



Board Informational Report

By: Harry Weis
CEO

DATE: 9/13/16

We are happy to report that we have a new permanent Executive Director of Physician Services, Scott Baker who will join us on or around 10/10/16, coming to us with great physician medical group experience running large independent multi-specialty medical groups in the Seattle area. His presence will really assist in our journey for a total makeover of physician services one of our Critical Strategies with a goal of strong alignment and improved efficiency across all team members in the healthcare system. We are appreciative of Tom Wright's Interim Executive Director of Physician Services assistance.

Our team is working on obtaining the State of CA approvals for our Management Services Organization named Tahoe Forest Health Care Services Inc. As more details arise, we'll bring back more specifics for your consideration. We are still targeting a 1/1/17 go live on this important entity which will employ those non physician personnel who support our physician team members. Our HR team is actively working on payroll and benefit services to work with this new entity and also with our "friendly pc" noted below.

We are also beginning the work with counsel on the start of filings with the State of CA for a "friendly professional corporation" (pc) after your board's approval last month to begin work on this critical resource to recruit and to retain physicians. So this project is just beginning.

We are gathering data as requested from our Rural Health Clinic (RHCs) expert so that he can determine if, where and how many RHCs we should have here and in Incline Village to serve as a critical invisible business backdrop for as many of our physician specialties as possible. Again our goal on this topic which is a critical component of the makeover of Physician Services is to have this properly incorporated into all of our Master Planning work which is another of our 6 Critical Strategies.

Our Master Planning work continues and is quite complex as healthcare rules in the State of CA have changed in the last 15 years, requiring many non-hospital healthcare services to now be in a certain level of seismic level of construction, so each improvement or change we consider has to also take into consideration State of CA seismic requirements which may exist for services provided even outside of hospital walls. We also have a long list of variables to consider so that we properly place all team members or groups in optimal space for function, for growth, and for optimal business and quality efficiency. We are targeting having a Master Plan we can begin to execute by 1/1/17.

We have fully commenced our Care Coordination Strategy and we are still working on its companion Critical Strategy called Patient Navigation, working on a lot of fundamentals there

before we start it in one service line and then expand it across the hospital. We are still planning on having Patient Navigation up and running by the end of this calendar year.

We are strongly moving forward in our “Just Do It” Critical Strategy which is to improve, Quality, Patient Satisfaction, Compliance and Hospital Finances. All areas are showing improvement for which we are very grateful.

Our team lead by our CIO is also moving quite rapidly on our Critical Strategy of a new Electronic Health Record and important business companion software across the system. Our CIO is covering more on this topic in his report.

Our last but not the least of our 6 Critical Strategies is to really connect with our community on a regular and a growing basis. This is a strong ongoing objective and we have many new types of community outreach that are underway multiple times now.

We are continuing our new and regular communications to all households in the District and also a monthly communication to all of our medical staff, and our directors and managers in the hospital as well.

We will be holding 2 Fact or Fiction Healthcare 101 community discussions this month, one was held earlier with good attendance and we have another to be held on the evening of September 26. We will have another still at least one more community discussion of this type in October as well.

As we are in the fastest and most complex change era in healthcare vs. the last 100 years in so it's important to share that during just the last 3 years, hospital ownership of physician practices has grown 86% across America. This is a profound change that will not slow down for some time.

Further, as an additional example of significant change, the “Stark Law passed by Congress first in 1989 and then refreshed a bit in 1995 is now being declared by many healthcare experts and even Congress itself to be way out of date and to actually be an impediment to the journey to leave the “fee for service” medicine world and to move forward to “payment for value” medicine. This 27 year old law in many ways is trying to kill healthcare reform that is sought by so many today. So we will all watch and contribute as necessary as discussions on this law arise.

I have attached an important article from Becker's Healthcare News showing 77 rural hospitals across the US who have closed since 2010. Our team goal and that of our community is to be among the nimble and very healthy health systems for many, many years ahead even though the challenges will be significant.

We continue to be vigilant and active monitoring all state and federal laws that can impact healthcare either positively or negatively.

