



TAHOE FOREST HOSPITAL DISTRICT

2016-08-25 Regular Meeting of the Board of Directors

Thursday, August 25, 2016 at 4:00 p.m.

Tahoe Truckee Unified School District (TTUSD)

11603 Donner Pass Road, Truckee, CA 96161

Meeting Book - 2016-08-25 Regular Meeting of the Board of Directors

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REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

Thursday, August 25, 2016 at 4:00 p.m.
Tahoe Truckee Unified School District (TTUSD) Office
11603 Donner Pass Rd, Truckee, CA

1. **CALL TO ORDER**

2. **ROLL CALL**

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

4. **INPUT AUDIENCE**

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; Initiation of Litigation (Gov. Code § 54956.9(d)(4))

Number of Potential Cases: One (1)

5.2. Hearing (Health & Safety Code § 32155)◆

*Subject Matter: Report of quality assurance/medical audit committee — 1st Quarter 2016
Quality Dashboard*

5.3. Hearing (Health & Safety Code § 32155)◆

*Subject Matter: Report of quality assurance/medical audit committee — 2nd Quarter 2016
Service Excellence Report*

5.4. Hearing (Health & Safety Code § 32155)◆

*Subject Matter: Report of quality assurance/medical audit committee — 2nd Quarter 2016
Corporate Compliance Program Report*

5.5. 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)*

5.6. Report Involving Trade Secrets (Health & Safety Code § 32106)

*Proposed New Program: One (1) item
Estimated date of public disclosure: 09/01/2016*

5.7. TIMED ITEM – 5:30PM – Hearing (Health & Safety Code § 32155)◆

Subject Matter: Medical Staff Credentials

5.8. Approval of Closed Session Minutes◆

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
August 25, 2016 AGENDA– Continued

07/28/2016

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. “Best Of” Community Awards

12.2. Becker’s Hospital Review Top 50 Critical Access Hospital CEO’s to Know

12.3. August 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 ♦

07/28/2016..... ATTACHMENT

14.2. Financial Report ♦

14.2.1. Financial Report- July 2016..... ATTACHMENT

15. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

15.1. Corporate Compliance Program Report..... ATTACHMENT

The Board of Directors will review the 2nd Quarter 2016 Corporate Compliance Program Report.

15.2. Professional Corporation Creation ♦ ATTACHMENT

The Board of Directors will review and consider for approval the creation of a Friendly Professional Corporation (PC) for the District.

16. DISCUSSION OF CONSENT CALENDAR ITEMS PULLED, IF NECESSARY

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

- 17.1. Quality Committee Meeting – 08/16/2016..... ATTACHMENT
- 17.2. Personnel Committee Meeting – 08/08/2016 ATTACHMENT
- 17.3. Finance Committee Meeting – 08/24/2016 ATTACHMENT
- 17.4. Community Benefit Committee Meeting – No meeting held in August.
- 17.5. Governance Committee Meeting – No meeting held in August.

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. CNO Board Report ATTACHMENT
 - 18.2.3. CIO Board Report..... ATTACHMENT

19. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

20. ITEMS FOR NEXT MEETING

21. BOARD MEMBERS REPORTS/CLOSING REMARKS

22. CLOSED SESSION CONTINUED, IF NECESSARY

23. OPEN SESSION

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

25. MEETING EFFECTIVENESS ASSESSMENT..... ATTACHMENT

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

26. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is September 22, 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) 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.

Congratulations to OUR COMMUNITY'S BEST!



TIED FOR BEST!

BEST DOCTOR



Greg Tirdel, MD
Tahoe Forest
MultiSpecialty Clinics

BEST DOCTOR



Jeffrey Dodd, MD
Tahoe Forest
MultiSpecialty Clinics

BEST NURSE



Chris Hess, RN
Tahoe Forest
MultiSpecialty Clinics

**HONORABLE
MENTION
BEST
DOCTOR**



Peter Taylor, MD
Tahoe Forest
Women's Center

**HONORABLE
MENTION
BEST HEALTH
CARE PROVIDER**



Nina Winans, MD
Tahoe Forest
MultiSpecialty Clinics

**BEST THRIFT
STORE**

Tahoe Forest Hospice
Gift & Thrift

**HONORABLE
MENTION
BEST HEALTH
CARE PROVIDER**

**HONORABLE
MENTION
BEST
PHARMACY**

Tahoe Forest
Retail Pharmacy

Thank you to **EVERY** care provider and staff member who works tirelessly to keep our community healthy and strong
...you are the BEST!



Harry Weis | 50 Critical Access Hospital CEOs to Know 2016

Written by Staff | August 11, 2016

Harry Weis. CEO of [Tahoe Forest Hospital \(Truckee, Calif.\)](#). Mr. Weiss took over as CEO of Tahoe Forest Health System in December 2015. He brings more than 39 years of healthcare experience to the hospital system. Mr. Weis has a proven track record of helping underperforming medical facilities and is credited with successful financial turnaround of Natividad Medical Center in Monterey, Calif., where he implemented nearly \$50 million in capital improvements.



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Employee of the Month, August 2016
Charlotte Hoffman, Registered Dietitian– Dietary

We are honored to announce Charlotte Hoffman, Registered Dietitian, Dietary as our August Employee of the Month. Charlotte worked tirelessly to pursue her Registered Diabetic Educator certification. Her dedication to achieve this goal has brought charisma and structure to the hospital through her leadership in the Diabetic Self Management Program and Chronic Disease Management classes. Charlotte is working to enhance the inpatient and outpatient Diabetes programs in our community.

Charlotte demonstrates understanding through her care to detail in explaining to patients their individualized diets. Teamwork is a must when she is working to expand the diabetes programs both here at the hospital as well as within the community. Charlotte is a true steward through her kindness and patients not only as an educator but also as a co-worker.

Charlotte meets and exceeds the definition of the TFHD mission and values but most of all has been a key leader in the Diabetes programs in our community.

Please join us in congratulating all of our Terrific Nominees!

Heather Armstrong- IT Help Desk, IT
Sarah Phillips- IT Help Desk, IT
Jacki Brennan- **Associate Teacher, Children's Center**

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**MEDICAL EXECUTIVE COMMITTEE
CONSENT AGENDA
 Wednesday, August 17, 2016**

REFERRED BY:	AGENDA ITEMS	OVERHEAD/ ATTACHMENT	RECOMMEND
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MEDICAL STAFF	A motion was made, seconded, and carried to recommend approval of the following to the Board of Directors:			
1. P&T Committee	The P&T Committee recommended approval of the following (7/27/16): Order Sets: <ul style="list-style-type: none"> ➤ OB order sets – Removal of Temazepam 7.5mg from OB order sets ➤ Penicillin Desensitization - New ➤ Intravesicular Chemotherapy – New (for future bladder installations). Reviewed and approved by Dr. Bretan. ➤ Adult Diabetic Ketoacidosis (DKA) Order Set - Add Ondansetron ➤ Anesthesia Pre-Op Order Set - Addresses the ASA and Surgery Class risk screening Policy and Procedures: <ul style="list-style-type: none"> ➤ Malignant Hyperthermia Policy – Insulin relocate to cooler ➤ Emergency Medications-Crash Carts- APH-9 – Remove sodium bicarb from newborn code tray ➤ Bioterrorism Pharmaceutical Cache (APH-6)- Eliminate onsite cache, use disaster order function from wholesaler. ➤ Therapeutic Interchange Policy (DPH-35) - Add Percocet, auto-sub to Oxycodone 5mg + Acetaminophen 325mg liquid Formulary additions/deletions: <ul style="list-style-type: none"> ➤ Atezolizumab (Tecentriq) – PDL-1 Inhibitor for Bladder Cancer (added) ➤ Temazepam 7.5mg (removed) ➤ Flu Mist – (removed due to ineffectiveness) Annual approval of P&T P&P's Approval of the timeline for order set revisions – Order sets to be			Recommend approval

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**MEDICAL EXECUTIVE COMMITTEE
CONSENT AGENDA
 Wednesday, August 17, 2016**

REFERRED BY:	AGENDA ITEMS	OVERHEAD/ ATTACHMENT	RECOMMEND
	revised twice per year, unless there are critical revisions needed. An expiration date will be placed on the top of each order set. This will resolve the issue of older order sets being used.		
2. Infection Control Committee	The Infection Control Committee recommended approval of the following (7/27/16): <ul style="list-style-type: none"> ➤ TB Prevention and Control In Long Term Care Policy (AIPC-128) - Revised to reflect the change in frequency of TB screening of the ECC residents. ➤ Transmission Based (Isolation) Precautions (AIPC-1501) – Addition regarding PAPR's. 		Recommend approval
3. Department I (OB/PEDS)	Department I recommended approval of the following (7/28/16): <ul style="list-style-type: none"> ➤ Antepartum - External Cephalic Version - Procedure section was updated ➤ Bakri Balloon for Postpartum Hemorrhage Management - Added Continuous uterine massage ➤ Labor - Intrauterine Catheters Amnioinfusion Guidelines - Removal of unnecessary verbiage ➤ Labor - Vacuum Extraction Guidelines ➤ Neonate - Car Seat Challenge Test ➤ CBC GBS modified –Placed in a charting format. ➤ WFC - Influenza Guidance for Prevention and Control - Approved to adopt CDC's guidelines Department I recommended approval of the following via email on 8/15/16: <ul style="list-style-type: none"> ➤ Labor - Electronic Fetal Monitoring – Changes to assessing and documenting intervals for low-risk patients without oxytocin. 		Recommend approval



REGULAR MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

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

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

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, COO; Karen Gancitano, CNO; Ted Owens, Executive Director of Governance and Community Benefit; Martina Rochefort, Clerk of the Board

Other: David Ruderman, Assistant General Counsel

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

No changes were made to the agenda.

4. INPUT AUDIENCE

No public comment was received.

Open Session recessed at 4:07 p.m.

5. CLOSED SESSION

Discussion was held on privileged matters.

6. DINNER BREAK

APPROXIMATELY 6:00 P.M.

7. OPEN SESSION – CALL TO ORDER

Meeting reconvened at 6:00 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

General Counsel advised the Board of Directors approved the Closed Session minutes of June 23, 2016 with 5-0 vote. The Board did not take any reportable actions on any other items.

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

No changes were made to the agenda.

10. INPUT – AUDIENCE

No public comment was received.

11. INPUT FROM EMPLOYEE ASSOCIATIONS

No public comment was received.

12. ACKNOWLEDGMENTS

12.1. Tahoe Forest Hospital named 50 Critical Access Hospitals to Know 2016

12.2. IVCH Foundation

12.3. Allison Veliquette was recognized as TFHD June 2016 Employee of the Month

13. MEDICAL STAFF REPORT

13.1. Medical Staff Report

Discussion was held.

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

No public comment received.

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

NAYS: None

Abstention: None

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

14.2. Financial Report

14.2.1. Financial Report- June 2016

14.3. Contracts

14.3.1. Gina Barta, M.D. – Hospitalist Services Agreement

14.3.2. Richard Ganong, M.D. – Hospitalist Services Agreement

14.3.3. Reini Jensen, M.D. – Hospitalist Services Agreement

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

14.4. Policies

14.4.1. ABD-11 Fiscal Policy

14.4.2. ABD-21 Physician and Professional Service Agreements

14.5. IVCH Foundation Board Member Nomination

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

No public comment received.

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

NAYS: None

Abstention: None

15. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

15.1. Quarterly Facilities Development Update ♦

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.

Discussion was held.

15.2. Citizens Oversight Committee (COC) Update

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

Discussion was held.

15.3. Resolution 2016-07

The Board of Directors will review and consider for approval a resolution regarding the General Obligation (GO) Bond Property Tax Rate Calculation.

Discussion was held.

No public comment received.

ACTION: Motion made by Director Chamblin, seconded by Director Zipkin, to accept Administration's recommendation to use 20% of the General Obligation Bond reserve in Resolution 2016-07 .

Discussion was held.

Roll call vote taken.

Sessler – AYE

Mohun – NAY

Chamblin – AYE

Jellinek – AYE

Zipkin – AYE

The Clerk of the Board was directed to expand the minutes to reflect the Board of Directors' desire to return current taxpayers monies to them while retaining enough reserves to withstand future market downturns.

Discussion was held.

15.4. Health & Safety Code Section 32125(b)

General Counsel will review a memorandum regarding rates for District residents and non-residents.

Discussion was held.

No public comment was received.

Discussion was held.

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 – 06/20/2016

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

17.2. Personnel Committee Meeting – 06/20/2016

Director Zipkin provided an update from the recent Personnel Committee meeting.

17.3. Finance Benefit Committee Meeting – 06/26/2016

Director Chamblin provided an update from the recent Finance Committee meeting.

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

CEO provided updates related to his key strategic initiatives.

18.2. Staff Report(s)

18.2.1. COO Board Report

18.2.2. CIO Board Report

18.2.3. CNO Community Health and Wellness Neighborhood Update

19. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

None.

20. ITEMS FOR NEXT MEETING

None.

21. BOARD MEMBERS REPORTS/CLOSING REMARKS

Assistant General Counsel provided an update that Nevada County District Attorney Cliff Newell's office indicated to General Counsel he will file no prosecution as a result of its investigation into allegations against the former Chief Executive Officer, Bob Schapper.

22. CLOSED SESSION CONTINUED, IF NECESSARY

Closed Session did not continue.

23. OPEN SESSION

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

Closed Session did not continue.

25. MEETING EFFECTIVENESS ASSESSMENT

No discussion was held.

26. ADJOURN

Meeting adjourned at 7:22 p.m.

DRAFT

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

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Board of Directors
Of Tahoe Forest Hospital District

JULY 2016 FINANCIAL NARRATIVE - PRELIMINARY

The following is the financial narrative analyzing financial and statistical trends for the one month ended July 31, 2016.

Activity Statistics

- ❑ TFH acute patient days were 425 for the current month compared to budget of 381. This equates to an average daily census of 13.71 compared to budget of 12.29.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Laboratory tests, Diagnostic Imaging, Oncology procedures, Nuclear Medicine exams, Ultrasounds, Physical Therapy, Speech Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Endoscopy procedures, Radiation Oncology procedures, MRI exams, PET CT exams, Pharmacy units, Oncology Pharmacy units, and Respiratory Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 59.3% in the current month compared to budget of 54.2% and to last month's 52.1%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 59.3%, compared to budget of 54.2% and prior year's 58.2%.
- ❑ EBIDA was \$2,256,460 (11.0%) for the current month compared to budget of \$1,069,777 (5.1%), or \$1,186,683 (5.9%) above budget.
- ❑ Cash Collections for the current month were \$8,113,928 which is 80% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 59.7, compared to the prior month of 57.3. Gross Accounts Receivables are \$33,639,745 compared to the prior month of \$29,605,379. The percent of Gross Accounts Receivable over 120 days old is 21.3%, compared to the prior month of 23.6%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 23.4 days. S&P Days Cash on Hand is 182.8. Working Capital cash decreased \$4,528,000. Cash collections fell short of target by 20% and Accrued Payroll & Related Liabilities decreased \$1,075,000
- ❑ Net Patients Accounts Receivable increased approximately \$2,852,000. Cash collections were at 80% of target and days in accounts receivable were 59.7 days, a 2.40 days increase.
- ❑ Total Bond Trustee 2006 decreased \$1,024,000 after remitting the Principal and Interest payments due.
- ❑ G.O. Bond Project Fund decreased \$553,402 after reimbursing the District for June advancements on the Measure C projects.
- ❑ Funds were transferred back to the District's Operating account to cover the Principal and Interest payments on the G.O. Bond Series A, B, and C, creating a decrease of \$2,280,000 in the G.O. Bond Tax Revenue Fund.
- ❑ Accrued Payroll & Related Costs decreased \$1,075,000 due to fewer accrual days in July.
- ❑ Interest Payable and Interest Payable G.O. Bond decreased \$464,000 and \$1,149,000 respectively after remitting the interest payments for the 2002 and 2006 Revenue Bonds and the G.O. Bond Series A, B, and C.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased \$1,053,000. The District remitted payment to the State for an amount due on its FY14 cost report and payment to the Medicare program for FY16 overpayments.

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$20,495,464, compared to budget of \$20,838,108 or \$342,644 below budget.
- ❑ Current month's Gross Inpatient Revenue was \$5,568,234, compared to budget of \$5,691,135 or \$122,900 under budget.
- ❑ Current month's Gross Outpatient Revenue was \$14,927,229 compared to budget of \$15,146,973 or \$219,743 below budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 34.8% Medicare, 16.4% Medi-Cal, .0% County, 3.9% Other, and 44.9% Insurance compared to budget of 33.8% Medicare, 17.5% Medi-Cal, .0% County, 3.9% Other, and 44.8% Insurance. Last month's mix was 37.3% Medicare, 20.7% Medi-Cal, .0% County, 2.4% Other, and 39.6% Insurance.
- ❑ Current month's Deductions from Revenue were \$8,351,437 compared to budget of \$9,555,613 or \$1,204,177 under budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a .92% increase in Medicare, a 1.05% decrease to Medi-Cal, a .0% decrease in County, a .08% decrease in Other, and Commercial was over budget .21%, 2) Revenues fell short of budget by 1.6%, and 3) Bad Debt fell short of budget by 149.0%.

Operating Expenses

DESCRIPTION	July 2016 Actual	July 2016 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,945,420	3,965,919	20,500	
Employee Benefits	1,323,794	1,324,941	1,147	
Benefits – Workers Compensation	43,288	57,011	13,724	
Benefits – Medical Insurance	606,618	694,217	87,599	
Professional Fees	1,968,511	1,798,498	(170,013)	Locums coverage for MSC ENT and MSC Orthopedics, consulting services provided for the Medi-Cal PRIME project, IVCH ER Physician overlap coverage, and Hospitalists Physician fees created a negative variance in Professional Fees.
Supplies	1,509,638	1,782,237	272,600	Surgical Services revenues fell short of budget by 12.51% and Oncology Drugs Sold to Patients revenues were under budget by 4.77%, creating a positive variance in Supplies.
Purchased Services	1,002,862	942,468	(60,395)	District wide maintenance projects, expense advanced for the GUGC tournament, outsourced radiology reads, collection agency fees, and E.M.R. and Practice Management fees in the Multi-Specialty clinics created a negative variance in Purchased Services.
Other Expenses	374,677	516,895	142,218	Controllable expenses are being monitored closely by senior management, creating a positive variance in Other.
Total Expenses	10,774,806	11,082,186	307,380	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JULY 2016

	PRELIMINARY Jul-16	PRELIMINARY Jun-16	Jul-15	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 8,215,711	\$ 12,743,818	\$ 10,058,866	1
PATIENT ACCOUNTS RECEIVABLE - NET	18,826,332	15,974,307	16,074,308	2
OTHER RECEIVABLES	3,977,968	3,591,716	3,622,696	
GO BOND RECEIVABLES	(285,433)	(590,919)	76,922	
ASSETS LIMITED OR RESTRICTED	6,344,728	5,569,379	4,926,489	
INVENTORIES	2,689,284	2,670,842	2,331,950	
PREPAID EXPENSES & DEPOSITS	1,790,155	1,334,694	1,695,976	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	4,447,759	4,662,503	2,006,080	
TOTAL CURRENT ASSETS	46,006,506	45,956,340	40,793,287	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	55,958,822	55,888,997	40,759,110	1
BANC OF AMERICA MUNICIPAL LEASE	979,155	979,155	976,584	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	233,067	1,257,013	3,170,694	3
GO BOND PROJECT FUND	929,850	1,483,252	11,632,649	4
GO BOND TAX REVENUE FUND	1,124,150	3,404,000	486,154	5
BOARD DESIGNATED FUND			2,297	
DIAGNOSTIC IMAGING FUND	3,164	3,159	2,971	
DONOR RESTRICTED FUND	1,140,621	1,139,843	1,114,450	
WORKERS COMPENSATION FUND	25,591	16,467	6,241	
TOTAL	60,394,421	64,171,889	58,151,151	
LESS CURRENT PORTION	(6,344,728)	(5,569,379)	(4,926,489)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	54,049,693	58,602,510	53,224,661	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	43,372	43,372	324,395	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	128,595,160	128,696,128	130,774,226	
GO BOND CIP, PROPERTY & EQUIPMENT NET	29,743,925	29,053,114	20,156,477	
TOTAL ASSETS	259,275,008	263,187,816	246,109,400	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	539,807	543,039	578,595	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	2,281,527	2,281,527	1,774,439	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	1,917,032	1,924,669	-	
GO BOND DEFERRED FINANCING COSTS	297,254	298,439	-	
DEFERRED FINANCING COSTS	211,176	212,217	-	
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 5,246,796	\$ 5,259,890	\$ 2,353,034	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 6,772,188	\$ 6,711,986	\$ 3,928,983	
ACCRUED PAYROLL & RELATED COSTS	8,168,514	9,243,933	6,858,305	6
INTEREST PAYABLE	116,078	579,583	697,195	7
INTEREST PAYABLE GO BOND	129,128	1,278,486	251,569	8
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	102,300	1,155,149	885,106	9
HEALTH INSURANCE PLAN	1,307,731	1,307,731	1,307,731	
WORKERS COMPENSATION PLAN	1,120,980	1,120,980	404,807	
COMPREHENSIVE LIABILITY INSURANCE PLAN	751,298	751,298	824,203	
CURRENT MATURITIES OF GO BOND DEBT	975,000	530,000	315,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,361,788	2,323,994	2,299,911	
TOTAL CURRENT LIABILITIES	21,805,004	25,003,138	17,772,809	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	28,359,130	29,604,184	32,653,763	
GO BOND DEBT NET OF CURRENT MATURITIES	98,729,550	99,993,493	97,750,000	
DERIVATIVE INSTRUMENT LIABILITY	2,281,527	2,281,527	1,774,439	
TOTAL LIABILITIES	151,175,211	156,882,342	149,951,011	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED	112,205,972	110,425,522	97,396,972	
	1,140,621	1,139,843	1,114,450	
TOTAL NET POSITION	\$ 113,346,593	\$ 111,565,365	\$ 98,511,422	

* Amounts included for Days Cash on Hand calculation

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

1. Working Capital is at 23.4 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 182.8 days. Working Capital cash decreased a net \$4,528,000. Cash collections fell short of target by 20%, and Accrued Payroll & Related Costs (See Note 6) decreased \$1,075,000. The District received reimbursement from the G.O. Bond Project Fund (See Note 4) in the amount of \$553,402.
2. Net Patient Accounts Receivable increased approximately \$2,852,000. Cash collections were 80% of target. Days in Accounts Receivable are at 59.7 days compared to prior months 57.3 days, a 2.40 days increase.
3. Total Bond Trustee 2006 decreased \$1,024,000 after remitting the Principal and Interest payments due on July 1, 2016.
4. G.O. Bond Project Fund decreased \$553,402 after remitting reimbursement to the District for funds advanced on the June Measure C projects.
5. G.O. Bond Tax Revenue Fund decreased \$2,280,000. Funds were transferred back to the District's Operating Fund to reimburse the Principal and Interest payments made on the Series, A, B, and C bonds.
6. Accrued Payroll & Related Costs decreased \$1,075,000 due to fewer accrual days in July.
7. Interest Payable decreased \$464,000 after remitting the interest due on the 2002 and 2006 Revenue Bonds.
8. Interest Payable G.O. Bond decreased \$1,149,000 after remitting the interest due on Series A, B, and C.
9. Estimated Settlements, Medi-Cal & Medicare decreased \$1,053,000 after reimbursing the Medi-Cal program for monies due on the FY14 cost report after the final audit was submitted and payment was made to the Medicare Program for overpayment during the FY16 year.

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

WORKING CAPITAL			
US Bank	\$ 8,077,706		
US Bank/Kings Beach Thrift Store	53,531		
US Bank/Truckee Thrift Store	118,327		
US Bank/Payroll Clearing	(33,853)		
Local Agency Investment Fund	<u>-</u>	0.59%	
Total			\$ 8,215,711
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ -
 Building Fund			
Cash Reserve Fund	\$ -		
Local Agency Investment Fund	<u>55,958,822</u>	0.59%	
			\$ 55,958,822
 Banc of America Muni Lease			
			\$ 979,155
Bonds Cash 2002			\$ 2
Bonds Cash 2006			\$ 233,067
Bonds Cash 2008			\$ 2,054,000
 DX Imaging Education			
Workers Comp Fund - B of A	\$ 3,164	0.59%	
	25,591		
 Insurance			
Health Insurance LAIF	-	0.59%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.59%	
Total			<u>\$ 28,755</u>
TOTAL FUNDS			\$ 67,469,511
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,363	0.03%	
Foundation Restricted Donations	\$ 98,331		
Local Agency Investment Fund	<u>1,033,927</u>	0.59%	
TOTAL RESTRICTED FUNDS			<u>\$ 1,140,621</u>
TOTAL ALL FUNDS			<u><u>\$ 68,610,132</u></u>

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

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	JULY 2015	
OPERATING REVENUE										
\$ 20,495,464	\$ 20,838,108	\$ (342,644)	-1.6%		\$ 20,495,464	\$ 20,838,108	\$ (342,644)	-1.6%	1	\$ 19,182,505
Total Gross Revenue										
Gross Revenues - Inpatient										
\$ 2,060,711	\$ 1,827,144	\$ 233,566	12.8%		\$ 2,060,711	\$ 1,827,144	\$ 233,566	12.8%		\$ 1,659,158
3,507,524	3,863,991	(356,467)	-9.2%		3,507,524	3,863,991	(356,467)	-9.2%		3,159,579
5,568,234	5,691,135	(122,900)	-2.2%		5,568,234	5,691,135	(122,900)	-2.2%	1	4,818,737
Total Gross Revenue - Inpatient										
14,927,229	15,146,973	(219,743)	-1.5%		14,927,229	15,146,973	(219,743)	-1.5%		14,363,768
14,927,229	15,146,973	(219,743)	-1.5%		14,927,229	15,146,973	(219,743)	-1.5%	1	14,363,768
Total Gross Revenue - Outpatient										
Deductions from Revenue:										
7,911,085	8,508,397	597,312	7.0%		7,911,085	8,508,397	597,312	7.0%	2	7,494,212
595,595	730,458	134,863	18.5%		595,595	730,458	134,863	18.5%	2	550,134
-	-	-	0.0%		-	-	-	0.0%	2	-
(155,113)	316,758	471,871	149.0%		(155,113)	316,758	471,871	149.0%	2	(32,400)
(131)	-	131	0.0%		(131)	-	131	0.0%	2	-
8,351,437	9,555,613	1,204,177	12.6%		8,351,437	9,555,613	1,204,177	12.6%		8,011,947
Total Deductions from Revenue										
39,792	58,103	(18,311)	-31.5%		39,792	58,103	(18,311)	-31.5%		49,631
847,447	811,366	36,081	4.4%		847,447	811,366	36,081	4.4%	3	555,075
Property Tax Revenue- Wellness Neighborhood										
Other Operating Revenue										
13,031,267	12,151,963	879,303	7.2%		13,031,267	12,151,963	879,303	7.2%		11,775,265
TOTAL OPERATING REVENUE										
OPERATING EXPENSES										
3,945,420	3,965,919	20,500	0.5%		3,945,420	3,965,919	20,500	0.5%	4	3,504,921
1,323,794	1,324,941	1,147	0.1%		1,323,794	1,324,941	1,147	0.1%	4	1,761,708
43,288	57,011	13,724	24.1%		43,288	57,011	13,724	24.1%	4	46,609
606,618	694,217	87,599	12.6%		606,618	694,217	87,599	12.6%	4	291,130
1,968,511	1,798,498	(170,013)	-9.5%		1,968,511	1,798,498	(170,013)	-9.5%	5	1,412,212
1,509,638	1,782,237	272,600	15.3%		1,509,638	1,782,237	272,600	15.3%	6	1,526,704
1,002,862	942,468	(60,395)	-6.4%		1,002,862	942,468	(60,395)	-6.4%	7	912,170
374,677	516,895	142,218	27.5%		374,677	516,895	142,218	27.5%	8	383,273
10,774,806	11,082,186	307,380	2.8%		10,774,806	11,082,186	307,380	2.8%		9,838,727
TOTAL OPERATING EXPENSE										
2,256,460	1,069,777	1,186,683	110.9%		2,256,460	1,069,777	1,186,683	110.9%		1,936,537
NET OPERATING REVENUE (EXPENSE) EBIDA										
NON-OPERATING REVENUE/(EXPENSE)										
466,708	448,397	18,311	4.1%		466,708	448,397	18,311	4.1%	9	402,576
391,933	391,933	-	0.0%		391,933	391,933	-	0.0%		392,691
43,568	29,399	14,169	48.2%		43,568	29,399	14,169	48.2%	10	22,074
5	-	5	0.0%		5	-	5	0.0%		3,009
18,712	38,917	(20,204)	-51.9%		18,712	38,917	(20,204)	-51.9%	11	14,157
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(967,356)	(966,316)	(1,040)	-0.1%		(967,356)	(966,316)	(1,040)	-0.1%	15	(854,169)
(108,431)	(100,459)	(7,972)	-7.9%		(108,431)	(100,459)	(7,972)	-7.9%	16	(119,533)
(320,371)	(315,492)	(4,879)	-1.5%		(320,371)	(315,492)	(4,879)	-1.5%		(361,025)
(475,232)	(473,621)	(1,611)	-0.3%		(475,232)	(473,621)	(1,611)	-0.3%		(500,220)
TOTAL NON-OPERATING REVENUE/(EXPENSE)										
\$ 1,781,228	\$ 596,155	\$ 1,185,073	-198.8%		\$ 1,781,228	\$ 596,155	\$ 1,185,073	-198.8%		\$ 1,436,318
INCREASE (DECREASE) IN NET POSITION										
NET POSITION - BEGINNING OF YEAR					111,565,365					
NET POSITION - AS OF JULY 31, 2016					\$ 113,346,593					
11.0%	5.1%	5.9%			11.0%	5.1%	5.9%			10.1%
RETURN ON GROSS REVENUE EBIDA					11.0% 5.1% 5.9% 10.1%					

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

		<u>Variance from Budget</u>	
		<u>Fav / <Unfav></u>	
		<u>JULY 2016</u>	<u>YTD 2017</u>
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget 11.55% or 44 days. Swing Bed days were over budget 129.03% or 40 days. Inpatient Surgery revenues fell short of budget by 26.85%, creating a negative variance in Inpatient Ancillary Service revenue.	Gross Revenue -- Inpatient	\$ (122,900)	\$ (122,900)
	Gross Revenue -- Outpatient	(219,743)	(219,743)
	Gross Revenue -- Total	<u>\$ (342,644)</u>	<u>\$ (342,644)</u>
Outpatient volumes were below budget in the following departments: Home Health visits, Endoscopy procedures, Radiation Oncology procedures, MRI exams, PET CT exams, Pharmacy units, and Respiratory Therapy.			
2) <u>Total Deductions from Revenue</u>			
The payor mix for July shows a .92% increase to Medicare, a 1.05% decrease to Medi-Cal, .08% decrease to Other, County at budget, and a .21% increase to Commercial when compared to budget. Contractual Allowances were under budget as a result of revenues falling short of budget by 1.6% and the shift in payor mix from Medi-Cal and Other to Medicare and Commercial.	Contractual Allowances	\$ 597,312	\$ 597,312
	Charity Care	134,863	134,863
	Charity Care - Catastrophic	-	-
	Bad Debt	471,871	471,871
	Prior Period Settlements	131	131
	Total	<u>\$ 1,204,177</u>	<u>\$ 1,204,177</u>
3) <u>Other Operating Revenue</u>			
Retail Pharmacy revenues exceeded budget by 22.96%.	Retail Pharmacy	\$ 54,686	\$ 54,686
	Hospice Thrift Stores	12,611	12,611
	The Center (non-therapy)	(12,146)	(12,146)
	IVCH ER Physician Guarantee	230	230
	Children's Center	(8,753)	(8,753)
	Miscellaneous	(10,547)	(10,547)
	Oncology Drug Replacement	-	-
	Grants	-	-
	Total	<u>\$ 36,081</u>	<u>\$ 36,081</u>
Hospice Thrift Store revenues exceeded budget by 13.96%.			
Sports Performance training, Occupational Health testing, Fitness Center memberships, and Pilates/Personal Training classes came in below budget, creating a negative variance in The Center (non-therapy).			
Child Care Center revenues fell short of budget by 11.99%.			
4) <u>Salaries and Wages</u>			
	Total	<u>\$ 20,500</u>	<u>\$ 20,500</u>
<u>Employee Benefits</u>			
	PL/SL	\$ (10,287)	\$ (10,287)
	Nonproductive	(28,947)	(28,947)
	Pension/Deferred Comp	14,436	14,436
	Standby	14,089	14,089
	Other	11,856	11,856
	Total	<u>\$ 1,147</u>	<u>\$ 1,147</u>
<u>Employee Benefits - Workers Compensation</u>			
	Total	<u>\$ 13,724</u>	<u>\$ 13,724</u>
<u>Employee Benefits - Medical Insurance</u>			
	Total	<u>\$ 87,599</u>	<u>\$ 87,599</u>
5) <u>Professional Fees</u>			
Negative variance in Multi-Specialty Clinics related to locums coverage for MSC E.N.T. and MSC Orthopedics.	Multi-Specialty Clinics	\$ (129,659)	\$ (129,659)
	Miscellaneous	(43,988)	(43,988)
	IVCH ER Physicians	(6,835)	(6,835)
	TFH Locums	(6,667)	(6,667)
	Human Resources	(3,155)	(3,155)
	Managed Care	(2,659)	(2,659)
	Information Technology	(1,304)	(1,304)
	Oncology	(837)	(837)
	Multi-Specialty Clinics Admin	(364)	(364)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
	Respiratory Therapy	-	-
	Home Health/Hospice	50	50
	Corporate Compliance	333	333
	Administration	571	571
	Medical Staff Services	1,550	1,550
	Financial Administration	1,785	1,785
	Marketing	2,375	2,375
	TFH/IVCH Therapy Services	5,005	5,005
	The Center (includes OP Therapy)	6,536	6,536
	Sleep Clinic	7,250	7,250
	Total	<u>\$ (170,013)</u>	<u>\$ (170,013)</u>
Consulting services provided for the Medi-Cal PRIME project created a negative variance in Miscellaneous.			
Negative variance in IVCH ER Physicians fees due to overlap coverage needed for continuity of care.			
Hospitalists professional fees exceeded budget, creating a negative variance in TFH Locums.			

6) **Supplies**

Replacement of small instruments in the Surgical Services departments created a negative variance in Minor Equipment.

Surgery revenues fell short of budget by 12.51%, creating a positive variance in Patient & Other Medical Supplies.

Oncology Drugs Sold to Patients revenues were under budget 4.77%, creating a positive variance in Pharmacy Supplies.

Minor Equipment	\$ (9,485)	\$ (9,485)
Food	(921)	(921)
Imaging Film	681	681
Office Supplies	6,784	6,784
Other Non-Medical Supplies	12,120	12,120
Patient & Other Medical Supplies	119,279	119,279
Pharmacy Supplies	144,142	144,142
Total	\$ 272,600	\$ 272,600

7) **Purchased Services**

Negative variance in Department Repairs related to small maintenance projects performed in the Hospital, Child Care Center, and several Multi-Specialty Clinics sites.

Expenses advanced to the Foundation for the Gene Upshaw Memorial Golf Tournament created a negative variance in Miscellaneous.

Outsourced radiology reads created a negative variance in Diagnostic Imaging Services - All.

Negative variance in Patient Accounting related to collection agency fees.

Practice Management and E.M.R. visit fees were over budget which created a negative variance in Multi-Specialty Clinics.

Department Repairs	\$ (38,159)	\$ (38,159)
Miscellaneous	(16,145)	(16,145)
Diagnostic Imaging Services - All	(13,738)	(13,738)
Patient Accounting	(13,100)	(13,100)
Multi-Specialty Clinics	(9,236)	(9,236)
Laboratory	(4,137)	(4,137)
Hospice	(2,567)	(2,567)
Pharmacy IP	(1,204)	(1,204)
Medical Records	(1,187)	(1,187)
The Center	1,279	1,279
Community Development	2,700	2,700
Information Technology	7,565	7,565
Human Resources	27,535	27,535
Total	\$ (60,395)	\$ (60,395)

8) **Other Expenses**

Services provided for management training in Emotional Intelligence created a negative variance in Outside Training & Travel.

Dues & Subscriptions budgeted for Oncology, Medical Records, and Administration came in lower than estimated, creating a positive variance in this category.

Recruitment fees for the District's Chief Operating Officer fell short of budget estimations due to hiring a candidate internally.

Outside Training & Travel	\$ (14,213)	\$ (14,213)
Insurance	(1,894)	(1,894)
Innovation Fund	-	-
Multi-Specialty Clinics Equip Rent	90	90
Other Building Rent	181	181
Physician Services	1,295	1,295
Multi-Specialty Clinics Bldg Rent	3,044	3,044
Utilities	4,285	4,285
Equipment Rent	4,825	4,825
Dues and Subscriptions	12,228	12,228
Human Resources Recruitment	24,858	24,858
Marketing	25,772	25,772
Miscellaneous	81,747	81,747
Total	\$ 142,218	\$ 142,218

9) **District and County Taxes**

Total	\$ 18,311	\$ 18,311
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10) **Interest Income**

Total	\$ 14,169	\$ 14,169
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11) **Donations**

IVCH	\$ 3,858	\$ 3,858
Operational	(24,062)	(24,062)
Capital Campaign		
Total	(20,204)	(20,204)

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

Total	\$ -	\$ -
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13) **Gain/(Loss) on Sale**

Total	\$ -	\$ -
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15) **Depreciation Expense**

Total	\$ (1,040)	\$ (1,040)
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16) **Interest Expense**

Total	\$ (7,972)	\$ (7,972)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JULY 2016 PRELIMINARY

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD JULY 2015		
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%			
OPERATING REVENUE											
\$ 1,774,146	\$ 1,811,554	\$ (37,408)	-2.1%		Total Gross Revenue	\$ 1,774,146	\$ 1,811,554	\$ (37,408)	-2.1%	1	\$ 1,718,536
Gross Revenues - Inpatient											
\$ 3,065	\$ -	\$ 3,065	0.0%		Daily Hospital Service	\$ 3,065	\$ -	\$ 3,065	0.0%		\$ -
19,089	3,230	15,859	491.0%		Ancillary Service - Inpatient	19,089	3,230	15,859	491.0%		14,526
22,154	3,230	18,924	585.9%		Total Gross Revenue - Inpatient	22,154	3,230	18,924	585.9%	1	14,526
1,751,992	1,808,324	(56,331)	-3.1%		Gross Revenue - Outpatient	1,751,992	1,808,324	(56,331)	-3.1%		1,704,010
1,751,992	1,808,324	(56,331)	-3.1%		Total Gross Revenue - Outpatient	1,751,992	1,808,324	(56,331)	-3.1%	1	1,704,010
Deductions from Revenue:											
572,454	583,592	11,138	1.9%		Contractual Allowances	572,454	583,592	11,138	1.9%	2	531,467
59,505	68,334	8,829	12.9%		Charity Care	59,505	68,334	8,829	12.9%	2	57,179
-	-	-	0.0%		Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
28,202	65,608	37,405	57.0%		Bad Debt	28,202	65,608	37,405	57.0%	2	83,780
-	-	-	0.0%		Prior Period Settlements	-	-	-	0.0%	2	-
660,161	717,533	57,372	8.0%		Total Deductions from Revenue	660,161	717,533	57,372	8.0%	2	672,425
72,068	73,280	(1,212)	-1.7%		Other Operating Revenue	72,068	73,280	(1,212)	-1.7%	3	78,223
1,186,053	1,167,300	18,753	1.6%		TOTAL OPERATING REVENUE	1,186,053	1,167,300	18,753	1.6%		1,124,334
OPERATING EXPENSES											
315,421	324,350	8,929	2.8%		Salaries and Wages	315,421	324,350	8,929	2.8%	4	260,486
97,153	102,693	5,540	5.4%		Benefits	97,153	102,693	5,540	5.4%	4	130,449
2,465	1,417	(1,048)	-74.0%		Benefits Workers Compensation	2,465	1,417	(1,048)	-74.0%	4	2,489
41,099	44,618	3,519	7.9%		Benefits Medical Insurance	41,099	44,618	3,519	7.9%	4	19,125
245,552	248,766	3,214	1.3%		Professional Fees	245,552	248,766	3,214	1.3%	5	253,128
60,205	96,249	36,044	37.4%		Supplies	60,205	96,249	36,044	37.4%	6	63,129
38,571	43,631	5,060	11.6%		Purchased Services	38,571	43,631	5,060	11.6%	7	40,141
38,356	53,608	15,252	28.5%		Other	38,356	53,608	15,252	28.5%	8	52,275
838,822	915,332	76,510	8.4%		TOTAL OPERATING EXPENSE	838,822	915,332	76,510	8.4%		821,222
347,231	251,968	95,263	37.8%		NET OPERATING REV(EXP) EBIDA	347,231	251,968	95,263	37.8%		303,112
NON-OPERATING REVENUE/(EXPENSE)											
3,858	-	3,858	0.0%		Donations-IVCH	3,858	-	3,858	0.0%	9	-
-	-	-	0.0%		Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(64,277)	(64,277)	-	0.0%		Depreciation	(64,277)	(64,277)	-	0.0%	11	(58,359)
(60,419)	(64,277)	3,858	6.0%		TOTAL NON-OPERATING REVENUE/(EXP)	(60,419)	(64,277)	3,858	6.0%		(58,359)
\$ 286,812	\$ 187,691	\$ 99,121	52.8%		EXCESS REVENUE(EXPENSE)	\$ 286,812	\$ 187,691	\$ 99,121	52.8%		\$ 244,753
19.6%	13.9%	5.7%			RETURN ON GROSS REVENUE EBIDA	19.6%	13.9%	5.7%			17.6%

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

		Variance from Budget	
		Fav<Unfav>	
		JULY 2016	YTD 2017
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget by 1 at 2 and Observation Days were below budget by 3 at 0.	Gross Revenue -- Inpatient	\$ 18,924	\$ 18,924
	Gross Revenue -- Outpatient	(56,331)	(56,331)
		\$ (37,408)	\$ (37,408)
Outpatient volumes were under budget in Surgical cases, Physical Therapy, and Occupational Therapy.			
2) <u>Total Deductions from Revenue</u>			
We saw a shift in our payor mix with a 2.14% decrease in Commercial Insurance, a 5.66% increase in Medicare, a .78% decrease in Medicaid, a 2.74% decrease in Other, and County was at budget. Positive variance in Contractual Allowances is a result of revenues falling short of budget by 2.1% and the shift in payor mix to Medicare from Medicaid and Other.	Contractual Allowances	\$ 11,138	\$ 11,138
	Charity Care	8,829	8,829
	Charity Care-Catastrophic Event	-	-
	Bad Debt	37,405	37,405
	Prior Period Settlement	-	-
	Total	\$ 57,372	\$ 57,372
3) <u>Other Operating Revenue</u>			
	IVCH ER Physician Guarantee	\$ 230	\$ 230
	Miscellaneous	(1,441)	(1,441)
	Total	\$ (1,212)	\$ (1,212)
4) <u>Salaries and Wages</u>			
<u>Employee Benefits</u>	Total	\$ 8,929	\$ 8,929
	PL/SL	\$ 695	\$ 695
	Standby	4	4
	Other	4,485	4,485
	Nonproductive	(269)	(269)
	Pension/Deferred Comp	624	624
	Total	\$ 5,540	\$ 5,540
<u>Employee Benefits - Workers Compensation</u>	Total	\$ (1,048)	\$ (1,048)
<u>Employee Benefits - Medical Insurance</u>	Total	\$ 3,519	\$ 3,519
5) <u>Professional Fees</u>			
Negative variance in IVCH ER Physician fees due to overlap coverage needed for continuity of patient care.	IVCH ER Physicians	\$ (6,835)	\$ (6,835)
	Foundation	(431)	(431)
	Miscellaneous	165	165
	Administration	264	264
	Therapy Services	1,322	1,322
	Multi-Specialty Clinics	1,480	1,480
	Sleep Clinic	7,250	7,250
	Total	\$ 3,214	\$ 3,214
Sleep Clinic collections fees fell short of budget in July, creating a positive variance in Sleep Clinic Pro Fees.			
6) <u>Supplies</u>			
Oncology Drugs Sold to Patients revenue fell short of budget by 71.34%, creating a positive variance in Pharmacy Supplies.	Food	\$ (823)	\$ (823)
	Minor Equipment	(785)	(785)
	Office Supplies	(321)	(321)
	Non-Medical Supplies	(99)	(99)
	Imaging Film	268	268
	Pharmacy Supplies	11,445	11,445
	Patient & Other Medical Supplies	26,358	26,358
	Total	\$ 36,044	\$ 36,044
Surgery revenues exceeded budget by 34.38%, however, orthopedic surgeries requiring higher cost implantable supplies did not meet budget estimations.			

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

		Variance from Budget	
		Fav<Unfav>	
		JULY 2016	YTD 2017
7) <u>Purchased Services</u>			
Negative variance in Diagnostic Imaging Services - All related to outsourced radiology reads.	Diagnostic Imaging Services - All	\$ (2,081)	\$ (2,081)
	Pharmacy	-	-
	Surgical Services	-	-
	EVS/Laundry	90	90
	Multi-Specialty Clinics	190	190
	Foundation	644	644
	Engineering/Plant/Communications	1,441	1,441
	Miscellaneous	1,490	1,490
	Department Repairs	1,643	1,643
	Laboratory	1,645	1,645
	Total	\$ 5,060	\$ 5,060
8) <u>Other Expenses</u>			
The initial insurance renewal estimates received during the budgeting process came in below actual renewal coverage. This will create a negative budget variance during FY17.	Insurance	\$ (1,872)	\$ (1,872)
	Outside Training & Travel	(620)	(620)
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Multi-Specialty Clinics Bldg Rent	-	-
	Other Building Rent	-	-
	Dues and Subscriptions	1,084	1,084
	Equipment Rent	2,616	2,616
	Marketing	2,875	2,875
	Utilities	4,369	4,369
	Miscellaneous	6,800	6,800
	Total	\$ 15,252	\$ 15,252
9) <u>Donations</u>	Total	\$ 3,858	\$ 3,858
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ -	\$ -

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	PRELIMINARY FYE 2016	BUDGET FYE 2017	PROJECTED FYE 2017	PRELIMINARY JULY 2016	BUDGET JULY 2016	DIFFERENCE	PROJECTED 1ST QTR	BUDGET 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 16,721,502	\$ 8,354,249	\$ 9,750,156	2,256,460	\$ 1,069,777	1,186,683	\$ 4,360,687	\$ 1,394,954	\$ 3,062,467	\$ 932,048
Interest Income	160,650	249,285	249,612	70,617	70,290	327	70,617	48,762	60,097	70,136
Property Tax Revenue	6,120,218	5,682,000	5,698,114	110,114	94,000	16,114	326,114	78,000	3,020,000	2,274,000
Donations	702,908	1,023,000	1,153,197	130,197	-	130,197	180,197	90,000	405,000	478,000
Debt Service Payments	(3,441,272)	(3,568,341)	(3,567,302)	(744,660)	(745,698)	1,039	(1,228,048)	(725,083)	(889,087)	(725,083)
Bank of America - 2012 Muni Lease Copier	(1,243,650)	(1,243,644)	(1,243,644)	(103,637)	(103,637)	(0)	(310,911)	(310,911)	(310,911)	(310,911)
2002 Revenue Bond	(8,758)	(11,520)	(11,519)	(959)	(960)	1	(2,879)	(2,880)	(2,880)	(2,880)
2015 Revenue Bond	(483,555)	(668,008)	(660,955)	(496,951)	(504,004)	7,053	(496,951)	-	(164,004)	-
Physician Recruitment	(1,705,309)	(1,645,169)	(1,651,183)	(143,111)	(137,097)	(6,014)	(417,306)	(411,292)	(411,292)	(411,292)
Investment in Capital	(263,769)	(120,000)	(110,000)	-	(10,000)	10,000	(20,000)	(30,000)	(30,000)	(30,000)
Equipment	(1,495,214)	(1,262,750)	(1,262,750)	(112,861)	(326,750)	213,889	(980,250)	(275,000)	(7,500)	-
Municipal Lease Reimbursement	1,319,139	979,000	979,000	-	-	-	-	979,000	-	-
GO Bond Project Personal Property	(432,135)	(279,000)	(279,000)	(56,623)	-	(56,623)	(279,000)	-	-	-
IT	(888,802)	(297,578)	(297,578)	(44,689)	(99,193)	54,504	(297,578)	-	-	-
Building Projects	(2,095,500)	(4,315,500)	(4,315,500)	(642,114)	(454,167)	(187,947)	(1,362,500)	(1,609,000)	(709,000)	(635,000)
Health Information/Business System	(92,807)	(7,000,000)	(7,000,000)	-	-	-	(1,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Capital Investments										
Properties	-	(2,794,000)	(2,794,000)	(10,000)	(740,000)	730,000	(2,365,000)	-	(429,000)	-
Measure C Scope Modifications	-	(2,476,716)	(2,476,716)	-	(675,572)	675,572	(2,026,716)	(450,000)	-	-
Change in Accounts Receivable	(1,119,613)	(2,183,288)	N1 (2,539,700)	(2,852,025)	(2,495,613)	(356,412)	(3,175,186)	131,796	(210,814)	714,505
Change in Settlement Accounts	1,387,101	1,175,000	N2 336,895	(838,105)	-	(838,105)	(2,516,105)	3,038,000	(435,000)	250,000
Change in Other Assets	(3,119,093)	(890,622)	N3 (758,052)	(245,872)	(378,442)	132,570	(571,872)	(469,762)	6,718	276,864
Change in Other Liabilities	2,950,987	(320,000)	N4 (298,722)	(1,478,722)	(1,500,000)	21,278	(378,722)	280,000	(800,000)	600,000
Change in Cash Balance	16,404,918	(8,045,261)	(7,532,346)	(4,458,282)	(6,191,368)	1,733,086	(11,263,363)	481,666	1,043,881	2,205,470
Beginning Unrestricted Cash	52,227,897	68,632,815	68,632,815	68,632,815	68,632,815	-	68,632,815	57,369,452	57,851,118	58,894,999
Ending Unrestricted Cash	68,632,815	60,778,463	61,100,469	64,174,533	62,441,447	1,733,086	57,369,452	57,851,118	58,894,999	61,100,469
Expense Per Day	338,339	355,605	354,785	351,072	360,730	(9,658)	356,998	354,759	357,131	355,605
Days Cash On Hand	203	171	172	183	173	10	161	163	165	172

Footnotes:

N1 - Change in Accounts Receivable reflects the 30 day delay in collections.

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.



Board Informational Report

By: Jim Hook
Corporate Compliance
Consultant, The Fox Group

DATE: August 25, 2016

2016 Compliance Program 2nd Quarter Update (Open Session)

The Compliance Committee is providing the Board of Directors(BOD) with a report of the 2nd Quarter 2016 Compliance Program activities report (open session). This report assists the BOD to meet its obligations to be knowledgeable about the content and operation of the seven components of the Compliance Program.

2016 Corporate Compliance Program 2nd Quarter

OPEN SESSION

Period Covered by Report: **April 1, 2016 – June 30, 2016**

Completed by: James Hook, Compliance Consultant, The Fox Group

1. Written Policies and Procedures

1.1. The District's Corporate Compliance Policies and Procedures are reviewed and updated as needed. The following policies were reviewed or revised by the Compliance Department with recommendations or revisions prior to approval by the Board of Directors:

- 1.1.1. Code of Conduct/ Non-Retaliation policy.
- 1.1.2. Credit Balance Refunds to Medicare within 60 days.

2. Compliance Oversight / Designation of Compliance Individuals

2.1. Corporate Compliance Committee Membership as of January 1, 2016:

- 2.1.1. The Fox Group – Compliance Consultants
- 2.1.2. Judy Newland, RN – Chief Operating Officer/Chief Nursing Officer
- 2.1.3. Harry Weis – Chief Executive Officer
- 2.1.4. Crystal Betts – Chief Financial Officer
- 2.1.5. Denise Hunt – Director of Health Information Management/ Privacy Officer
- 2.1.6. Jake Dorst – Chief Information and Innovation Officer
- 2.1.7. Jayne O'Flanagan – Chief Human Resources Officer
- 2.1.8. Stephanie Hanson, RN – Compliance Analyst
- 2.1.9. HLB-Legal Counsel

3. Education & Training

3.1. All new employees are educated during orientation using health stream

- 3.1.1. Starting July 1, 2016 the compliance analyst will be participating in new hire orientation to introduce the compliance program.

3.2. "Compliance Corner" continues in the monthly employee newsletter providing on-going compliance education for staff.

3.3. The Compliance Department has completed one-on-one education with 8 new, supervisors, manager and directors.

4. Effective Lines of Communication/Reporting

4.1. A Compliance log is maintained for all calls to the Compliance Hotline and other reports made to the Compliance Department.

- 4.1.1. One call was received on the Hotline for the 2nd quarter of 2016.
- 4.1.2. Twelve reports were made directly to the Compliance Department for the 2nd quarter.

OPEN SESSION

4.2. Potential HIPPA violations are reported to the Privacy Officer. The Privacy Officer maintains a log of reported events.

5. Enforcing Standards through well-publicized Disciplinary Guidelines

5.1. 83.63% of Health Stream corporate compliance modules were completed on time for eligible employees for the 2nd quarter of 2016.

5.1.1. Human Resource Department is working on an action plan to ensure timely completion of modules.

5.2. All physicians not on staff are checked against the OIG, GSA, Medical and Medicaid list of exclusions.

5.2.1. A process improvement team was initiated to improve compliance with the exclusion requirements.

6. Auditing & Monitoring

6.1. One audit was completed during the 2nd quarter as part of the 2016 corporate compliance work plan.

6.1.1. Payments to Physicians for Medical Specialty Clinic professional services in the 2nd quarter were audited. There were no discrepancies in the payments audited.

6.1.2. The performance of hospital inpatient coders was assessed by an outside organization. The coders achieved a score of 95% on five aspects of inpatient coding in 30 patient records.

7. Responding to Detected Offenses & Corrective Action Initiatives

7.1. Investigations of suspected and actual breach incidents were initiated. Several investigations revealed no violations. Remediation measures, including additional staff training and updated policies and procedures, were implemented to prevent further violations.

MEMORANDUM

To Harry Weis

From Walter Kopp
David Henninger

Dated: 8/18/16

Re Friendly Professional Corporation

One of the goals of the ECG report was to potentially establish a “friendly PC”. This memo summarizes why TFHD may want to consider forming this new corporation now.

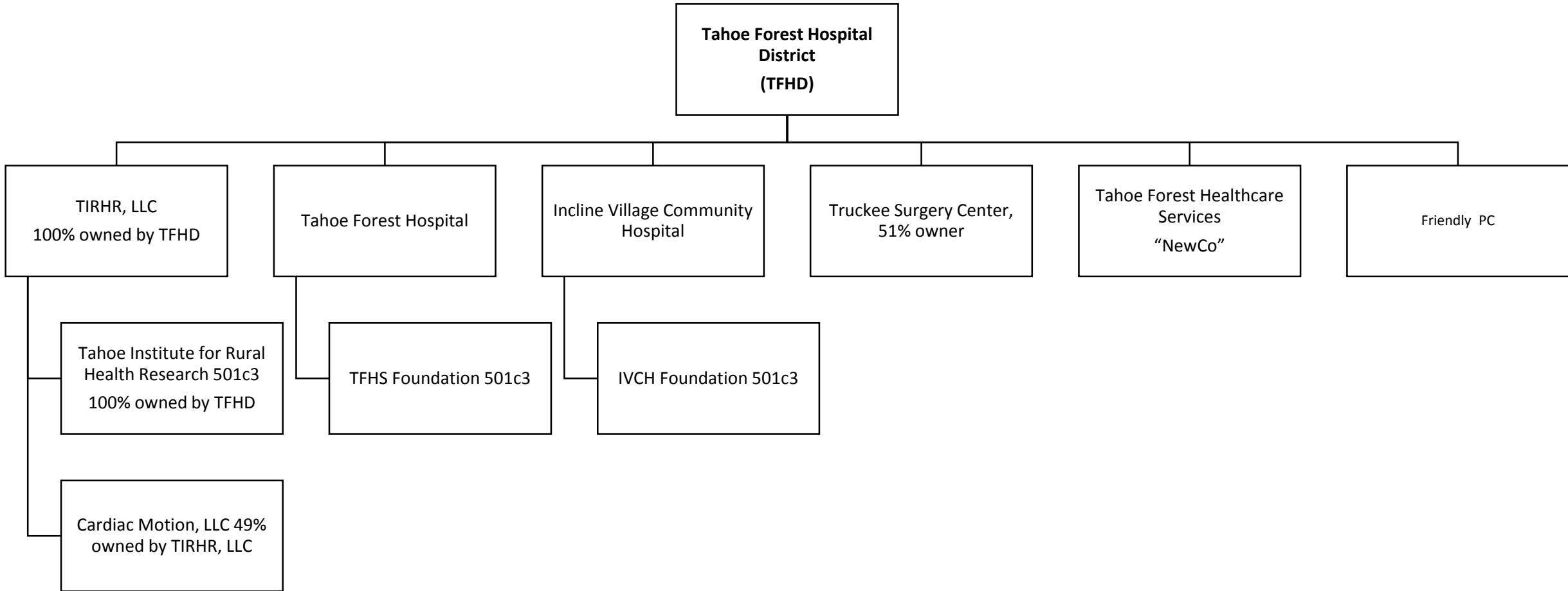
Because of the prohibition on the corporate practice of medicine in California, only professional corporations that are owned by physicians may employ physicians to provide medical services. (There are a few limited exceptions to this restriction, but none of them apply to TFHD.). As a result, a commonly used approach to establishing affiliations between hospitals and physicians in California is a friendly PC. A friendly PC is a professional corporation the shares of which are owned by one or more physicians who are employed by or otherwise closely affiliated with the hospital. The friendly PC may employ or contract with other non- owner physicians as well. The PC typically does not itself accumulate value, but rather it creates a platform through which physicians may be employed and provided benefits.

The space and/or equipment of the PC may be owned or leased by the hospital, or a management services organization (MSO”) owned and/or controlled by the hospital, and the hospital or the MSO may employ the non-physician staff of the PC. Space, equipment, staff and other services, such as billing and collections services, are typically provided by the hospital or MSO to the friendly PC through a management services agreement (“MSA”). Although an MSO may not interfere with the practice of medicine by the PC physicians, the MSO may exercise some level of control over the PC, within the limits of the corporate practice of medicine restriction, through the MSA.

The establishment of a friendly PC at TFHD could be a positive development because we understand that several physicians and new recruits are looking for a way to be employed at TFHD. We understand that the TFHD Board previously authorized the formation of a District- sponsored MSO, which could serve as the MSO for the friendly PC and enter into an MSA with the PC. No physician would be pushed into participating in the friendly PC, and TFHD would honor its existing contracts with other PCs and individuals. Also, medical groups and physicians may continue to negotiate contracts directly with TFHD if they wish. TFHD may also continue to contract with PC’s other than the friendly PC, but we understand that TFHD’s

current medical staff physicians do not want to go at risk for forming a new professional corporation on their own. This structure would allow TFHD to contract with physicians through the friendly PC, and would provide TFHD with another options to work with physicians in a manner that best suits each individual physician's needs.

We understand that TFHD administrative staff have discussed this model with several physicians at TFHD and they support this approach, even if they do not personally want to join this effort. Some physicians, like Dr. Ephraim Dickinson, a new orthopedic surgeon who will join TFHD in November, have stated that they would prefer to be employed by a friendly PC and would be interested in joining it as soon as it is available.





QUALITY COMMITTEE AGENDA

Tuesday, August 16, 2016 at 12:00 p.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL

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

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

4. INPUT – AUDIENCE

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

5. APPROVAL OF MINUTES OF: 6/14/2016 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Quality Committee Charter and Goals 2016 ATTACHMENT

The *Quality Committee Charter and Goals 2016* were approved by the Committee at the February 9, 2016 meeting. Review progress toward achieving the established goals.

6.2. Patient & Family Centered Care (PFCC)

6.2.1. Patient & Family Advisory Council Update ATTACHMENT

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

6.2.2. Patient Experience Presentation

Identify patients that may be interested in sharing their healthcare story at an upcoming TFHD Board of Directors (BOD) meeting.

6.3. HCAHPS Star Rating Report ATTACHMENT

The Centers for Medicare & Medicaid Services (CMS) has developed HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) star ratings to make it easier for consumers to use the information on the Hospital Compare website and to spotlight excellence in healthcare quality. A review of the 10/1/14 through 9/30/15 CMS Star Rating Report and plans for improvement.

6.4. BOD Quality & Service Excellence Dashboard ATTACHMENT

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

6.5. Healthcare Facilities Accreditation Program (HFAP) Survey

An update will be provided on the preparation for the unannounced triennial HFAP accreditation survey in the spring of 2017. The Committee will discuss providing an accreditation survey process educational training to the Board of Directors in February 2017.

6.6. Board Quality EducationATTACHMENT

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

6.6.1. Sikka, R., Morath, J., & Leape, L. *The Quadruple Aim: care, health, cost and meaning in work* BMJ Quality & Safety (2015)

6.6.2. Institute for Healthcare Improvement, *Always Events Getting Started Kit* (2014).

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. NEXT MEETING DATE

The date and time of the next committee meeting, Tuesday, October 11, 2016, at 12:00 p.m. will be proposed and/or confirmed.

9. ADJOURN

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

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

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



PERSONNEL COMMITTEE- RETIREMENT SUBCOMMITTEE AGENDA

Monday, August 8, 2016 at 12:00 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

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5. APPROVAL OF MINUTES OF: 7/20/2016..... ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Multnomah Group Retirement Plan Review

Committee will review the investments and plan assets for the District’s retirement plans.

6.1.1. Investment and Investment Menu Review ATTACHMENT

6.1.2. Plan Asset Review ATTACHMENT

6.1.3. Authorized Plan Representatives

7. CLOSED SESSION

7.1. Approval of Closed Session Minutes: 07/20/2016

8. OPEN SESSION

9. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

10. NEXT MEETING DATE

Personnel Committee will discuss its next meeting date.

11. ADJOURN

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FINANCE COMMITTEE AGENDA

Wednesday, August 24, 2016 at 1:00 p.m.
Foundation Conference Room, Tahoe Forest Hospital Foundation Offices
10976 Donner Pass Road, 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: 07/26/2016** ATTACHMENT
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. Financial Reports
 - 6.1.1. FYE 2016 Review of Multi-Specialty Clinics ATTACHMENT
 - 6.1.2. Financial Report – Pre-audit June 2016 ATTACHMENT
 - 6.1.3. Updated Pre-Audit Separate Entities..... ATTACHMENT
 - 6.1.4. Financial Report – Preliminary July 2016..... ATTACHMENT
 - 6.2. Board Education and Updates
 - 6.2.1. Audit Update
 - 6.2.2. RFP for Audit Firm ATTACHMENT
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING**..... ATTACHMENT
9. **NEXT MEETING DATE** ATTACHMENT
10. **ADJOURN**

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Board Informational Report

By: Harry Weis
CEO

DATE: 8/11/16

We have been busier on an IP basis this summer to date vs. the prior year, though it's important to note that roughly 73% of our budgeted Revenues come from OP activities. This comment is true for both our Truckee and our Incline Village campuses.

It is great to see the broader region enjoy a higher resident and visitor population this summer as well.

We are actively searching for a very experienced Executive Director of Physician Services to really assist in our journey of every improving and supporting physician services here in our system and across this region.

We have begun our early review of possible Rural Health Clinics as a business backdrop for some physician services here and at Incline Village both to honor our commitment to our physician teams and to deal with the expanding Medicaid or MediCal business that is occurring in our region, across CA and across the US. This business model is found in nearly all rural towns in America so to have none in Incline Village or Truckee is very unusual. It is the backbone of sustainable physician care in nearly all rural towns in America. Our goal is to rule in or out this clinic option during this calendar year.

We are active in our Master Planning critical strategy to ensure we have the right location, space and future space for individual physician practices, patient parking and other hospital programs both for the present and for the future. We hope to reach some major conclusions on this segment by the end of this calendar year. We have many complex variables that are overdue for consideration.

We are also commencing some benchmarking of our operations to other CA healthcare facilities to examine opportunities for further operational improvements. These efforts will continue during FY 17.

We have started a monthly communication to improve awareness and to facilitate a dialog to all of our medical staff on a long list of operational and strategic improvements that we need to complete over roughly the next 24 months. These communications are intended to honor our commitment to transparent communication with our medical staff in this region. We have been in a reactive mode as we seek to bring our aligned healthcare system principles to a more current state with the rest of the forward looking health systems in America.

Again, we are the fastest 4 to 8 year change era in healthcare vs. the last 100 years, so ideas that worked 3 years ago, 6 years ago or 20 years ago, may be very obsolete today.

We are continuing our journey of connecting better with all residents in our region each month via multiple types of communications. We also have upcoming community Town Hall meetings to talk about “Fact and Fiction Healthcare 101” sessions. Watch for the times and dates of these public meetings.

We really enjoyed a community get together with our Foundation Board members and their significant others at Incline Village this past month as together we focus on honoring the residents of that region with better facilities and care in the future.

We are deeply committed to improving the access, care and efficiency of all that we do every year! Every commendation or recognition that we receive as we seek to improve all that we do is “simply a thank you back to all residents in our region for the privilege of serving you!” “All that we do is for you!”

We appreciate hearing feedback on our operations as this is highly valuable to our long term future. We also always seek out both sides of any issue or story to make sure we clearly understand the issue and what the real facts of the matter are.

We are targeting the start of our Patient Navigation Program, a critical strategy; first in one service line by the end of September and then it’s my hope that within 3 to 4 months we can take it hospital wide.

You will be hearing a lot more soon from our CIO on our journey to have a leading edge electronic health record across our system, which is another critical strategy for our system.

As we are entering a peak political season, we respectfully and humbly ask that anyone who is interested in the “real” facts of healthcare come talk to the source on healthcare vs. speaking to people “who know of healthcare” but really “don’t know healthcare.” This path is critical to honor all residents in our region for the true path to sustainable healthcare as there aren’t multiple paths to sustainable healthcare!

We also valued the time spent with our employees and their families at our annual employee picnic on Friday August 12.

We also continue with many other areas of improvement and active engagement at the state or federal level on legislation.



How Hospitals Have Transformed

1946

The Hill-Burton Act (The Hospital Survey and Construction Act) is passed to fund the construction of hospitals. The statute also requires hospitals to provide a "reasonable volume" of charitable care and prohibits discrimination on the basis of race, religion, or national origin, but allows for "separate but equal" facilities.¹

1954

The IRS rules that employer-sponsored health insurance is not considered taxable income. This ruling establishes the employer as the primary purchaser of health insurance in the United States.²



How Hospitals Have Transformed

1965

President Lyndon Johnson signs two new programs into law: Medicare for hospital, nursing, and physician care for the elderly, and Medicaid to help states provide health care coverage for poor and disabled people. Neighborhood health centers are also established. Medicare Part A is to pay for hospital care and limited skilled nursing and home health care. Optional Medicare Part B is to help pay for physician care.³

1968

Harvard and Massachusetts General Hospital develop a preliminary EMR, the Computer Stored Ambulatory Record (COSTAR), implemented in the public domain in 1975 and used at hundreds of sites worldwide.⁴

1972

The Anti-Kickback Statute is signed into law as part of the Social Security Amendments. The legislation establishes penalties for paying for referrals or patient volumes; penalties increased from misdemeanor to felony in 1977.⁵



How Hospitals Have Transformed

1974

The Health Planning Resources Development Act establishes requirements that state health agencies have processes for approving hospitals' major capital projects. Many states establish Certificate of Need (CON) programs. Federal mandate is repealed in 1987.⁴

1980

U.S. hospital occupancy rates hover around 77 percent.⁵

1981

The Omnibus Budget Reconciliation Act of 1981 (OBRA 81) enables hospitals that serve a disproportionate share of Medicaid and low-income patients to receive additional payments from states. OBRA 81 also establishes waivers that allow states to mandate managed-care participation for certain Medicaid groups and cover home and community-based long-term care for those at risk of being institutionalized.⁶



How Hospitals Have Transformed

1983

Medicare introduces Diagnosis Related Groups (DRGs) as a possible payment system for hospital payment,⁷ which establishes fixed reimbursement for hospital inpatient discharges.

1984

49 percent of hospitals have an Outpatient Department (OPD); by 1989, that number rises to 81 percent.⁸

1989

The Omnibus Budget Reconciliation Act of 1989 (OBRA 89) includes legislation prohibiting physicians from referring to laboratories in which they have an ownership stake. Known as "Stark I" (in honor of former Congressman Fortney "Pete" Stark, D-CA), it is the first of three laws limiting physician self-referrals, which were slated to take effect in January 1992.⁹



How Hospitals Have Transformed

1996

The Health Insurance Portability and Accountability Act (HIPAA) restricts the use of pre-existing conditions in determinations of health insurance coverage. HIPAA also creates guidelines and standards for privacy and medical records.¹⁵

2002

The Health Center Growth Initiative is created by President George W. Bush, increasing the quantity of community health centers dedicated to the medically underserved.¹⁶

2006

In July, Massachusetts passes new legislation requiring residents to have coverage. Within two years, the uninsured rate has been cut in half. Vermont also passes new legislation that requires near-universal coverage.¹⁷



How Hospitals Have Transformed

2008

National survey finds that only 17 percent of U.S. physicians have basic or fully functional EHR systems.¹⁸

2009

HITECH Act establishes incentives for the purchase and "meaningful use" of electronic health records.¹⁹

U.S. hospital occupancy rates at 64 percent.²⁰

2010

On March 21, the House of Representatives passes the Senate bill, the Patient Protection and Affordable Care Act (A.C.A.). The A.C.A. mandates that employers provide, and individuals carry, health insurance coverage; establishes state level individual markets for health insurance; and creates the Center for Medicare and Medicaid Innovation (CMMI) to test and pilot innovative delivery models.²¹



How Hospitals Have Transformed

2012

Hospital mergers more than double to 105 in 2012 from 50 in 2009.¹⁹

2014

Urgent care now worth an estimated \$14.5 billion business and Urgent Care Association of America estimates 7,100 urgent care centers exist in the U.S.²⁰

Hospital bed occupancy rate dips to 61 percent.²¹

64 percent of newly hired physicians are employed by hospitals and health systems, up from 11 percent in 2004.²²

2015

On January 26, HHS announces that 30 percent of Medicare payments will be tied to quality or value through alternative payment models like Accountable Care Organizations (ACOs) by the end of 2016 and 50 percent by the end of 2018.²³



Board COO Report

By: Judith B. Newland

DATE: August 18, 2016

The TFHD Laboratory Department had a successful College of American Pathologists (CAP) Accreditation Survey. The survey occurs every two year over a three day period. The purpose of the survey is ensure compliance with clinical laboratory regulatory requirements, maintain accuracy of test results, and have a comprehensive scientific review of lab standards. The Laboratory Department had an excellent survey and the Surveyor said “they surpassed their excellent survey two years ago.” Congratulations to the Laboratory Department staff for a successful and outstanding survey.

This fall, the Tahoe Forest Retail Pharmacy will begin to provide to the community Flu Immunizations, Pneumococcal Vaccine and Shingles Vaccine at the pharmacy. These are new programs for the Retail Pharmacy as they begin initiatives to reach out to the community to become their pharmacy of choice.

Construction projects continue on schedule.

1. At Tahoe Forest Hospital, the Measure C project for Dietary and Women & Family Center are nearing completion. Prior to moving into the new space, both units will require inspection by California Department of Public Health. The open house for the Joseph Family Women and Newborn care is scheduled for October 6th. Additionally, with the near completion of the Measure C projects, more parking is becoming available where construction equipment once sat. Over the next month the Helipad and parking area around it is being resurfaced in areas in preparation for the Helipad being open for use.
2. At Incline Village Community Hospital (IVCH), the siding is moving forward on schedule with a completion date in November. Additionally, the second floor multispecialty clinic changes are continuing. IVCH is hosting an open house and chamber mixer on October 13 to tour the changes that have occurred to the hospital over the past 4-5 years.

IVCH had a successful registration of new Sierra Nevada College (SNC) students during their orientation to campus on August 15th. IVCH and SNC have collaborated over the past year to increase knowledge and to make access easy for the students to the Incline Health Clinic. Students were registered in the clinic system and provided Blue Life cards. We look forward to our continue work with SNC to provide access to health care for their students and faculty.

The Environmental Services Department (EVS) has implemented a new Quality Assurance Program. The purpose of this program is to assure a strong quality cleaning performance in high touch areas and equipment and increase efficiency and improve processes in the department. The program includes use of a checklist for compliance. Additionally, new uniforms are being worn by the EVS staff that have improved easier identification of their service when assistance is needed by patients or visitors. A thank you to the EVS staff for their ongoing dedication and commitment to the organization.

The Health System is preparing for our every three year deemed accreditation survey. A mock survey has been scheduled in October for both TFH and IVCH. This mock survey will identify opportunities for improvement in preparation for our 2017 unannounced accreditation survey.

The Health System had a successful presence at Truckee Thursdays. A booth representing TFHS was staffed for two different nights. Community members were educated to the Patient and Family Advisory Council, Wellness Neighborhood, Foundation, and multiple Health System brochures were made available.



Board CNO Report

By: Karen Gancitano, RN, MS
Chief Nursing Officer

DATE: August 2016

Strategy Four: Developing and implementing a comprehensive Care Coordination Plan coupled with Patient Navigation for all patients that touch our healthcare system.

Chronic Care Coordination: Transitional Care Management has started in the MSC this month. The care coordinator has 16 patients. Through this program has been the identification of a number of potential Chronic Care Management patients, however; we have not started enrolling in that program to date. The Care Coordinator is working with the staff in the MSC to complete the plan for the annual wellness visits. Resource consumption is a potential problem. In the TTMG Clinics Care Coordination have 10 transitional and 63 chronic care management patients. There are an additional 28 referrals for the Chronic Care Management Program.

We have begun to integrate all wellness, health education, and fitness resources through wellness navigators at the Center for Health and Sports Performance.

- a. Medically managed fitness will incorporate navigation and personalization to help all members optimize their health.

Strategy Five: “Just Do It” Continue to show measureable annual improvements in Quality, and Patient Satisfaction.

Patient Satisfaction – The most recent annual inpatient patient satisfaction report has been published for 10-1-14/9-30-15. TFHD has maintained the “4” star rating. The hospital outscores both the State of California as well as the nation in all 11 categories measured by CMS. Our priorities for improvement are the noise level in the patient care areas and the patients’ understanding of their discharge instructions. Action items for improvement include the “yacker tracker” as a measurement tool for noise in patient care areas and leader rounding that includes a review of the patients’ understanding of discharge instructions.

Bedside rounding has been implemented that includes the patient and their families in hand off shift reports. The rounding includes an introduction of the oncoming nurse and the plan for the day including any pending test or discharge needs. Overall this process has been very well received.

Wellness Neighborhood and Community Health – The WN/CH have completed a new brochure that catalogs our programs and services titled *Rethink Healthy*. The WN/CH will be participating in the August 18th Truckee Thursday to share information regarding wellness services,

immunizations (school and HPV), mental health and suicide prevention resources and events, and skin cancer prevention. Included in the event will be a children's craft activity.

To enhance the quality of services available to the community the WN/CH continue to grow our partnerships and collaboration with the school district, county public health departments and community social service agencies allow us to leverage resources and avoid duplication in the areas of dental health, immunizations, obesity prevention, and chronic disease management.

And lastly, The Collaborative Alliance for Nursing Outcomes (CALNOC) is pleased to recognize hospitals for their exemplary work in reducing hospital acquired conditions. It our pleasure to recognize Tahoe Forest Hospital for Performance Excellence in:

Best Performance in Preventing Hospital Acquired Pressure Ulcers

Best Performance in Preventing Hospital Acquired Infections – CLABSI Total Facility

Best Performance in Preventing Hospital Acquired Infections – CLABSI Critical Care

Best Performance in Preventing Hospital Acquired Infections – CAUTI Critical Care

Best Performance in Preventing Hospital Acquired Infections – MRSA Total Facility

STRATEGIC INITIATIVE 4.0

Epic Mercy /Renown

- Continuing to refine our proposals and negotiations

Spanish Language Documents

- In conjunction with wellness neighborhood, working to get all custom Care Notes translated into Spanish. Some are complete. Will be complete in 7 weeks. This will allow all patient education documents to be minimally Spanish/English
- OCHIN Epic and T Systems Patient instructions are all in Spanish and English

MD Staff Visit Importer

- Export files starting today with discharged patients minus 7 days to allow for coding

M Modal Fluency for Transcription (New Transcription Service)

- Issues being resolved. Smooth for first week. Turnaround times are fast.
- Header in Varian Software needs a little aligning. Varian working on that.
- Unit clerks and others are being trained
- Clarification communication to doctors.
- Remapped all speed dials. Re posted instructions on campus.

AMION-Physician Scheduling Program

- Printing of schedules causing problems. Working with ED, Surgery and IP to assure that they have proper processes.
- Working with directors to get buy in to adopt electronic process without printing.
- Some ED Physicians-primarily are not pleased about new process due to no longer handwriting the schedule on the white board.
- Have schedule available on ED computers with one click in and no sign on, the easy button.

T System ER software Upgrade

- Dates established.
TEST 8/16/16
PROD 9/20/16
- Team identified.
- Requires 8 hour downtime

Barton Cancer Clinic

- Technical meeting with Barton held
- Call with Varian is being scheduled

Medi Mobile

- 7 more Hospitalists will go live by Sept 1st.

Tahoe Forest Hospital District

Board of Directors Meeting Evaluation Form

Date: _____

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

Please provide further feedback here:
