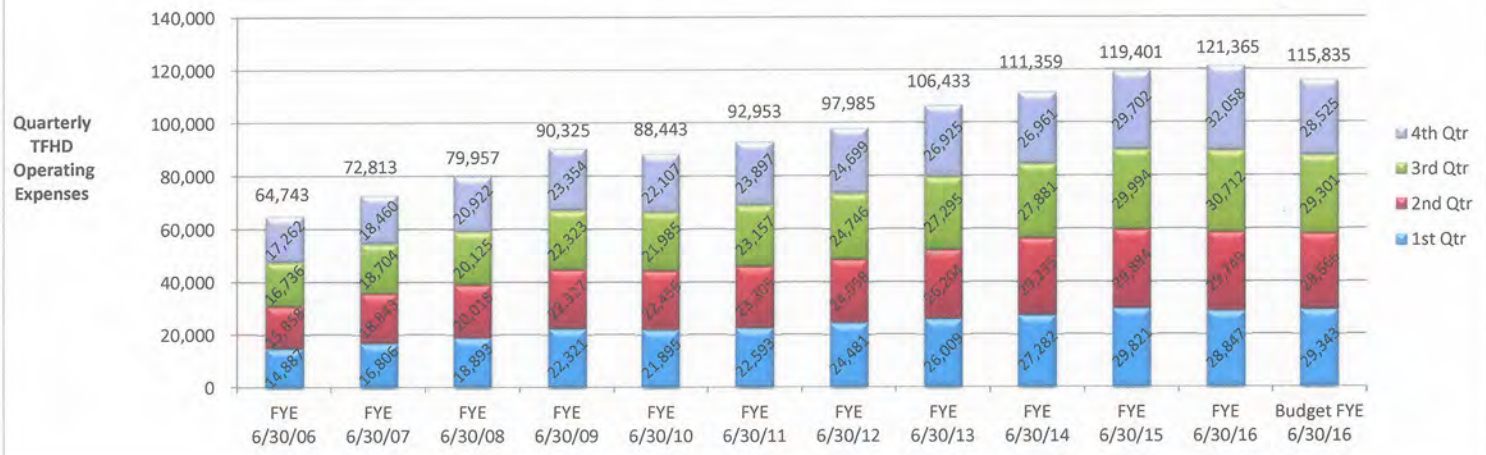




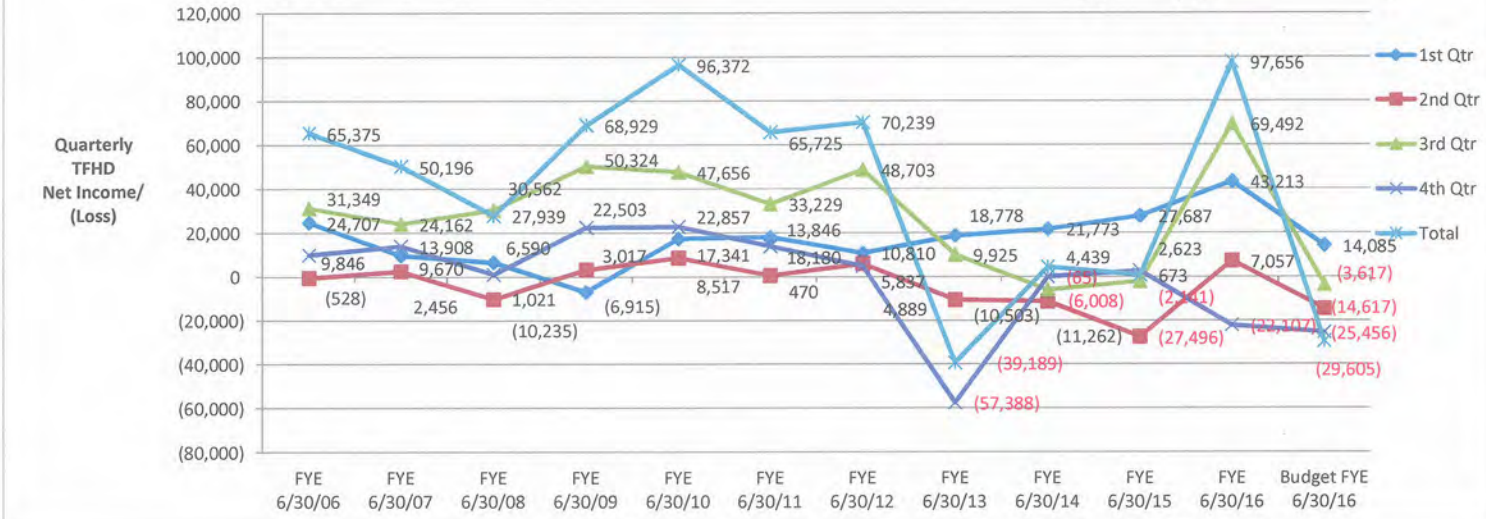
### TAHOE FOREST HOSPITAL DISTRICT TOTAL GROSS REVENUE (In Thousands)



### TAHOE FOREST HOSPITAL DISTRICT TOTAL OPERATING EXPENSES (In Thousands)





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



### **14.3. Contracts**

Contracts redacted.

Available for public viewing via a Public Records request.

|   |                |  |  |  |
|---|----------------|--|--|--|
|    |                | <b>Tahoe Forest Health System</b>          |  |  |
|   |                | Title: Fiscal Policy                       |  | Policy/Procedure #: ABD-11   |
|   |                | Responsible Department: Board of Directors |  |  |
| Type of policy  | Original Date: | Reviewed Dates:                            | Revision Dates:                            |  |
| <input checked="" type="checkbox"/> Board   | 8/85           | 2/10; 01/12; 1/14                          | 2/06; 6/07; 11/15;<br><a href="#">6/16</a> |  |
| <input type="checkbox"/> Medical Staff  |                |  |  |  |
| <input type="checkbox"/> Departmental   |                |  |  |  |
| Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital |                |  |  |  |

**PURPOSE:**

The purpose of this policy is to communicate the fiscal policy of the District as it relates to the operations of Tahoe Forest Hospital District and the various other services, programs and ventures which the District is or shall consider providing consistent with its Mission Statement and operating policies. It is the intention of the Board of Directors that this Fiscal Policy be disseminated to the hospital administrative and management team, as well as Medical Staff leadership, in order to achieve a broad based understanding of the fiscal goal of Tahoe Forest Hospital District. For the purposes of this policy statement, the term "services" shall apply to all hospital operations as well as other District services, programs or ventures. [Tahoe Forest Hospital District will endeavor to achieve at a minimum the Standard & Pooers A- rating while targeting the median ratios of the A- rating or better.](#)

**POLICY:**

1.0 **RATIONALE**

In view of the ever-changing reimbursement environment in which health care providers exist, the Board of Directors recognizes the importance of financial stability. A sound Fiscal Policy is necessary to assure the continuation of needed services, and as appropriate, expansion into new [health-health](#)-related facilities and services. To assure access to capital markets, it is in the best interest of the District to maintain strong financial [performance and strong cash](#) reserves. This philosophy is based upon, and consistent with, the Mission Statement and operating policies of the District.

2.0 **POLICY STATEMENT**

Our Fiscal Policy is to ensure the availability of capital to meet the future costs of carrying out the hospital's mission and serves as a prudent reserve to offset unexpected external forces. It will be the responsibility of the District's Chief Executive Officer (CEO) to implement policies and procedures consistent with the Fiscal Policy of the Board of Directors. [Tahoe Forest Hospital: The District shall put forth a strong effort in every fiscal year on achieving, at a minimum, the Standard and Poor's \(S&P\) A- rating, targeting the](#)

median ratios of the A- rating or better. At no time shall the District target financial performance that would drop the District below an investment grade rating.

**PROCEDURE:**

**3.0 OPERATING MARGIN AND EXCESS (NET INCOME) MARGIN**

The District, through approval by the Board of Director's, shall set an annual budget that seeks to target or maintain Operating and Excess Margins at the median S&P ratios of an A- rating or better. The CEO shall in turn endeavor, consistent with the CEO's authority under the annual budget and duly-adopted District policies, ~~has the authority to direct the annual budget to~~ direct District operations throughout the fiscal year so as to ~~to reflect maintain~~ Operating and Excess Margins at the median S&P ratios of an A- rating or better; ~~provided that the CEO may only increase rates to the maximum allowed under existing contracts with insurers and non-profit hospital service plans. However, a~~ Unusual circumstances may arise that could require setting the annual budget at ratios lower than A-, however, ~~a~~At no time shall the annual budget target median ratios below an investment grade rating. The CEO shall ~~have the authority to~~ direct management and staff to operate the District in a manner that achieves the goals of the annual budget.

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**3.04.0 FFUND BALANCES AND TRANSFER PROCEDURES**

The ~~Chief Executive Officer~~ shall, consistent with the CEO's authority under the annual budget, this Fiscal Policy, and duly-adopted District policies, authorize the movement of funds with the goal of achieving ~~has the authority to direct the annual budget reflect~~ projected Days' Cash on Hand (the number of days of average expenses) at the median S&P ratios of an A- rating or better~~move funds that are consistent with Board of Directors Fiscal Policy.~~. There shall be a strong effort to maintain this ~~, at a minimum,~~ Days' Cash ~~o~~n Hand (the number of days of average cash expenses) to maintain at a minimum ~~at the median S~~ the Standard & P ~~Peers BBBB~~ ~~rationing threshold, in order to maintain~~ensure appropriate cash reserves and to ~~and~~ sustain sufficient funding for capital ~~equipment~~ needs. ~~However,~~ Unusual circumstances may arise that could require setting the annual budget Days' Cash on Hand ratio lower than A-, however ~~A~~at no time shall the annual budget reflect a Days' Cash on Hand ratio below an investment grade rating. At least quarterly, a report of Day's Cash on Hand shall be ~~fund balances will be~~ presented to the Board of Directors. ~~In addition, the CEO may direct the movement of funds consistent with Board of Directors Fiscal Policy.~~

**4.1 Maintenance and Operations Fund:**

**4.0 Maintenance and Operations Fund:**

All receipts and revenues of any kind from the operation of the hospital shall be paid daily into the treasury of the District and placed in the Maintenance and Operations Fund. Moneys in the maintenance and Operation Fund may be expended for any of the purposes of the District.

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**5.0** The ~~CEO~~ Chief Executive Officer will ~~direct~~ ~~at~~ the allocation of monies ~~locate~~ monies in excess of 30 days forecasted cash to Board designated funds or transfer sufficient monies from Board designated funds into Maintenance and Operations Fund so that a minimum of 30 days working capital is maintained for the upcoming quarter.

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Fund transfers into Maintenance and Operations Fund from other funds to cover the minimum 30 days working capital will be in the following priority:

- 5.41.) Cash Reserve Fund
- 2.) Projects Fund

5-2

**6.0 Board Designated Funds:**

**4.2**

Available funds will be funded in the priority order as listed. Bond Funds are held by the Bond Trustee until the fund reimburses the District for project expenditures. The reimbursed bond project expenditures will be deposited in the Maintenance and Operations Fund. Debt service is included in the Maintenance and Operations Fund.

**6.14.2.1 Other Entity Funds:**

Funds held for other entities such as Medical Staff and Auxiliary. Interest income accrues to the specific fund.

**6.24.2.2 Projects Fund:**

Board of Directors approved and designated projects. Fund to include, among others, Building Funds and Capital Equipment Funds. Interest income will accrue to the Maintenance and Operations Fund.

**7.04.3 Cash Reserve Fund:**

Board of Directors approved funding to increase and provide sufficient reserves to sustain operational integrity; continued services at current levels; emergency purposes (safety net); credit worthiness; anticipated capital replacement needs. Interest income will accrue to the Maintenance and Operations Fund.

**8.04.4 Restricted Funds:**

Funds restricted to purchase assets or to fund program costs. These funds become unrestricted when the restriction is satisfied. Interest income accrues to the specific fund.

**9.04.5 Donations:**

Donated funds will be placed in the appropriate fund to be designated by the donor.

|                                      |
|--------------------------------------|
| Related Policies/Forms:              |
| References:                          |
| Policy Owner: Clerk of the Board     |
| Approved by: Chief Executive Officer |

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|   |               |   |                   |                                   |   |
|---|---------------|---|-------------------|-----------------------------------|---|
|    |               | <b>Tahoe Forest Health System</b>                 |                   |                                   |   |
|   |               | <b>Title:</b> Fiscal Policy                       |                   | <b>Policy/Procedure #:</b> ABD-11 |   |
|   |               | <b>Responsible Department:</b> Board of Directors |                   |                                   |   |
| Type of policy  |               | Original Date:                                    | Reviewed Dates:   | Revision Dates:                   |  |
| <input checked="" type="checkbox"/>   | Board         | 8/85  | 2/10; 01/12; 1/14 | 6/07; 11/15; 6/16                 |   |
| <input type="checkbox"/>  | Medical Staff |   |                   |                                   |   |
| <input type="checkbox"/>  | Departmental  |   |                   |                                   |   |
| Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital |               |   |                   |                                   |   |

**PURPOSE:**

The purpose of this policy is to communicate the fiscal policy of the District as it relates to the operations of Tahoe Forest Hospital District and the various other services, programs and ventures which the District is or shall consider providing consistent with its Mission Statement and operating policies. It is the intention of the Board of Directors that this Fiscal Policy be disseminated to the hospital administrative and management team, as well as Medical Staff leadership, in order to achieve a broad based understanding of the fiscal goal of Tahoe Forest Hospital District. For the purposes of this policy statement, the term "services" shall apply to all hospital operations as well as other District services, programs or ventures.

**POLICY:**

1.0 **RATIONALE**

In view of the ever-changing reimbursement environment in which health care providers exist, the Board of Directors recognizes the importance of financial stability. A sound Fiscal Policy is necessary to assure the continuation of needed services, and as appropriate, expansion into new health-related facilities and services. To assure access to capital markets, it is in the best interest of the District to maintain strong financial performance and strong cash reserves. This philosophy is based upon, and consistent with, the Mission Statement and operating policies of the District.

2.0 **POLICY STATEMENT**

Our Fiscal Policy is to ensure the availability of capital to meet the future costs of carrying out the hospital's mission and serves as a prudent reserve to offset unexpected external forces. It will be the responsibility of the District's Chief Executive Officer (CEO) to implement policies and procedures consistent with the Fiscal Policy of the Board of Directors. The District shall put forth a strong effort in every fiscal year on achieving, at a minimum, the Standard and Poor's (S&P) A- rating, targeting the median ratios of the A- rating or better. At no time shall the District target financial performance that would drop the District below an investment grade rating.

**PROCEDURE:**

**3.0 OPERATING MARGIN AND EXCESS (NET INCOME) MARGIN**

The District, through approval by the Board of Director's, shall set an annual budget that seeks to target or maintain Operating and Excess Margins at the median S&P ratios of an A- rating or better. The CEO shall in turn endeavor, consistent with the CEO's authority under the annual budget and duly-adopted District policies, to direct District operations throughout the fiscal year so as to maintain Operating and Excess Margins at the median S&P ratios of an A- rating or better. Unusual circumstances may arise that could require setting the annual budget at ratios lower than A-, however, at no time shall the annual budget target median ratios below an investment grade rating. The CEO shall direct management and staff to operate the District in a manner that achieves the goals of the annual budget.

**4.0 FUND BALANCES AND TRANSFER PROCEDURES**

The CEO shall, consistent with the CEO's authority under the annual budget, this Fiscal Policy, and duly-adopted District policies, authorize the movement of funds with the goal of achieving projected Days' Cash on Hand (the number of days of average expenses) at the median S&P ratios of an A- rating or better. There shall be a strong effort to maintain this minimum Days' Cash on Hand ratio to ensure appropriate cash reserves and to sustain sufficient funding for capital needs. Unusual circumstances may arise that could require setting the annual budget Days' Cash on Hand ratio lower than A-, however at no time shall the annual budget reflect a Days' Cash on Hand ratio below an investment grade rating. At least quarterly, a report of Day's Cash on Hand shall be presented to the Board of Directors.

**4.1 Maintenance and Operations Fund:**

All receipts and revenues of any kind from the operation of the hospital shall be paid daily into the treasury of the District and placed in the Maintenance and Operations Fund. Moneys in the maintenance and Operation Fund may be expended for any of the purposes of the District.

The CEO will direct the allocation of monies in excess of 30 days forecasted cash to Board designated funds or transfer sufficient monies from Board designated funds into Maintenance and Operations Fund so that a minimum of 30 days working capital is maintained for the upcoming quarter. Fund transfers into Maintenance and Operations Fund from other funds to cover the minimum 30 days working capital will be in the following priority:

- 1.) Cash Reserve Fund
- 2.) Projects Fund

**4.2 Board Designated Funds:**

Available funds will be funded in the priority order as listed. Bond Funds are held by the Bond Trustee until the fund reimburses the District for project expenditures. The reimbursed bond project expenditures will be deposited in the Maintenance and Operations Fund. Debt service is included in the Maintenance and Operations Fund.

**4.2.1 Other Entity Funds:**

Funds held for other entities such as Medical Staff and Auxiliary. Interest income accrues to the specific fund.

4.2.2 **Projects Fund:**

Board of Directors approved and designated projects. Fund to include, among others, Building Funds and Capital Equipment Funds. Interest income will accrue to the Maintenance and Operations Fund.

4.3 **Cash Reserve Fund:**

Board of Directors approved funding to increase and provide sufficient reserves to sustain operational integrity; continued services at current levels; emergency purposes (safety net); credit worthiness; anticipated capital replacement needs. Interest income will accrue to the Maintenance and Operations Fund.

4.4 **Restricted Funds:**



Funds restricted to purchase assets or to fund program costs. These funds become unrestricted when the restriction is satisfied. Interest income accrues to the specific fund.

4.5 **Donations:**

Donated funds will be placed in the appropriate fund to be designated by the donor.

|                                      |
|--------------------------------------|
| Related Policies/Forms:              |
| References:                          |
| Policy Owner: Clerk of the Board     |
| Approved by: Chief Executive Officer |



|  |               |   |                   |  |  |
|--|---------------|---|-------------------|--|--|
|   |               | <b>TahoeForest Health System</b>                            |                   |  |  |
|  |               | <b>Title:</b> Physician and Professional Service Agreements |                   | <b>Policy/Procedure #:</b> ABD-21            |  |
|  |               | <b>Responsible Department:</b> Board of Directors           |                   |  |  |
| Type of policy   |               | Original Date:  | Reviewed Dates:   | Revision Dates:                              |  |
| <input checked="" type="checkbox"/>  | Board         | 1/90  | 5/00; 01/12; 1/14 | 02/14; 07/15;<br>5/16; <a href="#">06/16</a> |  |
| <input type="checkbox"/>   | Medical Staff |   |                   |  |  |
| <input type="checkbox"/>   | Departmental  |   |                   |  |  |
| Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> TahoeForestHospital <input type="checkbox"/> InclineVillageCommunityHospital |               |   |                   |  |  |

**PURPOSE:**

This policy is intended to provide the District's Chief Executive Officer a general framework for professional services contracting and recognizes that flexibility may be required due to the broad scope of professional services that may be covered. Further, to insure that the professional service provider is meeting the needs of Tahoe Forest Hospital District and the community that it serves, as well as allowing the provider to update the actual services performed, a formal service review process will be utilized.

**POLICY:**

Written professional service agreements will be prepared for all physicians, [physician groups](#), and health professionals who qualify as independent contractors and who provide diagnostic or therapeutic services to Tahoe Forest Hospital District's patients, or who provide certain medico-administrative duties within a hospital department or service.

The following list exemplifies physicians, [physician groups](#), and health professionals who will be covered by this policy including but not limited to:

- Anesthesiologists
- Medical Directors of specific departments/services, and Medical Staff Officers
- Physicians providing services in the District's Medical Services Clinics and Cancer Center
- Physicians serving in medical-administrative roles or on [hospital-District](#) committees
- Nuclear Medicine Specialists
- Emergency Services physicians
- Occupational therapists
- Pathologists
- Physical therapists
- Radiologists
- Speech pathologists
- Emergency and urgent care providers
- Mid-level practitioners not employed by the District
- Hospitalists

- Other contracted physicians

**Procedures**

1.0 All professional service agreements will be developed between the District’s Chief Executive Officer, or designee, and health professionals.

1.1 Health professionals are not permitted to provide professional services under any professional services agreement until the agreement has been ~~fully signed and executed~~approved by the Board of Directors prior to the agreement effective date by the parties. Signatures will be obtained prior to the agreement effective date or in accordance with current Stark Law. Agreements containing amendments to the terms and conditions of the agreement must also be executed prior to the effective date and prior to the provision of professional services under the amended agreement.

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1.2 New ~~and renewal~~ agreements shall utilize the ~~model template~~ agreement for the type of service required from the contracting professional (See Exhibit A, attached, for a list of available model agreements); and

1.2.1 All ~~new~~ agreements shall be reviewed by the Compliance Department. New agreements not utilizing the ~~model template~~ agreement for the type of service required shall be reviewed by the Compliance Department and legal counsel, prior to submission to the District’s Board of Directors.

1.2.2 Agreements committing \$25,000.00 or more in any given twelve-month period:

1.2.2.1 Once agreement is reached between the District’s Chief Executive Officer and health professional, CEO will present the Contract Routing Form (or equivalent data summary report) with the principal terms and conditions listed, and agreement to the Board of Directors for their consideration. Principal terms and conditions include, but are not limited to, purpose/need/justification for the agreement, agreement term, compensation, scope of duties, other similar agreements and differences with this agreement, total cost of contract, and other pertinent information, as applicable, in 6.2-6.4 below.

1.2.2.2 All agreements and amendments completed at least five (5) days prior to the Governance Committee meeting will be reviewed by the Governance Committee.

1.2.2.3 Governance Committee will review agreements and make recommendations to the full Board of Directors.

1.2.2.4 The District’s Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration.

~~1.2.2.2~~

~~1.2.2.3~~1.2.2.5 Upon their review and consideration, the Board of Directors may request specific changes be made to the proposed terms and conditions, and revised terms and conditions be submitted to the Board at its next scheduled or special meeting.

~~1.2.2.4~~~~1.2.2.6~~ After approval by the Board of Directors, the CEO will present the agreement to the health professional for review and signature, indicating his or her acceptance of the included terms.

~~1.2.2.5~~ In the rare event the health professional requests changes in the principal terms and conditions of the agreement, the CEO will present a modified Contract Routing Form (or equivalent) and agreement to the Board of Directors.

~~1.2.2.6~~~~1.2.2.7~~ The CEO will execute the agreement after approval by the Board of Directors.

~~1.2.2.7~~~~1.2.2.8~~ The District's Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration.

~~1.2.2.8~~~~1.2.2.9~~ The professional service agreement will become effective following the Board of Directors' approval, subject to the contract term identified in the agreement.

~~1.2.2.9~~~~1.2.2.10~~ The CEO will execute the agreement after approval by the Board of Directors.

1.2.3 New and renewal agreements committing less than \$25,000 per twelve-month period can be authorized by the District's Chief Executive Officer without Board approval so long as funds have been authorized in the District's operating budget for that fiscal year.

#### ~~1.3~~ Renewal agreements:

~~1.3.1~~ All renewing agreements shall utilize the model agreement for the type of service required from the contracting professional.

~~1.3.1.1~~ Agreements committing \$25,000.00 or more in any given twelve-month period:

~~1.3.1.1.1~~ Once agreement is reached between the District's Chief Executive Officer and health professional, CEO will present the Contract Routing Form (or equivalent) with the principal terms and conditions listed, to the Board of Directors for their consideration. Principal terms and conditions include, but are not limited to, purpose/need for the agreement, agreement term, compensation, scope of duties, other similar agreements and differences with this agreement, total cost of contract, and other pertinent information.

~~1.3.1.1.2~~ Upon their review and consideration, the Board of Directors may request specific changes be made to the proposed terms and conditions, and revised terms and conditions be submitted to the Board at its next scheduled or special meeting.

~~1.3.1.1.3~~ After approval by the Board of Directors, the CEO will present the agreement to the contracting professional

~~for review and signature, indicating his or her acceptance of the included terms~~

~~1.3.1.1.4 In the event the contracting professional requests changes in the principal terms and conditions of the agreement, the CEO will present a modified Contract Routing Form (or equivalent) to the Board of Directors~~

~~1.3.1.1.5 The District's Chief Executive Officer will place the agreement on the agenda of the District Board of Directors for their consideration.~~

~~1.3.1.1.6 The professional service agreement will become effective following the Board of Directors' ratification, subject to the contract term identified in the agreement.~~

~~1.3.2 Renewal agreements committing less than \$25,000 per twelve-month period can be authorized by the District's Chief Executive Officer without Board approval so long as funds have been authorized in the District's operating budget for that fiscal year.~~

~~4.4.1.3~~ Physician and other professional service agreements due for renewal may be held over for up to twelve months with no change in terms at the discretion of the CEO, and in accordance with Stark Law and regulations. Note: the Stark regulations currently permit unlimited holdover of physician professional service agreements.

#### ~~4.5.1.4~~ Urgent Services:

~~4.5.1.4.1~~ At the discretion of the CEO, an agreement required for urgent services may be presented directly to the Board of Directors.

~~4.5.1.4.1.1~~ All terms and condition must be included at the time of presentation.

~~4.5.1.4.1.2~~ The signature of the health professional will be required on such agreements at the time of presentation to the Board.

~~4.6.1.5~~ All physician and professional service agreements will be processed by the Chief Executive Officer's administrative staff. The following guidelines will be utilized:

~~4.6.1.5.1~~ Material and checklists (provided in AGOV-10 Contract Review Policy) for agreements will be presented to the Chief Executive Officer's administrative staff in a timely manner to ensure that adequate time is available for preparation of the agreement within the required timeframes for timely execution and implementation.

~~4.6.2.1.5.2~~ Content and negotiations with health service professionals will remain the the responsibility of the Admin Council members.

## 2.0 Compensation under Professional Service Agreements With Physicians Only.

In all cases, agreement will specify the financial arrangements related to the provision of physician professional services. In no case shall compensation to physicians vary with the physician's referrals to TFHD. TFHD shall endeavour to maintain a consistent approach with physicians within a specialty and among various specialties, irrespective of referrals to TFHD generated, by an individual physician or the type of specialty. The following methodologies may be utilized:

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- 2.1 Hourly rates. Hourly rates are the preferred compensation method for administrative duties such as medical directorships, medical staff leadership positions, or committee attendance. Hourly rates or “per shift” rates with hours of coverage and response time specified are the preferred compensation method for on-call and hospitalist coverage.
- 2.1.1 Physicians shall be required to document the date, hours spent, and a description of work completed for all administrative duties.
- 2.1.2 On call calendars maintained by the medical staff office may be utilized as documentation for on-call and hospitalist agreements.
- 2.2 Base compensation plus bonus. Payment of a fixed base compensation plus bonus is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working more than half time. A consistent model for the compensation of MSC physicians shall be utilized, which may be subject to modification annually.
- 2.2.1 Management shall endeavor to create a model that is aligned with the following organizational goals, recognizing that simultaneous achievement of all goals may not be possible in all cases; however the first of these goals (paying within fair market value) cannot be compromised in any circumstance.
- 2.2.1.1 Pay within constraints of fair market value
- 2.2.1.2 Maintain internal equity within and between specialties
- 2.2.1.3 Provide sufficient compensation to recruit and retain physicians
- 2.2.1.4 Encourage quality and productivity
- 2.2.1.5 Be Clear and understandable to all parties
- 2.2.2 Base compensation shall be established based on an agreed upon percentage of the median compensation from one or more published compensation surveys, adjusted for the physician’s FTE status.
- 2.2.2.1 FTE status shall be based on agreed number of days of work and/or hours of clinical availability, which may vary by specialty but which shall be consistent within each specialty.
- 2.2.2.2 The survey to be utilized shall be the annual MGMA Physician Compensation and Production Survey.
- 2.2.2.3 The Western Region median may be utilized.
- 2.2.2.4 Data shall be smoothed by utilizing a 3-year average of the median from the three most recently published surveys.
- 2.2.2.5 In the event that, in management’s professional opinion, the data from the MGMA survey in the Western Region is unreliable due to the low number of respondents or other factors, management may utilize the national median and/or data from other published surveys.

- 2.2.2.6 Survey data shall be adjusted for inflation that has occurred since the data was collected.
- 2.2.2.7 The percentage of median may be adjusted based on the physician's historic productivity, years of experience, special expertise, or the difficulty of recruiting a particular specialty to the area. However:
  - 2.2.2.7.1 In no case shall the percentage of median compensation paid as base compensation (before FTE adjustment) exceed 130% of the median.
  - 2.2.2.7.2 Physician's base compensation may be adjusted once per year if: Physician's FTE status has changed.
  - 2.2.2.7.3 Physician's prior year productivity has fallen below 90% of the prior year's target, and physician failed to reach this productivity level due to factors that are under the physician's control, such as leaving early or taking excessive time off. Determination of the reasons for any such failure shall be reviewed by a panel that includes the Executive Director (or designee), the Medical Director and at least one other physician.
- 2.2.3 The costs of malpractice insurance and benefits that are borne by the physicians shall be considered based on such reasonable methodology as may be developed by management, which may include but is not limited to:
  - 2.2.3.1 Adding the estimated costs of malpractice insurance, health insurance, retirement benefits, employer-paid payroll taxes, and other benefits that are customarily paid by organizations with the ability to employ physicians.
  - 2.2.3.2 Reducing the WRVU target by an amount that would enable physicians to earn all or a portion of those costs by reaching a production level that is commensurate with their compensation.
- 2.2.4 Physician contracts may include a production and/or quality incentive, to encourage physicians to work to their full capacity, provided:
  - 2.2.4.1 Productivity is measured in Work Relative Value Units (WRVUs), unless physician works in a specialty for which WRVU benchmark data is either unavailable or insufficient, in which case an alternate measure such as visits may be utilized.
  - 2.2.4.2 The production incentive is in no way tied to referrals or to use of Tahoe Forest Hospital facilities.
  - 2.2.4.3 The production target is set based on the same survey benchmarks utilized for compensation, and is set at a level that is proportionate to base salary.

- 2.2.4.4 Quality incentives, if any, are measurable and linked to factors that are within the physician's control.
  - 2.2.4.5 The total projected compensation, including incentives, does not exceed fair market value.
- 2.3 Rate per Work Relative Value Unit (WRVU). Payment at a set rate per Work Relative Value Unit (WRVU) is the preferred compensation method for multi-specialty clinic (MSC) physicians who are working less than half time, and may also be utilized for other physicians when mutually agreed upon by the parties.
  - 2.3.1 The rate per RVU shall be based on the same compensation and production survey data that is utilized for physicians working half time or more, and may include an allowance for malpractice and benefits.
- 2.4 Percentage of professional fee collections. Payment based on a percentage of professional fees collected may be utilized for physicians who are not part of the MSC in those instances where the District accepts responsibility for billing and collecting from the patient or any third party payer for professional services and is able to separately bill for professional service fees.
  - 2.4.1 Remuneration based upon a percentage of combined facility and professional gross charges or collections is prohibited.
  - 2.4.2 The District will remit the amounts collected, depending upon the agreement, to the physician, deducting a percentage to account for the estimated expenses of the District's billing and collection services and other administrative and support services, if provided.
  - 2.4.3 If the payment to the healthcare provider is based upon billings rather than collections, a further percentage will be deducted so to account for the estimated incidents of bad debts and contractual allowances. Furthermore, if the payment to the healthcare provider is based upon billings rather than collections, a revenue collection analysis will be performed at least annually to ensure compliance to the above compensation provision.
  - 2.4.4 All professional fee schedules shall be made a part of the agreement and appropriately referenced. Professional fee schedules may be revised annually. Any changes to the professional fee schedule must be discussed between the District Chief Executive Officer and requesting physician prior to becoming effective. Requests shall conform to the following criteria:
    - 2.4.4.1 Should provide sufficient detail to fully describe the professional services, relevant code numbers and professional fees;
    - 2.4.4.2 All professional fees shall be reasonable and customary and comparable to professional fees charged by their peers within our region. The mechanism for determining compliance to this criteria will be determined on a case by case basis between the professional provider and District Chief Executive Officer.
    - 2.4.4.3 Other relevant information should also be provided, e.g., changes required as a result of regulatory mandates; requests from individual physicians and Medical Staff; new service charges or

extraordinary changes in provider costs not previously anticipated.

2.4.4.4 Written agreement reflecting mutual acceptance of the proposed revisions as meeting the above criteria shall be required prior to the changes becoming effective.

2.5 Payment per service. Payment at a specified rate per service is the preferred method for limited scope agreements in which the physician is providing clearly delineated clinical services. Examples include EKG interpretations, audiology reviews, and other services that are billed on a global basis by the hospital.

2.6 Specialty call activation fee. In specialties where a regular on-call panel is either infeasible due to the number of physicians on the medical staff within that specialty or the low incidence of emergency need for that specialty, a specialty activation fee may be offered in the event that physician is called in to respond to an emergency.

2.7 Fair Market Value. In all cases, physician's compensation must be within fair market value and must be determined to be commercially reasonable.

2.7.1 Fair market value for any individual contract shall generally be defined as an amount equal to or less than the 75th percentile of fair market value compensation, considering the physician's FTE status and production levels.

2.7.2 However management shall endeavor to design a compensation model that maintains the average physician's compensation within +/- 10% of the median (or between the 40th and 60th percentiles) based on the survey referenced in 2.2.2.2 above.

### 3.0 Multiple agreements

3.1 Nothing in this policy shall prohibit the hospital from entering into multiple agreements with physicians; provided however that the designated hours of service are clearly segregated.

3.1.1 Physicians whose MSC duties are typically during regular Monday through Friday daytime hours may be paid for on-call coverage during evenings, weekends, and scheduled days off and/or for administrative duties performed during lunch or after regular clinic hours.

3.1.2 MSC physicians who provide hospitalist, on-call, or administrative services during normal scheduled clinic time shall receive WRVU credit in lieu of cash payment.

3.1.3 The physician may perform administrative duties while on call, as long as clinical duties are not needed. If the physician is need for clinical duties, they may not bill administrative time when performing clinical duties.

3.1.4 Fair market valuations shall take into account the existence of multiple agreements with one contracting professional.

3.1.5 The multiple agreements of a contracting professional shall be referenced in each of the agreements with that contracting professional.

### 4.0 Physician Qualifications:

4.1 Professional service agreements with physicians shall require:

*Physicians and Professional Service Agreement  
Page 8 of 15*



- 4.1.1 A valid and unrestricted license to practice medicine in the state issued by the applicable state Medical Board;
  - 4.1.2 The contracting professional is not suspended or excluded from participating in any federal health program;
  - 4.1.3 All appropriate certifications, registrations and approvals from the Federal Drug Enforcement Administration and any other applicable federal or state agency necessary to prescribe and dispense drugs under applicable federal and state laws and regulations, in each case without restriction;
  - 4.1.4 Prompt disclosure of the commencement or pendency of any action, proceeding, investigation or disciplinary proceeding against or involving Physician, including, without limitation, any medical staff investigation or disciplinary action;
  - 4.1.5 Prompt written notice of any threat, claim or legal proceeding against TFHD that Physician becomes aware of, and cooperate with TFHD in the defense of any such threat, claim or proceeding and enforcing the rights (including rights of contribution or indemnity) that TFHD may have against other parties or through its insurance policies;
  - 4.1.6 No discrimination against a patient based on race, creed, national origin, gender, sexual orientation, disability (including, without limitation, the condition(s) for which the patient seeks professional services from Physician), ability to pay or payment source.
- 4.2 Physician Qualifications In Coordination With Medical Staff Bylaws:
- 4.2.1 Professional service agreements with physicians shall require their membership on the District's Medical Staff with appropriate privileges pertinent to the duties and responsibilities described by the professional service agreement.
  - 4.2.2 Termination of the agreement will cause the physician to lose the "right" to provide the services which are described in the agreement. However, this would not mean that the physician would lose his Medical Staff membership and privileges; he/she would simply lose the right to gain access to the service or department which is the subject of the exclusive agreement.
- 4.3 Contract Termination Clause
- 4.3.1 In all cases, professional service agreements shall provide for a termination clause which allows for termination by either party without cause upon prior written notice.
  - 4.3.2 The following language will be utilized:
    - 4.3.2.1 "For cause" termination of a physician contract at any time during the term;
    - 4.3.2.2 "No cause" termination during the initial or subsequent term. In the event a "no cause" termination occurs during the first year of the agreement, the parties may not enter into a new agreement for substantially the same services until after the expiration of the initial one-year term of the agreement.

- 4.3.2.3 The timeframe for prior written notice may range from 60-180 days. Further, termination of the agreement does not afford the physician the right to request a medical staff hearing or any other review pursuant to the Medical Staff By-Laws.

## 5.0 Provisions For Health Professional Service Agreements

### 5.1 Compensation:

In all cases, the contract will specify the financial arrangements related to the provision of professional services. It is desirable that remuneration be based upon a set professional fee schedule rather than a percentage of gross or net patient charges. However, it is recognized that a wide variety of other mechanisms may be utilized and such other mechanisms are left to the discretion of the District Chief Executive Officer and Board of Directors.

### 5.2 Compensation for health professional service agreements shall not exceed fair market value of the services.

### 5.3 Professional Fee Schedule:

5.3.1 When reimbursement is based upon professional fee schedules, said fee schedule shall be made a part of the agreement with the health professional. When provided for by agreement, professional fee schedule revisions will be considered once annually in a timeframe that coincides with the District's operating budget.

- 5.3.1.1 Requests for revisions must be submitted to the District Chief Executive Officer by April of each year for implementation by July. The request should provide sufficient detail to fully describe the professional services, relevant code numbers and professional fees requested. The District Chief Executive Officer will determine the acceptability of the proposed changes.

### 5.4 Health Professional Qualifications in Coordination with Medical Staff By-Laws:

5.4.1 Professional service agreements may require certain health professionals to be members of the District's allied health professional staff with appropriate privileges pertinent to the duties and responsibilities described by the professional service agreement.

5.4.2 Should a health services agreement be cancelled involving an allied health professional, termination of the agreement will cause the health professional to lose the "right" to provide the services which are described in the agreement. However, this would not mean that the health professional would lose his allied health professional appointment or related privileges.

### 5.5 Contract Termination Clause

5.5.1 In all cases, professional service agreements shall provide for a termination clause which allows for termination by either party without cause upon written notice.

5.5.2 The timeframe for prior written notice may range from 60-180 days. When the health professional is required to be an allied health professional, termination of the agreement will not afford the allied health professional the right to request the due process hearing described by the Medical Staff rules and regulations for allied health professionals.

6.0 Physician and Health Professional Service Agreement Contract and Service Review

6.1 Contract Review

6.1.1 Prior to the end of a contract period, the Chief Executive Officer, or designee, may choose to conduct a contract review or at any time during the contract period.

6.1.2 The Board of Directors can recommend that a contract review be done prior to most contract renewals but allows the CEO discretion to forego the review if the contract renewal is on an annual basis or if other factors indicate that the review is not necessary prior to that particular contract renewal.

At a minimum of every five years, the Chief Executive Officer will conduct a service review of the contract service provided by the physician, physician group and/or other professional service. The Chief Executive Officer will undertake the service review and a report based upon this service review will be made to the Board of Directors.

6.2 Contract Review Elements

6.2.1 Analyze the continuing need for the services covered by the contract.

6.2.2 Ensure that the terms of the contract are being met as outlined in the service agreement.

6.2.3 Review the service as it related to consistency with the District's compliance program.

6.2.4 Assessment of patient, physician and staff opinions/input/complaints.

6.3 Service Review Elements

6.3.1 As part of the service review, the Chief Executive Officer will request feedback from the medical and clinical staff regarding the following:

6.3.1.1 Quality of care being provided based on the specialty's identified standards of care.

6.3.1.2 Availability and responsiveness.

6.3.1.3 Consistency with the District's compliance program.

6.3.1.4 Patient, physician and staff opinions/inputs/complaints

6.4 Other Review Elements: In addition the Chief Executive Officer will:

6.4.1 Ensure that the terms of the contract are being met as outlined in the service agreement.

6.4.2 Review market conditions with appropriate benchmarking and response to changes in the marketplace, and make recommendations as to the continuation of the current contract.

- 6.4.3 Seek a fair market valuation via written opinion of an experienced professional valuation expert, for any agreement, for the same specialty/scope of services, where the previous valuation was completed more than two years prior to the anticipated renewal date.
  - 6.4.4 Document the community need for the physician or other healthcare professional services provided under the agreement.
  - 6.4.5 Document how the agreement furthers specific strategic, business or operational goals of the District, increases integration of services, avoids costs/reduces expenses that would otherwise be incurred by the District, or furthers needed research and development within the District.
  - 6.4.6 Evaluate the use of less expensive alternatives.
  - 6.4.7 Ensure that the fee schedule is appropriate for current market conditions.
  - 6.4.8 Take in to consideration elements of the contractor's relationships with service providers, the District and the community.
  - 6.4.9 Review standards and best practice recommendations set by professional and specialty organizations with appropriate consideration of our community and Hospital District.
- 6.5 The Chief Executive Officer will compile a report based upon the service review and present it to the Board of Directors with recommendations related to continuation of the contract or consideration of a Request For Proposal (RFP) process.

**Contract Inclusion terms:**

- 7.0 General Provisions: Physician and Health Professional Service Agreements
- 7.1 Professional Service Duties and Responsibilities: Each agreement will include a detailed and specific delineation of the duties and responsibilities to be performed by the health professional as well as the District. For example, extensive detail will be provided regarding:
    - 7.1.1 Diagnostic and therapeutic services to be provided
    - 7.1.2 Medico-administrative services to be provided
    - 7.1.3 Coverage obligations to be assumed
    - 7.1.4 The rights and obligations of the District and the health professional with regard to providing space, equipment, supplies, personnel and technicians.
  - 7.2 Standards Of Practice: Each agreement shall specify that the health professional will provide the service in accordance with the Hospital Bylaws; Medical Staff Bylaws, Rules and Regulations, and standards established by the Executive Committee of the Medical Staff; with the ethical and professional standards of the American Medical Association and the California and/or Nevada Medical Association; the standards of the Healthcare Facilities Accreditation Program (HFAP) and in any applicable specialty college or society or governmental regulation.
  - 7.3 Medicare and Medicaid Enrollment: Each agreement shall specify that the health professional is duly enrolled in the federal Medicare program and the applicable State Medicaid program (unless excepted by the District) and eligible to seek reimbursement under such programs for covered services rendered by the

provider to beneficiaries of such programs. Every agreement must contain a provision in which the health professional agrees to notify TFHS in the event participation terminates.

- 7.4 Quality Assessment: Professional service agreements shall require the health professional to participate in the Health System, Quality Improvement Program to ensure that the quality, safety and appropriateness of healthcare services are monitored and evaluated and that appropriate actions based on findings are taken to promote quality patient care. Furthermore, each agreement shall specify a process designed to assure that all individuals who provide patient care services under service agreements, but who are not subject to the Medical Staff privilege delineation process, are competent to provide such services. Whenever possible, information from customer satisfaction surveys shall be incorporated into the Quality Improvement Program for said service. Agreements which provide for Directorship responsibilities over a department or service shall require the health professional "Director" to be responsible for implementing a monitoring and evaluation process designed to improve patient care outcomes and which is integrated with the Health System Quality Improvement Program.
- 7.5 Assignability: It is desirable that all professional service agreements be non-assignable unless important to the successful negotiation of a contract where higher priority objectives may be achieved. Where assignability becomes necessary, assignability shall be allowed only with the condition that prior written consent of the Board of Directors be obtained.
- 7.6 Contract Term: Professional service agreements shall specify a specific term and termination date (i.e., not automatically renewable for successive years). In considering the term of the agreement, the termination date of related agreements should be considered by the District Chief Executive Officer so as to minimize the likelihood of multiple agreements coming due on the same date or year. The length of the term shall be negotiable. Professional service contracts will typically range from one to four years in duration.
- 7.7 Professional Liability: In all cases, the health professional will be responsible for providing adequate professional liability insurance coverage at the health professional's expense. Limits of coverage for physicians will be a minimum of \$1,000,000 per occurrence, \$3,000,000 aggregate. For non-physicians, the minimum limits of coverage may vary depending on the standard established for that health profession. The agreement shall also specify that the contracting health professional will, in turn, either require or arrange for professional liability insurance coverage for all sub-contracting health professionals. Furthermore, the professional liability insurance policy must be obtained from a professional liability insurer which is authorized to transact the business of insurance in the State of California (or Nevada in the case of professional services provided at the District's Community Hospital in Incline Village, Nevada). Also, the professional services agreement must require that the selected insurer will be responsible for notifying the District of any cancellation or reduction in coverage within thirty days of said action.
- 7.8 Regulatory Compliance: The agreement should include provisions in which both the District and the health professional commit to full compliance with all federal, state, and local laws. The contracting party should agree to keep confidential any financial, operating, proprietary, or business information relating to the District

and to keep confidential, and to take the usual precautions to prevent the unauthorized use and disclosure of any and all Protected Health Information. The agreement should include provisions for amendment to the agreement in furtherance of maintaining compliance in the event of the adoption of subsequent legislation and/or regulations.

- 7.9 Recitals: Exclusive professional service agreements should include a carefully developed description of the rationales for exclusivity in a particular clinical service or department. Furthermore, if the agreement does assign exclusive responsibility for a particular service, it should state so expressly not leaving this to inference or interpretation.
- 7.10 Professional Relationships: The agreement should specify that the health professional is an independent contractor and is not an employee of the District.
- 7.11 Government Audit: The agreement should include the standard provision recognizing that the agreement and certain other materials will be subject to audit and inspection by certain federal authorities with regard to payments made for Medicare services.
- 7.12 Standard Contractual Language: The agreement should include certain standard provisions to the effect that the provisions of the contract are severable and, therefore, the ruling that any one of them is void does not invalidate the entire agreement, and that the waiver of breach of one provision does not constitute a continuing waiver, and that the written agreement constitutes the entire contract between the parties.
- 7.13 Managed Care: The physician or health professional agrees to participate as a preferred provider with all of the managed healthcare plans (PPOs and HMOs) that the District has agreements with including agreements with insurance companies, health maintenance organizations and direct contracting with self-funded employers. Any deviation of this policy must be approved by District Administration and the Board of Directors.

|  |
|--|
| Related Policies/Forms: Contracts Routing Form, Model Agreements |
| References:  |
| Policy Owner: Clerk of the Board                                 |
| Approved by: Chief Executive Officer                             |

**EXHIBIT A**

| <b>No.</b> | <b>Contract Title</b>   | <b>Last Date Modified</b> |
|------------|---|---------------------------|
| 1          | Call_Coverage_Agreement_Template_Individual_2015<br><b>(version dated 8/11/14 does not have Master List provision)</b>  | <b>3/30/2015</b>          |
| 2          | Call_Coverage_Agreement_Template_Medical_Group_2015   | 4/16/2015                 |
| 3          | Confidentiality_Nondisclosure_Agreement_2015  | 3/25/2015                 |
| 4          | EKG_Letter_Agreement_Template_2014  | 10/29/2014                |
| 5          | Non-Physician_Consultant_Agreement_Template_2014  | 9/25/2014                 |
| 6          | Hospitalist_Services_Agreement_Template_2014<br><b>(Template has Master List provision Paragraph 2.4)</b>   | <b>8/13/2014</b>          |
| 7          | Interim_Physician_Designee_Contract_2014<br><b>Version dated 02/23/2015 for Dr. Standteiner does not have Master List provision; add after 12. Governing Law)</b> | 10/30/2014                |
| 8          | Medical_Director_Agreement_Individual_2014<br><b>(Dr. Tirdel's Med Dir of ICU &amp; RT version on 2/23/15 has paragraph 11.3)</b>                                 | <b>8/13/2014</b>          |
| 9          | Medical_Director_Agreement_Medical_Group_2015   | 6/26/2015                 |
| 10         | MSC_PSA_Template_2014<br><b>(Template has Master List provision Paragraph 2.5)</b>  | 8/13/2014                 |
| 11         | Retention_Agreement_Template_2015   | 4/23/2015                 |
| 12         | Recruitment_Agreement_Template_Co-obligors_2015<br><b>(No Master List provision; add to VII Miscellaneous)</b>  | <b>2/20/2015</b>          |
| 13         | Recruitment_Agreement_Template_Physician-obligor_2015<br><b>(No Master List provision; add to VII Miscellaneous)</b>  | <b>2/20/2015</b>          |
| 14         | Rural_Prime_Site_Preceptor_Template_2015  | 4/30/2015                 |
| 15         | TF2020_Agreement_for_Medical_Advisor_Services_2015  | 4/3/2015                  |

This list was last updated on July 29, 2015. It should be noted that some of the templates listed above have been sourced from recent agreements which have been reviewed and approved by outside counsel. It should also be noted that the templates listed above may require further review by outside counsel prior to implementation by TFHD staff due to the individualized nature of each agreement, and to ensure that the provisions of each agreement have been updated to reflect recent changes in law.



**INCLINE  
VILLAGE  
COMMUNITY  
HOSPITAL  
FOUNDATION**

**FOUNDATION  
BOARD**

Date: July 12, 2016

**OFFICERS**

Warren Kocmond  
*President*

To: Tahoe Forest Hospital District Board of Directors via  
Tahoe Forest Health System CEO Harry Weis and COO/IVCH Administrator Judy Newland

Dave Collins  
*Past-President*

From: Dave Collins, Chair, Nominating and Governance Committee  
IVCH Foundation Board of Directors

Mary Ansari  
*Secretary*

Subject: Request for new Board Member Review and Approval-Sean O'Neal

Gerry Eick  
*Treasurer*

**MEMBERS**

Gary Finch

Dear Tahoe Forest Hospital District,

William Guerra

At the July 11, 2016 meeting of the IVCH Foundation Board of Directors, the Nominating and Governance Committee brought forth Sean O'Neal as a potential new board member (bio attached). The full board unanimously approved of this nomination. This candidate will maintain the membership of the IVCH Foundation at 15 voting members and 4 ex-officio non-voting members.

Kevin Hanna

Skip Heynen

Stuart Jed

Mr. O'Neal maintains his primary residence in Incline Village and has an extensive background in healthcare and philanthropy.

Shane Johnson

Roger Kahn

Respectfully submitted on behalf of the IVCH Foundation Nominating Committee (Dave Collins, Margo Lalchandani, Mary Ansari, Warren Kocmond, and Shane Johnson).

Bob Kennedy

Ralph Kuhn

Margo Lalchandani

Donald Mason

Jonathan Smith

Harry Weis  
*TFHS CEO*

cc: Betsy Kinsley, IVCH Foundation Director

Charles Zipkin  
*TFHD Board Liaison*

Nan Healy  
*NLTCHC Auxiliary*

Judy Newland  
*IVCH Administrator*

Betsy Kinsley  
*Foundation Director*





INCLINE  
VILLAGE  
COMMUNITY  
HOSPITAL  
FOUNDATION

**FOUNDATION  
BOARD**

**OFFICERS**

Warren Kocmond  
*President*

Dave Collins  
*Past-President*

Mary Ansari  
*Secretary*

Gerry Eick  
*Treasurer*

**MEMBERS**

Gary Finch

William Guerra

Kevin Hanna

Skip Heynen

Stuart Jed

Shane Johnson

Roger Kahn

Bob Kennedy

Ralph Kuhn

Margo Lalchandani

Donald Mason

Jonathan Smith

Harry Weis  
*TFHS CEO*

Charles Zipkin  
*TFHD Board Liaison*

Nan Healy  
*NLCHC Auxiliary*

Judy Newland  
*IVCH Administrator*

Betsy Kinsley  
*Foundation Director*

**Sean O'Neal-Prospective IVCH Board Member Biography**

Sean O'Neal is a founding principal of SurgCenter Development with over 30 years of experience in health care management. As a hospital CEO for over 20 years, Mr. O'Neal was a true pioneer in bridging the gap between physicians and hospital administration by developing numerous physician joint ventures. Mr. O'Neal completed postgraduate studies in Health Services Administration at California State University, Northridge, and has served as a member of the Board of Directors of the California Association of Hospitals and Health Systems. One of Mr. O'Neal's physician joint ventures was an ASC he developed with Ophthalmologist Gregory George, MD PhD. The two went on to form SurgCenter Development and to date have developed over 105 successful, profitable, physician owned ASC's. Under Mr. O'Neal's leadership, SurgCenter Development enjoys nearly 100% physician and patient satisfaction and is positioned as a true leader in the ASC industry.

INCLINE VILLAGE COMMUNITY HOSPITAL FOUNDATION

880 ALDER AVENUE • INCLINE VILLAGE, NV 89451-8215 • TEL (775) 888-4204 • FAX (775) 832-3800

**Facilities Development Plan**  
**Tahoe Forest Hospital District**  
 March 31, 2016

**STATUS SUMMARY**

|  |           |                    |
|--|-----------|--------------------|
| Measure C Projects                                 | \$        | 96,605,793         |
| Owner Scope Modifications                          | \$        | 5,140,612          |
| Regulatory Scope Modifications                     | \$        | 2,230,119          |
| FDP with Scope Modifications / Total Projects Cost | \$        | 103,976,524        |
| Development Completed / Paid to Date (95%)         | \$        | (98,874,425)       |
| Balance to Complete                                | \$        | 5,102,099          |
| Measure C Fund Balance                             |           | (3,252,407) *      |
| <b>Balance - TFHD Capital Requirement</b>          | <b>\$</b> | <b>1,849,692</b>   |
| <b>TFHD Capital Budget</b>                         | <b>\$</b> | <b>(1,705,795)</b> |
| <b>Variance</b>                                    | <b>\$</b> | <b>143,897</b>     |

\* Measure "C" Interest Earned to Date \$1,570,337

- 14 of 15 Measure C Projects complete.
  - o South Building complete Fall 2016
  - o Remaining Projects within budget
- Campus-wide seismic compliance as of August 26, 2014.
- 233 prime contracts for construction issued to date and at present we are working with zero contractors regarding change order requests that are in dispute.
- Permitting
  - (11) OSHPD permits issued to date
  - (5) Town of Truckee permits issued to date

No further permitting is required



MEASURE C PROJECTS COST SUMMARY

| PROJECTS<br>(* )  | Current FDP<br>Estimate<br>(**) | Owner /<br>Regulatory Scope<br>Modifications | Board Approved<br>Bid / Budget | Variance            | Footnotes | Total Amount<br>PTD<br>(***) | Balance to<br>Complete<br>(****) | %<br>Complete | QTR Actual<br>(Q1 2016) | FDP with Scope<br>Modifications | Status/Notes                 |
|---|---------------------------------|--|--------------------------------|---------------------|-----------|------------------------------|----------------------------------|---------------|-------------------------|---------------------------------|------------------------------|
| <b>Measure C Project Expenditures</b>                                   |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                              |
| <b>Cancer Center; Building + LINAC</b>                                  |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs  | \$ 10,217,781                   | \$ 151,973                                   | \$ 10,369,754                  | \$ -                |           | \$ 10,369,754                | \$ -                             | 100%          | \$ -                    | \$ 10,369,754                   |                              |
| SOFT COSTS  | \$ 6,105,931                    |  | \$ 6,449,302                   | \$ 343,371          |           | \$ 6,105,931                 | \$ -                             | 100%          | \$ -                    | \$ 6,105,931                    |                              |
| CONTINGENCY   | \$ 1,017,160                    |  | \$ 1,036,975                   | \$ -                |           | \$ 1,017,160                 | \$ -                             | 100%          | \$ -                    | \$ 1,017,160                    |                              |
| <b>SUBTOTAL PROJECT COSTS</b>   | <b>\$ 17,340,872</b>            | <b>\$ 151,973</b>                            | <b>\$ 17,856,031</b>           | <b>\$ 343,371</b>   |           | <b>\$ 17,492,845</b>         | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 17,492,845</b>            | <b>Construction Complete</b> |
| <b>Cancer Center; Sitework, Concrete Construction, Structural Steel</b> |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs  | \$ 5,154,785                    |  | \$ 5,154,785                   | \$ -                |           | \$ 5,139,922                 | \$ 14,863                        | 100%          | \$ -                    | \$ 5,154,785                    |                              |
| SOFT COSTS  | \$ 4,421,594                    |  | \$ 5,018,684                   | \$ 597,090          |           | \$ 4,440,146                 | \$ (18,552)                      | 100%          | \$ -                    | \$ 4,421,594                    |                              |
| CONTINGENCY   | \$ 515,479                      |  | \$ 515,479                     | \$ -                |           | \$ 511,790                   | \$ 3,689                         | 99%           | \$ -                    | \$ 515,479                      |                              |
| <b>SUBTOTAL PROJECT COSTS</b>   | <b>\$ 10,091,858</b>            | <b>\$ -</b>                                  | <b>\$ 10,688,948</b>           | <b>\$ 597,090</b>   |           | <b>\$ 10,091,858</b>         | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 10,091,858</b>            | <b>Construction Complete</b> |
| <b>Utility Bypass, Phase I</b>  |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs  | \$ 522,092                      |  | \$ 522,092                     | \$ -                |           | \$ 522,092                   | \$ -                             | 100%          | \$ -                    | \$ 522,092                      |                              |
| SOFT COSTS  | \$ 99,565                       |  | \$ 130,145                     | \$ 30,580           |           | \$ 99,565                    | \$ -                             | 100%          | \$ -                    | \$ 99,565                       |                              |
| CONTINGENCY COSTS   | \$ 78,314                       |  | \$ 78,314                      | \$ -                |           | \$ 78,314                    | \$ -                             | 100%          | \$ -                    | \$ 78,314                       |                              |
| <b>SUBTOTAL PROJECT COSTS</b>   | <b>\$ 699,971</b>               | <b>\$ -</b>                                  | <b>\$ 730,551</b>              | <b>\$ 30,580</b>    |           | <b>\$ 699,971</b>            | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 699,971</b>               | <b>Construction Complete</b> |
| <b>Cancer Center; Utility Bypass, Phase II (Undergrounding)</b>         |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs  | \$ -                            | \$ 525,199                                   | \$ 544,877                     | \$ (19,678)         |           | \$ 520,660                   | \$ 4,539                         | 99%           | \$ -                    | \$ 525,199                      |                              |
| SOFT COSTS  | \$ -                            | \$ 349,974                                   | \$ 349,974                     | \$ -                |           | \$ 354,513                   | \$ (4,539)                       | 101%          | \$ -                    | \$ 349,974                      |                              |
| CONTINGENCY COSTS   | \$ -                            | \$ 31,437                                    | \$ 31,437                      | \$ -                |           | \$ 31,437                    | \$ -                             | 100%          | \$ -                    | \$ 31,437                       |                              |
| <b>SUBTOTAL PROJECT COSTS (Hard Costs+Soft Costs+Contingency Costs)</b> | <b>\$ -</b>                     | <b>\$ 906,610</b>                            | <b>\$ 926,288</b>              | <b>\$ 19,678</b>    |           | <b>\$ 906,610</b>            | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 906,610</b>               | <b>Construction Complete</b> |
| <b>Cancer Center; Equipment Upgrades</b>                                |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                              |
| LINEAR ACCELERATOR EQUIPMENT  |                                 | \$ 860,000                                   | \$ 860,000                     | \$ -                |           | \$ 860,000                   | \$ -                             | 100%          | \$ -                    | \$ 860,000                      |                              |
| CT SIMULATOR (Pet CT)   |                                 | \$ -   | \$ 82,528                      | \$ 82,528           |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                              |
| CHILLER EQUIPMENT   |                                 | \$ 111,536                                   | \$ 143,679                     | \$ 32,143           |           | \$ 111,536                   | \$ -                             | 100%          | \$ -                    | \$ 111,536                      |                              |
| IT EQUIPMENT  |                                 | \$ 58,211                                    | \$ 133,250                     | \$ 75,039           |           | \$ 58,211                    | \$ -                             | 100%          | \$ -                    | \$ 58,211                       |                              |
| ADDITIONAL EQUIPMENT  |                                 | \$ -   | \$ 69,633                      | \$ 69,633           |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                              |
| SNOW MELT SYSTEM  |                                 | \$ 81,523                                    | \$ 71,904                      | \$ (9,619)          |           | \$ 81,523                    | \$ -                             | 100%          | \$ -                    | \$ 81,523                       |                              |
| SECURITY ACCESS SYSTEM  |                                 | \$ 99,257                                    | \$ 99,257                      | \$ -                |           | \$ 99,257                    | \$ -                             | 100%          | \$ -                    | \$ 99,257                       |                              |
| Revision of Construction Documents for Different Linear Accelerator     |                                 | \$ 18,440                                    | \$ -                           | \$ (18,440)         |           | \$ 18,440                    | \$ -                             | 100%          | \$ -                    | \$ 18,440                       |                              |
| <b>SUBTOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 1,228,967</b>                          | <b>\$ 1,460,251</b>            | <b>\$ 231,284</b>   |           | <b>\$ 1,228,967</b>          | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 1,228,967</b>             | <b>Construction Complete</b> |
| <b>Cancer Center; CAC Recommended Upgrades</b>                          |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs  | \$ -                            | \$ 838,256                                   | \$ 847,281                     | \$ 9,025            |           | \$ 838,256                   | \$ -                             | 100%          | \$ -                    | \$ 838,256                      |                              |
| SOFT COSTS  | \$ -                            | \$ 54,568                                    | \$ 59,864                      | \$ 5,296            |           | \$ 51,626                    | \$ 2,942                         | 95%           | \$ -                    | \$ 54,568                       |                              |
| CONTINGENCY COSTS   | \$ -                            | \$ 84,728                                    | \$ 84,728                      | \$ -                |           | \$ 87,670                    | \$ (2,942)                       | 103%          | \$ -                    | \$ 84,728                       |                              |
| <b>SUBTOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 977,552</b>                            | <b>\$ 991,873</b>              | <b>\$ 14,321</b>    |           | <b>\$ 977,552</b>            | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 977,552</b>               | <b>Construction Complete</b> |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>      | <b>\$ 28,132,701</b>            | <b>\$ 3,265,102</b>                          | <b>\$ 32,653,942</b>           | <b>\$ 1,236,324</b> |           | <b>\$ 31,397,803</b>         | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 31,397,803</b>            |                              |



MEASURE C PROJECTS COST SUMMARY

| PROJECTS<br>(*)  | Current FDP<br>Estimate<br>(**) | Owner /<br>Regulatory Scope<br>Modifications | Board Approved<br>Bid / Budget | Variance          | Footnotes | Total Amount<br>PTD<br>(***) | Balance to<br>Complete<br>(****) | %<br>Complete | QTR Actual<br>(Q1 2016) | FDP with Scope<br>Modifications | Status/Notes                 |
|--|---------------------------------|--|--------------------------------|-------------------|-----------|------------------------------|----------------------------------|---------------|-------------------------|---------------------------------|------------------------------|
| <b>Measure C Project Expenditures</b>                                    |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| <b>Office Relocations</b>  |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs   | \$ 109,691                      | \$ -   | \$ 111,305                     | \$ 1,614          |           | \$ 109,691                   | \$ -                             | 100%          | \$ -                    | \$ 109,691                      |                              |
| SOFT COSTS   | \$ 281,988                      | \$ -   | \$ 281,995                     | \$ 7              |           | \$ 281,988                   | \$ -                             | 100%          | \$ -                    | \$ 281,988                      |                              |
| CONTINGENCY COSTS  | \$ -                            | \$ -   | \$ -                           | \$ -              |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                              |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>       | <b>\$ 391,680</b>               | <b>\$ -</b>                                  | <b>\$ 393,300</b>              | <b>\$ 1,621</b>   |           | <b>\$ 391,680</b>            | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 391,680</b>               | <b>Construction Complete</b> |
| <b>IT Data Center</b>  |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs   | \$ 899,833                      |  | \$ 903,465                     | \$ 3,632          |           | \$ 899,833                   | \$ -                             | 100%          | \$ -                    | \$ 899,833                      |                              |
| SOFT COSTS   | \$ 299,483                      |  | \$ 301,122                     | \$ 1,639          |           | \$ 299,483                   | \$ -                             | 100%          | \$ -                    | \$ 299,483                      |                              |
| CONTINGENCY COSTS  | \$ 116,754                      |  | \$ 121,740                     | \$ 4,986          |           | \$ 116,754                   | \$ -                             | 100%          | \$ -                    | \$ 116,754                      |                              |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>       | <b>\$ 1,316,070</b>             | <b>\$ -</b>                                  | <b>\$ 1,326,327</b>            | <b>\$ 10,257</b>  |           | <b>\$ 1,316,070</b>          | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 1,316,070</b>             | <b>Construction Complete</b> |
| <b>Central Plant Upgrades &amp; Relocations; Utility Spine</b>           |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs   | \$ 2,640,481                    |  | \$ 2,642,537                   | \$ 2,056          |           | \$ 2,640,481                 | \$ -                             | 100%          | \$ -                    | \$ 2,640,481                    |                              |
| SOFT COSTS   | \$ 694,681                      |  | \$ 824,282                     | \$ 129,601        |           | \$ 694,681                   | \$ -                             | 100%          | \$ -                    | \$ 694,681                      |                              |
| CONTINGENCY COSTS  | \$ 657,714                      |  | \$ 658,011                     | \$ 297            |           | \$ 657,714                   | \$ -                             | 100%          | \$ -                    | \$ 657,714                      |                              |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 3,992,876</b>             | <b>\$ -</b>                                  | <b>\$ 4,124,830</b>            | <b>\$ 131,954</b> |           | <b>\$ 3,992,876</b>          | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 3,992,876</b>             | <b>Construction Complete</b> |
| <b>Central Plant Upgrades &amp; Relocations; Generator Building</b>      |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs   | \$ 2,150,583                    | \$ 20,772                                    | \$ 2,174,334                   | \$ 2,979          |           | \$ 2,171,355                 | \$ -                             | 101%          | \$ -                    | \$ 2,171,355                    |                              |
| SOFT COSTS   | \$ 1,612,171                    |  | \$ 1,655,159                   | \$ 42,988         |           | \$ 1,612,171                 | \$ -                             | 100%          | \$ -                    | \$ 1,612,171                    |                              |
| CONTINGENCY COSTS  | \$ 315,278                      |  | \$ 315,278                     | \$ -              |           | \$ 315,278                   | \$ -                             | 100%          | \$ -                    | \$ 315,278                      |                              |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 4,078,032</b>             | <b>\$ 20,772</b>                             | <b>\$ 4,144,771</b>            | <b>\$ 45,967</b>  |           | <b>\$ 4,098,804</b>          | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 4,098,804</b>             | <b>Construction Complete</b> |
| <b>Central Plant Upgrades &amp; Relocations; Modular Units, Phase I</b>  |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs   | \$ 418,497                      |  | \$ 422,030                     | \$ -              |           | \$ 418,497                   | \$ -                             | 100%          | \$ -                    | \$ 418,497                      |                              |
| SOFT COSTS   | \$ 574,317                      |  | \$ 598,765                     | \$ 24,448         |           | \$ 574,317                   | \$ -                             | 100%          | \$ -                    | \$ 574,317                      |                              |
| CONTINGENCY COSTS  | \$ 245,335                      |  | \$ 245,887                     | \$ 552            |           | \$ 245,335                   | \$ -                             | 100%          | \$ -                    | \$ 245,335                      |                              |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 1,238,149</b>             | <b>\$ -</b>                                  | <b>\$ 1,266,682</b>            | <b>\$ 25,000</b>  |           | <b>\$ 1,238,149</b>          | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 1,238,149</b>             | <b>Construction Complete</b> |
| <b>Central Plant Upgrades &amp; Relocations; Modular Units, Phase II</b> |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs   | \$ 4,800,719                    |  | \$ 4,800,719                   | \$ -              |           | \$ 4,800,719                 | \$ -                             | 100%          | \$ -                    | \$ 4,800,719                    |                              |
| SOFT COSTS   | \$ 1,083,872                    |  | \$ 1,189,314                   | \$ 105,442        |           | \$ 1,083,872                 | \$ -                             | 100%          | \$ -                    | \$ 1,083,872                    |                              |
| CONTINGENCY COSTS  | \$ 180,640                      |  | \$ 185,000                     | \$ 4,360          |           | \$ 180,640                   | \$ -                             | 100%          | \$ -                    | \$ 180,640                      |                              |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 6,065,231</b>             | <b>\$ -</b>                                  | <b>\$ 6,175,033</b>            | <b>\$ 109,802</b> |           | <b>\$ 6,065,231</b>          | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 6,065,231</b>             | <b>Construction Complete</b> |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>       | <b>\$ 15,374,288</b>            | <b>\$ 20,772</b>                             | <b>\$ 15,711,316</b>           | <b>\$ 394,965</b> |           | <b>\$ 15,395,060</b>         | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 15,395,060</b>            |                              |
| <b>Skilled Nursing Facility</b>  |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                              |
| HARD COSTS: Construction Costs   | \$ 3,372,928                    | \$ 8,466                                     | \$ 3,422,324                   | \$ 40,930         |           | \$ 3,381,394                 | \$ -                             | 100%          | \$ -                    | \$ 3,381,394                    |                              |
| SOFT COSTS   | \$ 1,394,779                    | \$ -   | \$ 1,496,355                   | \$ 101,576        |           | \$ 1,394,779                 | \$ -                             | 100%          | \$ -                    | \$ 1,394,779                    |                              |
| CONTINGENCY COSTS  | \$ 342,232                      | \$ -   | \$ 342,232                     | \$ -              |           | \$ 342,232                   | \$ -                             | 100%          | \$ -                    | \$ 342,232                      |                              |
| OSHPD AMC; Drywall / Hat Channel at Lid                                  | \$ -                            | \$ 110,567                                   | \$ -                           | \$ (110,567)      |           | \$ 110,567                   | \$ (110,567)                     | 100%          | \$ -                    | \$ 110,567                      |                              |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 5,109,939</b>             | <b>\$ 119,033</b>                            | <b>\$ 5,260,911</b>            | <b>\$ 31,939</b>  |           | <b>\$ 5,228,972</b>          | <b>\$ -</b>                      | <b>102%</b>   | <b>\$ -</b>             | <b>\$ 5,228,972</b>             | <b>Construction Complete</b> |



MEASURE C PROJECTS COST SUMMARY

| PROJECTS<br>(*)  | Current FDP<br>Estimate<br>(**) | Owner /<br>Regulatory Scope<br>Modifications | Board Approved<br>Bid / Budget | Variance            | Footnotes | Total Amount<br>PTD<br>(***) | Balance to<br>Complete<br>(****) | %<br>Complete | QTR Actual<br>(Q1 2016) | FDP with Scope<br>Modifications | Status/Notes                         |
|--|---------------------------------|--|--------------------------------|---------------------|-----------|------------------------------|----------------------------------|---------------|-------------------------|---------------------------------|--------------------------------------|
| <b>Measure C Project Expenditures</b>  |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                                      |
| <i>Skilled Nursing; Storage TI at '66 Bldg</i>                                     |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                                      |
| HARD COSTS: Construction Costs   | \$ -                            | \$ -   | \$ -                           | \$ -                |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                                      |
| SOFT COSTS   | \$ -                            | \$ -   | \$ -                           | \$ -                |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                                      |
| CONTINGENCY COSTS  | \$ -                            | \$ -   | \$ -                           | \$ -                |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                                      |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ -</b>                                  | <b>\$ -</b>                    | <b>\$ -</b>         |           | <b>\$ -</b>                  | <b>\$ -</b>                      | <b>0%</b>     | <b>\$ -</b>             | <b>\$ -</b>                     | <b>Conceptual Design in Progress</b> |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>                 | <b>\$ 5,109,939</b>             | <b>\$ 119,033</b>                            | <b>\$ 5,260,911</b>            | <b>\$ 31,939</b>    |           | <b>\$ 5,228,972</b>          | <b>\$ -</b>                      | <b>102%</b>   | <b>\$ -</b>             | <b>\$ 5,228,972</b>             |                                      |
| <i>Infill Projects; Phase I Dietary / RT / MR / Dietary Office / Staff Lockers</i> |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                                      |
| HARD COSTS: Construction Costs   | \$ 2,722,504                    |  | \$ 2,722,504                   | \$ -                |           | \$ 2,665,549                 | \$ 56,955                        | 98%           | \$ -                    | \$ 2,722,504                    |                                      |
| SOFT COSTS   | \$ 1,699,858                    | \$ 13,970                                    | \$ 1,713,828                   | \$ -                |           | \$ 1,714,028                 | \$ (200)                         | 100%          | \$ -                    | \$ 1,713,828                    |                                      |
| CONTINGENCY COSTS  | \$ 898,541                      | \$ 29,052                                    | \$ 272,250                     | \$ (655,343)        |           | \$ 910,180                   | \$ 17,413                        | 98%           | \$ -                    | \$ 927,593                      |                                      |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 5,320,903</b>             | <b>\$ 43,022</b>                             | <b>\$ 4,708,582</b>            | <b>\$ (655,343)</b> |           | <b>\$ 5,289,757</b>          | <b>\$ 74,168</b>                 | <b>99%</b>    | <b>\$ -</b>             | <b>\$ 5,363,925</b>             | <b>Construction Complete</b>         |
| <i>Infill Projects; Interim Birthing at Western Addition</i>                       |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                                      |
| HARD COSTS: Construction Costs   | \$ 1,309,206                    |  | \$ 1,309,206                   | \$ -                |           | \$ 1,299,543                 | \$ 9,663                         | 99%           | \$ -                    | \$ 1,309,206                    |                                      |
| SOFT COSTS   | \$ 640,928                      |  | \$ 771,135                     | \$ 130,207          |           | \$ 630,880                   | \$ 10,048                        | 82%           | \$ -                    | \$ 640,928                      |                                      |
| CONTINGENCY COSTS  | \$ 130,921                      |  | \$ 130,921                     | \$ -                |           | \$ 129,953                   | \$ 968                           | 99%           | \$ -                    | \$ 130,921                      |                                      |
| OSHPD AMC; Redesign Revisions  | \$ -                            | \$ 47,965                                    | \$ -                           | \$ (47,965)         |           | \$ 47,965                    | \$ -                             | 100%          | \$ -                    | \$ 47,965                       |                                      |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 2,081,055</b>             | <b>\$ 47,965</b>                             | <b>\$ 2,211,262</b>            | <b>\$ 82,242</b>    |           | <b>\$ 2,108,341</b>          | <b>\$ (27,286)</b>               | <b>95%</b>    | <b>\$ -</b>             | <b>\$ 2,129,020</b>             | <b>Construction Complete</b>         |
| <i>Infill Projects; Pharmacy Relocation</i>  |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                                      |
| HARD COSTS: Construction Costs   | \$ 652,777                      |  | \$ 652,777                     | \$ -                |           | \$ 652,777                   | \$ -                             | 100%          | \$ -                    | \$ 652,777                      |                                      |
| SOFT COSTS   | \$ 588,803                      |  | \$ 631,283                     | \$ 42,480           |           | \$ 588,803                   | \$ -                             | 93%           | \$ -                    | \$ 588,803                      |                                      |
| CONTINGENCY COSTS  | \$ 95,724                       |  | \$ 127,292                     | \$ 31,568           |           | \$ 95,724                    | \$ -                             | 75%           | \$ -                    | \$ 95,724                       |                                      |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 1,337,304</b>             | <b>\$ -</b>                                  | <b>\$ 1,411,353</b>            | <b>\$ 74,048</b>    |           | <b>\$ 1,337,304</b>          | <b>\$ -</b>                      | <b>95%</b>    | <b>\$ -</b>             | <b>\$ 1,337,304</b>             | <b>Construction Complete</b>         |
| <i>Infill Projects; Medical Records at '66 Building</i>                            |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                                      |
| HARD COSTS: Construction Costs   | \$ -                            | \$ -   | \$ -                           | \$ -                |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                                      |
| SOFT COSTS   | \$ -                            | \$ -   | \$ -                           | \$ -                |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                                      |
| CONTINGENCY COSTS  | \$ -                            | \$ -   | \$ -                           | \$ -                |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                                      |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ -</b>                                  | <b>\$ -</b>                    | <b>\$ -</b>         |           | <b>\$ -</b>                  | <b>\$ -</b>                      | <b>0%</b>     | <b>\$ -</b>             | <b>\$ -</b>                     | <b>Conceptual Design in Progress</b> |
| <i>Infill Projects; Final Personnel Move TI Office Space</i>                       |                                 |  |                                |                     |           |                              |                                  |               |                         |                                 |                                      |
| HARD COSTS: Construction Costs   | \$ -                            | \$ 250,000                                   | \$ 250,000                     | \$ -                |           | \$ 248,172                   | \$ 1,828                         | 99%           | \$ -                    | \$ 250,000                      |                                      |
| SOFT COSTS   | \$ -                            | \$ 125,000                                   | \$ 125,000                     | \$ -                |           | \$ 122,808                   | \$ 2,192                         | 98%           | \$ -                    | \$ 125,000                      |                                      |
| CONTINGENCY COSTS  | \$ -                            | \$ 30,000                                    | \$ 30,000                      | \$ -                |           | \$ 24,718                    | \$ 5,282                         | 82%           | \$ -                    | \$ 30,000                       |                                      |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ 405,000</b>                            | <b>\$ 405,000</b>              | <b>\$ -</b>         |           | <b>\$ 395,698</b>            | <b>\$ 9,302</b>                  | <b>0%</b>     | <b>\$ -</b>             | <b>\$ 405,000</b>               | <b>Ongoing</b>                       |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>                 | <b>\$ 8,739,262</b>             | <b>\$ 495,987</b>                            | <b>\$ 8,736,197</b>            | <b>\$ (499,053)</b> |           | <b>\$ 9,131,100</b>          | <b>\$ 104,149</b>                | <b>105%</b>   | <b>\$ -</b>             | <b>\$ 9,235,249</b>             |                                      |



MEASURE C PROJECTS COST SUMMARY

| PROJECTS<br>(*)  | Current FDP<br>Estimate<br>(**) | Owner /<br>Regulatory Scope<br>Modifications | Board Approved<br>Bid / Budget | Variance              | Footnotes | Total Amount<br>PTD<br>(***) | Balance to<br>Complete<br>(****) | %<br>Complete | QTR Actual<br>(Q1 2016) | FDP with Scope<br>Modifications | Status/Notes                    |
|--|---------------------------------|--|--------------------------------|-----------------------|-----------|------------------------------|----------------------------------|---------------|-------------------------|---------------------------------|---------------------------------|
| <b>Measure C Project Expenditures</b>  |                                 |  |                                |                       |           |                              |                                  |               |                         |                                 |                                 |
| <b>Emergency Department &amp; Sterile Processing Department; Increment I</b>     |                                 |  |                                |                       |           |                              |                                  |               |                         |                                 |                                 |
| HARD COSTS: Construction Costs   | \$ 2,593,743                    |  | \$ 2,593,743                   | \$ -                  |           | \$ 2,593,743                 | \$ -                             | 100%          | \$ -                    | \$ 2,593,743                    |                                 |
| SOFT COSTS   | \$ 2,876,609                    |  | \$ 2,907,826                   | \$ 31,217             |           | \$ 2,876,609                 | \$ -                             | 99%           | \$ -                    | \$ 2,876,609                    |                                 |
| CONTINGENCY COSTS  | \$ 236,999                      |  | \$ 236,999                     | \$ -                  |           | \$ 236,999                   | \$ -                             | 100%          | \$ -                    | \$ 236,999                      |                                 |
| Redesign of Meds Room, Physicians Work, Air Curtain                              | \$ -                            | \$ 21,990                                    | \$ -                           | \$ (21,990)           |           | \$ 21,990                    | \$ -                             | 100%          | \$ -                    | \$ 21,990                       |                                 |
| Additional A & E Services  | \$ -                            | \$ 76,360                                    | \$ -                           | \$ (76,360)           |           | \$ -                         | \$ 76,360                        | 100%          | \$ -                    | \$ 76,360                       |                                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 5,707,351</b>             | <b>\$ 98,350</b>                             | <b>\$ 5,738,568</b>            | <b>\$ (67,133)</b>    |           | <b>\$ 5,729,341</b>          | <b>\$ 76,360</b>                 | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 5,805,701</b>             | <b>Construction Complete</b>    |
| <b>Emergency Department &amp; Sterile Processing Department; Increment II</b>    |                                 |  |                                |                       |           |                              |                                  |               |                         |                                 |                                 |
| HARD COSTS: Construction Costs   | \$ 4,534,232                    |  | \$ 4,534,232                   | \$ -                  |           | \$ 4,534,232                 | \$ -                             | 100%          | \$ -                    | \$ 4,534,232                    |                                 |
| SOFT COSTS   | \$ 2,135,294                    |  | \$ 2,135,294                   | \$ -                  |           | \$ 2,179,365                 | \$ (44,071)                      | 102%          | \$ -                    | \$ 2,135,294                    |                                 |
| CONTINGENCY COSTS  | \$ 1,725,651                    |  | \$ 453,423                     | \$ (1,272,228)        |           | \$ 1,725,651                 | \$ -                             | 100%          | \$ -                    | \$ 1,725,651                    |                                 |
| EQUIPMENT UPGRADES - Trump Exam Lights   | \$ -                            | \$ 68,362                                    | \$ 68,362                      | \$ -                  |           | \$ 68,362                    | \$ -                             | 100%          | \$ -                    | \$ 68,362                       |                                 |
| UPGRADES - Casework  |                                 | \$ 5,218                                     | \$ -                           | \$ -                  |           | \$ 5,218                     | \$ -                             | 100%          | \$ -                    | \$ 5,218                        |                                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 8,395,177</b>             | <b>\$ 73,580</b>                             | <b>\$ 7,191,311</b>            | <b>\$ (1,272,228)</b> |           | <b>\$ 8,512,828</b>          | <b>\$ (44,071)</b>               | <b>118%</b>   | <b>\$ -</b>             | <b>\$ 8,468,757</b>             | <b>Construction Complete</b>    |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>               | <b>\$ 14,102,528</b>            | <b>\$ 171,930</b>                            | <b>\$ 12,929,879</b>           | <b>\$ (1,339,361)</b> |           | <b>\$ 14,242,169</b>         | <b>\$ 32,289</b>                 | <b>110%</b>   | <b>\$ -</b>             | <b>\$ 14,274,458</b>            |                                 |
| <b>Fluoroscopy / Nuc Med Upgrades / Diagnostic Imaging Equipment Replacement</b> |                                 |  |                                |                       |           |                              |                                  |               |                         |                                 |                                 |
| HARD COSTS: Construction Costs   | \$ 533,565                      |  | \$ 619,422                     | \$ 85,857             |           | \$ 533,565                   | \$ -                             | 100%          | \$ -                    | \$ 533,565                      |                                 |
| SOFT COSTS   | \$ 1,616,669                    |  | \$ 1,575,493                   | \$ (41,176)           |           | \$ 1,616,669                 | \$ -                             | 100%          | \$ -                    | \$ 1,616,669                    |                                 |
| CONTINGENCY COSTS  | \$ 92,913                       |  | \$ 92,913                      | \$ -                  |           | \$ 92,913                    | \$ -                             | 100%          | \$ -                    | \$ 92,913                       |                                 |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>               | <b>\$ 2,243,147</b>             | <b>\$ -</b>                                  | <b>\$ 2,287,828</b>            | <b>\$ 44,681</b>      | (2)       | <b>\$ 2,243,147</b>          | <b>\$ -</b>                      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 2,243,147</b>             | <b>Construction Complete</b>    |
| <b>South Building; Birthing / Dietary Phase II</b>                               |                                 |  |                                |                       |           |                              |                                  |               |                         |                                 |                                 |
| HARD COSTS: Construction Costs   | \$ 13,033,262                   |  | \$ 13,033,262                  | \$ -                  |           | \$ 10,893,359                | \$ 2,139,903                     | 84%           | \$ 1,785,506            | \$ 13,033,262                   |                                 |
| SOFT COSTS   | \$ 5,355,106                    |  | \$ 5,980,895                   | \$ -                  |           | \$ 5,220,036                 | \$ 760,859                       | 97%           | \$ 129,885              | \$ 5,355,106                    |                                 |
| CONTINGENCY COSTS  | \$ 1,262,026                    |  | \$ 1,262,026                   | \$ -                  |           | \$ 919,457                   | \$ 342,569                       | 73%           | \$ 359,441              | \$ 1,262,026                    |                                 |
| EQUIPMENT UPGRADES - Headwalls, Exam Lights, IT Equipment, A&E Fees              | \$ -                            | \$ 368,310                                   | \$ 368,310                     | \$ -                  |           | \$ -                         | \$ 368,310                       | 0%            | \$ -                    | \$ 368,310                      |                                 |
| Administrative Requirements  | \$ 661,325                      | \$ -   | \$ 661,325                     | \$ -                  |           | \$ 168,766                   | \$ 492,559                       | 0%            | \$ 168,766              | \$ 661,325                      |                                 |
| CMU Wall Upgrades at 52 Bldg   | \$ -                            | \$ 150,000                                   | \$ 150,000                     | \$ -                  |           | \$ 141,690                   | \$ 8,310                         | 0%            | \$ 141,690              | \$ 150,000                      |                                 |
| CMU Wall Upgrades at 66 Bldg   | \$ -                            | \$ 150,000                                   | \$ 150,000                     | \$ -                  |           | \$ 29,894                    | \$ 120,106                       | 0%            | \$ 29,894               | \$ 150,000                      |                                 |
| OSHPD CO #16; Dietary Revisions  | \$ -                            | \$ 70,188                                    | \$ 70,188                      | \$ -                  |           | \$ -                         | \$ 70,188                        | 0%            | \$ -                    | \$ 70,188                       |                                 |
| OSHPD CO #18; 2nd Floor Layout Revisions   | \$ -                            | \$ 186,184                                   | \$ 186,184                     | \$ -                  |           | \$ 15,009                    | \$ 171,175                       | 0%            | \$ 15,009               | \$ 186,184                      |                                 |
| H & K Services   |                                 | \$ 92,123                                    | \$ -                           | \$ -                  |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ 92,123                       |                                 |
| Additional Owner Upgrades  | \$ -                            | \$ 187,934                                   | \$ 187,934                     | \$ -                  |           | \$ -                         | \$ 187,934                       | 0%            | \$ -                    | \$ 187,934                      |                                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ 20,311,719</b>            | <b>\$ 1,204,739</b>                          | <b>\$ 22,050,124</b>           | <b>\$ -</b>           |           | <b>\$ 17,388,211</b>         | <b>\$ 4,661,913</b>              | <b>79%</b>    | <b>\$ 2,630,191</b>     | <b>\$ 21,516,458</b>            | <b>Construction in Progress</b> |
| <b>South Building; Birthing Fourth LDR</b>                                       |                                 |  |                                |                       |           |                              |                                  |               |                         |                                 |                                 |
| HARD COSTS: Construction Costs   | \$ -                            | \$ 286,428                                   | \$ 286,428                     | \$ -                  |           | \$ -                         | \$ 286,428                       | 0%            | \$ -                    | \$ 286,428                      |                                 |
| SOFT COSTS   | \$ -                            | \$ 187,720                                   | \$ 187,720                     | \$ -                  |           | \$ -                         | \$ 187,720                       | 0%            | \$ -                    | \$ 187,720                      |                                 |
| CONTINGENCY COSTS  | \$ -                            | \$ 42,964                                    | \$ 42,964                      | \$ -                  |           | \$ -                         | \$ 42,964                        | 0%            | \$ -                    | \$ 42,964                       |                                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ 517,112</b>                            | <b>\$ 517,112</b>              | <b>\$ -</b>           |           | <b>\$ -</b>                  | <b>\$ 517,112</b>                | <b>0%</b>     | <b>\$ -</b>             | <b>\$ 517,112</b>               | <b>Construction in Progress</b> |



MEASURE C PROJECTS COST SUMMARY

| PROJECTS<br>(*)   | Current FDP<br>Estimate<br>(**) | Owner /<br>Regulatory Scope<br>Modifications | Board Approved<br>Bid / Budget | Variance          | Footnotes | Total Amount<br>PTD<br>(***) | Balance to<br>Complete<br>(****) | %<br>Complete | QTR Actual<br>(Q1 2016) | FDP with Scope<br>Modifications | Status/Notes                    |
|---|---------------------------------|--|--------------------------------|-------------------|-----------|------------------------------|----------------------------------|---------------|-------------------------|---------------------------------|---------------------------------|
| <b>Measure C Project Expenditures</b>                                     |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                                 |
| <b>South Building; Phase 5 Interim Birthing</b>                           |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                                 |
| HARD COSTS: Construction Costs  | \$ -                            | \$ 359,951                                   | \$ 746,422                     | \$ -              |           | \$ 185,123                   | \$ 174,828                       | 0%            | \$ 185,123              | \$ 359,951                      |                                 |
| SOFT COSTS  | \$ -                            | \$ 112,310                                   | \$ 172,765                     | \$ -              |           | \$ -                         | \$ 112,310                       | 0%            | \$ -                    | \$ 112,310                      |                                 |
| CONTINGENCY COSTS   |                                 | \$ -   | \$ 37,321                      | \$ -              |           | \$ -                         | \$ -                             | 0%            | \$ -                    | \$ -                            |                                 |
| <b>SUBTOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 472,261</b>                            | <b>\$ 956,508</b>              | <b>\$ 484,247</b> |           | <b>\$ 185,123</b>            | <b>\$ 287,138</b>                | <b>0%</b>     | <b>\$ 185,123</b>       | <b>\$ 472,261</b>               | <b>Construction in Progress</b> |
| <b>South Building; Continuity Phase</b>                                   |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                                 |
| HARD COSTS: Construction Costs  |                                 | \$ 996,982                                   | \$ 996,982                     | \$ -              |           | \$ 968,576                   | \$ 28,406                        | 97%           | \$ -                    | \$ 996,982                      |                                 |
| <b>SUBTOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 996,982</b>                            | <b>\$ 996,982</b>              | <b>\$ -</b>       |           | <b>\$ 968,576</b>            | <b>\$ 28,406</b>                 | <b>97%</b>    | <b>\$ -</b>             | <b>\$ 996,982</b>               |                                 |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>        | <b>\$ 20,311,719</b>            | <b>\$ 3,191,094</b>                          | <b>\$ 24,520,726</b>           | <b>\$ 484,247</b> |           | <b>\$ 18,541,910</b>         | <b>\$ 4,960,903</b>              | <b>76%</b>    | <b>\$ 2,815,314</b>     | <b>\$ 23,502,813</b>            |                                 |
| <b>Master Planning</b>  |                                 |  |                                |                   |           |                              |                                  |               |                         |                                 |                                 |
| SOFT COSTS  | \$ 802,508                      |  | \$ 802,508                     | \$ -              |           | \$ 802,508                   | \$ -                             | 100%          | \$ -                    | \$ 802,508                      |                                 |
| CONTINGENCY COSTS   | \$ 81,951                       |  | \$ 81,951                      | \$ -              |           | \$ 77,193                    | \$ 4,758                         | 94%           | \$ -                    | \$ 81,951                       |                                 |
| CAMPUS SIGNAGE PLAN   |                                 | \$ 78,075                                    | \$ 85,000                      | \$ 6,925          |           | \$ 78,075                    | \$ -                             | 100%          | \$ -                    | \$ 78,075                       |                                 |
| SECURITY UPGRADES   |                                 | \$ 28,738                                    | \$ 75,000                      | \$ 46,262         |           | \$ 28,738                    | \$ -                             | 100%          | \$ -                    | \$ 28,738                       |                                 |
| <b>TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)</b>        | <b>\$ 884,459</b>               | <b>\$ 106,813</b>                            | <b>\$ 1,044,459</b>            | <b>\$ 53,187</b>  |           | <b>\$ 986,514</b>            | <b>\$ 4,758</b>                  | <b>94%</b>    | <b>\$ -</b>             | <b>\$ 991,272</b>               | <b>Ongoing</b>                  |
| <b>PROJECT SUMMARY COSTS (Hard Costs + Soft Costs + Contingency) ****</b> | <b>\$ 96,605,793</b>            | <b>\$ 7,370,731</b>                          | <b>\$ 104,205,373</b>          | <b>\$ 418,807</b> |           | <b>\$ 98,874,425</b>         | <b>\$ 5,102,099</b>              | <b>89%</b>    | <b>\$ 2,815,314</b>     | <b>\$ 103,976,524</b>           |                                 |

**Definitions:**

**Hard Costs** = Administrative Requirements, Temporary Facilities, Execution Requirements, Site Construction, Concrete Construction, Masonry, Metals, Woods & Plastics, Thermal/Moisture Protection, Doors, Windows, Glazing, Finishes, Specialties, Equipment, Furnishings, Special Construction, Conveying Systems, Plumbing/Mechanical, Electrical.

**Soft Costs** = Equipment, Furniture, Signage, Preconstruction Services, Construction Scheduling, Architectural, Engineering, Testing & Inspections, IOR Testing, Agency Fees, State Review Fees (OSHPD), CM Fee, Insurance, Performance/Payment Bonding, Administrative Bond Contingency

**Contingency Costs** = Inflation, Unforeseen Conditions & Events

**Footnotes:**

(2) Overage includes additional equipment costs, related OSHPD Fees and other fee reallocations.

\* Project Descriptions located within applicable project section.

\*\* FDP Report dated 03/31/2016

\*\*\* Reconciled with TFHD General Ledger dated March 31, 2016. Reference Application for Payment SOV located within applicable project section.

\*\*\*\* Total Owner Scope Modifications \$5,140,612 Regulatory Scope Modification \$2,230,119

\*\*\*\*\*Balance to Finish is calculated from FDP with Scope Modifications less Total Amount PTD

|                          |
|--------------------------|
| On or under budget       |
| 1-5% over budget         |
| 6% or beyond over budget |



MEASURE C PROJECTS - NON QUALIFIED EXPENDITURE COST SUMMARY

| PROJECTS<br>(*)  | Current FDP<br>Estimate<br>(**) | Owner /<br>Regulatory Scope<br>Modifications | Board Approved<br>Bid / Budget | Variance            | Footnotes   | Total Amount<br>PTD<br>(***) | Balance to<br>Complete | %<br>Complete | QTR Actual<br>(Q1 2016) | FDP with Scope<br>Modifications | Status/Notes    |
|--|---------------------------------|--|--------------------------------|---------------------|-------------|------------------------------|------------------------|---------------|-------------------------|---------------------------------|-----------------|
| <i>Measure C Projects - Non Qualified Expenditures</i>                             |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| <i>Cancer Center; Building + LINAC</i>   |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  |                                 | \$ 1,281,523                                 | \$ 1,246,012                   | \$ (35,511)         |             | \$ 1,281,523                 | \$ -                   | 100%          | \$ -                    | \$ 1,281,523                    |                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ 1,281,523</b>                          | <b>\$ 1,246,012</b>            | <b>\$ (35,511)</b>  |             | <b>\$ 1,281,523</b>          | <b>\$ (35,511)</b>     | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 1,281,523</b>             | <b>Complete</b> |
| <i>Skilled Nursing Facility</i>  |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 56,582                                    | \$ 391,614                     | \$ 335,032          |             | \$ 56,582                    | \$ -                   | 100%          | \$ -                    | \$ 56,582                       |                 |
| <b>TOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 56,582</b>                             | <b>\$ 391,614</b>              | <b>\$ 335,032</b>   |             | <b>\$ 56,582</b>             | <b>\$ -</b>            | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 56,582</b>                | <b>Complete</b> |
| <i>Infill Projects; Phase I Dietary / RT / MR / Dietary Office / Staff Lockers</i> |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 116,280                                   | \$ 116,280                     | \$ -                |             | \$ 145,973                   | \$ (29,693)            | 126%          | \$ -                    | \$ 116,280                      |                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ 116,280</b>                            | <b>\$ 116,280</b>              | <b>\$ -</b>         |             | <b>\$ 145,973</b>            | <b>\$ (29,693)</b>     | <b>126%</b>   | <b>\$ -</b>             | <b>\$ 116,280</b>               |                 |
| <i>Infill Projects; Interim Birthing at Western Addition</i>                       |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 49,180                                    | \$ 15,396                      | \$ (33,784)         |             | \$ 49,180                    | \$ -                   | 319%          | \$ -                    | \$ 49,180                       |                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ 49,180</b>                             | <b>\$ 15,396</b>               | <b>\$ (33,784)</b>  |             | <b>\$ 49,180</b>             | <b>\$ -</b>            | <b>319%</b>   | <b>\$ -</b>             | <b>\$ 49,180</b>                |                 |
| <i>Infill Projects; Pharmacy Relocation</i>  |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 5,477                                     | \$ 2,372                       | \$ (3,105)          |             | \$ 5,477                     | \$ (3,105)             | 100%          | \$ -                    | \$ 5,477                        |                 |
| <b>SUBTOTAL PROJECT COSTS</b>  | <b>\$ -</b>                     | <b>\$ 5,477</b>                              | <b>\$ 2,372</b>                | <b>\$ (3,105)</b>   |             | <b>\$ 5,477</b>              | <b>\$ (3,105)</b>      | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 5,477</b>                 |                 |
| <b>TOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 170,937</b>                            | <b>\$ 134,048</b>              | <b>\$ (36,889)</b>  |             | <b>\$ 200,630</b>            | <b>\$ (32,798)</b>     | <b>117%</b>   | <b>\$ -</b>             | <b>\$ 170,937</b>               | <b>Complete</b> |
| <i>Emergency Department &amp; Sterile Processing Department; Increment 2</i>       |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 753,881                                   | \$ 708,123                     | \$ (45,758)         |             | \$ 762,771                   | \$ (54,648)            | 108%          | \$ -                    | \$ 753,881                      |                 |
| <b>TOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 753,881</b>                            | <b>\$ 708,123</b>              | <b>\$ (45,758)</b>  |             | <b>\$ 762,771</b>            | <b>\$ (54,648)</b>     | <b>108%</b>   | <b>\$ -</b>             | <b>\$ 753,881</b>               |                 |
| <i>Fluoroscopy / Nuc Med Upgrades / Diagnostic Imaging Equipment Replacement</i>   |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 5,500                                     | \$ 5,500                       | \$ -                |             | \$ 5,500                     | \$ -                   | 100%          | \$ -                    | \$ 5,500                        |                 |
| <b>TOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 5,500</b>                              | <b>\$ 5,500</b>                | <b>\$ -</b>         |             | <b>\$ 5,500</b>              | <b>\$ -</b>            | <b>100%</b>   | <b>\$ -</b>             | <b>\$ 5,500</b>                 | <b>Complete</b> |
| <i>South Building / Birthing / Dietary Phase II</i>                                |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 750,272                                   | \$ 973,312                     | \$ 973,312          |             | \$ 17,380                    | \$ 955,932             | 2%            | \$ -                    | \$ 750,272                      |                 |
| <b>TOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 750,272</b>                            | <b>\$ 973,312</b>              | <b>\$ 973,312</b>   |             | <b>\$ 17,380</b>             | <b>\$ -</b>            | <b>0%</b>     | <b>\$ -</b>             | <b>\$ 750,272</b>               |                 |
| <i>Non-Measure C Design Contingency</i>  |                                 |  |                                |                     |             |                              |                        |               |                         |                                 |                 |
| PERSONAL PROPERTY  | \$ -                            | \$ 150,000                                   | \$ -                           | \$ -                |             | \$ -                         | \$ -                   | 0%            | \$ -                    | \$ 150,000                      |                 |
| <b>TOTAL PROJECT COSTS</b>   | <b>\$ -</b>                     | <b>\$ 150,000</b>                            | <b>\$ -</b>                    | <b>\$ -</b>         |             | <b>\$ -</b>                  | <b>\$ -</b>            | <b>0%</b>     | <b>\$ -</b>             | <b>\$ 150,000</b>               |                 |
| <b>PROJECT SUMMARY COSTS</b>   | <b>\$ -</b>                     | <b>\$ 2,414,814</b>                          | <b>\$ 2,750,486</b>            | <b>\$ 1,235,944</b> | <b>\$ -</b> | <b>\$ 1,561,615</b>          | <b>\$ (68,309)</b>     | <b>57%</b>    | <b>\$ -</b>             | <b>\$ 2,414,814</b>             |                 |

\* Project Descriptions located within applicable project section.

\*\* FDP Report dated 3/31/2016

\*\*\* Reconciled with TFHD General Ledger dated March 31, 2016. Reference Application for Payment SOV located within applicable project section.

|                          |
|--------------------------|
| On or under budget       |
| 1-5% over budget         |
| 6% or beyond over budget |



# MEMORANDUM

**TO:** Board Finance Committee  
**FROM:** Crystal Betts, Chief Financial Officer  
**SUBJECT:** General Obligation Bond Tax Rate for FY 2016/2017  
**DATE:** July 22, 2016

## **BACKGROUND:**

In November 2006 a presentation was provided to the Board of Directors in regards to public financing, a.k.a. general obligation bonds (GO Bonds). Gary Hicks, our financial advisor, had provided some estimated calculations of what the tax rate per \$100,000 of assessed value would look like for the taxpayers in order to raise \$98.5 million. These calculations were based upon historical trends of property assessed values including the evaluation of historical growth patterns that had ranged 9%-16%. Based upon assessed values that incorporated an average 8% growth trend, the maximum rate per \$100,000 of assessed value was approximated at \$18.76.

Unfortunately, since the timing of the above noted analysis and passage of the GO Bonds by our community, our nation has seen a housing market crisis and a significant economic downturn that we continue to recover from. This has impacted our communities property assessed values. The following is a list of Placer and Nevada counties property assessed value growth percentages or declination percentages over previous years:

2008-09: 8.46% growth over 2007-08  
2009-10: 4.27% growth over 2008-09  
2010-11: 4.64% *decline* over 2009-10  
2011-12: 1.92% *decline* over 2010-11  
2012-13: 0.67% growth over 2011-12  
2013-14: 2.88% growth over 2012-13  
2014-15: 4.89% growth over 2013-14  
2015-16: 10.61% growth over 2014-15  
2016-17: 4.71% growth over 2015-16

The District issued the 3<sup>rd</sup> and final series of the 2007 GO Bonds on August 1, 2012. In addition, the District refunded/refinanced the first series, Series A, in May 2015 and the second series, Series B, in May 2016. The debt service requirement for the 2016/2017 fiscal year will be \$4,703,200.02. Based upon the property assessed values provided to us by Placer and Nevada counties, the rate per \$100,000 would need to be \$24.66 to cover the 2016/2017 debt service requirement. This is \$5.90 per \$100,000 higher than

estimated back in 2006, and is a decline in rate compared to last year by \$2.13 per \$100,000.

However, due to the refinancing of Series B in May 2016, and the receipt of more tax revenues than originally estimated, and after the August 1, 2016 debt payment, the District will still have \$1,124,150 in cash reserves restricted for use for the GO Bond debt service. This reserve can be used in whole, in part, or not at all to reduce the amount collected, or the rate per \$100,000, in the 2016/17 year, and/or future years. Rates per \$100,000 could vary from \$18.77 per \$100,000 up to the full \$24.66 per \$100,000 depending on the level of use of the reserve. See attached analysis.

Also, please note, in fiscal years 2011 and 2012, the Board of Directors had decided to supplement the GO Bond debt service payment in order to minimize the impact on the community due to the decline in assessed values and the increase necessary to the tax rate per \$100,000. In FY 2012 the supplemental payment on behalf of the District was approximately \$445,000, and in FY 2011 \$540,000, both of which were paid from cash generated by operations. In FY 2013, 2014, 2015 and 2016, the Board set the rate at the full amount necessary to cover the debt service payment, with no supplemental payment by the District.

**RECOMMENDATION:**

Based on my analysis, It is my recommendation that the Board elect to set the GO Bond tax rate per \$100,000 at \$23.48 and utilize approximate 20% of the reserve (\$225,000) to fully cover the debt service requirement. The remaining reserves of \$899,150 will roll to future years to be utilized to further reduce the rate per \$100,000 in those future years. The \$23.48 rate per \$100,000 is \$3.31 lower than last year's rate, and is \$4.72 higher than the estimate back in 2006.

**TAHOE FOREST HOSPITAL DISTRICT  
GO BOND TAX RATE CALCULATION SUMMARY  
FOR FISCAL YEAR 2016/2017**

|   | 20% Reserve Use<br>RECOMMENDED | ORIGINAL<br>ESTIMATED<br>MAXIMUM<br>RATE PER<br>\$100,000 | 100% Reserve Use<br>ALTERNATIVE<br>ONE | 75% Reserve Use<br>ALTERNATIVE<br>TWO | 50% Reserve Use<br>ALTERNATIVE<br>THREE | No Reserve Use<br>ALTERNATIVE<br>FOUR |
|---|--------------------------------|---|--|---------------------------------------|---|---------------------------------------|
| <b>FOR FISCAL YEAR 2016/2017</b>                      |                                |   |  |                                       |   |                                       |
| SERIES 2015 (Previously Series A)                     | \$ 6.39                        | \$ -  | \$ 1.68                                | \$ 3.15                               | \$ 4.62                                 | \$ 7.57                               |
| SERIES 2016 (Previously Series B)                     | \$ 10.90                       | \$ -  | \$ 10.90                               | \$ 10.90                              | \$ 10.90                                | \$ 10.90                              |
| SERIES C  | \$ 6.19                        | \$ -  | \$ 6.19                                | \$ 6.19                               | \$ 6.19                                 | \$ 6.19                               |
| <b>TOTAL RATE PER \$100,000</b>                       | <b>\$ 23.48</b>                | <b>\$ 18.76</b>   | <b>\$ 18.77</b>                        | <b>\$ 20.24</b>                       | <b>\$ 21.71</b>                         | <b>\$ 24.66</b>                       |
| Required Debt Service Payment                         | \$ 4,703,200.02                | \$ 4,703,200.02   | \$ 4,703,200.02                        | \$ 4,703,200.02                       | \$ 4,703,200.02                         | \$ 4,703,200.02                       |
| Tax Revenue Generated per Rate/\$100,000              | \$ 4,486,040.13                | \$ 3,584,246.71   | \$ 3,586,157.29                        | \$ 3,867,012.45                       | \$ 4,147,867.60                         | \$ 4,711,488.48                       |
| Reserve generated for future years                    | \$ -                           | Due to rounding of the rate                               |  | \$ -                                  | \$ -                                    | \$ 8,288.46                           |
| Additional contribution required by District/Reserves | \$ -                           | <b>\$ 1,118,953.31</b>                                    |  |                                       |   |                                       |
| Additional contribution from FY 2015/2016 Reserve     | \$ 217,159.89                  |   | \$ 1,117,042.73                        | \$ 836,187.57                         | \$ 555,332.42                           |                                       |

|                              | 2011/2012                | 2012/2013                | 2013/2014                | 2014/2015                | 2015/2016                | 2014/2015 vs 2015/2016  |               | 2016/2017                | 2015/2016 vs 2016/2017 |               |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|---------------|--------------------------|------------------------|---------------|
|                              |                          |                          |                          |                          |                          | VARIANCE<br>\$          | VARIANCE<br>% |                          | VARIANCE<br>\$         | VARIANCE<br>% |
| <b>COUNTY OF PLACER</b>      |                          |                          |                          |                          |                          |                         |               |                          |                        |               |
| LOCAL SECURED                | \$ 9,713,100,999         | \$ 9,787,377,576         | \$ 10,131,105,321        | \$ 10,643,906,597        | \$ 12,028,041,926        | \$ 1,384,135,329        | 13.00%        | \$ 12,598,852,503        | \$ 570,810,577         | 4.75%         |
| UNSECURED                    | \$ 154,003,348           | \$ 162,102,331           | \$ 182,876,494           | \$ 190,033,123           | \$ 192,112,603           | \$ 2,079,480            | 1.09%         | \$ 195,131,935           | \$ 3,019,332           | 1.57%         |
| <b>TOTAL ASSESSED VALUES</b> | <b>\$ 9,867,104,347</b>  | <b>\$ 9,949,479,907</b>  | <b>\$ 10,313,981,815</b> | <b>\$ 10,833,939,720</b> | <b>\$ 12,220,154,529</b> | <b>\$ 1,386,214,809</b> | <b>12.80%</b> | <b>\$ 12,793,984,438</b> | <b>\$ 573,829,909</b>  | <b>4.70%</b>  |
| <b>COUNTY OF NEVADA</b>      |                          |                          |                          |                          |                          |                         |               |                          |                        |               |
| LOCAL SECURED                | \$ 5,185,069,844         | \$ 5,212,833,164         | \$ 5,288,034,776         | \$ 5,532,102,579         | \$ 5,896,876,881         | \$ 364,774,302          | 6.59%         | \$ 6,183,122,666         | \$ 286,245,785         | 4.85%         |
| UNSECURED                    | \$ 133,348,213           | \$ 125,069,339           | \$ 125,222,815           | \$ 130,369,329           | \$ 129,938,792           | \$ (430,537)            | -0.33%        | \$ 128,685,617           | \$ (1,253,175)         | -0.96%        |
| <b>TOTAL ASSESSED VALUES</b> | <b>\$ 5,318,418,057</b>  | <b>\$ 5,337,902,503</b>  | <b>\$ 5,413,257,591</b>  | <b>\$ 5,662,471,908</b>  | <b>\$ 6,026,815,673</b>  | <b>\$ 364,343,765</b>   | <b>6.43%</b>  | <b>\$ 6,311,808,283</b>  | <b>\$ 284,992,610</b>  | <b>4.73%</b>  |
| <b>COMBINED COUNTIES</b>     |                          |                          |                          |                          |                          |                         |               |                          |                        |               |
| LOCAL SECURED                | \$ 14,898,170,843        | \$ 15,000,210,740        | \$ 15,419,140,097        | \$ 16,176,009,176        | \$ 17,924,918,807        | \$ 1,748,909,631        | 10.81%        | \$ 18,781,975,169        | \$ 857,056,362         | 4.78%         |
| UNSECURED                    | \$ 287,351,561           | \$ 287,171,670           | \$ 308,099,309           | \$ 320,402,452           | \$ 322,051,395           | \$ 1,648,943            | 0.51%         | \$ 323,817,552           | \$ 1,766,157           | 0.55%         |
| <b>TOTAL ASSESSED VALUES</b> | <b>\$ 15,185,522,404</b> | <b>\$ 15,287,382,410</b> | <b>\$ 15,727,239,406</b> | <b>\$ 16,496,411,628</b> | <b>\$ 18,246,970,202</b> | <b>\$ 1,750,558,574</b> | <b>10.61%</b> | <b>\$ 19,105,792,721</b> | <b>\$ 858,822,519</b>  | <b>4.71%</b>  |

**20% Reserve Use**

| August 1                            | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015 (Original Series A)            | \$ 1,443,425.00      | \$ 1,494,125.00      | \$ 1,544,325.00      | \$ 1,601,925.00      | \$ 1,656,525.00      | \$ 1,712,275.00      | \$ 1,773,775.00      | \$ 1,835,525.00      | \$ 1,902,275.00      |
| 2016 (Original Series B)            | \$ 2,078,956.26      | \$ 2,138,356.26      | \$ 2,201,356.26      | \$ 2,267,856.26      | \$ 2,330,206.26      | \$ 2,400,006.26      | \$ 2,467,606.26      | \$ 2,539,006.26      | \$ 2,602,006.26      |
| Series C                            | \$ 1,180,818.76      | \$ 1,213,393.76      | \$ 1,248,768.76      | \$ 1,281,668.76      | \$ 1,312,093.76      | \$ 1,345,043.76      | \$ 1,380,243.76      | \$ 1,407,418.76      | \$ 1,443,006.26      |
| Debt Service Payment                | \$ 4,703,200.02      | \$ 4,845,875.02      | \$ 4,994,450.02      | \$ 5,151,450.02      | \$ 5,298,825.02      | \$ 5,457,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
|                                     |                      | 3.03%                | 3.07%                | 3.14%                | 2.86%                | 2.99%                | 3.01%                | 2.85%                | 2.86%                |
| Reserve \$1,124,150                 | \$ (225,000.00)      | \$ (200,000.00)      | \$ (175,000.00)      | \$ (150,000.00)      | \$ (100,000.00)      | \$ (50,000.00)       | \$ -                 | \$ -                 | \$ -                 |
| Debt Service Reduced by Reserve Use | \$ 4,478,200.02      | \$ 4,645,875.02      | \$ 4,819,450.02      | \$ 5,001,450.02      | \$ 5,198,825.02      | \$ 5,407,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
| <b>Assessed Values</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Placer Co                           | \$ 12,793,984,438.00 | \$ 13,305,743,815.52 | \$ 13,837,973,568.14 | \$ 14,391,492,510.87 | \$ 14,967,152,211.30 | \$ 15,565,838,299.75 | \$ 16,188,471,831.74 | \$ 16,836,010,705.01 | \$ 17,509,451,133.21 |
| Nevada Co                           | \$ 6,311,808,283.00  | \$ 6,564,280,614.32  | \$ 6,826,851,838.89  | \$ 7,099,925,912.45  | \$ 7,383,922,948.95  | \$ 7,679,279,866.90  | \$ 7,986,451,061.58  | \$ 8,305,909,104.04  | \$ 8,638,145,468.21  |
|                                     | \$ 19,105,792,721.00 | \$ 19,870,024,429.84 | \$ 20,664,825,407.03 | \$ 21,491,418,423.31 | \$ 22,351,075,160.25 | \$ 23,245,118,166.66 | \$ 24,174,922,893.32 | \$ 25,141,919,809.06 | \$ 26,147,596,601.42 |
|                                     |                      | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate without Reserves               | \$ 24.62             | \$ 24.39             | \$ 24.17             | \$ 23.97             | \$ 23.71             | \$ 23.48             | \$ 23.25             | \$ 23.00             | \$ 22.75             |
| Rate using a portion of Reserves    | \$ 23.44             | \$ 23.38             | \$ 23.32             | \$ 23.27             | \$ 23.26             | \$ 23.26             | \$ 23.25             | \$ 23.00             | \$ 22.75             |

**100% Reserve Use**

| August 1                            | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015 (Original Series A)            | \$ 1,443,425.00      | \$ 1,494,125.00      | \$ 1,544,325.00      | \$ 1,601,925.00      | \$ 1,656,525.00      | \$ 1,712,275.00      | \$ 1,773,775.00      | \$ 1,835,525.00      | \$ 1,902,275.00      |
| 2016 (Original Series B)            | \$ 2,078,956.26      | \$ 2,138,356.26      | \$ 2,201,356.26      | \$ 2,267,856.26      | \$ 2,330,206.26      | \$ 2,400,006.26      | \$ 2,467,606.26      | \$ 2,539,006.26      | \$ 2,602,006.26      |
| Series C                            | \$ 1,180,818.76      | \$ 1,213,393.76      | \$ 1,248,768.76      | \$ 1,281,668.76      | \$ 1,312,093.76      | \$ 1,345,043.76      | \$ 1,380,243.76      | \$ 1,407,418.76      | \$ 1,443,006.26      |
| Debt Service Payment                | \$ 4,703,200.02      | \$ 4,845,875.02      | \$ 4,994,450.02      | \$ 5,151,450.02      | \$ 5,298,825.02      | \$ 5,457,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
|                                     |                      | 3.03%                | 3.07%                | 3.14%                | 2.86%                | 2.99%                | 3.01%                | 2.85%                | 2.86%                |
| Reserve \$1,124,150                 | \$ (1,124,150.00)    | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Debt Service Reduced by Reserve Use | \$ 3,579,050.02      | \$ 4,845,875.02      | \$ 4,994,450.02      | \$ 5,151,450.02      | \$ 5,298,825.02      | \$ 5,457,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
| <b>Assessed Values</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Placer Co                           | \$ 12,793,984,438.00 | \$ 13,305,743,815.52 | \$ 13,837,973,568.14 | \$ 14,391,492,510.87 | \$ 14,967,152,211.30 | \$ 15,565,838,299.75 | \$ 16,188,471,831.74 | \$ 16,836,010,705.01 | \$ 17,509,451,133.21 |
| Nevada Co                           | \$ 6,311,808,283.00  | \$ 6,564,280,614.32  | \$ 6,826,851,838.89  | \$ 7,099,925,912.45  | \$ 7,383,922,948.95  | \$ 7,679,279,866.90  | \$ 7,986,451,061.58  | \$ 8,305,909,104.04  | \$ 8,638,145,468.21  |
|                                     | \$ 19,105,792,721.00 | \$ 19,870,024,429.84 | \$ 20,664,825,407.03 | \$ 21,491,418,423.31 | \$ 22,351,075,160.25 | \$ 23,245,118,166.66 | \$ 24,174,922,893.32 | \$ 25,141,919,809.06 | \$ 26,147,596,601.42 |
|                                     |                      | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate without Reserves               | \$ 24.62             | \$ 24.39             | \$ 24.17             | \$ 23.97             | \$ 23.71             | \$ 23.48             | \$ 23.25             | \$ 23.00             | \$ 22.75             |
| Rate using a portion of Reserves    | \$ 18.73             | \$ 24.39             | \$ 24.17             | \$ 23.97             | \$ 23.71             | \$ 23.48             | \$ 23.25             | \$ 23.00             | \$ 22.75             |

**75% Reserve Use**

| August 1                            | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015 (Original Series A)            | \$ 1,443,425.00      | \$ 1,494,125.00      | \$ 1,544,325.00      | \$ 1,601,925.00      | \$ 1,656,525.00      | \$ 1,712,275.00      | \$ 1,773,775.00      | \$ 1,835,525.00      | \$ 1,902,275.00      |
| 2016 (Original Series B)            | \$ 2,078,956.26      | \$ 2,138,356.26      | \$ 2,201,356.26      | \$ 2,267,856.26      | \$ 2,330,206.26      | \$ 2,400,006.26      | \$ 2,467,606.26      | \$ 2,539,006.26      | \$ 2,602,006.26      |
| Series C                            | \$ 1,180,818.76      | \$ 1,213,393.76      | \$ 1,248,768.76      | \$ 1,281,668.76      | \$ 1,312,093.76      | \$ 1,345,043.76      | \$ 1,380,243.76      | \$ 1,407,418.76      | \$ 1,443,006.26      |
| Debt Service Payment                | \$ 4,703,200.02      | \$ 4,845,875.02      | \$ 4,994,450.02      | \$ 5,151,450.02      | \$ 5,298,825.02      | \$ 5,457,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
|                                     |                      | 3.03%                | 3.07%                | 3.14%                | 2.86%                | 2.99%                | 3.01%                | 2.85%                | 2.86%                |
| Reserve \$1,124,150                 | \$ (843,112.50)      | \$ (281,037.50)      | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Debt Service Reduced by Reserve Use | \$ 3,860,087.52      | \$ 4,564,837.52      | \$ 4,994,450.02      | \$ 5,151,450.02      | \$ 5,298,825.02      | \$ 5,457,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
| <b>Assessed Values</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Placer Co                           | \$ 12,793,984,438.00 | \$ 13,305,743,815.52 | \$ 13,837,973,568.14 | \$ 14,391,492,510.87 | \$ 14,967,152,211.30 | \$ 15,565,838,299.75 | \$ 16,188,471,831.74 | \$ 16,836,010,705.01 | \$ 17,509,451,133.21 |
| Nevada Co                           | \$ 6,311,808,283.00  | \$ 6,564,280,614.32  | \$ 6,826,851,838.89  | \$ 7,099,925,912.45  | \$ 7,383,922,948.95  | \$ 7,679,279,866.90  | \$ 7,986,451,061.58  | \$ 8,305,909,104.04  | \$ 8,638,145,468.21  |
|                                     | \$ 19,105,792,721.00 | \$ 19,870,024,429.84 | \$ 20,664,825,407.03 | \$ 21,491,418,423.31 | \$ 22,351,075,160.25 | \$ 23,245,118,166.66 | \$ 24,174,922,893.32 | \$ 25,141,919,809.06 | \$ 26,147,596,601.42 |
|                                     |                      | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate without Reserves               | \$ 24.62             | \$ 24.39             | \$ 24.17             | \$ 23.97             | \$ 23.71             | \$ 23.48             | \$ 23.25             | \$ 23.00             | \$ 22.75             |
| Rate using a portion of Reserves    | \$ 20.20             | \$ 22.97             | \$ 24.17             | \$ 23.97             | \$ 23.71             | \$ 23.48             | \$ 23.25             | \$ 23.00             | \$ 22.75             |

**50% Reserve Use**

| August 1                            | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015 (Original Series A)            | \$ 1,443,425.00      | \$ 1,494,125.00      | \$ 1,544,325.00      | \$ 1,601,925.00      | \$ 1,656,525.00      | \$ 1,712,275.00      | \$ 1,773,775.00      | \$ 1,835,525.00      | \$ 1,902,275.00      |
| 2016 (Original Series B)            | \$ 2,078,956.26      | \$ 2,138,356.26      | \$ 2,201,356.26      | \$ 2,267,856.26      | \$ 2,330,206.26      | \$ 2,400,006.26      | \$ 2,467,606.26      | \$ 2,539,006.26      | \$ 2,602,006.26      |
| Series C                            | \$ 1,180,818.76      | \$ 1,213,393.76      | \$ 1,248,768.76      | \$ 1,281,668.76      | \$ 1,312,093.76      | \$ 1,345,043.76      | \$ 1,380,243.76      | \$ 1,407,418.76      | \$ 1,443,006.26      |
| Debt Service Payment                | \$ 4,703,200.02      | \$ 4,845,875.02      | \$ 4,994,450.02      | \$ 5,151,450.02      | \$ 5,298,825.02      | \$ 5,457,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
|                                     |                      | 3.03%                | 3.07%                | 3.14%                | 2.86%                | 2.99%                | 3.01%                | 2.85%                | 2.86%                |
| Reserve \$1,124,150                 | \$ (562,075.00)      | \$ (562,075.00)      | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Debt Service Reduced by Reserve Use | \$ 4,141,125.02      | \$ 4,283,800.02      | \$ 4,994,450.02      | \$ 5,151,450.02      | \$ 5,298,825.02      | \$ 5,457,325.02      | \$ 5,621,625.02      | \$ 5,781,950.02      | \$ 5,947,287.52      |
| <b>Assessed Values</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Placer Co                           | \$ 12,793,984,438.00 | \$ 13,305,743,815.52 | \$ 13,837,973,568.14 | \$ 14,391,492,510.87 | \$ 14,967,152,211.30 | \$ 15,565,838,299.75 | \$ 16,188,471,831.74 | \$ 16,836,010,705.01 | \$ 17,509,451,133.21 |
| Nevada Co                           | \$ 6,311,808,283.00  | \$ 6,564,280,614.32  | \$ 6,826,851,838.89  | \$ 7,099,925,912.45  | \$ 7,383,922,948.95  | \$ 7,679,279,866.90  | \$ 7,986,451,061.58  | \$ 8,305,909,104.04  | \$ 8,638,145,468.21  |
|                                     | \$ 19,105,792,721.00 | \$ 19,870,024,429.84 | \$ 20,664,825,407.03 | \$ 21,491,418,423.31 | \$ 22,351,075,160.25 | \$ 23,245,118,166.66 | \$ 24,174,922,893.32 | \$ 25,141,919,809.06 | \$ 26,147,596,601.42 |
|                                     |                      | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                | 4.00%                |
| Rate without Reserves               | \$ 24.62             | \$ 24.39             | \$ 24.17             | \$ 23.97             | \$ 23.71             | \$ 23.48             | \$ 23.25             | \$ 23.00             | \$ 22.75             |
| Rate using a portion of Reserves    | \$ 21.67             | \$ 21.56             | \$ 24.17             | \$ 23.97             | \$ 23.71             | \$ 23.48             | \$ 23.25             | \$ 23.00             | \$ 22.75             |

2016/17

## TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES 2015 (Previously Series A)

OCA \_\_\_\_\_ PCA \_\_\_\_\_ Dept \_\_ TAX CODE \_\_\_\_\_  
Fund \_\_ Subfund \_\_\_\_\_

## COMPUTATION OF TAX RATE - SCHEDULE 1

|  |                |                     |
|--|----------------|---------------------|
| TOTAL BUDGET REQUIREMENT (Schedule 3)                    |                | 1,443,425.00        |
| LESS: AVAILABLE FINANCING (Schedule 2)                   |                | 0.00                |
| <b>AMOUNT NEEDED TO BE RAISED - PROP TAX &amp; STATE</b> |                | <b>1,443,425.00</b> |
|  | SECURED        | UNSECURED           |
| NET SECURED VALUATION-PLACER CO.                         | 12,583,643,384 |                     |
| NET SECURED VALUATION-NEVADA CO.                         | 6,158,225,269  |                     |
| UTILITY VALUATION-PLACER CO.                             | 0              |                     |
| UTILITY VALUATION-NEVADA CO.                             | 2,289,818      |                     |
| NET UNSECURED VALUATION-PLACER CO. (includes Airplanes)  |                | 195,124,935         |
| NET UNSECURED VALUATION-NEVADA CO.                       |                | 128,685,617         |
| TOTAL NET VALUATION                                      | 18,744,158,471 | 323,810,552         |
|  | RATE           |                     |
| LESS: DELINQUENCY ALLOWANCE-PLACER CO.                   | 6.0000%        | Teetered-N/A        |
| LESS: DELINQUENCY ALLOWANCE-NEVADA CO.                   |                | 11,707,496          |
| LESS: RDA OR OTHER VALUE ADJ                             |                | 7,721,137           |
| TOTAL NET VALUATION AFTER ADJ                            | N/A            | N/A                 |
|  | 18,744,158,471 | 304,381,919         |
| ADD: HOPTR EXEMPTION-PLACER CO.                          |                | 15,209,119          |
| ADD: HOPTR EXEMPTION-NEVADA CO.                          |                | 7,000               |
|  | 22,607,579     | 0                   |
| ADJUSTED VALUATION FOR RATE COMPUTATION                  | 18,781,975,169 | 304,388,919         |
| UNSECURED TAX RATE (Secured rate from prior year)        |                | 0.0075700%          |
| UNSECURED PROPERTY TAX RAISED-PLACER CO.                 |                | 13,885.00           |
| UNSECURED PROPERTY TAX RAISED-NEVADA CO.                 |                | 9,157.00            |
| UNSECURED HOPTR RAISED-PLACER CO.                        |                | 0.00                |
| UNSECURED HOPTR RAISED-NEVADA CO.                        |                | 0.00                |
| <b>AMOUNT TO BE RAISED ON UNSECURED ROLL</b>             |                | <b>23,042.00</b>    |
| <b>CALCULATION OF SECURED TAX RATE:</b>                  |                |                     |
| AMOUNT NEEDED TO BE RAISED (from above)                  | 1,443,425.00   |                     |
| LESS: AMOUNT TO BE RAISED ON UNSEC ROLL (from above)     | 23,042.00      |                     |
| AMOUNT NEEDED TO BE RAISED FROM SECURED ROLL             | 1,420,383.00   |                     |
| SECURED TAX RATE   | 0.0075700%     | \$7.57              |
| SECURED PROPERTY TAX RAISED-PLACER CO.                   |                | 952,582.00          |
| SECURED PROPERTY TAX RAISED-NEVADA CO.                   |                | 466,351.00          |
| HOPTR RAISED-PLACER CO.                                  |                | 1,151.00            |
| HOPTR RAISED-NEVADA CO.                                  |                | 1,711.00            |
| <b>TOTAL AMOUNT TO BE RAISED ON SECURED ROLL</b>         |                | <b>1,421,795.00</b> |
| <b>TOTAL AMOUNT TO BE RAISED ON SEC &amp; UNSEC ROLL</b> |                | <b>1,444,837.00</b> |
| DIFFERENCE BETWEEN AMOUNT NEEDED & AMOUNT RAISED         |                | (1,412.00)          |
| BUDGET: NEVADA CO. =                                     | 477,219.00     |                     |
| BUDGET: PLACER CO. =                                     | 967,618.00     |                     |



2016/17

TAHOE FOREST HOSPITAL DISTRICT GO BONDS 2016 (Previously SERIES B 2010)

OCA \_\_\_\_\_ PCA \_\_\_\_\_ Dept \_\_\_\_\_ TAX CODE \_\_\_\_\_

Fund \_\_\_\_\_ Subfund \_\_\_\_\_

COMPUTATION OF TAX RATE - SCHEDULE 1

|  |                |                     |
|--|----------------|---------------------|
| TOTAL BUDGET REQUIREMENT (Schedule 3)                    |                | 2,078,956.00        |
| LESS: AVAILABLE FINANCING (Schedule 2)                   |                | 0.00                |
| <b>AMOUNT NEEDED TO BE RAISED - PROP TAX &amp; STATE</b> |                | <b>2,078,956.00</b> |
|  | SECURED        | UNSECURED           |
| NET SECURED VALUATION-PLACER CO.                         | 12,583,643,384 |                     |
| NET SECURED VALUATION-NEVADA CO.                         | 6,158,225,269  |                     |
| UTILITY VALUATION-PLACER CO.                             | 0              |                     |
| UTILITY VALUATION-NEVADA CO.                             | 2,289,818      |                     |
| NET UNSECURED VALUATION-PLACER CO. (includes Airplanes)  |                | 195,124,935         |
| NET UNSECURED VALUATION-NEVADA CO.                       |                | 128,685,617         |
| TOTAL NET VALUATION                                      | 18,744,158,471 | 323,810,552         |
|  | RATE           |                     |
| LESS: DELINQUENCY ALLOWANCE-PLACER CO.                   | 6.0000%        | Teetered-N/A        |
| LESS: DELINQUENCY ALLOWANCE-NEVADA CO.                   |                | 11,707,496          |
| LESS: RDA OR OTHER VALUE ADJ                             |                | 7,721,137           |
| TOTAL NET VALUATION AFTER ADJ                            |                | N/A                 |
|  |                | N/A                 |
| ADD: HOPTR EXEMPTION-PLACER CO.                          |                | 15,209,119          |
| ADD: HOPTR EXEMPTION-NEVADA CO.                          |                | 7,000               |
|  |                | 22,607,579          |
| ADJUSTED VALUATION FOR RATE COMPUTATION                  |                | 0                   |
|  | 18,744,158,471 | 304,381,919         |
| UNSECURED TAX RATE (Secured rate from prior year)        |                | 0.0109000%          |
| UNSECURED PROPERTY TAX RAISED-PLACER CO.                 |                | 19,993.00           |
| UNSECURED PROPERTY TAX RAISED-NEVADA CO.                 |                | 13,185.00           |
| UNSECURED HOPTR RAISED-PLACER CO.                        |                | 0.00                |
| UNSECURED HOPTR RAISED-NEVADA CO.                        |                | 0.00                |
| <b>AMOUNT TO BE RAISED ON UNSECURED ROLL</b>             |                | <b>33,178.00</b>    |
| <b>CALCULATION OF SECURED TAX RATE:</b>                  |                |                     |
| AMOUNT NEEDED TO BE RAISED (from above)                  | 2,078,956.00   |                     |
| LESS: AMOUNT TO BE RAISED ON UNSEC ROLL (from above)     | 33,178.00      |                     |
| AMOUNT NEEDED TO BE RAISED FROM SECURED ROLL             | 2,045,778.00   |                     |
| SECURED TAX RATE   | 0.0109000%     | \$10.90             |
| SECURED PROPERTY TAX RAISED-PLACER CO.                   |                | 1,371,617.00        |
| SECURED PROPERTY TAX RAISED-NEVADA CO.                   |                | 671,496.00          |
| HOPTR RAISED-PLACER CO.                                  |                | 1,658.00            |
| HOPTR RAISED-NEVADA CO.                                  |                | 2,464.00            |
| <b>TOTAL AMOUNT TO BE RAISED ON SECURED ROLL</b>         |                | <b>2,047,235.00</b> |
| <b>TOTAL AMOUNT TO BE RAISED ON SEC &amp; UNSEC ROLL</b> |                | <b>2,080,413.00</b> |
| DIFFERENCE BETWEEN AMOUNT NEEDED & AMOUNT RAISED         |                | (1,457.00)          |
| BUDGET: NEVADA CO. =                                     | 687,145.00     |                     |
| BUDGET: PLACER CO. =                                     | 1,393,268.00   |                     |

2016/17  
**TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES C (2012)**  
 OCA \_\_\_\_\_ PCA \_\_\_\_\_ Dept \_\_ TAX CODE \_\_\_\_\_  
 Fund \_\_ Subfund \_\_\_\_  
**COMPUTATION OF TAX RATE - SCHEDULE 1**

|  |              |
|--|--------------|
| TOTAL BUDGET REQUIREMENT (Schedule 3)  | 1,180,819.00 |
| LESS: AVAILABLE FINANCING (Schedule 2) | 0.00         |

|  |                     |
|--|---------------------|
| <b>AMOUNT NEEDED TO BE RAISED - PROP TAX &amp; STATE</b> | <b>1,180,819.00</b> |
|--|---------------------|

|   | SECURED        | UNSECURED    |
|---|----------------|--------------|
| NET SECURED VALUATION-PLACER CO.                        | 12,583,643,384 |              |
| NET SECURED VALUATION-NEVADA CO.                        | 6,158,228,269  |              |
| UTILITY VALUATION-PLACER CO.                            | 0              |              |
| UTILITY VALUATION-NEVADA CO.                            | 2,289,818      |              |
| NET UNSECURED VALUATION-PLACER CO. (includes Airplanes) |                | 195,124,935  |
| NET UNSECURED VALUATION-NEVADA CO.                      |                | 128,685,617  |
| TOTAL NET VALUATION                                     | 18,744,161,471 | 323,810,552  |
|   | RATE           |              |
| LESS: DELINQUENCY ALLOWANCE-PLACER CO.                  | 6.0000%        | Teetered-N/A |
| LESS: DELINQUENCY ALLOWANCE-NEVADA CO.                  |                | 11,707,496   |
| LESS: RDA OR OTHER VALUE ADJ                            | N/A            | 7,721,137    |
| TOTAL NET VALUATION AFTER ADJ                           |                | N/A          |
|   | 18,744,161,471 | 304,381,919  |
| ADD: HOPTR EXEMPTION-PLACER CO.                         | 15,209,119     | 7,000        |
| ADD: HOPTR EXEMPTION-NEVADA CO.                         | 22,607,579     | 0            |
|   | 18,781,978,169 | 304,388,919  |
| ADJUSTED VALUATION FOR RATE COMPUTATION                 |                |              |
| UNSECURED TAX RATE (Secured rate from prior year)       |                | 0.0061900%   |
| UNSECURED PROPERTY TAX RAISED-PLACER CO.                |                | 11,354.00    |
| UNSECURED PROPERTY TAX RAISED-NEVADA CO.                |                | 7,488.00     |
| UNSECURED HOPTR RAISED-PLACER CO.                       |                | 0.00         |
| UNSECURED HOPTR RAISED-NEVADA CO.                       |                | 0.00         |

|  |                  |
|--|------------------|
| <b>AMOUNT TO BE RAISED ON UNSECURED ROLL</b> | <b>18,842.00</b> |
|--|------------------|

**CALCULATION OF SECURED TAX RATE:**

|  |                   |
|--|-------------------|
| AMOUNT NEEDED TO BE RAISED (from above)              | 1,180,819.00      |
| LESS: AMOUNT TO BE RAISED ON UNSEC ROLL (from above) | 18,842.00         |
| AMOUNT NEEDED TO BE RAISED FROM SECURED ROLL         | 1,161,977.00      |
| <b>SECURED TAX RATE</b>                              | <b>0.0061900%</b> |
| SECURED PROPERTY TAX RAISED-PLACER CO.               | 778,928.00        |
| SECURED PROPERTY TAX RAISED-NEVADA CO.               | 381,336.00        |
| HOPTR RAISED-PLACER CO.                              | 941.00            |
| HOPTR RAISED-NEVADA CO.                              | 1,399.00          |

|  |                     |
|--|---------------------|
| <b>TOTAL AMOUNT TO BE RAISED ON SECURED ROLL</b> | <b>1,162,604.00</b> |
|--|---------------------|

|  |                     |
|--|---------------------|
| <b>TOTAL AMOUNT TO BE RAISED ON SEC &amp; UNSEC ROLL</b> | <b>1,181,446.00</b> |
|--|---------------------|

|  |            |
|--|------------|
| DIFFERENCE BETWEEN AMOUNT NEEDED & AMOUNT RAISED | (627.00)   |
| BUDGET: NEVADA CO. =                             | 390,223.00 |
| BUDGET: PLACER CO. =                             | 791,223.00 |

2016/17

TAHOE FOREST HOSPITAL DISTRICT GO BONDS SERIES 2015 (Previously Series A)

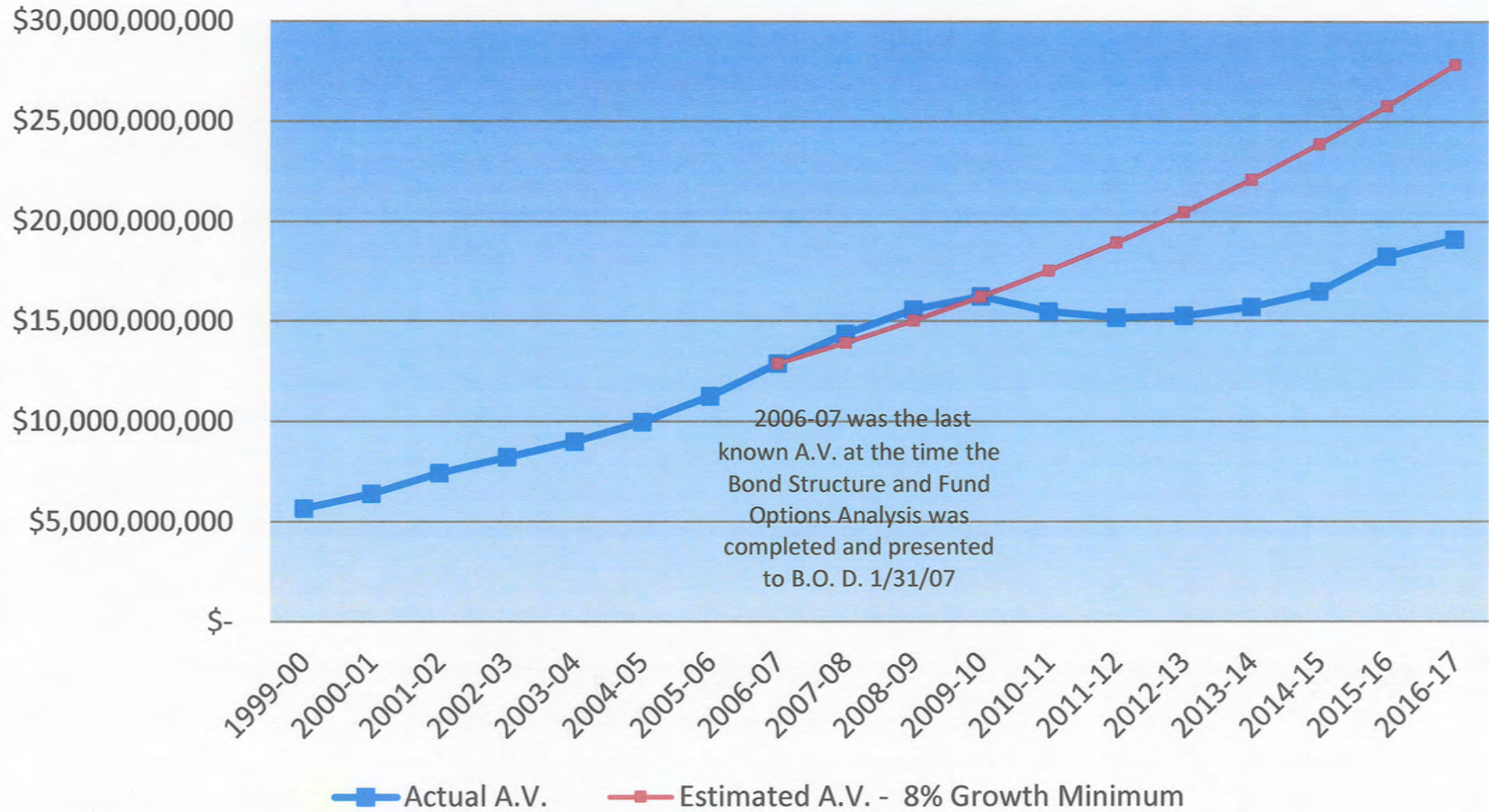
OCA \_\_\_\_\_ PCA \_\_\_\_\_ Dept \_\_ TAX CODE \_\_\_\_\_

Fund \_\_ Subfund \_\_\_\_\_

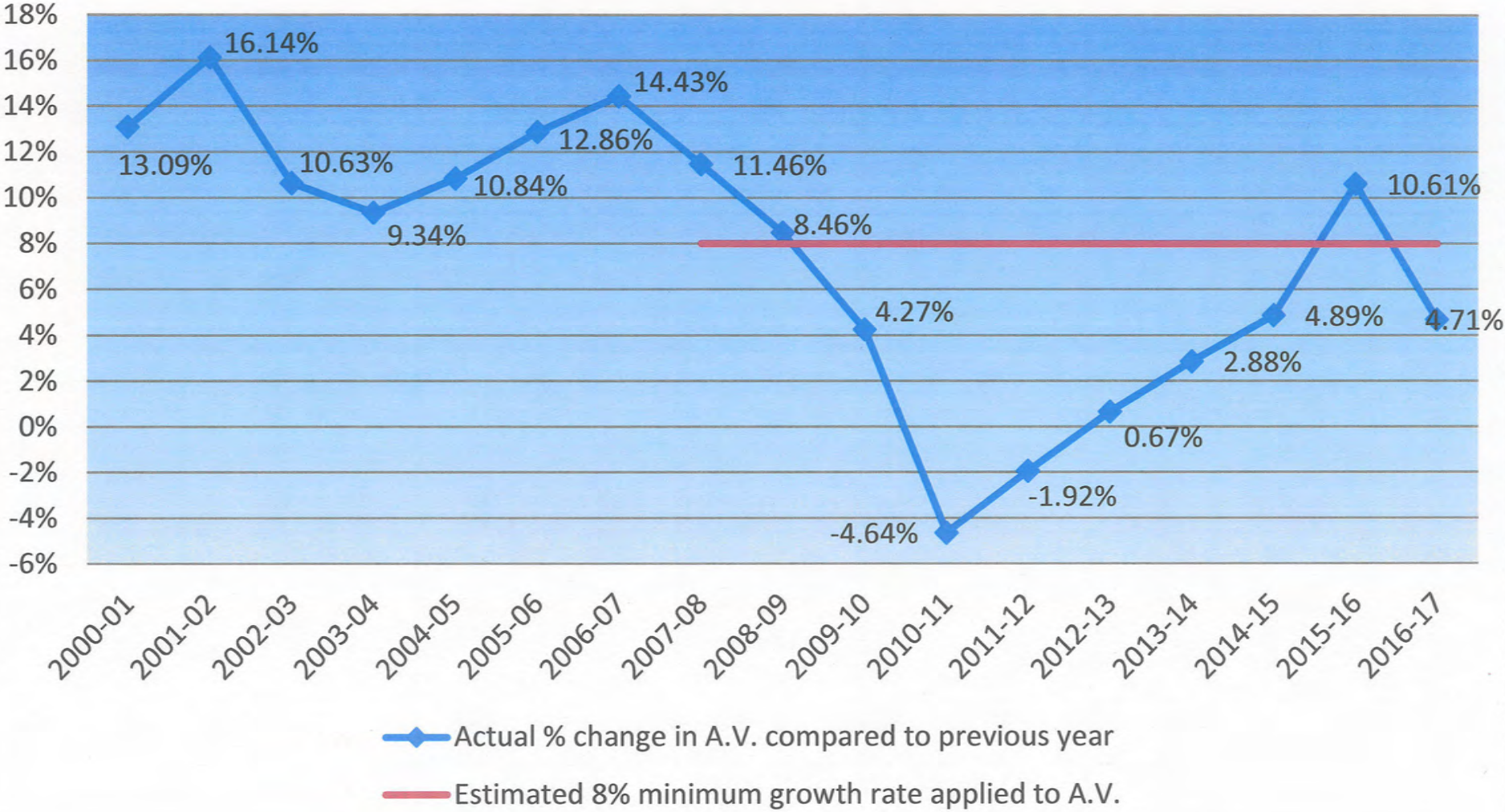
COMPUTATION OF TAX RATE - SCHEDULE 1

|  |                |                         |
|--|----------------|-------------------------|
| TOTAL BUDGET REQUIREMENT (Schedule 3)                    |                | 1,443,425.00            |
| LESS: AVAILABLE FINANCING (Schedule 2)                   |                | 225,000.00              |
| <b>AMOUNT NEEDED TO BE RAISED - PROP TAX &amp; STATE</b> |                | <b>1,218,425.00</b>     |
|  | SECURED        | UNSECURED               |
| NET SECURED VALUATION-PLACER CO.                         | 12,583,643,384 |                         |
| NET SECURED VALUATION-NEVADA CO.                         | 6,158,225,269  |                         |
| UTILITY VALUATION-PLACER CO.                             | 0              |                         |
| UTILITY VALUATION-NEVADA CO.                             | 2,289,818      |                         |
| NET UNSECURED VALUATION-PLACER CO. (includes Airplanes)  |                | 195,124,935             |
| NET UNSECURED VALUATION-NEVADA CO.                       |                | 128,685,617             |
| TOTAL NET VALUATION                                      | 18,744,158,471 | 323,810,552             |
|  | RATE           |                         |
| LESS: DELINQUENCY ALLOWANCE-PLACER CO.                   | 6.0000%        | Teetered-N/A 11,707,496 |
| LESS: DELINQUENCY ALLOWANCE-NEVADA CO.                   |                | 7,721,137               |
| LESS: RDA OR OTHER VALUE ADJ                             | N/A            | N/A                     |
| TOTAL NET VALUATION AFTER ADJ                            | 18,744,158,471 | 304,381,919             |
| ADD: HOPTR EXEMPTION-PLACER CO.                          | 15,209,119     | 7,000                   |
| ADD: HOPTR EXEMPTION-NEVADA CO.                          | 22,607,579     | 0                       |
| ADJUSTED VALUATION FOR RATE COMPUTATION                  | 18,781,975,169 | 304,388,919             |
| UNSECURED TAX RATE (Secured rate from prior year)        |                | 0.0063900%              |
| UNSECURED PROPERTY TAX RAISED-PLACER CO.                 |                | 11,720.00               |
| UNSECURED PROPERTY TAX RAISED-NEVADA CO.                 |                | 7,730.00                |
| UNSECURED HOPTR RAISED-PLACER CO.                        |                | 0.00                    |
| UNSECURED HOPTR RAISED-NEVADA CO.                        |                | 0.00                    |
| <b>AMOUNT TO BE RAISED ON UNSECURED ROLL</b>             |                | <b>19,450.00</b>        |
| <b>CALCULATION OF SECURED TAX RATE:</b>                  |                |                         |
| AMOUNT NEEDED TO BE RAISED (from above)                  | 1,218,425.00   |                         |
| LESS: AMOUNT TO BE RAISED ON UNSEC ROLL (from above)     | 19,450.00      |                         |
| AMOUNT NEEDED TO BE RAISED FROM SECURED ROLL             | 1,198,975.00   |                         |
| SECURED TAX RATE   | 0.0063900%     | \$6.39                  |
| SECURED PROPERTY TAX RAISED-PLACER CO.                   |                | 804,095.00              |
| SECURED PROPERTY TAX RAISED-NEVADA CO.                   |                | 393,657.00              |
| HOPTR RAISED-PLACER CO.                                  |                | 972.00                  |
| HOPTR RAISED-NEVADA CO.                                  |                | 1,445.00                |
| <b>TOTAL AMOUNT TO BE RAISED ON SECURED ROLL</b>         |                | <b>1,200,169.00</b>     |
| <b>TOTAL AMOUNT TO BE RAISED ON SEC &amp; UNSEC ROLL</b> |                | <b>1,219,619.00</b>     |
| DIFFERENCE BETWEEN AMOUNT NEEDED & AMOUNT RAISED         |                | (1,194.00)              |
| BUDGET: NEVADA CO. =                                     | 402,832.00     |                         |
| BUDGET: PLACER CO. =                                     | 816,787.00     |                         |

## Analysis of Assessed Values (A.V.)



### Analysis of Assessed Values (A.V.)





## COUNTY OF PLACER

## OFFICE OF AUDITOR-CONTROLLER

ANDREW C. SISK, CPA  
Auditor-Controller  
E-mail: [asisk@placer.ca.gov](mailto:asisk@placer.ca.gov)

NICOLE C. HOWARD, CPA  
Assistant Auditor-Controller  
E-mail: [nhoward@placer.ca.gov](mailto:nhoward@placer.ca.gov)

July 7, 2016

Tax Code 42108

Tahoe Forest Hospital  
P. O. Box 759  
Truckee, CA 96160-0759

This is to certify that the assessed valuation of the Tahoe Forest Hospital is as follows for 2016/17:

| ROLLS         | NET VALUATION  | HOPTR EXEMPT            | GROSS VALUE USED FOR TAX COMP PURPOSES |
|---------------|----------------|-------------------------|--|
| Local Secured | 12,583,643,384 | 15,209,119 <sup>✓</sup> | 12,598,852,503                         |
| Unsecured     | 195,124,935    | 7,000 <sup>✓</sup>      | 195,131,935                            |

Article XIII-A of the California Constitution, Sec 1(b) (enacted by Proposition 13), provides for the levying of property taxes to pay voter approved indebtedness. These are the values to use for this purpose.

Please call if you have any questions concerning the above valuations.

Sincerely,

ANDREW C. SISK, CPA  
AUDITOR-CONTROLLER

By: *Ed Staniek*

Ed Staniek  
Accounting Technician

State of California  
**C O U N T Y O F N E V A D A**

**MARCIA L. SALTER – Auditor-Controller**

**Auditor-Controller**  
950 Maidu Avenue Suite 230  
Nevada City CA 95959

(530) 265-1244  
Fax: (530) 265-9843  
Email: [auditor.controller@co.nevada.ca.us](mailto:auditor.controller@co.nevada.ca.us)

July 19, 2016

To: Tahoe Forest Hospital District  
From: Linda Sager, Accountant Auditor II

Listed below are the certified 2016/17 assessed values for your district:

|  | <u>NET VALUATION</u> | <u>HOPTR</u> | <u>TOTAL</u>    |
|--|----------------------|--------------|-----------------|
| Local Secured Roll                                   | \$6,158,225,269      | \$22,607,579 | \$6,180,832,848 |
| Unitary and Operating Non-<br>Unitary State BOE Roll | \$2,289,818          |              | \$2,289,818     |
| Unsecured Roll                                       | \$128,685,617        |              | \$128,685,617   |

Please use these values to estimate any voter-approved indebtedness under Article XIII-A Sec 1(b) of the California Constitution.

For an assessed valuation comparison from prior year by district, please visit our website at <http://www.mynevadacounty.com/nc/auditor/Pages/Property-Tax.aspx>. The report will be posted under the link titled Assessed Value by District.

The annual estimated property tax revenue letter will be mailed by the end of October.

If you have any questions, please contact me at (530) 265-1564.

**BOARD OF DIRECTORS  
TAHOE FOREST HOSPITAL DISTRICT  
COUNTIES OF PLACER AND NEVADA, STATE OF CALIFORNIA**

**RESOLUTION NO. 2016-07**

**RESOLUTION DIRECTING PLACER AND NEVADA COUNTIES, CALIFORNIA,  
TO LEVY A TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE  
DISTRICT'S GENERAL OBLIGATION BONDS FOR FISCAL YEAR 2016-17**

WHEREAS, by a resolution (the "Ballot Resolution"), adopted by the Board of Directors (the "Board") of the Tahoe Forest Hospital District (the "District") on June 26, 2007, the Board determined and declared that public interest and necessity demanded the need to raise moneys for the expansion, improvement, acquisition, construction, equipping and renovation of health facilities of the District, including to refinance up to \$3.5 million of existing debt that was incurred for expenditures related to capital purchases or leases to improve hospital facilities (the "Project"), and the Board called a mailed ballot election to be held within the boundaries of the District in accordance with the California Elections Code;

WHEREAS, a special municipal election was held in the District on September 25, 2007, and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds (2/3) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for \$98,500,000, payable from the levy of an unlimited *ad valorem* tax against all taxable property in the District;

WHEREAS, pursuant to Chapter 4 of Division 23 (commencing with section 32300) of the California Health and Safety Code (the "Act"), the District is empowered to issue general obligation bonds;

WHEREAS, the District issued an initial series of bonds, in the aggregate principal amount of \$29,400,000, identified as the "Tahoe Forest Hospital District (Placer and Nevada Counties, California) General Obligation Bonds, Election of 2007, Series A (2008)" (the "Series A Bonds"), for the purpose of raising funds needed for the Project and other authorized costs on the conditions set forth in a resolution adopted by the Board on June 24, 2008;

WHEREAS, the District issued a second series of bonds, in the aggregate principal amount of \$43,000,000, identified as the "Tahoe Forest Hospital District (Placer and Nevada Counties, California) General Obligation Bonds, Election of 2007, Series B (2010)" (the "Series B Bonds"), for the purpose of raising funds needed for the Project and other authorized costs on the conditions set forth in a resolution adopted by the Board on June 22, 2010;

WHEREAS, the District issued a third series of bonds, in the aggregate principal amount of \$26,100,000, identified as the "Tahoe Forest Hospital District (Placer and Nevada Counties,



California) General Obligation Bonds, Election of 2007, Series C (2012)" (the "Series C Bonds"), for the purpose of raising funds needed for the Project and other authorized costs, on the conditions set forth in a resolution adopted by the Board on June 26, 2012;

WHEREAS, on May 10, 2015, the District issued bonds, in the aggregate principal amount of \$30,810,000, identified its "Tahoe Forest Hospital District (Placer and Nevada Counties, California) 2015 General Obligation Refunding Bonds" (the "2015 Refunding Bonds") to refund the Series A Bonds, on the conditions set forth in a resolution adopted by the Board on February 12, 2015;

WHEREAS, on May 5, 2016, the District issued bonds, in the aggregate principal amount of \$45,110,000, identified its "Tahoe Forest Hospital District (Placer and Nevada Counties, California) 2016 General Obligation Refunding Bonds" (the "2016 Refunding Bonds") to refund the Series B Bonds, on the conditions set forth in a resolution adopted by the Board on March 29, 2016; and

WHEREAS, pursuant to the Act, the District is authorized to direct Placer County ("Placer") and Nevada County ("Nevada" and, with Placer, the "Counties"), California, in which the jurisdiction of the District resides, to levy an unlimited *ad valorem* tax on all taxable property within the District for the payment of the principal of and interest on the Series C Bonds, the 2015 Refunding Bonds and the 2016 Refunding Bonds (collectively, the "Bonds");

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TAHOE FOREST HOSPITAL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

*Section 1. Recitals.* All of the recitals herein are true and correct. To the extent that the recitals relate to findings and determinations of the Board, the Board declares such findings or determinations to be made thereby.

*Section 2. Tax Levy; Tax Rate.*

(a) The Board has determined that the amount needed to be raised by taxes during Fiscal Year 2016-17 is \$4,703,200.02, which is needed to pay the principal of and interest on the Bonds during such period, as shown on Exhibit D attached hereto. The total amount required to be levied for Fiscal Year 2016-17 to pay such principal and interest should be \$ \_\_\_\_\_ (which amount reflects the total amount needed to pay the principal of and interest on the Bonds of \$4,703,200.02, less the sum of \$ \_\_\_\_\_ from amounts levied by the Counties in the Fiscal Year 2015-16 but were not used to pay debt service on the Bonds and remains in reserve).

**Commented [BC1]:** This section will be the only area that changes dependent on the use of reserves or not.

(b) Placer has informed the District that, for Fiscal Year 2016-17, the estimated value of all assessed property of the District within Placer to be used for calculating the debt service rate is \$12,793,984,438.

The Board hereby requests and directs Placer, at the time of the fixing of its general tax levy for the County's fiscal year beginning July 1, 2016, and ending June 30, 2017, to fix and levy and collect a tax at the rate of \$ \_\_\_\_\_ per \$100,000 of assessed valuation which, based upon the

estimated value of all assessed property of the District within Placer, will generate a total amount of \$\_\_\_\_\_.

Said tax shall be in addition to all other taxes levied for District purposes, shall be levied and collected by Placer at the same time and in the same manner as other taxes of the District are levied and collected, and shall be used only for the payment of the Bonds, and the interest thereon.

(c) Nevada has informed the District that, for Fiscal Year 2016-17, the estimated value of all assessed property of the District within Nevada to be used for calculating the debt service rate is \$6,311,808,283.

The Board hereby requests and directs Nevada, at the time of the fixing of its general tax levy for the County's fiscal year beginning July 1, 2016, and ending June 30, 2017, to fix and levy and collect a tax at the rate of \$\_\_\_\_\_ per \$100,000 of assessed valuation which, based upon the estimated value of all assessed property of the District within Nevada, will generate a total amount of \$\_\_\_\_\_.

Said tax shall be in addition to all other taxes levied for District purposes, shall be levied and collected by Nevada at the same time and in the same manner as other taxes of the District are levied and collected, and shall be used only for the payment of the Bonds, and the interest thereon.

*Section 3. Request for Necessary County Actions.* The Boards of Supervisors, the treasurer, tax collector and auditor-controller, and other officials of the Counties are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property within the District sufficient to provide for the payment of all principal of, redemption premium (if any), and interest on the Bonds, as the same shall become due and payable, and to transfer the tax receipts from such levy to the District, no later than January 20 and May 18 in each year to permit the District to meet its required principal and interest payments for the Bonds on each February 1 and August 1, as indicated in Exhibits A, B, C and D. The Chief Executive Officer or the Chief Financial Officer of the District is hereby authorized and directed to deliver certified copies of this Resolution to the clerks of the Boards of Supervisors of the Counties, and the treasurer, tax collector and auditor of the Counties.

*Section 4. Ratification.* All actions heretofore taken by officials, employees and agents of the District with respect to the request and direction for the tax levy described herein are hereby approved, confirmed and ratified.

*Section 5. General Authority.* The President and the Vice President of the Board, the Chief Executive Officer and the Chief Financial Officer of the District, and their respective designees, are each hereby authorized, empowered and directed in the name and on behalf of the District to take any and all steps, which they or any of them might deem necessary or appropriate in order to ensure that the County levies and collects the property taxes as described herein and otherwise to give effect to this Resolution.

Section 6. Effective Date. This resolution shall take effect immediately on and after its adoption.

\*\*\*\*\*

THE FOREGOING RESOLUTION is approved and adopted by the Board of Directors of the Tahoe Forest Hospital District this 28th day of July, 2016.

AYES:

NAYS:

ABSENT:

\_\_\_\_\_  
President of the Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary of the Board of Directors

**EXHIBIT A**

**DEBT SERVICE SCHEDULE OF THE SERIES C BONDS**

| Date     | Principal     | Interest     | Period Total | Annual Total   |
|----------|---------------|--------------|--------------|----------------|
| 02/01/17 | —             | \$522,909.38 | \$522,909.38 | —              |
| 08/01/17 | \$ 135,000.00 | 522,909.38   | 657,909.38   | \$1,180,818.75 |
| 02/01/18 | —             | 519,196.88   | 519,196.88   | —              |
| 08/01/18 | 175,000.00    | 519,196.88   | 694,196.88   | 1,213,393.75   |
| 02/01/19 | —             | 514,384.38   | 514,384.38   | —              |
| 08/01/19 | 220,000.00    | 514,384.38   | 734,384.38   | 1,248,768.75   |
| 02/01/20 | —             | 508,334.38   | 508,334.38   | —              |
| 08/01/20 | 265,000.00    | 508,334.38   | 773,334.38   | 1,281,668.75   |
| 02/01/21 | —             | 501,046.88   | 501,046.88   | —              |
| 08/01/21 | 310,000.00    | 501,046.88   | 811,046.88   | 1,312,093.75   |
| 02/01/22 | —             | 492,521.88   | 492,521.88   | —              |
| 08/01/22 | 360,000.00    | 492,521.88   | 852,521.88   | 1,345,043.75   |
| 02/01/23 | —             | 482,621.88   | 482,621.88   | —              |
| 08/01/23 | 415,000.00    | 482,621.88   | 897,621.88   | 1,380,243.75   |
| 02/01/24 | —             | 471,209.38   | 471,209.38   | —              |
| 08/01/24 | 465,000.00    | 471,209.38   | 936,209.38   | 1,407,418.75   |
| 02/01/25 | —             | 459,003.13   | 459,003.13   | —              |
| 08/01/25 | 525,000.00    | 459,003.13   | 984,003.13   | 1,443,006.25   |
| 02/01/26 | —             | 448,503.13   | 448,503.13   | —              |
| 08/01/26 | 580,000.00    | 448,503.13   | 1,028,503.13 | 1,477,006.25   |
| 02/01/27 | —             | 439,803.13   | 439,803.13   | —              |
| 08/01/27 | 645,000.00    | 439,803.13   | 1,084,803.13 | 1,524,606.25   |
| 02/01/28 | —             | 429,725.00   | 429,725.00   | —              |
| 08/01/28 | 715,000.00    | 429,725.00   | 1,144,725.00 | 1,574,450.00   |
| 02/01/29 | —             | 418,106.25   | 418,106.25   | —              |
| 08/01/29 | 795,000.00    | 418,106.25   | 1,213,106.25 | 1,631,212.50   |
| 02/01/30 | —             | 404,193.75   | 404,193.75   | —              |
| 08/01/30 | 880,000.00    | 404,193.75   | 1,284,193.75 | 1,688,387.50   |
| 02/01/31 | —             | 388,353.75   | 388,353.75   | —              |
| 08/01/31 | 970,000.00    | 388,353.75   | 1,358,353.75 | 1,746,707.50   |
| 02/01/32 | —             | 370,893.75   | 370,893.75   | —              |
| 08/01/32 | 1,070,000.00  | 370,893.75   | 1,440,893.75 | 1,811,787.50   |
| 02/01/33 | —             | 351,500.00   | 351,500.00   | —              |
| 08/01/33 | 1,175,000.00  | 351,500.00   | 1,526,500.00 | 1,878,000.00   |
| 02/01/34 | —             | 328,000.00   | 328,000.00   | —              |
| 08/01/34 | 1,280,000.00  | 328,000.00   | 1,608,000.00 | 1,936,000.00   |
| 02/01/35 | —             | 302,400.00   | 302,400.00   | —              |
| 08/01/35 | 1,400,000.00  | 302,400.00   | 1,702,400.00 | 2,004,800.00   |
| 02/01/36 | —             | 274,400.00   | 274,400.00   | —              |
| 08/01/36 | 1,525,000.00  | 274,400.00   | 1,799,400.00 | 2,073,800.00   |
| 02/01/37 | —             | 243,900.00   | 243,900.00   | —              |
| 08/01/37 | 1,655,000.00  | 243,900.00   | 1,898,900.00 | 2,142,800.00   |
| 02/01/38 | —             | 210,800.00   | 210,800.00   | —              |
| 08/01/38 | 1,795,000.00  | 210,800.00   | 2,005,800.00 | 2,216,600.00   |
| 02/01/39 | —             | 174,900.00   | 174,900.00   | —              |
| 08/01/39 | 1,940,000.00  | 174,900.00   | 2,114,900.00 | 2,289,800.00   |
| 02/01/40 | —             | 136,100.00   | 136,100.00   | —              |
| 08/01/40 | 2,100,000.00  | 136,100.00   | 2,236,100.00 | 2,372,200.00   |
| 02/01/41 | —             | 94,100.00    | 94,100.00    | —              |
| 08/01/41 | 2,265,000.00  | 94,100.00    | 2,359,100.00 | 2,453,200.00   |
| 02/01/42 | —             | 48,800.00    | 48,800.00    | —              |
| 08/01/42 | 2,440,000.00  | 48,800.00    | 2,488,800.00 | 2,537,600.00   |

Exhibit A

**EXHIBIT B**

**DEBT SERVICE SCHEDULE OF THE 2015 REFUNDING BONDS**

| Date     | Principal  | Interest     | Period Total | Annual Total   |
|----------|------------|--------------|--------------|----------------|
| 02/01/17 | —          | \$566,712.50 | \$566,712.50 | —              |
| 08/01/17 | \$ 310,000 | 566,712.50   | 876,712.50   | \$1,443,425.00 |
| 02/01/18 | —          | 562,062.50   | 562,062.50   | —              |
| 08/01/18 | 370,000    | 562,062.50   | 932,062.50   | 1,494,125.00   |
| 02/01/19 | —          | 554,662.50   | 554,662.50   | —              |
| 08/01/19 | 435,000    | 554,662.50   | 989,662.50   | 1,544,325.00   |
| 02/01/20 | —          | 545,962.50   | 545,962.50   | —              |
| 08/01/20 | 510,000    | 545,962.50   | 1,055,962.50 | 1,601,925.00   |
| 02/01/21 | —          | 535,762.50   | 535,762.50   | —              |
| 08/01/21 | 585,000    | 535,762.50   | 1,120,762.50 | 1,656,525.00   |
| 02/01/22 | —          | 521,137.50   | 521,137.50   | —              |
| 08/01/22 | 670,000    | 521,137.50   | 1,191,137.50 | 1,712,275.00   |
| 02/01/23 | —          | 504,387.50   | 504,387.50   | —              |
| 08/01/23 | 765,000    | 504,387.50   | 1,269,387.50 | 1,773,775.00   |
| 02/01/24 | —          | 485,262.50   | 485,262.50   | —              |
| 08/01/24 | 865,000    | 485,262.50   | 1,350,262.50 | 1,835,525.00   |
| 02/01/25 | —          | 463,637.50   | 463,637.50   | —              |
| 08/01/25 | 975,000    | 463,637.50   | 1,438,637.50 | 1,902,275.00   |
| 02/01/26 | —          | 439,262.50   | 439,262.50   | —              |
| 08/01/26 | 1,090,000  | 439,262.50   | 1,529,262.50 | 1,968,525.00   |
| 02/01/27 | —          | 412,012.50   | 412,012.50   | —              |
| 08/01/27 | 1,210,000  | 412,012.50   | 1,622,012.50 | 2,034,025.00   |
| 02/01/28 | —          | 381,762.50   | 381,762.50   | —              |
| 08/01/28 | 1,345,000  | 381,762.50   | 1,726,762.50 | 2,108,525.00   |
| 02/01/29 | —          | 361,587.50   | 361,587.50   | —              |
| 08/01/29 | 1,465,000  | 361,587.50   | 1,826,587.50 | 2,188,175.00   |
| 02/01/30 | —          | 337,781.25   | 337,781.25   | —              |
| 08/01/30 | 1,590,000  | 337,781.25   | 1,927,781.25 | 2,265,562.50   |
| 02/01/31 | —          | 312,937.50   | 312,937.50   | —              |
| 08/01/31 | 1,720,000  | 312,937.50   | 2,032,937.50 | 2,345,875.00   |
| 02/01/32 | —          | 284,987.50   | 284,987.50   | —              |
| 08/01/32 | 1,865,000  | 284,987.50   | 2,149,987.50 | 2,434,975.00   |
| 02/01/33 | —          | 254,681.25   | 254,681.25   | —              |
| 08/01/33 | 2,010,000  | 254,681.25   | 2,264,681.25 | 2,519,362.50   |
| 02/01/34 | —          | 220,762.50   | 220,762.50   | —              |
| 08/01/34 | 2,170,000  | 220,762.50   | 2,390,762.50 | 2,611,525.00   |
| 02/01/35 | —          | 182,787.50   | 182,787.50   | —              |
| 08/01/35 | 2,335,000  | 182,787.50   | 2,517,787.50 | 2,700,575.00   |
| 02/01/36 | —          | 141,925.00   | 141,925.00   | —              |
| 08/01/36 | 2,515,000  | 141,925.00   | 2,656,925.00 | 2,798,850.00   |
| 02/01/37 | —          | 97,912.50    | 97,912.50    | —              |
| 08/01/37 | 2,700,000  | 97,912.50    | 2,797,912.50 | 2,895,825.00   |
| 02/01/38 | —          | 50,662.50    | 50,662.50    | —              |
| 08/01/38 | 2,895,000  | 50,662.50    | 2,945,662.50 | 2,996,325.00   |

Exhibit B

**EXHIBIT C**

**DEBT SERVICE SCHEDULE OF THE 2016 REFUNDING BONDS**

| Date     | Principal  | Interest     | Period Total  | Annual Total   |
|----------|------------|--------------|---------------|----------------|
| 02/01/17 | —          | \$774,478.13 | \$ 774,478.13 | —              |
| 08/01/17 | \$ 530,000 | 774,478.13   | 1,304,478.13  | \$2,078,956.25 |
| 02/01/18 | —          | 769,178.13   | 769,178.13    | —              |
| 08/01/18 | 600,000    | 769,178.13   | 1,369,178.13  | 2,138,356.25   |
| 02/01/19 | —          | 763,178.13   | 763,178.13    | —              |
| 08/01/19 | 675,000    | 763,178.13   | 1,438,178.13  | 2,201,356.25   |
| 02/01/20 | —          | 756,428.13   | 756,428.13    | —              |
| 08/01/20 | 755,000    | 756,428.13   | 1,511,428.13  | 2,267,856.25   |
| 02/01/21 | —          | 745,103.13   | 745,103.13    | —              |
| 08/01/21 | 840,000    | 745,103.13   | 1,585,103.13  | 2,330,206.25   |
| 02/01/22 | —          | 732,503.13   | 732,503.13    | —              |
| 08/01/22 | 935,000    | 732,503.13   | 1,667,503.13  | 2,400,006.25   |
| 02/01/23 | —          | 713,803.13   | 713,803.13    | —              |
| 08/01/23 | 1,040,000  | 713,803.13   | 1,753,803.13  | 2,467,606.25   |
| 02/01/24 | —          | 699,503.13   | 699,503.13    | —              |
| 08/01/24 | 1,140,000  | 699,503.13   | 1,839,503.13  | 2,539,006.25   |
| 02/01/25 | —          | 671,003.13   | 671,003.13    | —              |
| 08/01/25 | 1,260,000  | 671,003.13   | 1,931,003.13  | 2,602,006.25   |
| 02/01/26 | —          | 639,503.13   | 639,503.13    | —              |
| 08/01/26 | 1,385,000  | 639,503.13   | 2,024,503.13  | 2,664,006.25   |
| 02/01/27 | —          | 604,878.13   | 604,878.13    | —              |
| 08/01/27 | 1,515,000  | 604,878.13   | 2,119,878.13  | 2,724,756.25   |
| 02/01/28 | —          | 567,003.13   | 567,003.13    | —              |
| 08/01/28 | 1,655,000  | 567,003.13   | 2,222,003.13  | 2,789,006.25   |
| 02/01/29 | —          | 525,628.13   | 525,628.13    | —              |
| 08/01/29 | 1,815,000  | 525,628.13   | 2,340,628.13  | 2,866,256.25   |
| 02/01/30 | —          | 480,253.13   | 480,253.13    | —              |
| 08/01/30 | 1,985,000  | 480,253.13   | 2,465,253.13  | 2,945,506.25   |
| 02/01/31 | —          | 430,628.13   | 430,628.13    | —              |
| 08/01/31 | 2,165,000  | 430,628.13   | 2,595,628.13  | 3,026,256.25   |
| 02/01/32 | —          | 398,153.13   | 398,153.13    | —              |
| 08/01/32 | 2,295,000  | 398,153.13   | 2,693,153.13  | 3,091,306.25   |
| 02/01/33 | —          | 363,728.13   | 363,728.13    | —              |
| 08/01/33 | 2,435,000  | 363,728.13   | 2,798,728.13  | 3,162,456.25   |
| 02/01/34 | —          | 327,203.13   | 327,203.13    | —              |
| 08/01/34 | 2,580,000  | 327,203.13   | 2,907,203.13  | 3,234,406.25   |
| 02/01/35 | —          | 288,503.13   | 288,503.13    | —              |
| 08/01/35 | 2,725,000  | 288,503.13   | 3,013,503.13  | 3,302,006.25   |
| 02/01/36 | —          | 247,628.13   | 247,628.13    | —              |
| 08/01/36 | 2,880,000  | 247,628.13   | 3,127,628.13  | 3,375,256.25   |
| 02/01/37 | —          | 204,428.13   | 204,428.13    | —              |
| 08/01/37 | 3,055,000  | 204,428.13   | 3,259,428.13  | 3,463,856.25   |
| 02/01/38 | —          | 158,603.13   | 158,603.13    | —              |
| 08/01/38 | 3,235,000  | 158,603.13   | 3,393,603.13  | 3,552,206.25   |
| 02/01/39 | —          | 110,078.13   | 110,078.13    | —              |
| 08/01/39 | 3,420,000  | 110,078.13   | 3,530,078.13  | 3,640,156.25   |
| 02/01/40 | —          | 56,640.63    | 56,640.63     | —              |
| 08/01/40 | 3,625,000  | 56,640.63    | 3,681,640.63  | 3,738,281.25   |

Exhibit D

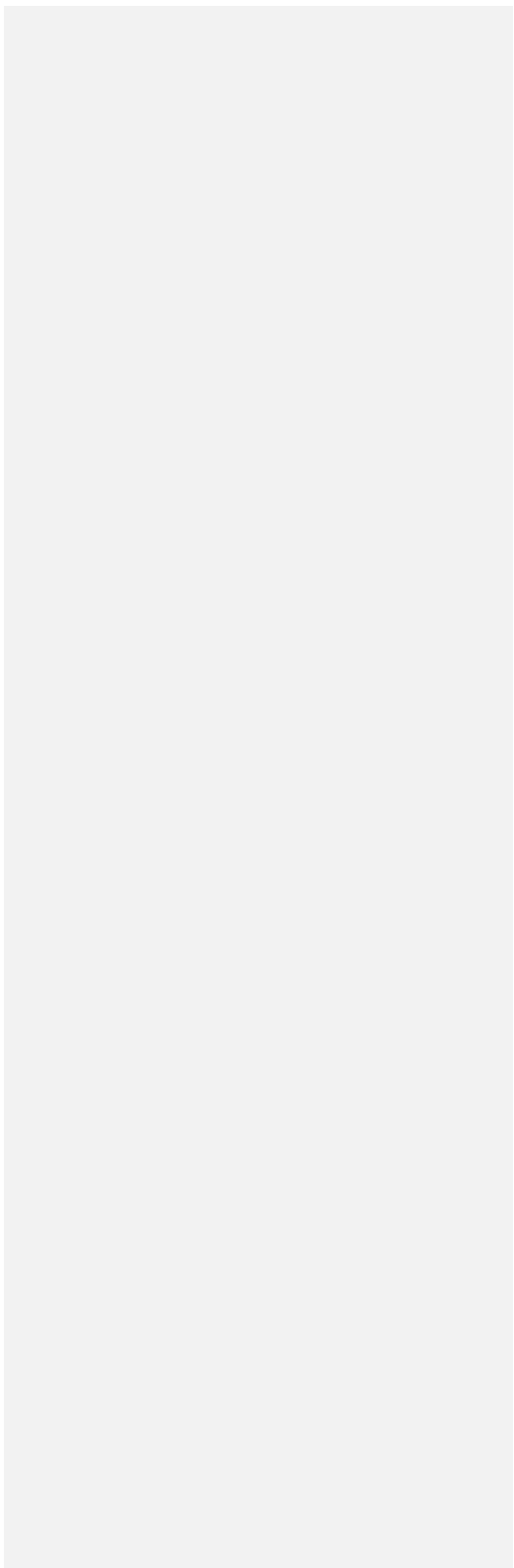
**EXHIBIT D**

**DEBT SERVICE SCHEDULE OF ALL BONDS**

| Date     | Series C Bonds | 2015            |                 | 2016            |                 | Annual Total |
|----------|----------------|-----------------|-----------------|-----------------|-----------------|--------------|
|          |                | Refunding Bonds | Refunding Bonds | Refunding Bonds | Refunding Bonds |              |
| 02/01/17 | \$ 522,909.38  | \$ 566,712.50   | \$ 774,478.13   | \$ 1,864,100.01 | —               |              |
| 08/01/17 | 657,909.38     | 876,712.50      | 1,304,478.13    | 2,839,100.01    | \$4,703,200.02  |              |
| 02/01/18 | 519,196.88     | 562,062.50      | 769,178.13      | 1,850,437.51    | —               |              |
| 08/01/18 | 694,196.88     | 932,062.50      | 1,369,178.13    | 2,995,437.51    | 4,845,875.02    |              |
| 02/01/19 | 514,384.38     | 554,662.50      | 763,178.13      | 1,832,225.01    | —               |              |
| 08/01/19 | 734,384.38     | 989,662.50      | 1,438,178.13    | 3,162,225.01    | 4,994,450.02    |              |
| 02/01/20 | 508,334.38     | 545,962.50      | 756,428.13      | 1,810,725.01    | —               |              |
| 08/01/20 | 773,334.38     | 1,055,962.50    | 1,511,428.13    | 3,340,725.01    | 5,151,450.02    |              |
| 02/01/21 | 501,046.88     | 535,762.50      | 745,103.13      | 1,781,912.51    | —               |              |
| 08/01/21 | 811,046.88     | 1,120,762.50    | 1,585,103.13    | 3,516,912.51    | 5,298,825.02    |              |
| 02/01/22 | 492,521.88     | 521,137.50      | 732,503.13      | 1,746,162.51    | —               |              |
| 08/01/22 | 852,521.88     | 1,191,137.50    | 1,667,503.13    | 3,711,162.51    | 5,457,325.02    |              |
| 02/01/23 | 482,621.88     | 504,387.50      | 713,803.13      | 1,700,812.51    | —               |              |
| 08/01/23 | 897,621.88     | 1,269,387.50    | 1,753,803.13    | 3,920,812.51    | 5,621,625.02    |              |
| 02/01/24 | 471,209.38     | 485,262.50      | 699,503.13      | 1,655,975.01    | —               |              |
| 08/01/24 | 936,209.38     | 1,350,262.50    | 1,839,503.13    | 4,125,975.01    | 5,781,950.02    |              |
| 02/01/25 | 459,003.13     | 463,637.50      | 671,003.13      | 1,593,643.76    | —               |              |
| 08/01/25 | 984,003.13     | 1,438,637.50    | 1,931,003.13    | 4,353,643.76    | 5,947,287.52    |              |
| 02/01/26 | 448,503.13     | 439,262.50      | 639,503.13      | 1,527,268.76    | —               |              |
| 08/01/26 | 1,028,503.13   | 1,529,262.50    | 2,024,503.13    | 4,582,268.76    | 6,109,537.52    |              |
| 02/01/27 | 439,803.13     | 412,012.50      | 604,878.13      | 1,456,693.76    | —               |              |
| 08/01/27 | 1,084,803.13   | 1,622,012.50    | 2,119,878.13    | 4,826,693.76    | 6,283,387.52    |              |
| 02/01/28 | 429,725.00     | 381,762.50      | 567,003.13      | 1,378,490.63    | —               |              |
| 08/01/28 | 1,144,725.00   | 1,726,762.50    | 2,222,003.13    | 5,093,490.63    | 6,471,981.26    |              |
| 02/01/29 | 418,106.25     | 361,587.50      | 525,628.13      | 1,305,321.88    | —               |              |
| 08/01/29 | 1,213,106.25   | 1,826,587.50    | 2,340,628.13    | 5,380,321.88    | 6,685,643.76    |              |
| 02/01/30 | 404,193.75     | 337,781.25      | 480,253.13      | 1,222,228.13    | —               |              |
| 08/01/30 | 1,284,193.75   | 1,927,781.25    | 2,465,253.13    | 5,677,228.13    | 6,899,456.26    |              |
| 02/01/31 | 388,353.75     | 312,937.50      | 430,628.13      | 1,131,919.38    | —               |              |
| 08/01/31 | 1,358,353.75   | 2,032,937.50    | 2,595,628.13    | 5,986,919.38    | 7,118,838.76    |              |
| 02/01/32 | 370,893.75     | 284,987.50      | 398,153.13      | 1,054,034.38    | —               |              |
| 08/01/32 | 1,440,893.75   | 2,149,987.50    | 2,693,153.13    | 6,284,034.38    | 7,338,068.76    |              |
| 02/01/33 | 351,500.00     | 254,681.25      | 363,728.13      | 969,909.38      | —               |              |
| 08/01/33 | 1,526,500.00   | 2,264,681.25    | 2,798,728.13    | 6,589,909.38    | 7,559,818.76    |              |
| 02/01/34 | 328,000.00     | 220,762.50      | 327,203.13      | 875,965.63      | —               |              |
| 08/01/34 | 1,608,000.00   | 2,390,762.50    | 2,907,203.13    | 6,905,965.63    | 7,781,931.26    |              |
| 02/01/35 | 302,400.00     | 182,787.50      | 288,503.13      | 773,690.63      | —               |              |
| 08/01/35 | 1,702,400.00   | 2,517,787.50    | 3,013,503.13    | 7,233,690.63    | 8,007,381.26    |              |
| 02/01/36 | 274,400.00     | 141,925.00      | 247,628.13      | 663,953.13      | —               |              |
| 08/01/36 | 1,799,400.00   | 2,656,925.00    | 3,127,628.13    | 7,583,953.13    | 8,247,906.26    |              |
| 02/01/37 | 243,900.00     | 97,912.50       | 204,428.13      | 546,240.63      | —               |              |
| 08/01/37 | 1,898,900.00   | 2,797,912.50    | 3,259,428.13    | 7,956,240.63    | 8,502,481.26    |              |
| 02/01/38 | 210,800.00     | 50,662.50       | 158,603.13      | 420,065.63      | —               |              |
| 08/01/38 | 2,005,800.00   | 2,945,662.50    | 3,393,603.13    | 8,345,065.63    | 8,765,131.26    |              |
| 02/01/39 | 174,900.00     | —               | 110,078.13      | 284,978.13      | —               |              |
| 08/01/39 | 2,114,900.00   | —               | 3,530,078.13    | 5,644,978.13    | 5,929,956.26    |              |
| 02/01/40 | 136,100.00     | —               | 56,640.63       | 192,740.63      | —               |              |
| 08/01/40 | 2,236,100.00   | —               | 3,681,640.63    | 5,917,740.63    | 6,110,481.26    |              |
| 02/01/41 | 94,100.00      | —               | —               | 94,100.00       | —               |              |
| 08/01/41 | 2,359,100.00   | —               | —               | 2,359,100.00    | 2,453,200.00    |              |
| 02/01/42 | 48,800.00      | —               | —               | 48,800.00       | —               |              |
| 08/01/42 | 2,488,800.00   | —               | —               | 2,488,800.00    | 2,537,600.00    |              |

Exhibit D

Exhibit D







**TO:** Board of Directors  
Harry Weis, CEO

**FROM:** David J. Ruderman, Asst. General Counsel  
Jon R. di Cristina, Asst. General Counsel

**CC:** Michael G. Colantuono, General Counsel

**DATE:** June 28, 2016

**SUBJECT:** Rates for District Residents and Non Residents

We write to address whether Section 32125(b) of the Local Hospital District Law permits the Tahoe Forest Hospital District to charge discounted rates to its residents. Specifically, this memo focuses on state and federal constitutional requirements that govern Section 32125(b)'s application — we do not address additional requirements from federal statutes, programs such as Medicare and Medi-Cal, or the District's contractual obligations with commercial insurance companies.

In sum, we conclude it is difficult if not impossible to set rates that charge residents less than nonresidents in a way that is constitutional, as such rates must be based on real differences in the District's cost to serve residents versus nonresidents. The only such difference appears to be that some residents contribute property tax revenue to the District while, of course, the District does not receive such revenue from nonresidents. However, because property tax revenue accounts for a relatively small proportion of the District's overall revenue, and because not all residents pay property taxes, we do not recommend relying on this distinction to charge discounted rates to residents.

As relevant here, Section 32125(b) says the District "may establish different rates for residents of the district than for persons who do not reside within the district." This language has remained unchanged since it was adopted with the original Local Hospital District Law in the 1940s. It was immediately challenged as part of a lawsuit addressing various provisions of that law but, in 1946, the California Supreme Court held it was

“facially” valid — meaning that, hypothetically, the District could set rates that discriminate between residents and nonresidents in favor of residents.<sup>1</sup>

However, two factors lead us to conclude the District’s authority under Section 32125(b) is less clear today than it was in 1946. First, most if not all applicable federal and state healthcare laws (for example, Medicare and Medi-Cal) post-date the original Local Hospital District Law, and those newer laws affect, restrict, or completely preempt the District’s authority in various areas. As noted above, the details of these more recent laws are beyond the scope of this memo, but the important point here is that the law has not been static in the last 70 years, and thus it is not clear Section 32125(b) would be upheld again if challenged today.

Second, and more importantly, we must read an important caveat in Section 32125(b) based on principles in both the California and U.S. Constitutions, which govern statutes like the Local Hospital District Law.<sup>2</sup> Specifically, the District may charge residents less than nonresidents **only if there is a rational financial basis to do so**. Courts are very skeptical when agencies like the District charge different rates based only on where their customers live. There must be something more — there must be a nexus between different rates and the costs to serve different groups of customers.

Accordingly, if the District wishes to charge residents less than nonresidents, it must demonstrate that this differential treatment (1) covers a unique burden nonresidents place on the District’s services, or (2) approximates tax revenue the District receives only from residents to provide benefits nonresidents also enjoy. We are aware of no unique burden on the District from nonresidents as such, but residents do support the District through their property taxes.

However, three issues arise if the District wishes to use property tax revenue to justify differential rates. First, property tax revenue constitutes a small proportion of the District’s overall revenue. Second, while the District has flexibility in defining who a “resident” is under Section 32125(b), the benefit of a discount must go to persons who pay property taxes. But not everyone who lives in the District’s service area is a property owner who pays property taxes, and because the District serves a resort community many property owners (i.e., property taxpayers) have their primary residence elsewhere. Third,

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<sup>1</sup> *Paso Robles War Memorial Hospital Dist. v. Negley* (1946) 29 Cal.2d 203, 207.

<sup>2</sup> These constitutional principles stem from the Privileges and Immunities Clause, the Commerce Clause, and the Equal Protection Clause.

under other federal and state healthcare laws, the District may not provide a discount to residents covered by Medicare, Medi-Cal, or commercial insurance.

In short, any discount the District provides under Section 32125(b) will be restricted as follows:

- It may only go to some residents.
- It must be based on a relatively small contribution to the District from property taxpayers who do not necessarily reside within the District.
- The residents who benefit from the discount may or may not be the same persons who pay property taxes to the District.

We do not see a court upholding such a discount as valid.

If you have any questions or concerns regarding the topics covered above, please let us know.



# GOVERNANCE COMMITTEE AGENDA

Wednesday, July 20, 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**

Greg Jellinek, M.D., Acting Chair; Dale Chamblin, 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. **Conference with Legal Counsel; Anticipated Litigation  
(Gov. Code § 54956.9(d)(2) & (d)(3))**

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

*Facts and circumstances that might result in litigation but which the District believes are not yet known to potential plaintiff or plaintiffs.*

*(Gov. Code § 54956.9(e)(1))*

5.2. **Approval of Closed Session Minutes: 06/15/2016**

6. **APPROVAL OF MINUTES OF: 06/15/2016**

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. **Gina Barta, M.D. – Hospitalist Services Agreement** ..... ATTACHMENT
- 7.1.2. **Richard Ganong, M.D. – Hospitalist Services Agreement** ..... ATTACHMENT
- 7.1.3. **Reini Jensen, M.D. – Hospitalist Services Agreement** ..... ATTACHMENT
- 7.1.4. **Paul Krause, M.D. – Hospitalist Services Agreement** ..... ATTACHMENT

**7.1.5. David Kitts, M.D. – Fourth Amendment to Agreement to Provide Emergency Department Professional Services .....ATTACHMENT**

**7.2. Policies**

**7.2.1. ABD-21 Physician and Professional Service Agreements..... ATTACHMENT**

Committee will discuss revisions for ABD-21 Physician and Professional Service Agreements policy.

**7.3. Memorandum Regarding Rates for District Residents and Non-Residents ..... ATTACHMENT**

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

**9. NEXT MEETING DATE**

The next Governance Committee meeting is scheduled for August 17, 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.



# PERSONNEL COMMITTEE AGENDA

Wednesday, July 20, 2016 at 4:30 p.m.  
Tahoe Conference Room, Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA

**1. CALL TO ORDER**

**2. ROLL CALL**

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

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

**4. INPUT – AUDIENCE**

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: 5/12/2016..... ATTACHMENT**

**6. CLOSED SESSION**

**6.1. Approval of Closed Session Minutes: 5/12/16 ..... ATTACHMENT**

**6.2. Conference with Labor Negotiator (Gov. Code § 54957.6)**

*Agency Negotiator to Attend Closed Session: Jayne O’Flanagan*

*Employee Organization: Employee Association (Licensed) and Employee Association (Non-Licensed)*

**7. OPEN SESSION**

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

**9. NEXT MEETING DATE**

Personnel Committee will discuss its next meeting date.

**10. ADJOURN**

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.



# FINANCE COMMITTEE AGENDA

Tuesday, July 26, 2016 at 3:00 p.m.  
Tahoe Conference Room, Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA

**1. CALL TO ORDER**

**2. ROLL CALL**

Dale Chamblin, Chair; John Mohun, 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: 05/23/2016 ..... ATTACHMENT**

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

**6.1. Financial Reports**

- 6.1.1. Financial Report – Preliminary June 2016 Quarterly Packet ..... ATTACHMENT
- 6.1.2. Preliminary Quarterly Review of Separate Entities ..... ATTACHMENT
- 6.1.3. Quarterly Review of Payor Mix ..... ATTACHMENT
- 6.1.4. TIRHR Expenditure Report ..... ATTACHMENT
- 6.1.5. Review of Truckee Surgery Center – January – March 2016 ..... ATTACHMENT
- 6.1.6. General Obligation Bond Property Tax Rate Calculation and Resolution ..... ATTACHMENT

**6.2. Policies**

- 6.2.1. ABD-11 Fiscal Policy ..... ATTACHMENT

**6.3. Board Education and Updates**

- 6.3.1. Outmigration Strategy Update

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

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

**9. NEXT MEETING DATE ..... ATTACHMENT**

**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: 7/20/16**

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Our team continues to work on our 6 critical strategies and to receive input from all stakeholders as well.

During the month of June, we were privileged to interact with the very caring community of Incline Village regarding the philanthropic needs of Incline Village Community Hospital. We really value the local communities there and their strong engagement and support for this very important healthcare resource in that region.

Also this past weekend we really enjoyed connecting with our communities, visitors and many retired and active professional athletes who came here to honor the life of Gene Upshaw via our Foundation and the Gene Upshaw Memorial Golf event that was held on Sunday and Monday.

We are pleased to share Karen Gancitano has been named our Chief Nursing Officer for the Health System during this past month after we completed the naming of our Chief Operating Officer the previous month.

We are continuing a strong search for a permanent Executive Director of Physician Services with a self-imposed deadline to complete this search by 10/1/16 as we have many critical short and long term improvement efforts we need to make progress on.

Master Planning, a focus on our Physician Services and our Electronic Health Record change are probably the three busiest critical Strategies we are working on right now.

We are going to use a strong Project Management process to really track our Physician Services strategic journey and all of its related components. I believe our Project Management team is presently working on approximately 33 important improvement projects and the list seems to grow regularly as we seek to improve the care we provide and to minimize healthcare need gaps in our region.

We will be starting, very shortly, a monthly communications tool to all of our medical staff on the list of activities we are working on together to really create alignment and much improved efficiencies.

We have been interviewing many physicians and hospital staff in recent weeks regarding present and future needs relative to space or other needs so these services can continue and grow as needed with the many changes each year in our region. All of this input will really drive a critical new Master Plan which we are targeting to be complete by 12/31/16. Then the



change activities can take 1 to 10 years to complete as the change needs are great, complex and in many cases involve outside parties. We will consider interim positive change measures if a long term change in a particular need area is further down the road.

We do have a critical revised Fiscal Policy that is moving through Finance Committee and then to the full Board of Directors to promote a pragmatic and principled approach to financial performance such that we are first able to more fully execute our Mission, second that we are much more sustainable long term and third we are generating the net cash flow to deal with the innovations needed to adjust to how the practice of medicine is changing and to be able to fund critical capital needs in all future years as our capital expenditure needs are very large as illustrated in just the next 2 years in our budget as presented last month.

We will be responding in an appropriate forum to our in-migration and outmigration market research findings that the Board has requested in the near future.

Since our last Board meeting, we have begun the startup process of "Newco" which is named Tahoe Forest Health Care Services by working our General Counsel to file for this new corporation which will serve as a critical management services organization. We will have more to report on this activity in future months.

In order to provide factual data regarding how our patients respond to our financial counselors and cost estimates we have begun tracking how many patients decline services here after being provided a cost estimate. During the months of April, May, and June our financial counselors have had 165 patient encounters where the patient was given a cost estimate. Out of 165 encounters, only 7 patients chose to decline our services and seek care elsewhere. 7 patients out of 165 patients is a 4.2% decline rate. This is one of the lowest decline rates I have seen over many years.

Again, whether we compare hospital to hospital, our Inpatient Revenues per Discharge, Outpatient Revenues per outpatient visit or our individual retail prices for healthcare, Tahoe Forest is generally the lowest priced hospital in the region and significantly below the CA Statewide averages. Tahoe Forest is also below the Reno market which has a cost of living index which is 47 percentage points lower versus the cost of living index for Truckee. It is important to share that we must stay focused on comparing ourselves to other hospitals for clinical and financial excellence.

### 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 COO Report

**By: Judith B. Newland**

**DATE: July 28, 2016**

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Karen Gancitano has accepted the position of Chief Nursing Officer (CNO) for Tahoe Forest Health System. Karen holds a Masters in Health Administration and brings thirty plus years of healthcare experience to her new position. Her experience includes Director and Assistant Vice President Roles in the Acute Care, Rehabilitation, and Inpatient/Outpatient arena. This past year at TFHS she expanded her role from the Director of Nursing for SNF and Administrative Director of Home Health and Hospice to the Executive Director of Post- Acute Services. This position includes oversight of post- acute nursing departments, Therapy Services, Center for Health and Sports Performance and our Population Health program. Karen will continue in her Post-Acute/Population Health responsibilities in addition to her CNO position.

### **Strategic Initiative: Quality**

For the second year in a row Tahoe Forest Hospital was named in Becker's Hospital Review's list of "50 Critical Access Hospitals to Know" in the United States on July 7, 2016. There are more than 1,332 critical access hospitals in the United States and 34 are in California. Tahoe Forest Hospital is the only critical access hospital in California to receive this prestigious designation. This designation demonstrates the high excellence in care and service we provide to our community and visitors. Our focus is to provide compassionate and high quality care and this designation demonstrates how staff and physicians go the extra mile for our patients. Thank you to the staff for their dedication and commitment to serve those patients and families who walk through our doors.

PolicyStat, a new policy and procedure program was successfully implemented on Tuesday, July 19<sup>th</sup>. This new program will keep us in regulatory compliance and enable staff to find and access policies and procedures easier. Additionally it improves development and approval of the policy and procedure process. A big thank you to Barbara Widder, Assistant to the CNO, who oversaw this project and assured its success.

In follow-up to a recommendation from the Town Hall meetings, an environmental stewardship team has begun meeting to evaluate our Health System's opportunities to improve our environmental efforts. This is a multidisciplinary team being led by Jason Grosdidier, Manager of Environmental Services.

Directors and Managers attended a two day leadership class on Effective Communication Skills. The Health System has partnered with University of Nevada Reno and their extend studies program, The Leadership Institute to provide ongoing education for staff.

### **Strategic Initiative: Community Relations**

The Incline Village Community Hospital Foundation (IVCHF) had a successful Donor Appreciation Event on June 27, 2016. The event was held at the Kern Schumacher estate In Incline Village. There were approximately 100 guests in attendance. The IVCH Foundation is initiating a new campaign to support IVCH in the improvement of emergency services space and appearance of the building facade.



## CIO Board Informational Report

Jake Dorst

DATE: 7/21/2016

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### **STRATEGIC INITIATIVE 4.0**

#### **Epic Mercy /Renown**

- Continuing to refine our proposals and negotiations
- Expect to have a recommendation and final proposal for board approval in August 2016
- Mercy to be onsite 7/25/2016
- Renown on site 7/29/2016

#### **Data Storage**

- New Cisco Data Storage solution being implemented.

#### **North Tahoe Orthopedic**

- Finalizing plan to move the NTO onto our network and phone system.

#### **AT&T**

- Jay O'Hanlon discovered 50k dollars in overcharges from AT&T. Will be reimbursed (Thanks Jay!)

#### **Blue:life**

- Program presented to CCAHN and well received
- Other parties are interested in becoming part of the program
- Trip planned to Mayers Memorial in August to discuss a blue:life partnership for their 250 employees and community
- Presentation can be viewed online here:  
[http://prezi.com/it5xlmrqrba/?utm\\_campaign=share&utm\\_medium=copy&rc=ex0share](http://prezi.com/it5xlmrqrba/?utm_campaign=share&utm_medium=copy&rc=ex0share)

TAHOE FOREST HEALTH SYSTEM

# Community Health & Wellness Neighborhood and Care Coordination



SUBMITTED TO KAREN GANCITANO, BS, MS, EXECUTIVE DIRECTOR POST ACUTE SERVICES

BY MARIA MARTIN, MPH, RD, DIRECTOR COMMUNITY WELLNESS/WELLNESS NEIGHBORHOOD  
AND CARE COORDINATION

JULY, 2016

**Community Health & Wellness Neighborhood  
Care Coordination**  
*Connecting Services for Population Health Management*  
**Annual Report FY 2016**

Departmental Mission: To support and inspire our patients and community members to achieve their best health through coordination/navigation of services and collaborative community-based care and education.

This report outlines department activities that support population health management and describes the role of Community Health & Wellness Neighborhood and Care Coordination in building the bridge between our current health reimbursement system and the future of healthcare reform.



In 2015-16 Community Health & Wellness Neighborhood implemented new strategies for out-patient care management and patient education with care coordination and navigation of services. Community Health & Wellness Neighborhood and Care Coordination staff are the “Connectors”: connecting patients to services and providers throughout the health system and connecting our community members and partner agencies to health resources.

We are creating an integrated network of outreach, education and support for our entire community by aligning our programs and services to target community members across the health risk continuum. (Figure 1)

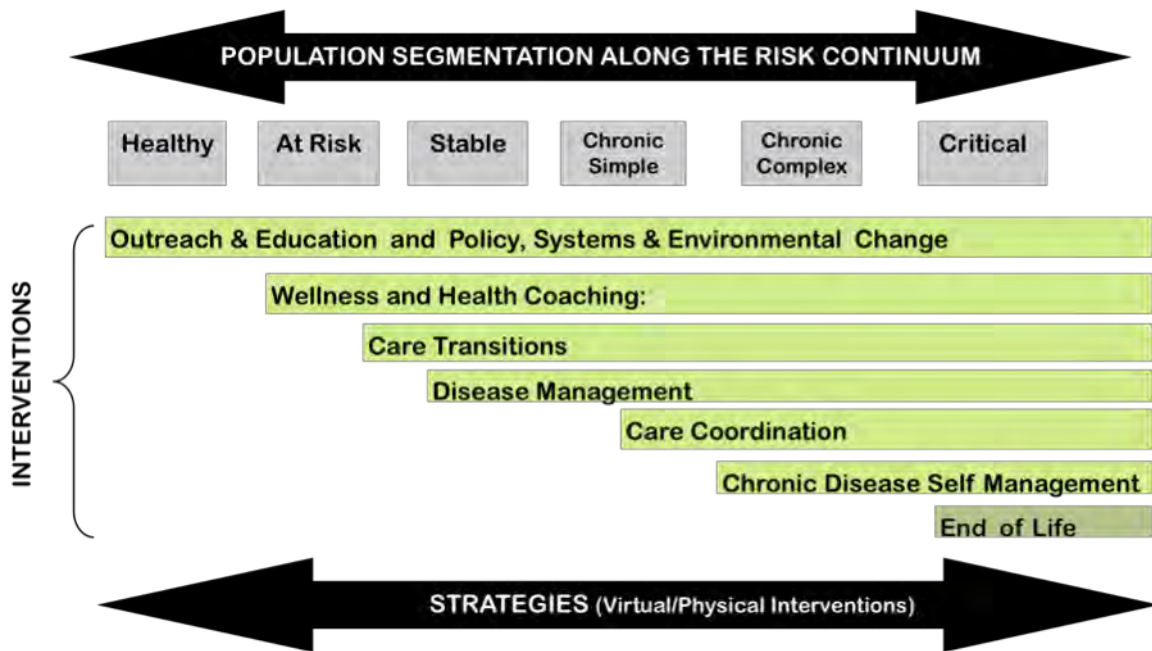


Figure 1.

Ultimately, care coordination/navigation will allow us to achieve the triple aim – improve patient outcomes, reduce healthcare costs, and increase patient satisfaction - by supporting patient self-management and effective collaboration with providers, decreasing waste and redundancy between departments, and promoting the efficient utilization of health care resources. Community Health & Wellness Neighborhood (CH/WN) will implement the programming, education, and outreach to support these goals for our community and for individual patients.

As we move into FY2017 we will continue to integrate seamless referral and navigation pathways within our current work areas and begin duplicating this structure for a variety of other service lines.

**Community Health and Wellness Neighborhood Board Initiatives:**

- Access to Care and Care Coordination
- Optimize Health and Preventive Services
- Access to Mental and Behavioral Health Resources
- Reduce Substance Use and Abuse

The initiatives and outcomes listed below are intended to highlight CH/WN programming for population health management. These are not an exhaustive lists of all CH/WN programs.

**Access to Care and Care Coordination:**  
*Inform, Consult, Involve, Collaborate, Empower*

**Goal:** Reduce per capita cost of health care by reducing unnecessary ED visits and readmissions. Improve population health by decreasing disease-specific mortality, reducing health disparities based on ethnicity, and increasing medical home enrollment.

| PROGRAM   | OBJECTIVE  | IMPACT  |
|---|--|---|
| Chronic Care Management   | Improve health outcomes and reduce costs for Medicare patients with two or more chronic conditions   | Initiated Dec 2015 with TTMG. Case load increased from 15 to 44 patients/month  |
| Transitional Care Management  | Improve health outcomes and decrease 30-day readmissions for Medicare patients transitioning from hospital to home.                          | Averaging 19 patients per month<br>Total of 7 readmissions over six months since inception  |
| Youth Care Management (Strategic Action from the Youth Health Initiative) | Assist youth in accessing primary, reproductive, oral, mental and behavioral health services.  | Position filled March 2016<br>Developed policies and established MOUs with TTUSD<br>Surveyed 255 students on health access and health education needs<br>3 patient referrals completed                                      |
| Chronic Disease Self-Management   | Empower patients to take greater control of their health. 6-week class series offered for chronic disease and diabetes (English and Spanish) | 3 series offer through TFHD and 5 series offered through North Tahoe and Truckee FRC Promotoras, reaching 80 participants<br><br>Participants demonstrated increased knowledge and confidence in controlling their diseases |
| Health Promotoras and Family Advocates                                    | Reduce disparities by supporting FRCs of Truckee and North Tahoe in providing community health education and health-care navigation.         | 218 community members received health education. 101 community members received assistance with health care navigation (June to Dec 2015)   |

The following client story exemplifies the success of Care Navigation, Family Advocates and Community Promotoras:

*Isabel\* attended a Promotora community health workshop. During the workshop, she confided in a Promotora that she had been diagnosed with diabetes and HPV, and she was waiting for a biopsy due to abnormal findings during a pap-smear. She was overwhelmed and concerned. She did not understand the process of her biopsy, and she was scared about the HPV diagnosis. The HPV diagnosis was affecting her home life; she and her husband blamed each other for the appearance of the HPV and they both started to suspect infidelity.*



*The Promotora listened attentively, comforted Isabel, and suggested that she make an appointment with a Family Advocate to look for more information and resources to better understand her health.*

*Isabel met with a Family Advocate. She and her advocate arranged to meet with Tahoe Forest Hospital's Care Coordinator, Jackie Griffin, RN. Jackie discussed with Isabel the meanings of her HPV diagnosis and talked through the process of an abnormal pap-smear and the resulting biopsy. The information that was provided helped her to understand the HPV diagnosis and to alleviate the tension at home.*

*The coordination between the FRCs and TFHD, helped Isabel access nutrition classes, understand the importance of self-care, and facilitate access to care. Isabel was referred to Tomando Control de Su Salud (Spanish language Chronic Disease Self- Management program) to help her manage the diabetes. She is an excellent leader and hopefully will be able to become a Promotora and peer-guide as a trained Tomando Control Leader.*



CDSMP Trained Promotora Leaders

*\* Isabel's name was changed to protect her privacy.*

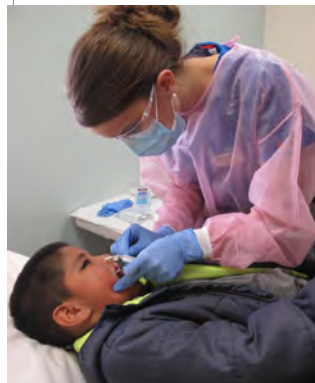
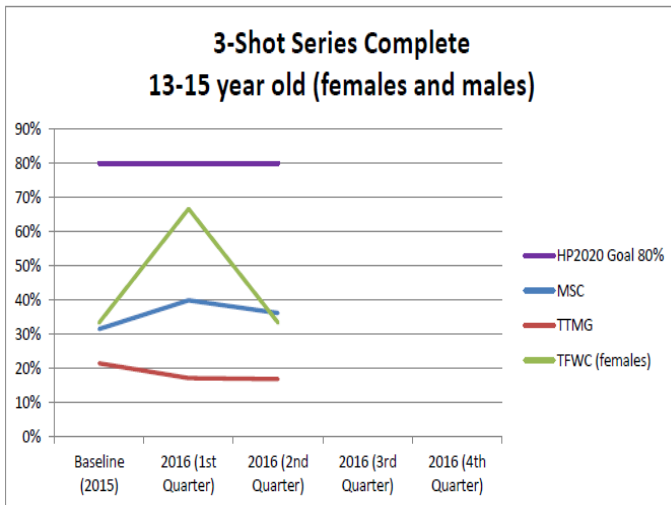
#### Focus Areas for FY 2017:

- Improve communication and assure seamless care with nursing case management, home health and ECC
- Initiate Care Coordination in MSC, August 2016.
- Integrate Care Coordination into PRIME Million Hearts and Chronic Non-Malignant Pain initiatives
- Incorporation of Blue Life patient connectivity in Care Coordination (ex: blood pressure and blood glucose tracking)
- Increase referrals to Youth Health Navigator and expand services to charter and private schools
- Improve marketing for CDSMP classes and establish annual class schedule with greater access to classes throughout the year
- Initiate Health Navigation through the Center for Health and Sports Performance

**Optimize Health and Preventive Services:**  
*Achieve Your Best Health*

**Goal:** Improve population health by decreasing disease specific mortality, reducing health disparities based on ethnicity, and promoting health supportive behaviors.

| PROGRAM  | OBJECTIVE   | IMPACT   |
|--|---|--|
| Immunization Coalition   | Increase school and HPV immunization rates to Healthy People 2020 goals | Kinder UTD = 87.5%<br>7 <sup>th</sup> grade T-Dap UTD = 97.6%<br>HPV (see graph below)   |
| Dental Coalition (Strategic Action from the Youth Health Initiative) | Improve dental health for the children of our community                 | 138 Children screened and received fluoride varnish at community events.<br>200 Children received fluoride varnish in the Multi-Specialty Pediatric Clinic.<br>Over 2800 children received Oral health education through B-FIT |



Focus Areas for FY 2017:

- HPV Immunization outreach to medical providers, school staff and parents.
- Increase Fluoride Varnish application and community oral health education.

| PROGRAM   | OBJECTIVE  | IMPACT   |
|---|--|--|
| Rethink Healthy   | Increase community knowledge and support a culture of health   | 23 published articles with a circulation reach of 660,00<br>347 community outreach events with more than 19,390 contacts   |
| B-FIT   | Increase physical activity and support healthy habits for elementary school students                               | B-FIT Fitness Test results:<br><u>Pre-Post- % in Healthy Fitness Zone</u><br>Kings Beach 1st-4th grade:<br>Mile Run: 23.8—29%<br>Arm Hang: 55.9-47.5%<br>BMI: 75.3—78.4%<br><br>Ave. Activity Bursts/day = 7.63 mins.<br>% teacher participation= 55.5% (range 17% to 80%)                 |
| Harvest of the Month                                    | Increase access and preference for fruits and vegetables through nutrition education and tastings in the classroom | Reached over 3650 students per month.<br>Expanded to classes at Incline Elementary, Forest Charter, and Creekside Charter schools  |
| NEOP (Nutrition Education and Obesity prevention grant) | Improve health through nutrition education targeted to the food stamp eligible population                          | 5 week Power Play Curriculum to 4 <sup>th</sup> and 5 <sup>th</sup> grade students at TL and NTS reaching 215 students<br><br>6-week Cooking Matters Classes to KB community and school district Pregnant and Parenting teens (STEPP Program) reaching 18 community members and 6 students |



*“We made asparagus and tomato salad with honey mustard dressing and shaved asparagus with parmesan dressing. I was a little worried that the kids would not like the asparagus raw, but they loved it in both salads. I think the thing that was most interesting to them was that asparagus could be green, white, or purple.”*



*“We made a beet smoothie using beets, beet greens, oranges, water and lemon, and also made raw beet salad. The variety of tastings was a huge hit with the class with the smoothie being the biggest success, especially when I made the smoothie in the class for students.”*



| PROGRAM                   | OBJECTIVE   | IMPACT   |
|---------------------------|---|--|
| Affordable Labs           | Improve access to screening, prevention, and education services   | Monthly lab draws in Truckee and Incline Village reaching 601 community members<br>Blood Pressure Screening revealed 54% of individuals screened had an elevated BP  |
| Perinatal Education       | Increase preparedness, access to resources, and ability to recognize risk factors related to pregnancy/childbirth | Expanded classes to Incline Village<br>69 couples participated in classes this year<br>Provided 7 financial scholarships   |
| Employee Wellness         | Create a health supportive work environment   | Designated as a <i>Fit and Friendly Workplace</i> by the American Heart Association<br>Established employee Wellness Committee<br>Offered Health Coaching to 24 employees with 2 or more risk factors from the annual HRA<br>513 Fresh Produce Boxes prepared for 145 unduplicated employees |
| Blue Life App Integration | Personal tracking, connection, and motivation to support healthy behaviors  | <i>10,000 Steps-a-Day in May</i> challenge registration and step tracking<br><br>109 active participants walked 34,306,328 steps<br><br>38 Participants Utilized Health Coaching interface   |

Focus Areas for FY 2017:

- Integration of Center wellness programming and community health education.
- Center Health Navigation – “one stop shop” for wellness services.
- PRIME Million Hearts: policy, systems, and environmental change to support cardiovascular disease risk reduction.
- B-FIT Activity Burst re-engagement/expansion in elementary schools for 2016-17 school year.

*Sample Employee Produce Box*



**Mental and Behavioral Health:**

**Goal:** Increase screening and identification of mental health needs and access to mental health care.  
Reduce disparities in access to mental health. Reduce suicide rate in our community.

| PROGRAM  | OBJECTIVE   | IMPACT   |
|--|---|--|
| Suicide Prevention Coalition   | Increase awareness of the warning signs of emotional pain or suicidal thoughts and knowledge of where to seek help. | Mental Health in the Mountains Community events<br>TFH Behavioral Health Assistance in Out-patient Clinics Policy<br>26 Know the Signs presentations                                 |
| Youth Stress Reduction   | Equip students with tools to mitigate stress/ anxiety, improve mood, and reduce negative emotions.                  | Reached 747 students in 23 classes during the 2015-16 school year<br><br>72 % of students said they would use breathing techniques and 43% would use meditation for stress reduction |
| Mental Health Directory  | Increase awareness of local mental and behavioral health resources.   | Created resource list of Medicare/Medical providers<br><br>208 Downloads of the directory from TFHS website (Nov 2015 to June 2016)  |
| Gateway Mountain Center  | Increase access to mental and behavioral health direct services for youth.  | Supported therapeutic mentoring treatment for 12 youth who had no other funding resources.   |
| Crisis Team Reporting (collaboration with Nevada, Placer, and Sierra Counties) | Support crisis team in making informed decisions regarding ED demand for mental health services                     | Counties implemented contract (AMR and First Responder) for prompt transportation to psychiatric treatment facility.   |



**Client 2:** SB is a 19 year old male, Truckee resident. He was on our case load in 2012-2013, but had been stable until late autumn 2015. He suffered a psychotic break, potentially associated with chronic use of drugs. He spent time in the Tahoe Forest ER with a 5150, and spent a week in a psychiatric hospital. Mentored by Rob Steffke MFT, and Greg Bernstein. We supported SB for two months upon his release, until he became stabilized, late February 2016.

Focus Areas for FY 2017:

- Oversee Suicide Prevention Coalition grant and provide staff for the outreach component.
- Implement Depression screening in Primary Care and provide behavioral health Care Coordination referrals to high risk patients

## Reduce Substance Use and Abuse:

**Goal:** Reduce substance abuse in the community and reduce the normalization of drug use community-wide with a specific emphasis on school-aged children. Educate population on dangers of alcohol, prescription and recreational drug abuse.

| PROGRAM   | OBJECTIVE  | IMPACT  |
|---|--|---|
| Alcohol EDU   | Reduce youth substance use and abuse   | Reached 309 TTUSD High school students.<br>257 students completed the program and received certification  |
| TTFWDD (Tahoe Truckee Future Without Drug Dependence) | To build a community free from drug and alcohol abuse.   | Supported community <i>Rx Take Back</i> events<br>Provided CME on marijuana   |
| Athlete Committed                                     | Reinforce the value of good training habits, proper nutrition, strong communication skills, model citizenship and a drug free lifestyle. | Reached 225 student athletes, coaches, and parents with resources on proper nutrition during sports   |
| Safe Prescribe Practices                              | Reduce deaths and addiction due to prescription drugs.   | Established Chronic Pain Advisory Group<br><br>Unified Medication Agreement completed and approved by committee<br><br>Offered 3 CME presentations on Prescription Drug Monitoring Program (PDMP) for NV and CA |

### Focus Areas for FY 2017:

- Implement PRIME Chronic Non-malignant Pain Intervention
- Adopt evidence-based chronic pain management guidelines

### **Conclusion:**

The range of activities and results presented in this report demonstrate our investment in population health management and our commitment to provide interventions across the health risk continuum.

The Director of Post Acute Services and the Director of Community Health & Wellness Neighborhood and Care Coordination extend our deep appreciation to our department staff, the medical directors/advisors within TFHD, our community partners, and our volunteers, who have worked tirelessly to execute these programs and services and support the vision of optimal health for our entire community.

# Tahoe Forest Hospital District

## Board of Directors Meeting Evaluation Form

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

|   |  | Exceed<br>Expectations |   | Meets<br>Expectations |   | Below<br>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:

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