



Board Informational Report

By: Harry Weis
CEO

DATE: 11/8 & 9/2016

Written early 11/8/16:

The entire year 2016 is rapidly speeding by far too quickly! This report is being written prior to the national, state and local election results being known and we are all correct that large and rapid changes lie ahead.

Written the day of 11/9/16:

What a difference a day makes, right? Nearly all polls had the national presidency outcome wrong up through yesterday except Investor's Business Daily and the LA Times.

A very special thank you for the 16 years of public service by Karen Sessler in providing very thoughtful governance to TFHS! Also a very special thank you to John Mohun in also providing governance public service to TFHS since 2010!

I want to wish all of the new and returning elected officials in all government agencies the very best as well as we as a, district, region, state and country face many tough challenges which require great teamwork and strong, rapid pragmatic solutions. We need to reaffirm team play, deflate political tones and focus on strong pragmatic solutions, is my hope!

Our critical 6 strategies take on even more importance as the myriad of principles included in each of these strategies are critical to a sustainable high quality health system life. Especially our detail strategies in the Physician service line makeover and our Care Coordination/Patient Navigation Strategies as we seek to be strongly aligned and highly sustainable in the many years ahead. Truly more rapid large changes are coming.

Back to the regular business of the hospital:

We are happy to report that we have now completed 3 Fact and Fiction Community Meetings here at the hospital in Truckee. We will be pursuing community meetings in other locations in future months as well. We really value making new acquaintances, receiving input and sharing important information about the services we provide including the structure we have to honor to retain state and federal hospital licensure.

We have also just completed 4 new TV programs for our Mountain Health Today series which will coming out in future months as well.

Dr. Ephraim Dickinson, a new fellowship trained Orthopod has finally arrived late last week. He will be working roughly half time in our Orthopedics service line. We are thrilled to have

him join our team. We are also targeting another fellowship trained Orthopedist to join TFHS next summer, Dr. Haeder.

We are working on a total makeover of our Orthopedics “service line” over roughly a 180 day period which has a target completion date of March of 2017. We are focused on moving this important service line to a “best practices” model for elective and trauma orthopedics relative to all physician office, rehab, IP and OP hospital care and post hospital care for all residents and visitors in this region.

Physician services makeover, one of our critical 6 strategies remains a major focus of many individuals on our team with the goal of having all physician groups who desire to affiliate with us, fully affiliated and in their proper new office layout with the proper business and legal structure fully completed including a Rural Health Clinic status where applicable within 24 to 30 months from 1/1/17.

Our new Electronic Health Record and the journey to complete all other business and clinical electronic software tools is now underway, again one of our important critical 6 strategies, with a target completion of 11/1/17. This change effects every person on our health system team.

Our Master Planning efforts, another of our important 6 critical strategies continues to move thoughtfully forward in draft form and it has great complexity from a regulatory, structural, space, and future demand perspective also taking into consideration our deep commitment to improve access and to improve the health status of all residents in the region, illustrating the result of a lower frequency of ED visits and IP hospital admissions per 1000 population for medical issues. We will have plenty of opportunity for the Board, physicians and others to review this in draft form. This project has much greater complexity than many hospital face due to the need to catch up on some key team, legal and structural changes.

We continue to also focus on Care Coordination and Patient Navigation, another of critical 6 strategies. We now have two very busy nurses handling care coordination vs 0 a year ago and we are underway in Patient Navigation in one service line as we build the processes to take this hospital wide a few months down the road.

We are also deeply committed to our “just do it” critical 6 strategy which is to improve our quality, patient satisfaction, compliance and our financial performance. This critical strategy is woven into all that we do clinically and from a business perspective every day!

Our last of 6 critical strategies is building our interaction base with our community deep and wide. This is an ongoing strategy where we believe there is a noticeable change vs the past whether it's our Magazine sent out to all residents, our TV program Mountain Health Today, regular letters from the CEO to the community at least 10 times a year, open houses, Fact and Fiction Community Town Halls, many other community events and hundreds of 1 on 1 encounters. We really value getting to know each resident in our region!

Walter Kopp Physician Consulting Services update:

I would also like to provide an important update on the critical support assistance provided by Walter Kopp regarding our Physician Services critical top 6 strategy during 2016. We anticipate his services will be largely complete by the end of this calendar year. We do anticipate using Rural Health Clinic expertise from HFS Consulting to make sure we have the “best practice” truly sustainable physician practice model for the Truckee, Tahoe and Incline regions in the future.

Walter was brought in, in early 2016, at a past due critical time for TFHS, to really assist us in our “catch up” strategic journey to a more aligned, and a more properly structured physician and hospital team to be sustainable over the long term when we face the greatest and most rapid change era in just the next few years vs. the last 100 years in healthcare. We have to have the right practice principles in place whether the Affordable Care Act stays or goes. There are important principles that will work well in either case.

A partial list of key support areas Walter assisted our Health System in is:

1. North Tahoe Orthopedics - The very rapid migration of the practice to a fully affiliated orthopedic group with TFHS, a critical service line for this health system by mid-April of this year. There were and are many complexities which had to be rapidly dealt with. We will be completing the remaining business components of this affiliation on or about 11/17/16 and continuing our makeover journey of improvements in the Orthopedics service line as noted earlier in this memo. Had we not had his resource in place to assist in addition to our other team members, this could have been a tremendous service line loss in terms of months or years of disruption and very material cost to the healthcare system. It was fortuitous we had his contract in place to assist as this effort was an “all hands on deck” effort.
2. Cancer Center – A lot of research was performed on our Cancer service line and a new multiple year contract with Sierra Nevada Oncology group for radiation therapy and medical oncology services critical to our community was completed on time by June 30. Many discussions and iterations and ideas were had.
3. Director of Physician Services - He assisted us when we had no Director of Physician Services at all, as TFHS had lost both of its physician service line leaders in the past many months.
4. Contract Renewals - We faced a very large quantity of physician contract renewals and as a health system we wanted to insert many new “best practice” concepts into physician contracting which are common in the healthcare industry and which also considered new quality and finance elements. We did not simply want to have status quo renewals.
5. Production Oriented Contracts - We created 7 new production oriented physician contracts in our MSC with quality features as well by June 30.
6. Non-Production Oriented Contracts - We also renewed with new features 4 non production oriented contracts with physicians in our MSC with quality features as well, all by June 30. In all more than 13 physician contracts have received assistance from Walter.
7. North Tahoe Orthopedic Contracts - With NTO, all of these contracts were new production based contracts. There are a total of five orthopedic contracts with physicians completed.

8. Locums Coverage - He was also active in assisting us in finding orthopedic locums to fill in while we were waiting for permanent recruits to arrive.
9. Physician Recruiting - Walter has been active on many specialties we have recruited for or are still recruiting for. He worked hard on the important issues of bringing Dr. Dickinson here and also to have Dr. Haeder here next year.
10. TFWC & TTMG - He has also participated, along with Harry in discussions with our OB group and with TTMG regarding their needs, questions and possible ideas for working much more closely with TFHS in the years ahead. These discussions continue. We care deeply about the important services both of these groups provide to our community and we are deeply committed to achieving a win/win solution if all parties are willing.
11. UC Davis Clinic Affiliations - He has participated along with Harry and others with UCD regarding possible team work and a possible 1206 G "not hospital based" academic medical center clinic establishment.
12. He regularly participates in weekly physician task force meetings with a large multi-disciplinary team to discuss any physician related matter.
13. He has also participated in the interviews for a permanent Executive Director of Physician Services.
14. He also assisted in two modified general surgery contracts with Dr. Cahill and Dr. Kitts.
15. He has also provided advisory services to us related to Barton Hospital and their desire to have Medical Oncology there using our experience and physician team.
16. He has been active with Newco and the Friendly PC as to content and strategy as well.
17. His contract has a not to exceed of \$432,000 and to date based on invoices received through 9/30/16 we have incurred 288,317.50 in consulting expenses.