



TAHOE FOREST HOSPITAL DISTRICT

# 2016-11-17 Regular Meeting of the Board of Directors

2016-11-17

TTUSD

11603 Donner Pass Rd

Truckee, CA 96161

# Meeting Book - 2016-11-17 Regular Meeting of the Board of Directors

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# REGULAR MEETING OF THE BOARD OF DIRECTORS

## AGENDA

Thursday, November 17, 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. **Hearing (Health & Safety Code § 32155) ♦**

*Subject Matter: Report of quality assurance/medical audit committee*

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

*Subject Matter: 3<sup>rd</sup> Quarter quality assurance*

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

*Subject Matter: Compliance Committee Report*

5.4. **TIMED ITEM – 5:30PM – Hearing (Health & Safety Code § 32155) ♦ \***

*5.4.1. Subject Matter: Medical Staff Credentials*

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

10/27/2016

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.

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**November 17, 2016 AGENDA– Continued**

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**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 November Employee of the Month ..... ATTACHMENT
- 12.2 IVCH Named a 2016 Press Ganey Guardian of Excellence Award Winner ..... ATTACHMENT

**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 ♦**

- 14.1.1 10/27/2016 ..... ATTACHMENT

**14.2 Financial Report ♦**

- 14.2.1 Financial Report- October 2016..... ATTACHMENT

**14.3 Tahoe Forest Health Care Services By-Laws ♦**

- 14.3.1 TFHCS By-Laws .....ATTACHMENT

**14.4 Staff Report(s)**

- 14.4.1 CIO Board Report ..... ATTACHMENT
- 14.4.2 CNO Board Report..... ATTACHMENT
- 14.4.3 COO Board Report ..... ATTACHMENT

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

- 15.1 Compliance Update .....ATTACHMENT

The Board of Directors will review and consider the Compliance Committee Report

**15.2 Side Letter Agreement for Employee Association Gain Sharing ♦**

The Board of Directors will direct Administration to execute the Side Letter Agreement that has been approved by the Employee Association regarding Gain Sharing.

- 15.2.1 Side Letter Agreement for Employees Association Gain Sharing .....ATTACHMENT

**15.3. Side Letter Agreement for Employee Association of Professionals Gain Sharing ♦**

The Board of Directors will direct Administration to execute the Side Letter Agreement that has been approved by the Employee Association of Professionals regarding Gain Sharing.

- 15.3.1. Side Letter Agreement for Employees Association of Professionals Gain Sharing  
.....ATTACHMENT

**15.4. Audit Firm Contract with Moss Adams.....ATTACHMENT**

The Board of Directors will review the engagement letter agreement presented by Moss Adam and may direct Administration to execute the agreement.

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

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

- 17.1. Community Benefit Committee Meeting – No Meeting held in November.

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District  
**November 17, 2016 AGENDA – Continued**

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- 17.2. **Governance Committee Meeting** – 11/16/2016 ..... ATTACHMENT
- 17.3. **Finance Committee Meeting** – 11/17/2016 ..... ATTACHMENT
- 17.4. **Quality Committee Meeting** – No meeting held in November.
- 17.5. **Personnel Committee Meeting** – No meeting held in November.

**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.

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

**20. ITEMS FOR NEXT MEETING**

**21. CLOSED SESSION**

- 21.1. **Public Employee Performance Evaluation (Government Code § 54957)**  
*Title: Chief Executive Officer*

**22. OPEN SESSION – CALL TO ORDER**

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

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

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

- 26. **MEETING EFFECTIVENESS ASSESSMENT** ..... ATTACHMENT  
The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

**27. ADJOURN**

*The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is November 17, 2016 at 11603 Donner Pass Rd., Truckee, CA. A copy of the Board meeting agenda is posted on the District's web site ([www.tfhd.com](http://www.tfhd.com)) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.*

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

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

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



## Employee of the Month, November 2016 Jen Tirdel, Clinical Informatics Analyst- Physician Svcs

We are honored to announce Jen Tirdel, Clinical Informatics Analyst, Physician Svcs as our November Employee of the Month. **Jen's IT and Data expertise is** unsurpassed and a huge asset to numerous departments. She aides in creating programs that are evidence-based and data driven. Jen holds herself to a high professional standard and **has a "never say never" mindset on any challenges she may face.**

Jen demonstrates quality and excellence through her vast knowledge of her trade and **her ability to understand the "ins and outs" of the data.** Her understanding of the data transcends into greater insight and training for others. She has provided her stewardship to assist in creating programs that have an impact on community health and well-being. Most of all, Jen is a team player in her assistance and training on all things Epic. Jen uses effective communication and is assessable, kind, and through. She has helped launch programs such as Care Management and Medicare Annual Wellness Visits in the MSC setting.

Jen meets and exceeds the definition of the TFHS mission and values but most of all has been an invaluable asset to the hospital with her IT and Data expertise.



**FOR IMMEDIATE RELEASE**  
November 3, 2016

Contact: Paige Thomason  
Tahoe Forest Health System  
Director of Marketing/Communications  
(530) 582-6290  
[pthomason@tfhd.com](mailto:pthomason@tfhd.com)

**INCLINE VILLAGE COMMUNITY HOSPITAL RECEIVES TWO  
2016 PRESS GANEY AWARDS FOR  
OUTSTANDING PERFORMANCE IN PATIENT EXPERIENCE**

*Awarded Both Guardian of Excellence and Pinnacle of Excellence Awards*

[www.tfhd.com](http://www.tfhd.com)

*(Incline Village, Nevada)* – Incline Village Community Hospital (IVCH) is pleased to announce it has been named a 2016 Guardian of Excellence Award® winner by Press Ganey Associates, Inc. The Guardian of Excellence Award recognizes top-performing health care organizations that have consistently achieved the 95<sup>th</sup> percentile or above of performance in Patient Experience, based on patient surveys.

IVCH has also been named a 2016 Pinnacle of Excellence Award® winner. This award recognizes top-performing clients from health care organizations nationwide on the basis of extraordinary achievement and consistently high levels of excellence for three years in Patient Experience.

The Press Ganey Guardian of Excellence Award® is a nationally recognized symbol of achievement in health care. Presented annually, the award honors clients who consistently sustained performance in the top 5% of all Press Ganey clients for each reporting period during the course of one year.

According to Harry Weis, CEO, Tahoe Forest Health System, the award represents an important recognition from the industry's leader in measuring, understanding and improving the patient experience. "Each day our staff strives to serve the Incline community with caring, compassionate, quality medical care," says Weis. "We are humbled and honored to receive these awards."

"We are proud to partner with Incline Village Community Hospital," said Patrick T. Ryan, CEO of Press Ganey. "These awards are a testament to the organization's commitment to delivering patient-centered care. By achieving and sustaining this level of excellence, Incline Village Community Hospital demonstrates their efforts to advance the overall quality of health care in the Incline Village Community."



### **About Press Ganey**

*Press Ganey is a leading provider of patient experience measurement, performance analytics and strategic advisory solutions for health care organizations across the continuum of care. With over 30 years of experience, Press Ganey is recognized as a pioneer and thought leader in patient experience measurement and performance improvement solutions. Our mission is to help health care organizations reduce patient suffering and improve clinical quality, safety and the patient experience. As of January 1, 2016, Press Ganey served more than 26,000 health care facilities. For more information, visit [www.pressganey.com](http://www.pressganey.com).*

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### **About Tahoe Forest Health System**

*TFHS is a not for profit rural health care facility. It is a UC Davis Rural Center of Excellence, one of America's Best Hospital for OB and was rated one of the nation's Top 100 Critical Access Hospitals (2012-13). Incline Village Community Hospital (IVCH) has been open since 1981 and a proud part of the Tahoe Forest Health System since 1996. IVCH provides excellent 24/7, 365 emergency department and also several outpatient services to the North Shore communities of Lake Tahoe. IVCH is a three time recipient of the Press Ganey Guardian of Excellence award based on patient satisfaction (2013, 2014, and 2015). TFHD is committed to outstanding quality and excellent patient care. Our vision: "To serve our region by striving to be the best mountain health system in the nation." For more information about Tahoe Forest Health System, visit [www.tfhd.com](http://www.tfhd.com).*

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**MEDICAL EXECUTIVE COMMITTEE  
 RECOMMENDATIONS TO BOARD OF DIRECTORS  
 Thursday, November 17, 2016**

REFERRED BY:	AGENDA ITEMS	OVERHEAD/ ATTACHMENT	RECOMMEND
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TFHD 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 recommends approval of the following policies and procedures (10-26-16): ➤ ECC Swing Skilled admission orders.	1	Recommend approval
2. Department I, II, III	Departments I, II, and III recommends approval of the following policy and procedure: ➤ Proctoring Policy	2	Recommend approval
3. Department III	Department III recommends approval of the amendments to include emergency medicine privileges for NP/PAs on the following privilege form: ➤ Combined NP/PA Privilege Request Form	3	Recommend approval

## Physician's Admit Orders

Admit To: Tahoe Forest Hospital Swing / Extended Care Orders	
1	Diagnoses: 1: _____ 2: _____ 3: _____ 4: _____
2	Allergies: _____ Reaction(s): _____ Allergies: _____ Reaction(s): _____
3	Code Status: _____ <input type="checkbox"/> POLST
4	Admitting MD: _____ Attending MD: _____
5	Height: _____ Weight: _____
6	Rehab. Potential: Good: _____ Fair: _____ Poor: _____
7	Diet: _____ Texture: _____ Milkshake or supplement per MNT recommendation
8	Oxygen @ _____ LPM to Keep SpO <sub>2</sub> > _____ OR <input type="checkbox"/> N/A
9	Lab Tests: CBC: _____ CMP: _____ BMP: _____ UA: _____ THY. Panel: _____ VIT B12: _____ VIT D 25-OH: _____ Folate Level: _____ PT: _____ Other: _____ <input type="checkbox"/> N/A
10	Tuberculosis Surveillance per Protocol (ECC Required Only). Admit QuantiFERON-TB Gold Test. Chest X-ray if History of a Positive PPD Skin Test or QuantiFERON-TB Gold Test, indicated: <input type="checkbox"/> Yes <input type="checkbox"/> No
11	<input type="checkbox"/> Bowel Care Regime: 1) May Give MOM 30mL PO PRN HS No BM X2 Days. 2) Dulcolax Supp 10mg 1 PR PRN AM No BM X3 Days and MOM ineffective. 3) Fleets Enema PR PRN HS After 4 Days If No BM and MOM & Dulcolax ineffective
12	<input type="checkbox"/> Physical Therapy Evaluation With Recommendations <input type="checkbox"/> Occupational Therapy Evaluation With Recommendations <input type="checkbox"/> Physical Therapy Evaluation and Treatment 1-2x a day for 5 days. Treatment to include functional mobility training (gait, transfers, bed mobility), therapeutic exercise, range of motion, patient and family education, as indicated. <input type="checkbox"/> Weight bearing status: <input type="checkbox"/> NWB <input type="checkbox"/> TTWB <input type="checkbox"/> PWB <input type="checkbox"/> WBAT <input type="checkbox"/> FWB Precautions: _____ <input type="checkbox"/> Occupational Therapy Evaluation and Treatment 1-2x a day for 5 days. Treatment to include ADL retraining training (grooming, toilet transfers, dressing, bathing), functional mobility, balance, therapeutic exercise, UE range of motion, energy conservation techniques, patient and family education, safety training, CME/DC planning as indicated. ____ <input type="checkbox"/> Weight bearing status: <input type="checkbox"/> NWB <input type="checkbox"/> TTWB <input type="checkbox"/> PWB <input type="checkbox"/> WBAT <input type="checkbox"/> FWB Precautions: _____ <input type="checkbox"/> Speech Therapy Evaluation and Treatment 1x a day for 3-5 days. Treatment may include cognitive training, dysphagia training, therapeutic exercise, patient and family education, safety training.
13	<input type="checkbox"/> Amb Ad Lib <input type="checkbox"/> Amb W/ Assist <input type="checkbox"/> Amb W/Device <input type="checkbox"/> Up In W/C <input type="checkbox"/> Up In Geri/Chair <input type="checkbox"/> Bedrest <input type="checkbox"/> Up To Bathroom Per Self
14	Verify Activity Plan/ Resident Care Plan Is Not In Conflict With Medical Treatment Plan.

Resident Label

15	Tdap Vaccination, (adult) 0.5 mL IM x1 If Not Given In The Past 10 Years: <input type="checkbox"/> Yes <input type="checkbox"/> No Pneumococcal Polyvalent Vaccine (PPV 23) (Pneumovax 23) 0.5 mL IM x1 If Not Given, Residents who received Pneumovax between the ages of 19-64 require second vaccination at age 65 but do not give if within the last five years: <input type="checkbox"/> Yes <input type="checkbox"/> No FLU Vac 0.5 mL/dose Vial IM during flu season. May Have Flu Vac. Annually: <input type="checkbox"/> Yes <input type="checkbox"/> No	
16	Resident Has Capacity to Self-Administer His/her Medications With Review And Approval of Interdisciplinary Team: <input type="checkbox"/> Yes <input type="checkbox"/> No	
17	Resident Has The Capacity To Make Decisions In Medical Treatment: <input type="checkbox"/> Yes <input type="checkbox"/> No. If No, Indicate Legal Surrogate/Healthcare Agent _____	
18	Resident May Go Out On Pass With Responsible Party: <input type="checkbox"/> Yes <input type="checkbox"/> No	
19	Resident Has Been Informed Of Diagnoses: <input type="checkbox"/> Yes <input type="checkbox"/> No	
20	ECC Resident May Have Dental Screening: <input type="checkbox"/> Yes <input type="checkbox"/> No	
21	ECC Resident May Have Ears Cleaned Per ECC Procedure: <input type="checkbox"/> Yes <input type="checkbox"/> No	
22	PICC Line Care Per TFHD Procedure: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
23	<del>Mepilex Border Sacrum if indicated by Pressure Ulcer Risk Assessment</del>	
24	PLEASE COMPLETE MEDICATION RECONCILIATION FORM	
Resident Label	<b>Nursing Verification Of Orders</b>  Signature: _____  Date: _____ Time: _____	<b>Physician Signature</b>  Signature: _____ Date: _____ Time: _____ All Orders Are Good For 45 Days

P&T approved: 01 15



**TAHOE  
FOREST  
HEALTH  
SYSTEM**

**Origination Date:** N/A  
**Last Approved:** N/A  
**Last Revised:** N/A  
**Next Review:** N/A  
**Department:** *Credentialing and Privileging - MSCP*  
**Applies To:**

## Proctoring for Medical Staff and Allied Health Professionals

### PURPOSE:

This document outlines the process used for conducting an evaluation through the use of a comprehensive performance framework to evaluate the competence of practitioner’s performance through observation and proctoring of practitioners defined in this document who have been granted clinical privileges.

### POLICY:

Proctoring and observation for medical staff members, podiatrists, dentists, and allied health professionals who have provisional privileges shall be conducted per the following guidelines.

The first procedure (1) and the next four (4) of the subsequent fifteen (15) cases of a varied nature will be proctored for proceduralists, and/or the first admission (1) or consultation, and the next four (4) of the subsequent (15) cases of a varied nature done in the case of non-proceduralists. This includes proctoring of cases when the practitioner is on call.

If a practitioner does not have his cases proctored as described above, he/she will be considered in violation of this policy and the medical staff bylaws or allied health professional guidelines; and the matter will be brought before the Executive Committee for discussion and possible corrective action.

### PROCEDURE:

SPECIALTY	MINIMUM # PROCTORED	TYPES OF CASES
Anesthesiology	5	Inpatient or outpatient or procedure rooms.
Emergency medicine	10	Retrospective review of 5 ER charts PLUS Five (5) Bedside Ultrasound Cases
Family practice	5 Admits 5 Invasive Proc	Hospital admissions and/or consultations. *Invasive procedures: “Other invasive procedures” below. First 5 cases will be proctored.
Internal medicine	5	Hospital admissions and/or consultations. *Invasive procedures: See “Other invasive procedures” below.

Obstetrics	10	5 vaginal deliveries 5 C-Sections
Pathology	5	Retrospective review.
Pediatrics	5 Admits 5 Invasive Proc	Hospital admissions and/or consultations. *Invasive procedures [Example: Circumcision] See "Any surgical specialty" below.
Podiatrists	5	Operative procedures performed in the inpatient or outpatient operating or procedure rooms. If privileged for *RRA procedures, at least two (2) cases must be proctored. *Rear foot and ankle procedures
Radiology	5	Concurrent or retrospective review.
Any other medicine specialty	5	Hospital admissions and/or consultations.
*Any surgical specialty (incl Gyn)	5	Operative procedures performed in the inpatient or outpatient operating or procedure rooms.
*Other invasive procedures	5	Includes all endoscopies (colonoscopy, upper GI endoscopy and bronchoscopy), interventional radiology procedures, etc..

**The period of observation will be six months and a minimum of five cases.**

**If five cases are not recorded during the first six-month period, the period of observation will be extended until all cases can be evaluated, but shall not extend beyond 24 months.**

1. General Guidelines:

- a) The medical staff office shall notify the appropriate department chief and service leader/manager of the names of people who are eligible for proctoring.
- b) It shall be the practitioner's responsibility to make sure all required and completed proctor forms are sent to the Medical Staff Services Office.
- c) The medical staff office shall notify appropriate department chief when all required proctor forms have been received and are ready for review to determine eligibility for consideration of discontinuance of proctoring.

2. Practitioner's Responsibility/Request For A Proctor

The practitioner to be proctored is responsible for arranging for a proctor, who must be an active or courtesy staff member. The proctor must be a physician who has previously satisfied his/her proctoring requirements.

From the time temporary privileges are authorized and during the provisional period.

- a) Any non-provisional active or courtesy medical staff member may act as a proctor.
- b) When practical, some proctoring should be done by a practitioner not affiliated with the person to be proctored.
- c) For the ten cases, there should be more than one person selected to proctor cases.
- d) All or at least some of the proctoring should be done by practitioners with similar or the same privileges as those being demonstrated by the person being proctored.
- e) If a case requires an assistant or a consultant, that practitioner may be utilized as the proctor, if qualified.

- f) The practitioner for whom a procedure is to be proctored is responsible for requesting the services of a proctor. The proctor must be notified in advance by the practitioner to be proctored by giving the proctor at least three (3) working days' notice (Monday-Friday) or more for non-emergency cases, if possible. To the extent practical, prior notification of a practitioner's proctor shall be given to the unit staff where the procedure is to be done at the time the case is scheduled.
- g) The medical practitioner must notify and arrange for a proctor within 24 hours of admission.
- h) The practitioner who will have a delivery proctored must notify a proctor in time for him to arrive to witness the delivery.

### 3. Proctor Responsibilities

- a) The proctor has the option, but is not required, to scrub for a case he is proctoring, if he so chooses. It will be necessary to observe only the central part of the procedure being monitored.
- b) For proctoring of a hospital admission or consultation, the proctor shall review the patient's chart at some time during hospitalization or after discharge.
- c) The proctor is responsible for completion of the appropriate proctoring form. The proctor shall complete the form, evaluating the attending practitioner's professional performance, judgment, and clinical and technical skills. Observations may be made on the form regarding indications for a surgical procedure, work-up, consultations, use of consultants, technical performance, etc. These observations and documentation will be confidential and shall be considered by the appropriate department chief and the Medical Executive Committee ("MEC"). The forms will be forwarded to the medical staff office.

### 4. Dental Surgery

- a) Truly surgical procedures done by oral and maxillofacial surgeons shall fall under the case minimum rule (cited above), as per all other surgical procedures.
- b) Dental procedures limited to the teeth themselves, which are occasionally done under general anesthesia, shall require proctoring **of a total of five (5) cases.**

### 5. Podiatrists

- a) Podiatrists may proctor podiatrists only, but they may be proctored by any other surgeon who is a member of the active or courtesy medical staff.

### 6. Psychologists

- a) Psychologists who have already satisfied the proctoring requirements may proctor other psychologists, and they may be proctored by any other physician who is a member of the active or courtesy medical staff, as specified in this policy.

### 7. Allied Health Professionals:

- A. An AHP shall be subject to a period of observation to extend for a minimum of six (6) months or twelve (12) cases, whichever is longer. The observation period shall last a maximum of eighteen (18) months or for such longer time as the department chair may specify, subject to Medical Executive Committee approval. Observation may include concurrent or retrospective chart review, proctoring, or the requirement of consultation. The observer shall be a practitioner on the Medical Staff or Allied Health Professional status who exercises clinical privileges relevant to the activity being evaluated and who has previously satisfied his/her proctoring requirements.

### 8. Discontinuation of Proctoring

- A. The Chief may, at his or her discretion, elect to reduce or increase the number of proctored cases, based on the recommendation of the proctor.
- B. When the appropriate Department Chief, or his/her designee, has reviewed and deemed the documentation complete on the proctoring forms, he has the authority, if deemed appropriate by him, to authorize the temporary discontinuation of the proctoring. When the person being proctored is given such authorization, the appropriate Chief will notify the medical staff office and the chairman of the Medical Executive Committee or their delegates that the proctoring has been temporarily discontinued until such time as the Medical Executive Committee has had the opportunity to recommend discontinuation of the proctoring. If deemed appropriate by the MEC, a recommendation to discontinue proctoring may be considered after five cases are proctored or may be extended for a period of time determined by the committee.
- C. If the provisional staff appointee has privileges at Incline Village Community Hospital, evidence of successful completion of proctoring at that facility may be honored as compliance of proctoring requirements for same privileges held at Tahoe Forest Hospital. Likewise, if the provisional staff appointee has privileges at Tahoe Forest Hospital, evidence of successful completion of proctoring at that facility may be honored as compliance of proctoring requirements for same privileges held at Incline Village Community Hospital.
- D. Only the TFHD Board of Directors shall give final formal authorization for proctoring to be discontinued. The practitioner will be informed in writing when proctoring has been formally discontinued.

## Special Instructions / Definitions:

- "Medical Staff" means a self-governing body (i.e., self-governing means the leaders of the organized medical staff act responsibly to accomplish required organizational functions) that has the overall responsibility for the quality of professional services provided by individuals with or without clinical privileges and also the responsibility of accounting, therefore, to the Tahoe Forest Hospital District (TFHD) Board of Directors. The medical staff acts as a group or by authorized act of its committees or other delegates.
- "Medical Staff Bylaws, Rules & Regulations" means a document that describes the organization, roles, and responsibilities of the medical staff. The bylaws are developed, adopted, and periodically reviewed by the medical staff and approved by the governing body.
- "Allied Health Professional Guidelines" refers to the guidelines for Allied Health Professionals and Standardized Procedures' document that describes standards that apply to those practitioners who are accorded Allied Health Professional status at Tahoe Forest Hospital and/or Incline Village Community Hospital and who are under the jurisdiction of the Medical Staff.
- "Credentials file" means a confidential file established for the purpose of storing information as cited in the purpose above.
- "Peer review file" means a confidential file established for the purpose of storing information as cited in the purpose above.
- "Peer review" is the evaluation of an individual practitioner's professional performance and includes the identification of opportunities to improve care.
- "Proctoring" means to supervise, oversee, and monitor another person's activities.



- “Focused Professional Practice Evaluation” (FPPE) means the establishment of current competency for new medical staff members, new privileges and or concerns from ongoing professional practice evaluations.

## **Related Policies/Forms:**

- TFHD Medical Staff Bylaws, Rules & Regulations
- Guidelines For Allied Health Professionals and Standardized Procedures
- Proctor evaluation forms

## **References:**

All revision dates:

## **Attachments:**

No Attachments

DRAFT



## TAHOE FOREST HOSPITAL DISTRICT ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT Delineated Clinical Privilege Request

**NAME:** \_\_\_\_\_

Check which applies:

- Tahoe Forest Hospital (TFH), Inpatient, Oncology, SNF, Outpatient, Emergency, TFH Clinics
- Incline Village Community Hospital (IVCH), Inpatient, Outpatient, Emergency, Health Clinic

Check which applies:

- Nurse Practitioner
  - Physician Assistant
- Check one:       -Initial       Change in Privileges       Renewal of Privileges

To be eligible to request these clinical privileges, the applicant must meet the following threshold criteria:

<b>Basic Education, Training, Licensure, and Experience</b>	<b>Nurse Practitioner:</b> <ul style="list-style-type: none"> <li>California Certification from an accredited school for nurse practitioner training</li> <li>Current advance practice RN licensure to practice in California, and/or</li> <li>Current advance practice RN licensure to practice in Nevada, as appropriate.</li> <li>Provide evidence of Collaborative Service Agreement (CA); and/or evidence of Supervising Physician Agreement (NV State Medical Board), as applicable.</li> </ul>
	<b>Physician Assistant:</b> <ul style="list-style-type: none"> <li>Completion of a PA program accredited by the Accreditation Review Commission on Education for the Physician Assistant.</li> <li>Current California and/or Nevada license in good standing, as applicable.</li> <li>Provide evidence of Delegation of Service Agreement (CA); and/or evidence of Supervising Physician Agreement (NV State Medical Board), as applicable.</li> </ul>
<b>Certification:</b>	<b>Nurse Practitioner:</b> <u>Current</u> ANCC or AANP certification <b>Physician Assistant:</b> <u>Current</u> NCCPA <b>NP and PA:</b> Current BLS (must submit copy)
<b>Clinical Competency References: 3</b>	<b>Initial and Reappointment:</b> At least one peer reference should have the same licensure as the applicant; e.g., nurse practitioner or physician assistant. Other references should include physicians with whom the applicant has worked and/or been employed. <b>Reappointment:</b> At least one reference from a supervising physician, if applicable.
<b>Proctoring/Evaluation:</b>	See "Proctoring New Applicant" listed with procedures for specific proctoring requirements. Where applicable, additional proctoring/evaluation may be required if minimum number of cases cannot be documented.
<b>Other:</b>	<ul style="list-style-type: none"> <li>Malpractice insurance in the amount of \$1m/\$3m</li> <li>Current, unrestricted DEA certificate in CA and/or NV, as applicable (Schedules II-V). Nevada Pharmacy Board Certificate, if applicable</li> <li>Ability to participate in federally funded program (Medicare or Medicaid)</li> <li><u>Physician Assistants must have an identified Physician Supervisor who is a member of the Hospital's medical staff.</u></li> <li><u>PA's must complete an educational course in controlled substances that meets the standards of practice by TFHD and State of California.</u></li> <li>Nurse Practitioners must have a Collaborative Agreement with a designated *supervising physician member of the Hospital's medical staff. Inpatient Nurse Practitioners must have an identified collaborating physician on the Hospital's medical staff.</li> <li>Must function under defined standardized procedures or protocols.</li> </ul>

If you meet the threshold criteria above, you may request privileges as appropriate to your training and current competence.

\*Per the CA Physician Assistant Practice Act [Section 3516] No physician and surgeon shall supervise more than four physician assistants at any one time.

**TAHOE FOREST HOSPITAL DISTRICT  
ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
Delineated Clinical Privilege Request**

**Name:** \_\_\_\_\_

**Applicant:** Place a check in the **(R)** column for each privilege **Requested**. Initial applicants must provide documentation of the number patients seen/treated during the past 24 months.

**Recommending individual/committee must note:** (A) = Recommend Approval as Requested. **NOTE:** If conditions or modifications are noted, the specific condition and reason for same must be stated on the last page.

**TAHOE FOREST HOSPITAL DISTRICT  
 ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
 Delineated Clinical Privilege Request**

**Name:** \_\_\_\_\_

(R)	(A)	<b>GENERAL PRIVILEGES</b> Please check the appropriate "core privileges" for your practice area	Estimate # of patients seen in last 24 months	Proctoring New applicants	Reappointment Criteria
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**TAHOE FOREST HOSPITAL DISTRICT  
ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
Delineated Clinical Privilege Request**

Name: \_\_\_\_\_

□	□	<p><b>OUTPATIENT</b> (Tahoe Forest/Incline Village Hospital) This list of Core privileges below is representative of the type of practice privileges that may be performed by PA/NP but does not necessarily contain all core practice privileges that may be performed by PA/NPs in this specialty. Please mark through and initial any privileges that you do not wish to include in our core practice privileges:</p> <ul style="list-style-type: none"> <li>• <u>History documentation and physical examinations.</u></li> <li>• <u>Conduct initial and ongoing assessment of the patient's medical and physical status.</u></li> <li>• Refer to hospital for admission and treatment.</li> <li>• Evaluate, diagnose, and treat in outpatient clinic.</li> <li>• Management of acute and chronic conditions.</li> <li>• Emergent Care such as respiratory arrest, cardiac arrest following approved protocols.</li> <li>• Collecting, ordering, and interpreting lab work, <u>therapies, x-rays</u> and <u>other</u> diagnostic studies following approved protocols.</li> <li>• Ordering therapies as part of treatment plans such as speech and physical therapy, psychological counseling following approved protocols.</li> <li>• <u>Medication management, including controlled substances,</u> with physician consultation following approved protocols.</li> <li>• <u>Instructing, educating and counseling patients and families concerning health status, results of tests, disease process, and discharge planning.</u></li> <li>• <u>Facilitate and initiate referrals to appropriate health care agencies and arranging community resources.</u></li> </ul> <p style="text-align: center;">Specialty consultation with physician when level of competence or comfort exceeded per approved protocols.</p> <p><b><u>Procedures and minor surgery including:</u></b></p> <ul style="list-style-type: none"> <li>• Splinting &amp; Casting, simple</li> <li>• Incision and drainage of non-facial abscess less than 5 cm in size</li> <li>• Suture non-facial laceration less than 5 cm in size</li> <li>• Wart removal with cryotherapy</li> <li>• Toenail removal</li> <li>• Excision and Biopsy</li> </ul>	_____	<p>Ten cases proctored (list of patients seen are provided by practitioner)</p> <p>3 and 6 month reviews through random chart review and physician feedback</p>	<p>Actively seeing patients in occ health/health clinic setting (minimum of 100 in two years)</p> <p>On going bi-monthly chart review (5% of charts) by Medical Director or Supervising Physician); special review when exceptional conditions exist</p>
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**TAHOE FOREST HOSPITAL DISTRICT  
 ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
 Delineated Clinical Privilege Request**

**Name:** \_\_\_\_\_

(R)	(A)	<b>GENERAL PRIVILEGES</b> Please check the appropriate "core privileges" for your practice area	Estimate # of patients seen in last 24 months	Proctoring New applicants	Reappointment Criteria
		<ul style="list-style-type: none"> <li>• Joint Injections</li> </ul>			

**TAHOE FOREST HOSPITAL DISTRICT  
ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
Delineated Clinical Privilege Request**

**Name:** \_\_\_\_\_

<input type="checkbox"/>	<input type="checkbox"/>	<p><b>INPATIENT or OUTPATIENT HOSPITAL SETTING</b>  <b>Core privileges for the inpatient or outpatient hospital setting include the following: [NOTE: Any patient requiring ICU or step-down ICU status will be transferred to the on-call physician.]</b></p> <ul style="list-style-type: none"> <li>• History documentation and Physical examinations,</li> <li>• Preop/Preadmission</li> <li>• Dictation of admission H&amp;P and initiation of admitting orders.</li> <li>• Obtain informed consent</li> <li>• POLST: Under direction of physician, sign Physician Orders for Life-Sustaining Treatment forms.</li> <li>• Patient visits and recording progress notes.</li> <li>• Dictation of discharge summary and/or initiation of discharge orders in consultation with supervising and/or employing physician/s.</li> <li>• Assess medical risks and appropriately prevent and treat risks (e.g., VTE).</li> <li>• Ordering of diagnostic lab, wound cultures, radiology services, and therapies in consultation with or using procedures approved by supervising and/or employing physician/s.</li> <li>• Consultation with care coordinators, nursing staff, or clinical educators.</li> <li>• Prescribe, administer, and/or dispense drugs allowed by license and within scope of practice.</li> <li>• Specialty consultation with physician when level of competence exceeded per approved protocols.</li> <li>• Provision of patient education and make appropriate referrals</li> </ul> <p><b><u>Procedures and minor surgery including:</u></b></p> <ul style="list-style-type: none"> <li>• Apply and remove wound vacs</li> <li>• Arthrocentesis for joint &amp; bursa aspirations to rule out infections</li> <li>• Casting, simple</li> <li>• Closed reductions of dislocations</li> <li>• Reductions of extremity fractures</li> <li>• Hardware removal requiring only local anesthesia</li> <li>• Incision and drainage of non-facial abscess less than 5 cm in size</li> <li>• Suture non-facial laceration less than 5 cm in size</li> <li>• Excision and Biopsy</li> <li>• Joint injections</li> <li>• Injections of hematoma blocks for reductions</li> <li>• Injections IM, IV, Intra articular, SQ and Tendon Sheaths</li> </ul>		<p>Ten cases proctored (list of patients seen are provided by practitioner )</p> <p>3 and 6 month reviews through random chart review and physician feedback</p>	<p>Minimum of 5 patients managed in inpatient setting in two years &amp; actively seeing patients in the outpatient setting (minimum of 100 patients in two years)</p> <p>On going bi-monthly chart review (5% of charts) by Medical Director or Supervising Physician); special review when exceptional conditions exist</p>
<input type="checkbox"/>	<input type="checkbox"/>				

**TAHOE FOREST HOSPITAL DISTRICT  
ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
Delineated Clinical Privilege Request**

Name: \_\_\_\_\_

(R)	(A)	<b>GENERAL PRIVILEGES</b> Please check the appropriate "core privileges" for your practice area	Estimate # of patients seen in last 24 months	Proctoring New applicants	Reappointment Criteria
		<ul style="list-style-type: none"> <li>• Traction and Insertion of Steinman Pins for Skeletal Traction</li> <li>• Wound care, assessment &amp; dressing changes</li> <li>• Pronounce a patient death.</li> </ul>			
<input type="checkbox"/>	<input type="checkbox"/>	<p><b>PA SURGICAL FIRST ASSIST – OPERATING ROOM</b> <b>Core privileges include:</b> The supervising physician may delegate to a PA only those tasks and procedures consistent with the supervising physician's specialty. The PA may assist with any procedure/surgery approved by the Department of Surgery for the supervising physician/surgeon:</p> <ul style="list-style-type: none"> <li>• Positioning, prepping and draping the patient</li> <li>• Manipulation tissue/bone</li> <li>• Providing retraction</li> <li>• Drilling, reaming, nail/plate and screw placement</li> <li>• Intraoperative fracture reductions</li> <li>• Providing hemostasis</li> <li>• Performing suturing and knot tying</li> <li>• *Providing closure of tissue layers with suture, staples, or steristrips</li> <li>• *Affixing and stabilize drains</li> <li>• Reduction of fractures/dislocations</li> <li>• Removal of external fixaters</li> <li>• Joint/tissue injections</li> <li>• Applying dressings and splints or casts</li> </ul> <p><b>NOTE:</b> *The PA may surgically close all layers, affix and stabilize drains deemed appropriate by the supervising physician. The supervising physician is responsible for all aspects of the invasive/surgical procedure including wound closure and must provide supervision (need not be present in the room) when the PA closes the wound.</p>	_____	<p>Ten cases reviewed at random (list of patients are provided by practitioner if needed)</p> <p>Review and evaluation of care by surgeons and surgical supervisor</p>	<p>Actively assisting surgeons (minimum of 5 in two years) with annual review and favorable competency evaluations</p> <p>On going bi-monthly chart review(5% of charts) by Medical Director or Supervising Physician); special review when exceptional conditions exist</p>

**SKILLED NURSING FACILITY (SNF)**



**TAHOE FOREST HOSPITAL DISTRICT  
ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
Delineated Clinical Privilege Request**

Name: \_\_\_\_\_

(R)	(A)	<b>GENERAL PRIVILEGES</b> Please check the appropriate "core privileges" for your practice area	Estimate # of patients seen in last 24 months	Proctoring New applicants	Reappointment Criteria
<input type="checkbox"/>	<input type="checkbox"/>	<p>Core privileges for the skilled nursing facility are limited to performing alternating federally mandated physician visits, at the option of the physician, after initial visit by the physician in the SNF and medically necessary visits for the diagnosis or treatment of an illness or injury as needed.</p> <ul style="list-style-type: none"> <li>• History documentation and Physical examinations.</li> <li>• Patient visits and recording progress notes.</li> <li>• Dictation of discharge summary and/or initiation of discharge orders in consultation with supervising and/or employing physician/s.</li> <li>• Assess medical risks and appropriately prevent and treat risks (e.g., VTE).</li> <li>• Ordering of diagnostic lab, radiology services, and therapies in consultation with or using procedures approved by supervising and/or employing physician/s.</li> <li>• Consultation with care coordinators, nursing staff, or clinical educators.</li> <li>• Prescribe, administer, and/or dispense drugs allowed by license and within scope of practice.</li> <li>• Provision of patient education and make appropriate referrals.</li> <li>• POLST: Under direction of physician, sign Physician Orders for Life-Sustaining Treatment forms.</li> <li>• Pronounce a patient death.</li> </ul> <p>Specialty consultation with physician when level of competence exceeded per approved protocols.</p>	_____	<p>Ten cases proctored (list of patients seen are provided by practitioner )</p> <p>3 and 6 month reviews through random chart review and physician feedback</p>	<p>Minimum of 5 patients managed in Skilled Nursing setting in two years &amp; actively seeing patients in the outpatient setting (minimum of 100 patients in two years)</p> <p>On going bi-monthly chart review (5% of charts) by Medical Director or Supervising Physician); special review when exceptional conditions exist</p>
<b>INPATIENT / OUTPATIENT CHEMOTHERAPY</b>					
<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>• Order adjustment per protocol.</li> </ul> <p>Specialty consultation with physician when level of competence exceeded per approved protocols.</p>	_____	<p>Ten cases proctored at random (list of patients seen are provided by practitioner)</p> <p>3 and 6 month reviews through random chart review and physician feedback</p>	<p>Actively seeing patients in cancer center setting/inpatient (minimum of 100 in two years, including 5 inpatient cases)</p> <p>On going bi-monthly chart review(5% of charts) by Medical Director or Supervising Physician); special review when exceptional conditions exist</p>
<b>EMERGENCY DEPARTMENT (TFH or IVCH)</b>					

**TAHOE FOREST HOSPITAL DISTRICT  
ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
Delineated Clinical Privilege Request**

Name: \_\_\_\_\_

(R)	(A)	GENERAL PRIVILEGES Please check the appropriate "core privileges" for your practice area	Estimate # of patients seen in last 24 months	Proctoring New applicants	Reappointment Criteria
		<p>Core privileges for physician assistants and nurse practitioners in emergency medicine include the care for patients of all ages to correct or treat various conditions, illnesses, or injuries including the provision of consultation on behalf of their supervising physician. Core privileges also include assisting the supervising physician with diagnosis and management in the following areas:</p> <ul style="list-style-type: none"> <li>• History documentation and physical examinations.</li> <li>• Perform a Medical Screening Examination.</li> <li>• Conduct initial and ongoing assessment of the patient's medical and physical status.</li> <li>• Refer to hospital for admission and treatment.</li> <li>• Evaluate, diagnose, and treat in outpatient clinic.</li> <li>• Management of acute and chronic conditions.</li> <li>• Emergent Care such as respiratory arrest, cardiac arrest following approved protocols.</li> <li>• Collecting, ordering, and interpreting lab work, therapies, x-rays, ECGs, and other diagnostic studies following approved protocols.</li> <li>• Ordering therapies as part of treatment plans such as speech and physical therapy, psychological counseling following approved protocols.</li> <li>• Medication management, <u>including controlled substances</u>, with physician consultation following approved protocols.</li> <li>• Instructing, educating and counseling patients and families concerning health status, results of tests, disease process, and discharge planning.</li> <li>• Facilitate and initiate referrals to appropriate health care agencies and arranging community resources.</li> <li>• Specialty consultation with physician when level of competence or comfort exceeded per approved protocols.</li> </ul> <p><b>Procedures:</b> Procedures within scope of practice may be performed with consultation when appropriate. These may include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Splinting &amp; casting</li> <li>• Local anesthesia</li> <li>• Incision and drainage</li> <li>• Wound management and closure</li> <li>• Nail removal</li> <li>• Joint, bursa, and trigger point injection</li> <li>• Foreign body removal</li> <li>• Urinary bladder catheterization</li> </ul>		<p>3 and 6 month reviews through random chart review and physician feedback</p> <p>Ten cases proctored (list of patients seen are provided by practitioner)</p>	<p><u>Actively seeing patients in ER setting (minimum of 100 in two years, may include outpatient or ortho)</u></p> <p>On going bi-monthly chart review(5% of charts) by Medical Director or Supervising Physician); special review <u>as needed</u></p>

# TAHOE FOREST HOSPITAL DISTRICT ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT Delineated Clinical Privilege Request

Name: \_\_\_\_\_

(R)	(A)	<b>GENERAL PRIVILEGES</b> Please check the appropriate "core privileges" for your practice area	Estimate # of patients seen in last 24 months	Proctoring New applicants	Reappointment Criteria
		<b>ADDITIONAL PRIVILEGES:</b> A request for any additional privileges not included on this form must be submitted to the Medical Staff Office and will be forwarded to the appropriate review committee to determine the need for development of specific criteria. Please include with your request your case logs for the privileges you are requesting. These case logs should be from the facility(s) where the advanced practice privileges were performed in the past two (2) years.			
		<b>EMERGENCY:</b> In the case of an emergency, any individual who has been granted clinical privileges is permitted to do everything possible within the scope of license, to save a patient's life or to save a patient from serious harm, regardless of staff status or privileges granted.			

I certify that I meet the minimum threshold criteria to request the above privileges and have provided documentation to support my eligibility to request each group of procedures requested. I understand that in making this request I am bound by the applicable bylaws and/or policies of the hospital and medical staff.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant's Signature

**DEPARTMENT CHAIR REVIEW**

I certify that I have reviewed and evaluated this individual's request for clinical privileges, the verified credentials, quality data and/or other supporting information. Based on the information available and/or personal knowledge, I recommend the practitioner be granted:

- privileges as requested     privileges with modifications (see modifications below\_)     do not recommend (explain)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Chair Signature

Modifications or Other Comments:  
\_\_\_\_\_

**INTERDISCIPLINARY PRACTICE COMMITTEE (IDPC)**

- privileges as requested     privileges with modifications (see modifications below\_)     do not recommend (explain)

\_\_\_\_\_  
Date

\_\_\_\_\_  
IDPC Chair/Designee Signature

Modifications or Other Comments:  
\_\_\_\_\_

**TAHOE FOREST HOSPITAL DISTRICT  
ADVANCED NURSE PRACTITIONER/PHYSICIAN ASSISTANT  
Delineated Clinical Privilege Request**

**Name:** \_\_\_\_\_

**Medical Executive Committee:** \_\_\_\_\_ (date of Committee review/recommendation)

privileges as requested     privileges with modifications (see attached description of modifications)     do not recommend (explain)

**Board of Directors:** \_\_\_\_\_ (date of Board review/action)

privileges as requested     privileges with modifications (see attached description of modifications)     do not recommend (explain)

Department Review Dates: previously approved as separate privilege forms

IDPC Review Dates 10/14/08; 3/12; 4/13/16

Medicine Department: 5/5/16;

Surgery Department: 6/1/16

Medical Executive Committee: 10/15/08; 3/12; 6/15/16;

Board of Directors: 10/28/08; 3/12; 6/23/16;



**TAHOE  
FOREST  
HOSPITAL  
DISTRICT  
MEDICAL STAFF**

**TAHOE FOREST HOSPITAL DISTRICT  
Credentialing Applications in-Process  
November 16, 2016**

Applicant [Specialty/Practice Assoc]	TFH TRUCKEE [Category]	Temp Privileges	IVCH INCLINE VILLAGE [Category]	Temp Privileges
Christina Grayson, PA-C Emergency Medicine	AHP	None	N/A	N/A
Paul Haeder, MD Orthopedic Surgery	ACTIVE	None	N/A	N/A
Corey Maas, MD Otolaryngology/Plastics	COURTESY	None	N/A	N/A
Frank Pepe, PA-C Emergency Medicine	AHP	None	N/A	N/A
Tami Prior, NP Emergency Medicine	AHP	None	N/A	N/A
Jaime Shuff, M.D., Radiation Oncology/MSC	COURTESY	None	N/A	N/A
Jessica Starr, PA-C Emergency Medicine	AHP	None	N/A	N/A
Xiao Zhao, MD Radiation Oncology UC Davis Resident	RESIDENT	None	N/A	N/A



# REGULAR MEETING OF THE BOARD OF DIRECTORS

## DRAFT MINUTES

Thursday, October 27, 2016 at 4:00 p.m.

Tahoe Truckee Unified School District (TTUSD) Office  
11603 Donner Pass Rd, Truckee, CA

### 1. CALL TO ORDER

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

### 2. ROLL CALL

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

Staff: Harry Weis, Chief Executive Officer; Crystal Betts, Chief Financial Officer; Jake Dorst, Chief Information Officer; Karen (Gancitano) Baffone, Chief Nursing Officer; Judy Newland, Chief Operating Officer; Janet Van Gelder, Director of Quality and Regulations; Ted Owens, Executive Director of Governance and Business Development; Sarah Jackson, Executive Assistant; Jim Hook, Fox Group; Tammi Allowitz; Jason Grosdidier; Jaye Chasseur; Paige Thomason; Wendy Buchanan; Shawni Coll, DO; Jim Sturtevant;

Other: David Ruderman, Assistant General Counsel; Bill Peterson, CPA, K-COE ISOM; Andy Scott, 1Bios;

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

### 4. INPUT AUDIENCE

No public comment was received.

Open Session recessed at 4:03 p.m.

### 5. CLOSED SESSION

Discussion was held on privileged items.

### DINNER BREAK

APPROXIMATELY 6:00 P.M.

### 6. OPEN SESSION – CALL TO ORDER

Open Session reconvened at 6:00 p.m.

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

No reportable action was taken on Items 5.1., 5.2. and 5.3. Items 5.4 and 5.5 were approved by the Board of Directors by unanimous vote.

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

None.

**9. INPUT – AUDIENCE**

Steven Davidson gave public comment.

**10. INPUT FROM EMPLOYEE ASSOCIATIONS**

No public comment was received.

**11. ACKNOWLEDGMENTS**

**11.1.** Martina Vidaca was TFHD’s October Employee of the Month.

**11.2.** Andy Scott of 1Bios and team were acknowledged for the Blue Life Innovation Award.

**12. TIMED ITEM – 6:15 PM FY 2016 AUDIT PRESENTATION**

**12.1.** The FY 2016 audited financials were presented by Bill Peterson, CPA of K-COE ISOM.

No public comment was received.

**ACTION: Motion made by Director Chamblin, seconded by Director Mohun to approve the FY 2016 audit as presented.**

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

**NAYS: None**

**Abstention: None**

**14. MEDICAL STAFF REPORT**

**14.1** The Medical Staff Report and recommendations were reviewed by Dr. Jowers.

Discussion was held.

**ACTION: Motion made by Director Jellinek, 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**

**15. 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.

**15.1. Approval of Minutes of Meetings**

09/22/2016, 10/13/2016

**15.2. Financial Report**

**15.2.1.** Financial Report- September 2016

**15.3. Resolutions**

**15.3.1. 2016-10 SB957 on Design Build**

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

Discussion was held.

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

**NAYS:** None

**Abstention:** None

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

**16.1. 2017 Board Education Calendar**

The Board of Directors will review and consider future educational opportunities.

Discussion was held.

**16.2. Audit Firm Selection** ♦

The Board of Directors will receive an update and recommendation for approval from the appointed Ad hoc committee for the selection of an Audit Firm and to direct Management to move forward with contract negotiation.

Discussion was held.

**ACTION:** Motion made by Director Chamblin, seconded by Director Mohun, to approve the recommendation of the Ad hoc Committee of Moss Adams and that Crystal Betts, CFO, is directed to move forward with contract negotiation.

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

**NAYS:** None

**Abstention:** None

**16.3. Agility / Rehab Services Update**

Discussion was held.

**16.4. Memorandum of Understanding (MOU) for Employee Association** ♦

The Board of Directors will direct Administration to execute the MOU that has been approved by the Employee Association.

**16.4.1. Memorandum of Understanding for Employees Association**

Discussion was held.



**ACTION:** Motion made by Director Jellinek, seconded by Director Zipkin, to approve the Employee Association Memorandum of Understanding as presented.

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

**NAYS:** None

**Abstention:** None

**16.5. Memorandum of Understanding (MOU) for Employee Association of Professionals** ♦

The Board of Directors will direct Administration to execute the MOU that has been approved by the Employee Association of Professionals.

**16.5.1. Memorandum of Understanding for Employees Association of Professionals**

Discussion was held.

**ACTION:** Motion made by Director Sessler, seconded by Director Zipkin, to approve the Employee Association of Professionals Memorandum of Understanding as presented.

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

**NAYS:** None

**Abstention:** None

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

None.

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

**18.1. Community Benefit Committee Meeting** – No meeting was held in October.

**18.2. Governance Committee Meeting** – No meeting was held in October.

**18.3. Finance Committee Meeting** – 10/24/2016.

**18.4. Quality Committee Meeting** – No meeting was held in October.

**18.5. Personnel Committee Meeting** – No meeting was held in October.

**18.6. CEO Evaluation Committee** – Closed Session topic, Committee met, due diligence conducted.

**19. 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.

**19.1. CEO Strategic Updates**

**19.2. Staff Report(s)**

**19.2.1. CIO Board Report**

**19.2.2. CNO Board Report**

**19.2.3. COO Board Report**

**19.2.4. Marketing Department Update**

**19.2.5. AB2024 Update**

No discussion was held.

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

None.

**21. ITEMS FOR NEXT MEETING**

Administration was requested to provide an update on the activities and costs to date of Walter Kopp dba: Medical Management Services.

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

No discussion was held.

**23. MEETING EFFECTIVENESS ASSESSMENT**

No discussion was held on this item.

**24. ADJOURN**

Meeting adjourned at 7:18 p.m.

DRAFT

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

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## **OCTOBER 2016 FINANCIAL NARRATIVE**

The following is the financial narrative analyzing financial and statistical trends for the four months ended October 31, 2016.

### **Activity Statistics**

- ❑ TFH acute patient days were 376 for the current month compared to budget of 337. This equates to an average daily census of 12.13 compared to budget of 10.87.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Emergency Department visits, Surgical cases, Laboratory tests, Nuclear Medicine, MRI exams, Cat Scans, PET CTs, Pharmacy units, and Respiratory Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Endoscopy procedures, Mammography, Oncology procedures, and Radiation Oncology procedures.

### **Financial Indicators**

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 53.5% in the current month compared to budget of 53.9% and to last month's 51.8%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 53.6%, compared to budget of 54.1% and prior year's 56.7%.
- ❑ EBIDA was \$1,201,148 (6.0%) for the current month compared to budget of \$426,670 (2.2%), or \$774,478 (3.8%) above budget.
- ❑ Cash Collections for the current month were \$9,883,032 which is 88% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 54.2, compared to the prior month of 54.5. Gross Accounts Receivables are \$33,743,487 compared to the prior month of \$34,400,802. The percent of Gross Accounts Receivable over 120 days old is 22.57%, compared to the prior month of 20.89%.

### **Balance Sheet**

- ❑ Working Capital Days Cash on Hand is 21.5 days. S&P Days Cash on Hand is 182.8. Working Capital cash decreased \$2,104,000. Cash collections fell short of target by 12% and Accounts Payable decreased \$484,000. In addition we received \$1,130,000 from the IGT program and sent out \$2,315,000 for the IGT Programs, for a net decrease of \$1,185,000.
- ❑ Net Patients Accounts Receivable decreased approximately \$611,000. Cash collections were at 88% of target and days in accounts receivable were 54.2 days, a .30 days decrease.
- ❑ Estimated Settlements, Medi-Cal and Medicare increased \$1,185,000. The District remitted its second round of payments to the State to participate in the IGT program and the Medi-Cal PRIME IGT program.
- ❑ Accounts Payable decreased \$484,000 due to the timing of the final check run in October.

**Operating Revenue**

- ❑ Current month’s Total Gross Revenue was \$20,023,869, compared to budget of \$19,356,107 or \$667,762 above budget.
- ❑ Current month’s Gross Inpatient Revenue was \$6,113,606, compared to budget of \$5,440,686 or \$672,920 above budget.
- ❑ Current month’s Gross Outpatient Revenue was \$13,910,263 compared to budget of \$13,915,421 or \$5,158 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 36.6% Medicare, 21.1% Medi-Cal, .0% County, 3.8% Other, and 38.5% Insurance compared to budget of 34.8% Medicare, 17.6% Medi-Cal, .0% County, 3.5% Other, and 44.1% Insurance. Last month’s mix was 36.4% Medicare, 19.4% Medi-Cal, .0% County, 2.9% Other, and 41.3% Insurance.
- ❑ Current month’s Deductions from Revenue were \$9,318,738 compared to budget of \$8,926,177 or \$392,560 above budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.79% increase in Medicare, a 3.49% increase to Medi-Cal, a .0% decrease in County, a .34% increase in Other, and Commercial was under budget 5.62%, and 2) Revenues exceeded budget by 3.4%.

**Operating Expenses**

DESCRIPTION	October 2016 Actual	October 2016 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,756,845	3,818,384	61,540	
Employee Benefits	1,198,430	1,124,097	(74,333)	
Benefits – Workers Compensation	57,528	57,011	(517)	
Benefits – Medical Insurance	490,769	694,217	203,448	
Professional Fees	1,552,351	1,789,484	237,133	Radiology physician income guarantee, Corporate Compliance legal fees, MSC Orthopedic locums coverage, and physician fees budgeted for OB/GYN came in below budget, creating a positive variance in Professional Fees.
Supplies	1,579,739	1,731,416	151,677	Oncology Drugs Sold to Patients revenue fell short of budget by 10.3% and the shortfall of Outpatient volumes created positive variances in Pharmacy supplies, Other Non-Medical supplies, and Patient & Other Medical supplies.
Purchased Services	976,209	866,966	(109,243)	Services provided to Medical Oncology, Landry & Linen, Engineering, Retail Pharmacy for 340B oversight, and Employee annual health screenings created a negative variance in Purchased Services.
Other Expenses	561,991	580,650	18,659	Senior Leadership continues to monitor controllable costs, creating positive variances in most of the Other Expense categories.
Total Expenses	10,173,861	10,662,224	488,364	

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF NET POSITION  
OCTOBER 2016

	Oct-16	Sep-16	Oct-15	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
* CASH	\$ 7,449,044	\$ 9,552,871	\$ 9,447,292	1
PATIENT ACCOUNTS RECEIVABLE - NET	17,616,879	18,227,528	13,319,191	2
OTHER RECEIVABLES	5,650,539	5,317,925	5,176,431	
GO BOND RECEIVABLES	735,477	393,297	1,135,401	
ASSETS LIMITED OR RESTRICTED	6,242,071	6,133,867	5,127,589	
INVENTORIES	2,670,244	2,694,363	2,296,461	
PREPAID EXPENSES & DEPOSITS	1,661,172	1,653,119	1,698,905	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	4,693,511	3,508,426	4,162,480	3
<b>TOTAL CURRENT ASSETS</b>	<b>46,718,937</b>	<b>47,481,396</b>	<b>42,363,750</b>	
<b>NON CURRENT ASSETS</b>				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	56,042,742	55,958,822	45,792,365	1
BANC OF AMERICA MUNICIPAL LEASE	981,619	981,619	979,155	
TOTAL BOND TRUSTEE 2002	3	3	2	2
TOTAL BOND TRUSTEE 2015	622,164	486,433	667,726	
GO BOND PROJECT FUND	232,649	232,444	9,624,402	
GO BOND TAX REVENUE FUND	1,364,045	1,320,631	662,645	
BOARD DESIGNATED FUND	-	-	2,297	
DIAGNOSTIC IMAGING FUND	3,168	3,164	2,973	
DONOR RESTRICTED FUND	1,142,590	1,140,621	1,034,660	
WORKERS COMPENSATION FUND	14,168	27,467	14,161	
TOTAL	60,403,148	60,151,203	58,780,386	
LESS CURRENT PORTION	(6,242,071)	(6,133,867)	(5,127,589)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	54,161,078	54,017,336	53,652,797	
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	129,230,898	128,501,157	129,704,451	
GO BOND CIP, PROPERTY & EQUIPMENT NET	32,098,267	31,836,883	24,516,550	
<b>TOTAL ASSETS</b>	<b>263,088,903</b>	<b>262,716,496</b>	<b>251,398,296</b>	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	530,109	533,342	568,898	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	2,126,025	2,126,025	1,928,316	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	6,457,181	6,480,886	1,985,770	
GO BOND DEFERRED FINANCING COSTS	506,778	508,713	307,913	
DEFERRED FINANCING COSTS	208,056	209,096	220,539	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 9,828,149</b>	<b>\$ 9,858,061</b>	<b>\$ 5,011,436</b>	
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 4,106,677	\$ 4,590,262	\$ 6,049,163	4
ACCRUED PAYROLL & RELATED COSTS	9,928,176	10,097,141	7,537,681	
INTEREST PAYABLE	391,099	299,138	429,034	
INTEREST PAYABLE GO BOND	946,475	630,984	1,080,722	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	58,327	58,327	366,356	
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	1,260,000	1,260,000	530,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,260,819	2,260,819	2,323,994	
<b>TOTAL CURRENT LIABILITIES</b>	<b>22,131,581</b>	<b>22,376,679</b>	<b>20,853,691</b>	
<b>NONCURRENT LIABILITIES</b>				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	28,145,645	28,250,589	30,425,945	
GO BOND DEBT NET OF CURRENT MATURITIES	103,449,550	103,462,971	100,025,032	
DERIVATIVE INSTRUMENT LIABILITY	2,126,025	2,126,025	1,928,316	
<b>TOTAL LIABILITIES</b>	<b>155,852,801</b>	<b>156,216,264</b>	<b>153,232,984</b>	
<b>NET ASSETS</b>				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED	115,921,661	115,217,672	102,142,088	
	1,142,590	1,140,621	1,034,660	
<b>TOTAL NET POSITION</b>	<b>\$ 117,064,251</b>	<b>\$ 116,358,293</b>	<b>\$ 103,176,748</b>	

\* Amounts included for Days Cash on Hand calculation

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

1. Working Capital is at 21.5 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 182.8 days. Working Capital cash decreased a net \$2,104,000. Cash collections fell short of target by 12% and Accounts Payable (See Note 4) decreased \$484,000. In addition, there was a decrease in cash of a net \$1,185,000 due to the IGT Program (See Note 3).
2. Net Patient Accounts Receivable decreased approximately \$611,000. Cash collections were 88% of target. Days in Accounts Receivable are at 54.2 days compared to prior months 54.5 days, a .30 days decrease.
3. Estimated Settlements, Medi-Cal and Medicare increased \$1,185,000. The District remitted its second round of payments to the State to participate in the IGT program and Medi-Cal PRIME IGT program.
4. Accounts Payable decreased \$484,000 due to the timing of the final check run in October.

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

<b>WORKING CAPITAL</b>			
US Bank	\$ 6,987,408		
US Bank/Kings Beach Thrift Store	120,359		
US Bank/Truckee Thrift Store	341,277		
US Bank/Payroll Clearing	-		
Local Agency Investment Fund	<u>-</u>	0.65%	
Total			\$ 7,449,044
 <b>BOARD DESIGNATED FUNDS</b>			
US Bank Savings	\$ -	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ -
Building Fund	\$ -		
Cash Reserve Fund	<u>56,042,742</u>	0.65%	
Local Agency Investment Fund			\$ 56,042,742
Banc of America Muni Lease			\$ 981,619
Bonds Cash 2002			\$ 3
Bonds Cash 2015			\$ 622,164
Bonds Cash 2008			\$ 1,596,693
DX Imaging Education	\$ 3,168	0.65%	
Workers Comp Fund - B of A	14,168		
Insurance			
Health Insurance LAIF	-	0.65%	
Comprehensive Liability Insurance LAIF	<u>-</u>	0.65%	
Total			<u>\$ 17,336</u>
<b>TOTAL FUNDS</b>			<b>\$ 66,709,602</b>
 <b>RESTRICTED FUNDS</b>			
Gift Fund			
US Bank Money Market	\$ 8,363	0.03%	
Foundation Restricted Donations	\$ 98,331		
Local Agency Investment Fund	<u>1,035,896</u>	0.65%	
<b>TOTAL RESTRICTED FUNDS</b>			<b><u>\$ 1,142,590</u></b>
<b>TOTAL ALL FUNDS</b>			<b><u>\$ 67,852,192</u></b>



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

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	OCT 2015	
<b>OPERATING REVENUE</b>										
\$ 20,023,869	\$ 19,356,107	\$ 667,762	3.4%		\$ 84,366,927	\$ 80,623,999	\$ 3,742,929	4.6%	1	\$ 72,091,014
Total Gross Revenue										
Gross Revenues - Inpatient										
\$ 1,884,276	\$ 1,779,716	\$ 104,560	5.9%		\$ 7,965,822	\$ 7,232,273	\$ 733,549	10.1%		\$ 6,477,721
4,229,330	3,660,971	568,359	15.5%		15,800,557	15,178,298	622,260	4.1%		13,299,059
6,113,606	5,440,686	672,920	12.4%		23,766,379	22,410,570	1,355,809	6.0%	1	19,776,780
Total Gross Revenue - Inpatient										
13,910,263	13,915,421	(5,158)	0.0%		60,600,549	58,213,428	2,387,120	4.1%		52,314,234
13,910,263	13,915,421	(5,158)	0.0%		60,600,549	58,213,428	2,387,120	4.1%	1	52,314,234
Total Gross Revenue - Outpatient										
Deductions from Revenue:										
8,958,169	7,960,375	(997,794)	-12.5%		36,617,193	33,013,051	(3,604,142)	-10.9%	2	29,273,187
577,498	677,617	100,118	14.8%		2,457,199	2,824,454	367,254	13.0%	2	2,161,276
2,968	-	(2,968)	0.0%		2,968	-	(2,968)	0.0%	2	-
(219,898)	288,185	508,083	176.3%		69,156	1,214,584	1,145,427	94.3%	2	(239,669)
-	-	-	0.0%		(131)	-	131	0.0%	2	(43)
9,318,738	8,926,177	(392,560)	-4.4%		39,146,385	37,052,088	(2,094,297)	-5.7%		31,194,751
Total Deductions from Revenue										
59,602	55,401	4,201	7.6%		184,577	223,653	(39,076)	-17.5%		225,007
610,277	603,564	6,712	1.1%		3,173,584	2,797,200	376,383	13.5%	3	2,653,198
Property Tax Revenue- Wellness Neighborhood										
Other Operating Revenue										
11,375,009	11,088,895	286,114	2.6%		48,578,703	46,592,763	1,985,940	4.3%		43,774,468
TOTAL OPERATING REVENUE										
<b>OPERATING EXPENSES</b>										
3,756,845	3,818,384	61,540	1.6%		15,408,155	15,438,151	29,995	0.2%	4	14,267,808
1,198,430	1,124,097	(74,333)	-6.6%		4,976,106	4,822,212	(153,894)	-3.2%	4	4,915,587
57,528	57,011	(517)	-0.9%		201,665	228,045	26,379	11.6%	4	188,209
490,769	694,217	203,448	29.3%		2,312,616	2,776,868	464,252	16.7%	4	2,276,285
1,552,351	1,789,484	237,133	13.3%		7,088,881	7,171,794	82,913	1.2%	5	6,076,209
1,579,739	1,731,416	151,677	8.8%		6,661,528	6,956,017	294,489	4.2%	6	5,961,179
976,209	866,966	(109,243)	-12.6%		3,623,578	3,525,383	(98,194)	-2.8%	7	3,372,501
561,991	580,650	18,659	3.2%		2,040,937	2,285,428	244,491	10.7%	8	1,849,413
10,173,861	10,662,224	488,364	4.6%		42,313,467	43,203,898	890,431	2.1%		38,907,191
TOTAL OPERATING EXPENSE										
<b>1,201,148</b>	<b>426,670</b>	<b>774,478</b>	<b>181.5%</b>		<b>6,265,236</b>	<b>3,388,865</b>	<b>2,876,371</b>	<b>84.9%</b>		<b>4,867,277</b>
<b>NET OPERATING REVENUE (EXPENSE) EBIDA</b>										
<b>NON-OPERATING REVENUE/(EXPENSE)</b>										
446,899	451,099	(4,201)	-0.9%		1,841,423	1,802,347	39,076	2.2%	9	1,583,821
391,933	391,933	-	0.0%		1,567,733	1,567,733	-	0.0%		1,570,765
47,206	33,443	13,763	41.2%		180,925	126,545	54,380	43.0%	10	104,405
2	-	2	0.0%		346	-	346	0.0%		10,243
16,040	38,917	(22,877)	-58.8%		88,582	155,667	(67,084)	-43.1%	11	102,687
-	-	-	0.0%		-	(31,250)	31,250	-100.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(967,356)	(966,316)	(1,040)	-0.1%		(3,869,425)	(3,865,264)	(4,161)	-0.1%	15	(3,423,861)
(102,203)	(99,779)	(2,423)	-2.4%		(407,094)	(399,435)	(7,659)	-1.9%	16	(502,797)
(327,710)	(315,492)	(12,219)	3.9%		(128,754)	(313,058)	184,304	-58.9%		(532,057)
(495,190)	(466,195)	(28,995)	6.2%		(726,263)	(956,714)	230,451	24.1%		(1,086,794)
TOTAL NON-OPERATING REVENUE/(EXPENSE)										
<b>\$ 705,958</b>	<b>\$ (39,525)</b>	<b>\$ 745,483</b>	<b>-1886.1%</b>		<b>\$ 5,538,973</b>	<b>\$ 2,432,151</b>	<b>\$ 3,106,822</b>	<b>127.7%</b>		<b>\$ 3,780,483</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>										
<b>NET POSITION - BEGINNING OF YEAR</b>					<b>111,525,278</b>					
<b>NET POSITION - AS OF OCTOBER 31, 2016</b>					<b>\$ 117,064,251</b>					
<b>6.0%</b>	<b>2.2%</b>	<b>3.8%</b>			<b>7.4%</b>	<b>4.2%</b>	<b>3.2%</b>			<b>6.8%</b>
<b>RETURN ON GROSS REVENUE EBIDA</b>										

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

		<b>Variance from Budget</b>	
		<b>Fav / &lt;Unfav&gt;</b>	
		<b>OCT 2016</b>	<b>YTD 2017</b>
<b>1) Gross Revenues</b>			
Acute Patient Days were above budget 11.57% or 39 days. Swing Bed days were over budget 96.97% or 32 days. Inpatient Ancillary revenues exceeded budget by 15.50% due to the increase in our patient days.	Gross Revenue -- Inpatient	\$ 673,264	\$ 1,356,153
	Gross Revenue -- Outpatient	(5,502)	2,386,776
	Gross Revenue -- Total	\$ 667,762	\$ 3,742,929
Outpatient volumes were below budget in the following departments: Home Health visits, Endoscopy procedures, Oncology Lab, Diagnostic Imaging, Mammography, Medical & Radiation Oncology procedures, Oncology Drugs, Physical Therapy, and Speech Therapy.			
<b>2) Total Deductions from Revenue</b>			
The payor mix for October shows a 1.79% increase to Medicare, a 3.49% increase to Medi-Cal, .34% increase to Other, County at budget, and a 5.62% decrease to Commercial when compared to budget. Contractual Allowances were over budget as a result of revenues exceeding budget by 3.4% and the shift in payor mix from Commercial to Medicare and Medi-Cal.	Contractual Allowances	\$ (997,794)	\$ (3,604,142)
	Charity Care	100,118	367,254
	Charity Care - Catastrophic	(2,968)	(2,968)
	Bad Debt	508,083	1,145,427
	Prior Period Settlements	-	131
	Total	\$ (392,560)	\$ (2,094,297)
<b>3) Other Operating Revenue</b>			
Retail Pharmacy revenues fell short of budget by 14.10%.	Retail Pharmacy	\$ (33,796)	\$ 116,642
	Hospice Thrift Stores	(512)	17,702
	The Center (non-therapy)	5,836	(19,801)
IVCH ER Physician Guarantee is tied to collections and exceeded budget in October.	IVCH ER Physician Guarantee	5,078	60,187
	Children's Center	577	1,769
	Miscellaneous	29,530	199,884
The District received a round of Medi-Cal E.H.R. Incentive payments for MSC Physicians, creating a positive variance in Miscellaneous.	Oncology Drug Replacement	-	-
	Grants	-	-
	Total	\$ 6,712	\$ 376,383
<b>4) Salaries and Wages</b>			
Salaries & Wages includes an accrual for the estimated increases that would be retroactive to 7/1/16 related to the E.A. bargaining unit agreement. The E.A.P. employees received their retroactive pay in October.	Total	\$ 61,540	\$ 29,995
<b>Employee Benefits</b>			
Negative variance in PL/SL related to a higher utilization of PL/SL this month, which helped create a positive variance in Salaries & Wages	PL/SL	\$ (24,668)	\$ (156,134)
	Nonproductive	(31,619)	(57,854)
	Pension/Deferred Comp	414	(823)
	Standby	12,873	61,596
	Other	(31,334)	(681)
	Total	\$ (74,333)	\$ (153,894)
<b>Employee Benefits - Workers Compensation</b>	Total	\$ (517)	\$ 26,379
<b>Employee Benefits - Medical Insurance</b>	Total	\$ 203,448	\$ 464,252
<b>5) Professional Fees</b>			
Negative variance in Multi-Specialty Clinics Admin for the Interim Director of Physician Services. These services have ceased with the hiring of our new Director of Physician Services.	Multi-Specialty Clinics Admin	\$ (16,015)	\$ (73,868)
	Information Technology	(50,160)	(64,337)
	TFH Locums	(27,521)	(58,734)
	Miscellaneous	93,039	(31,555)
	The Center (includes OP Therapy)	1,261	(27,020)
A security assessment performed on our technology systems created a negative variance Information Technology.	Administration	(8,495)	(7,062)
	Oncology	3,301	(3,880)
Negative variance in TFH Locums related to Hospitalists and Emergency Physician coverage.	IVCH ER Physicians	1,350	(1,988)
	Home Health/Hospice	(1,950)	(1,804)
	Patient Accounting/Admitting	-	-
	Business Performance	-	-
	Respiratory Therapy	-	-
Positive variance in Miscellaneous related to an accrual reversal of expected monies owed to the Radiology group for their income guarantee that did not materialize.	Medical Staff Services	1,418	1,376
	Marketing	2,375	9,500
Corporate Compliance legal fees came in below budget, creating a positive variance in this category.	Human Resources	(233)	10,589
	Sleep Clinic	1,459	12,881
	Managed Care	9,000	21,821
Positive variance in Multi-Specialty Clinics related to Tahoe Forest Women's Center physician fees not joining the MSC structure in October. This has been delayed to the last quarter of Fiscal Year 2017. We also saw a positive variance in MSC Orthopedic physician fees as less Locums coverage was used in October.	Financial Administration	(4,155)	35,669
	TFH/IVCH Therapy Services	9,665	47,811
	Corporate Compliance	39,329	94,376
	Multi-Specialty Clinics	183,464	119,136
	Total	\$ 237,133	\$ 82,913

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

		<u>Variance from Budget</u>	
		<u>Fav / &lt;Unfav&gt;</u>	
		<u>OCT 2016</u>	<u>YTD 2017</u>
<b>6) <u>Supplies</u></b>	Pharmacy Supplies	\$ 74,421	\$ (37,098)
	Food	2,399	(18,407)
	Minor Equipment	7,437	(16,891)
	Imaging Film	633	2,263
	Other Non-Medical Supplies	22,709	29,676
	Office Supplies	12,068	34,700
	Patient & Other Medical Supplies	32,011	300,245
	Total	<u>\$ 151,677</u>	<u>\$ 294,489</u>
	<p>Oncology Drugs Sold to Patients revenue was under budget 10.30%, creating a positive variance in Pharmacy Supplies.</p> <p>The decline in Outpatient volumes during the month of October aided in a positive variance in Other Non-Medical Supplies and Patient &amp; Other Medical Supplies.</p>		
<b>7) <u>Purchased Services</u></b>	Miscellaneous	\$ (136,035)	\$ (191,919)
	Department Repairs	(32,100)	(12,451)
	Medical Records	1,422	(2,766)
	Community Development	(9,831)	(1,731)
	The Center	(1,286)	(735)
	Multi-Specialty Clinics	6,843	(673)
	Patient Accounting	6,230	(632)
	Pharmacy IP	(1,071)	699
	Hospice	3,797	3,028
	Laboratory	(1,867)	4,109
	Diagnostic Imaging Services - All	7,173	5,737
	Information Technology	14,558	30,763
	Human Resources	32,923	68,377
	Total	<u>\$ (109,243)</u>	<u>\$ (98,194)</u>
	<p>Purchased services for the Oncology, Laundry &amp; Linen, Engineering, Retail Pharmacy for 340B oversight, and Employee annual health screenings created a negative variance in Miscellaneous.</p> <p>Negative variance in Department Repairs for condensor line repairs, campus winterization, maintenance on the hospital's entrance doors, and employee housing repairs.</p> <p>Pre-employment screenings came in below budget, creating a positive variance in Human Resources.</p>		
<b>8) <u>Other Expenses</u></b>	Outside Training & Travel	\$ (6,732)	\$ (32,929)
	Insurance	400	(6,884)
	Other Building Rent	1,094	(640)
	Innovation Fund	-	-
	Utilities	1	805
	Physician Services	9	1,323
	Multi-Specialty Clinics Equip Rent	1,083	2,094
	Equipment Rent	1,080	3,094
	Multi-Specialty Clinics Bldg Rent	5,564	5,707
	Human Resources Recruitment	(1,339)	13,761
	Marketing	2,539	47,507
	Dues and Subscriptions	11,046	49,206
	Miscellaneous	3,914	161,447
	Total	<u>\$ 18,659</u>	<u>\$ 244,491</u>
	<p>Tuition reimbursement and travel costs for Dr. Mancuso under his Locums contract created a negative variance in Outside Training &amp; Travel.</p> <p>Senior Leadership continues to monitor controllable costs which is creating positive variances in most of the remaining Other Expense categories.</p>		
<b>9) <u>District and County Taxes</u></b>	Total	<u>\$ (4,201)</u>	<u>\$ 39,076</u>
<b>10) <u>Interest Income</u></b>	Total	<u>\$ 13,763</u>	<u>\$ 54,380</u>
<b>11) <u>Donations</u></b>	IVCH	\$ -	\$ 14,557
	Operational	(22,877)	(81,641)
	Capital Campaign	-	-
	Total	<u>(22,877)</u>	<u>(67,084)</u>
<b>12) <u>Gain/(Loss) on Joint Investment</u></b>	Total	<u>\$ -</u>	<u>\$ 31,250</u>
<b>13) <u>Gain/(Loss) on Sale</u></b>	Total	<u>\$ -</u>	<u>\$ -</u>
<b>15) <u>Depreciation Expense</u></b>	Total	<u>\$ (1,040)</u>	<u>\$ (4,161)</u>
<b>16) <u>Interest Expense</u></b>	Total	<u>\$ (2,423)</u>	<u>\$ (7,659)</u>

INCLINE VILLAGE COMMUNITY HOSPITAL  
STATEMENT OF REVENUE AND EXPENSE  
OCTOBER 2016

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	OCT 2015
OPERATING REVENUE									
\$ 1,461,186	\$ 1,425,961	\$ 35,225	2.5%	Total Gross Revenue	\$ 6,697,120	\$ 6,548,485	\$ 148,635	2.3%	1 \$ 6,386,559
Gross Revenues - Inpatient									
\$ -	\$ 2,914	\$ (2,914)	-100.0%	Daily Hospital Service	\$ 11,624	\$ 8,742	\$ 2,882	33.0%	\$ 16,574
-	3,368	(3,368)	-100.0%	Ancillary Service - Inpatient	19,089	13,270	5,818	43.8%	24,146
-	6,282	(6,282)	-100.0%	Total Gross Revenue - Inpatient	30,713	22,012	8,700	39.5%	1 40,720
1,461,186	1,419,679	41,507	2.9%	Gross Revenue - Outpatient	6,666,407	6,526,472	139,935	2.1%	6,345,839
1,461,186	1,419,679	41,507	2.9%	Total Gross Revenue - Outpatient	6,666,407	6,526,472	139,935	2.1%	1 6,345,839
Deductions from Revenue:									
642,104	466,868	(175,236)	-37.5%	Contractual Allowances	2,510,168	2,125,021	(385,148)	-18.1%	2 1,949,243
48,039	53,648	5,609	10.5%	Charity Care	234,190	246,626	12,436	5.0%	2 214,835
2,968	-	(2,968)	0.0%	Charity Care - Catastrophic Events	2,968	-	(2,968)	0.0%	2 -
28,076	51,507	23,431	45.5%	Bad Debt	101,195	236,787	135,592	57.3%	2 184,614
-	-	-	0.0%	Prior Period Settlements	-	-	-	0.0%	2 -
721,187	572,023	(149,164)	-26.1%	Total Deductions from Revenue	2,848,521	2,608,433	(240,087)	-9.2%	2 2,348,692
77,411	74,530	2,882	3.9%	Other Operating Revenue	361,911	294,369	67,542	22.9%	3 354,647
817,411	928,467	(111,057)	-12.0%	TOTAL OPERATING REVENUE	4,210,510	4,234,420	(23,910)	-0.6%	4,392,514
OPERATING EXPENSES									
267,270	273,314	6,044	2.2%	Salaries and Wages	1,165,236	1,184,883	19,646	1.7%	4 982,155
75,938	84,207	8,269	9.8%	Benefits	346,782	367,207	20,425	5.6%	4 289,281
1,876	1,417	(459)	-32.4%	Benefits Workers Compensation	8,271	5,667	(2,604)	-46.0%	4 8,702
40,441	44,618	4,177	9.4%	Benefits Medical Insurance	150,958	178,474	27,516	15.4%	4 147,060
227,658	239,210	11,553	4.8%	Professional Fees	949,419	981,965	32,547	3.3%	5 984,566
82,633	81,366	(1,267)	-1.6%	Supplies	278,960	353,967	75,007	21.2%	6 297,351
44,578	42,219	(2,359)	-5.6%	Purchased Services	160,858	173,633	12,775	7.4%	7 160,056
55,866	50,792	(5,074)	-10.0%	Other	203,416	212,364	8,948	4.2%	8 206,615
796,259	817,143	20,884	2.6%	TOTAL OPERATING EXPENSE	3,263,900	3,458,161	194,260	5.6%	3,075,786
<b>21,152</b>	<b>111,324</b>	<b>(90,173)</b>	<b>-81.0%</b>	<b>NET OPERATING REV(EXP) EBIDA</b>	<b>946,610</b>	<b>776,260</b>	<b>170,350</b>	<b>21.9%</b>	<b>1,316,728</b>
NON-OPERATING REVENUE/(EXPENSE)									
-	-	-	0.0%	Donations-IVCH	14,557	-	14,557	0.0%	9 -
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10 -
(64,277)	(64,277)	-	0.0%	Depreciation	(257,106)	(257,106)	-	0.0%	11 (233,436)
(64,277)	(64,277)	-	0.0%	TOTAL NON-OPERATING REVENUE/(EXP)	(242,549)	(257,106)	14,557	5.7%	(233,436)
<b>\$ (43,125)</b>	<b>\$ 47,048</b>	<b>\$ (90,173)</b>	<b>-191.7%</b>	<b>EXCESS REVENUE(EXPENSE)</b>	<b>\$ 704,061</b>	<b>\$ 519,153</b>	<b>\$ 184,907</b>	<b>35.6%</b>	<b>\$ 1,083,292</b>
<b>1.4%</b>	<b>7.8%</b>	<b>-6.4%</b>		<b>RETURN ON GROSS REVENUE EBIDA</b>	<b>14.1%</b>	<b>11.9%</b>	<b>2.3%</b>		<b>20.6%</b>

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

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>OCT 2016</b>	<b>YTD 2017</b>
<b>1) Gross Revenues</b>			
Acute Patient Days were below budget by 1 at 0 and Observation Days were under budget by 1 at 1.	Gross Revenue -- Inpatient	\$ (6,282)	\$ 8,700
	Gross Revenue -- Outpatient	41,507	139,935
		<u>\$ 35,225</u>	<u>\$ 148,635</u>
Outpatient volumes exceeded budget in Emergency Department visits, Surgical cases, Laboratory tests, Radiology exams, Cat Scans, Pharmacy units, Sleep Clinic visits, and Occupational Therapy.			
<b>2) Total Deductions from Revenue</b>			
We saw a shift in our payor mix with a 7.23% decrease in Commercial Insurance, a 1.23% increase in Medicare, a 5.51% increase in Medicaid, a .49% increase in Other, and County was at budget.	Contractual Allowances	\$ (175,236)	\$ (385,148)
	Charity Care	5,609	12,436
	Charity Care-Catastrophic Event	(2,968)	(2,968)
	Bad Debt	23,431	135,592
	Prior Period Settlement	-	-
	Total	<u>\$ (149,164)</u>	<u>\$ (240,087)</u>
<b>3) Other Operating Revenue</b>			
IVCH ER Physician Guarantee is tied to collections, which exceeded budget in October.	IVCH ER Physician Guarantee	\$ 5,078	\$ 60,187
	Miscellaneous	(2,196)	7,355
	Total	<u>\$ 2,882</u>	<u>\$ 67,542</u>
<b>4) Salaries and Wages</b>			
	Total	<u>\$ 6,044</u>	<u>\$ 19,646</u>
<b>Employee Benefits</b>			
	PL/SL	\$ 5,538	\$ 4,337
	Standby	2,735	5,540
	Other	46	11,577
	Nonproductive	(464)	(2,893)
	Pension/Deferred Comp	413	1,864
	Total	<u>\$ 8,269</u>	<u>\$ 20,425</u>
<b>Employee Benefits - Workers Compensation</b>	Total	<u>\$ (459)</u>	<u>\$ (2,604)</u>
<b>Employee Benefits - Medical Insurance</b>	Total	<u>\$ 4,177</u>	<u>\$ 27,516</u>
<b>5) Professional Fees</b>			
Physical Therapy volumes were below budget 12.73%, creating a positive variance in Therapy Services.	Administration	\$ (130)	\$ (11,392)
	IVCH ER Physicians	1,350	(1,988)
	Foundation	37	(1,393)
	Miscellaneous	62	2,799
	Multi-Specialty Clinics	2,537	5,524
	Sleep Clinic	1,459	12,881
	Therapy Services	6,237	26,115
	Total	<u>\$ 11,553</u>	<u>\$ 32,547</u>
<b>6) Supplies</b>			
Medical Supplies Sold to Patients Revenue was over budget 21.40% creating a negative variance in Patient & Other Medical Supplies.	Food	\$ (600)	\$ (5,364)
	Imaging Film	171	191
	Office Supplies	(54)	772
	Minor Equipment	(826)	1,626
	Non-Medical Supplies	1,111	1,785
	Pharmacy Supplies	1,429	24,042
	Patient & Other Medical Supplies	(2,497)	51,955
	Total	<u>\$ (1,267)</u>	<u>\$ 75,007</u>

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

		<b>Variance from Budget</b>	
		<b>Fav&lt;Unfav&gt;</b>	
		<b>OCT 2016</b>	<b>YTD 2017</b>
<b>7) <u>Purchased Services</u></b>			
Services performed to winterize the facility and testing and verifying wiring on the Chiller system created a negative variance in Department repairs.	EVS/Laundry	\$ (2,934)	\$ (5,021)
	Department Repairs	(3,555)	(4,520)
	Pharmacy	(12)	(36)
	Surgical Services	-	-
	Multi-Specialty Clinics	23	426
Fire equipment inspection and services provided for the mock HFAP survey created a negative variance in Engineering/Plant/Communications.	Engineering/Plant/Communications	(1,920)	1,071
	Diagnostic Imaging Services - All	3,274	1,255
	Foundation	1,252	2,815
Equipment maintenance contracts are coming in below budget estimations, creating a positive variance in Laboratory.	Miscellaneous	(712)	6,410
	Laboratory	2,225	10,375
	<b>Total</b>	<b>\$ (2,359)</b>	<b>\$ 12,775</b>
<b>8) <u>Other Expenses</u></b>			
Advertisements for Sierra Nevada College, IVCH Care Team, and the 20th anniversary of Incline Village Community Hospital created a negative variance in Marketing.	Insurance	\$ (1,872)	\$ (7,510)
	Outside Training & Travel	1,301	(3,084)
	Marketing	(3,991)	(1,933)
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
Negative variance in Miscellaneous related to food costs for the 20th anniversary celebration.	Multi-Specialty Clinics Bldg Rent	-	-
	Other Building Rent	-	-
	Equipment Rent	103	1,212
	Dues and Subscriptions	1,043	1,679
	Utilities	(529)	2,432
	Miscellaneous	(1,129)	16,153
	<b>Total</b>	<b>\$ (5,074)</b>	<b>\$ 8,948</b>
<b>9) <u>Donations</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ 14,557</b>
<b>10) <u>Gain/(Loss) on Sale</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>
<b>11) <u>Depreciation Expense</u></b>	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

TAHOE FOREST HOSPITAL DISTRICT  
STATEMENT OF CASH FLOWS

	AUDITED FYE 2016		BUDGET FYE 2017		PROJECTED FYE 2017		ACTUAL OCT 2016	BUDGET OCT 2016	DIFFERENCE	ACTUAL 1ST QTR	PROJECTED 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 16,129,087		\$ 8,354,249		\$ 11,089,546		1,201,148	\$ 426,670	774,478	\$ 4,905,089	\$ 2,189,942	\$ 3,062,467	\$ 932,048
Interest Income	163,091		249,285		286,755		85,905	48,762	37,143	70,617	85,905	60,097	70,136
Property Tax Revenue	6,120,208		5,682,000		5,733,313		94,001	78,000	16,001	345,312	94,001	3,020,000	2,274,000
Donations	668,318		1,023,000		1,175,436		30,520	40,000	(9,480)	211,916	80,520	405,000	478,000
Debt Service Payments	(3,441,272)		(3,568,341)		(3,555,831)		(240,328)	(241,694)	1,366	(1,217,943)	(723,717)	(889,087)	(725,083)
Bank of America - 2012 Muni Lease	(1,243,650)		(1,243,644)		(1,243,646)		(103,637)	(103,637)	(0)	(310,912)	(310,911)	(310,911)	(310,911)
Copier	(8,758)		(11,520)		(11,524)		(959)	(960)	1	(2,885)	(2,879)	(2,880)	(2,880)
2002 Revenue Bond	(483,555)		(668,008)		(660,955)		-	-	-	(496,951)	-	(164,004)	-
2015 Revenue Bond	(1,705,309)		(1,645,169)		(1,639,705)		(135,732)	(137,097)	1,366	(407,195)	(409,926)	(411,292)	(411,292)
Physician Recruitment	(263,769)		(120,000)		(80,000)		-	(10,000)	10,000	-	(20,000)	(30,000)	(30,000)
Investment in Capital													
Equipment	(1,495,214)		(1,262,750)		(1,262,750)		(153,112)	(441,667)	288,555	(452,617)	(802,633)	(7,500)	-
Municipal Lease Reimbursement	1,319,139		979,000		979,000		-	-	-	-	-	-	979,000
GO Bond Project Personal Property	(432,135)		(279,000)		(565,657)		(33,084)	-	(33,084)	(532,573)	(33,084)	-	-
IT	(888,802)		(297,578)		(297,578)		(33,905)	(150,000)	116,095	(90,239)	(207,339)	-	-
Building Projects	(2,095,500)		(4,315,500)		(4,315,500)		(236,420)	(446,996)	210,576	(1,630,513)	(1,340,986)	(709,000)	(635,001)
Health Information/Business System	(92,807)		(7,000,000)		(5,200,000)		(500,000)	(1,666,667)	1,166,667	-	(2,600,000)	(1,700,000)	(900,000)
Capital Investments													
Properties	-		(2,794,000)		(2,798,710)		(729,710)	(720,000)	(9,710)	(40,000)	(2,329,710)	(429,000)	-
Measure C Scope Modifications	-		(2,476,716)		(2,476,716)		(261,384)	(1,618,090)	1,356,706	(558,626)	(1,918,090)	-	-
Change in Accounts Receivable	(1,194,734)		(2,183,288)	N1	(1,431,874)		610,649	699,898	(89,249)	(2,178,112)	242,547	(210,814)	714,505
Change in Settlement Accounts	1,387,101		1,175,000	N2	2,453,631		(1,185,085)	(1,928,000)	742,915	1,126,982	1,511,649	(435,000)	250,000
Change in Other Assets	(3,180,399)		(890,622)	N3	(871,537)		(108,512)	(110,762)	2,250	(687,607)	(467,512)	6,718	276,864
Change in Other Liabilities	3,702,607		(320,000)	N4	(1,653,398)		(560,590)	(70,000)	(490,590)	(2,392,808)	939,410	(800,000)	600,000
Change in Cash Balance	16,404,918		(8,045,261)		(2,791,869)		(2,019,907)	(6,110,546)	4,090,640	(3,121,122)	(5,299,097)	1,343,881	4,284,469
Beginning Unrestricted Cash	52,227,897		68,632,815		68,632,815		65,511,693	65,511,693	-	68,632,815	65,511,692	60,212,596	61,556,477
Ending Unrestricted Cash	68,632,815		60,778,463		65,840,946		63,491,786	59,401,146	4,090,640	65,511,692	60,212,596	61,556,477	65,840,945
Expense Per Day	340,958		355,605		352,980		347,322	355,112	(7,791)	352,658	349,551	353,634	352,980
Days Cash On Hand	201		171		187		183	167	16	186	172	174	187

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.

**BYLAWS**  
**of**  
**TAHOE FOREST HEALTHCARE SERVICES**  
**a California Nonprofit**  
**Public Benefit Corporation**



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## **ARTICLE I: OFFICES**

### **I.1 Principal Office**

The name of this corporation is Tahoe Forest Healthcare Services. The principal office for the transaction of the business of the Corporation shall be located at 10121 Pine Avenue, Truckee, CA 96161, in Nevada County, California. The Directors may change the principal office from one location to another. Any such change of location must be noted by the secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

### **I.2 Other Offices**

The Board of Directors may at any time establish branch offices, either within or outside the State of California, in order to advance the proper purposes of the Corporation.

## **ARTICLE II: OBJECTIVES AND PURPOSES**

This Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the purpose of promoting health through operation of one or more medical clinics, providing management services for medical clinics and practices, including employing staff to service physician and other medical practice groups, and to carry on other charitable, educational, and scientific activities associated with this goal as allowed by law. This Corporation is organized and operated exclusively for charitable, educational, and scientific purposes within the meaning of Internal Revenue Code § 501(c)(3). This Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purposes of this Corporation, and it shall not carry on any other activities not permitted to be carried on by a Corporation exempt from federal income tax under Internal Revenue Code § 501(c)(3).

## **ARTICLE III: CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

## ARTICLE IV: IRREVOCABLE DEDICATION OF ASSETS

The properties and assets of this nonprofit Corporation are irrevocably dedicated to public benefit and/or charitable purposes. No part of the net earnings, properties, or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Director or Officer of this Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its exempt status under Internal Revenue Code § 501(c)(3).

## ARTICLE V: DIRECTORS

### 5.1 Powers

(a) *General Corporate Powers.* The business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

(b) *Specific Powers.* Without prejudice to their general powers, the Directors shall have the power to:

(i) Select and remove the Officers of the Corporation; prescribe any powers and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation, if any.

(ii) Change the principal executive office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country, and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting.

(iii) Adopt, make, and use a corporate seal and alter the form of the seal.

(iv) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt.

## **5.2 Number of Directors**

The number of Directors shall be nine.

## **5.3 Appointment and Term of Office of Directors**

(a) The members of the Board of Directors as of the initial meeting of the Board shall be those persons whose names are attached to these Bylaws as Exhibit A.

Until its dissolution or liquidation, the Tahoe Forest Hospital District, acting through a majority vote of its Board of Directors, shall be entitled to designate all of the Directors of this Corporation, each to serve for a term of up to 3 years. All Directors shall serve terms of 3 years, arranged so that not more than one-third plus one of the Directors' terms shall expire in any year. Directors may serve any number of consecutive terms.

(b) The Chair of the Board shall be selected by a majority vote of the Directors following the appointment or election of Directors at each annual meeting.

(c) The Medical Staff of the Tahoe Forest Hospital District shall be entitled to recommend candidates for all Director positions to the Tahoe Forest Hospital District as designator. Medical Staff's recommendations are not binding on the Tahoe Forest Hospital District's designation of Directors.

## **5.4 Qualifications of Board Members**

One Director shall be the Chief Executive Officer of the Tahoe Forest Hospital District; one Director shall be the Chief Financial Officer of the Tahoe Forest Hospital District; one Director shall be selected from the executive staff of Tahoe Forest Hospital District; four Directors shall be selected from the Medical Staff of the Tahoe Forest Hospital District; and two Directors shall be selected from the Tahoe Forest Hospital District's Board of Directors or the general public residing within the territory of the Tahoe Forest Hospital District.

Any person 18 years of age or older may be nominated or elected to serve as a Director. Directors need not be residents of the State of California. No person may be nominated or elected from the Medical Staff of the Tahoe Forest Hospital District unless that person is on the Active Staff of the Medical Staff and that person's Clinical Privileges or membership has not been suspended or otherwise limited in accordance with the Medical Staff Bylaws of the Tahoe Forest Hospital District at the time of nomination or election.

## 5.5 Vacancies

(a) *Events Causing Vacancy.* A vacancy on the Board of Directors shall be deemed to exist at the occurrence of any of the following:

(i) The death, resignation, or removal of any Director.

(ii) The removal of a member of the Board of Directors from the class the member represented on the Board under Section 5.4 (e.g., active members of the Medical Staff, executive staff, or Board member of the Tahoe Forest Hospital District).

(iii) The declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared of unsound mind by court order or convicted of a felony, or who has been found by final order or judgment of any court to have breached a duty under Corporation Code § 5231 and following of the California Nonprofit Corporation Law.

(iv) The failure of the designator to appoint or elect any Director(s) pursuant to the provisions of Section 5.3(a).

(v) The increase of the authorized number of Directors.

(b) *Resignation.* Except as provided in this paragraph, any Director may resign, which resignation shall be effective upon receipt of written notice by the Chair of the Board, the President, or the Secretary, unless the notice specifies a later effective date for the resignation. No Director may resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs.

(c) *Removal.*

(i) Any Director may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Directors at a special meeting called for that purpose, or at a regular meeting, provided notice of that meeting and of the removal questions are given as provided in Section 5.10; provided that neither the Chief Executive Officer nor Chief Financial Officer of the Tahoe Forest Hospital District may be removed by the Board of Directors. Removal of any Director must be approved by the Member at a meeting convened pursuant to the provisions of Article 13.

(ii) Any Director who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless:



(A) The Director requests a leave of absence for a limited period of time, and the leave is approved by the Directors at a regular or special meeting. If such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present.

(B) The Director suffers from an illness or disability which prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection (ii).

(C) The Board by resolution of the majority of Board members agrees to reinstate the Director who has missed three meetings.

(d) *Filling of Vacancies.* Any vacancy caused by the death, resignation, or removal of a Director shall be filled in accordance with the provisions of Section 5.3.

### **5.6 Place of Meeting; Meeting by Telephone**

Meetings of the Board of Directors may be held at any place within the boundaries of the Tahoe Forest Hospital District that has been designated from time to time by resolution of the Board of Directors of the Corporation. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation.

Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or similar communications equipment, so long as all of the following apply: (a) each Board member participating in the meeting can communicate with all the other members concurrently; (b) each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and (c) the Corporation adopts and implements means of verifying both of the following: (i) a person communicating by telephone, electronic video equipment, or other communications equipment is a director entitled to participate in the board meeting; and (ii) all statements, questions, actions, or votes were made by that director and not by another person not permitted to participate as a director. Participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.

### **5.7 Annual Meeting**

The Board of Directors shall hold an annual meeting once a year in January at a time and place designated by the Board of Directors for purposes of electing officers, designating committees, and transacting regular business. Notice of these meetings shall be in accordance with Section 5.10.

## **5.8 Regular Meetings**

Meetings of the Board of Directors shall be held no less than four times a year, including the Annual Meeting. These meetings shall be held in January (Annual Meeting), April, July, and October. The Annual Report written pursuant to Section 8.4 shall be presented at the regular October meeting of the Board of Directors. Notice of these meetings shall be in accordance with Section 5.10.

## **5.9 Special Meetings**

Special meetings of the Board of Directors for any purpose may be called at any time by the President or Chair of the Board, or any three Directors. Notice of these meetings shall be in accordance with Section 5.10.

## **5.10 Notice**

Notice of any regular meeting of the Board of Directors shall be given to all Directors at least 5 days in advance if given by first-class mail or at least 72 hours in advance if given by notice delivered personally, by telephone, or by electronic transmission in compliance with Section 16.2 of these Bylaws, provided that such notice may be waived by any Director as set forth in Section 5.11. Notice of any special meeting of the Board of Directors shall be given to all Directors at least 4 days in advance if given by first-class mail or at least 24 hours in advance if given by notice delivered personally, by telephone, or by electronic transmission in compliance with Section 16.2 of these Bylaws, provided that such notice may be waived by any Director as set forth in Section 5.11. Notice shall not be given by electronic transmission if the Corporation is unable to deliver two consecutive notices to a Director by that means, or if the inability to deliver the notice becomes known to the Secretary or other person responsible for giving such notice.

## **5.11 Waiver of Notice**

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

## **5.12 Quorum**

A majority of the Board of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 5.13. Every act or decision done or made by a majority of the Directors present at a meeting held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Corporation Law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of any Director, if any action taken is approved by at least a majority of the quorum required for the meeting.

## **5.13 Adjournment**

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

## **5.14 Notice of Adjournment**

Notice of the time and place of holding an adjourned meeting shall be posted within 24 hours after the adjournment at or near the door of the place where the meeting was held. Notice of the time and place of holding an adjourned meeting need not otherwise be given, unless the meeting is adjourned for more than 5 days, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment in a manner consistent with Special Meeting notice in Section 5.10. This notice may be waived in the same manner as set forth under Section 5.11

## **5.15 Compensation of Directors**

The Board may authorize the advance or reimbursement of actual reasonable expenses incurred by a director or member of a committee in carrying out his or her duties. Directors shall not otherwise be compensated.

## **5.16 Open Meetings**

It is the intent of the Corporation to comply with the open meeting provisions of the Ralph M. Brown Act, Government Code section 54950 et seq. A technical defect in the notice will not invalidate an action taken by the Board of Directors at an otherwise properly conducted meeting where the Board has complied with these Bylaws and otherwise substantially complied with the Brown Act.

## **5.17 Restriction on Interested Directors**

Not more than 49 percent of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise; (b) any shareholder, employee or officer of any corporation, or partner or employee of any partnership, which has rendered compensated services to the Corporation within the previous 12 months; and (c) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any person described in (a) or (b) of these Bylaws. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the Corporation.

## **ARTICLE VI: COMMITTEES**

### **6.1 Committees of Directors**

The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees consisting of two or more Directors, and only of directors, to serve at the pleasure of the Board. Any member of any committee may be removed, with or without cause, at any time by the Board. Any committee, to the extent provided in the resolution of the Board, shall have all or a portion of the authority of the Board, except that no committee, regardless of the Board resolution, may

- (a) Fill vacancies on the Board of Directors or on any committee;
- (b) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws;
- (c) Amend or repeal any resolution of the Board;
- (d) Designate any other committee of the Board or appoint the members of any committee;
- (e) Approve any transaction (i) to which the Corporation is a party and as to which one or more Directors has a material financial interest, or (ii) between the Corporation and one or more of its Directors or between the Corporation and any corporation or firm in which one or more of its Directors has a material financial interest.

## **6.2 Executive Committee**

Pursuant to Section 6.1, the Board may appoint 2 or more Directors and the Chair of the Board of the Corporation, to serve as the Executive Committee of the Board. The Chair of the Board shall serve as chair of the Executive Committee. The Executive Committee, unless limited by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation between meetings of the Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Section 5.1.

## **6.3 Compensation Committee and Compensation Review**

At any time this Corporation compensates its President or Treasurer, the Corporation shall have a Compensation Committee consisting of at least three Directors and exclusively of Directors. Directors who are also employees of the Corporation may not serve on the Compensation Committee. The Compensation Committee shall review the compensation of the President, Treasurer, Vice President (if any) and Chief Investment Officer (if any), as well as of such other Officers of the Corporation as the Compensation Committee determines appropriate. This review shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this Corporation. Based on its review, the Compensation Committee shall recommend just and reasonable compensation amounts to the Board. At the request of the President or the Board, the Compensation Committee shall review any issue involving staff compensation and benefits, including but not limited to housing, health, and retirement plans.

## **6.4 Advisory Committees**

The Board may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors or nondirectors. Advisory committees may not exercise the authority of the Board to make decisions on behalf of the Corporation, but shall be limited to making recommendations to the Board or the Board's authorized representatives and to implementing Board decisions and policies. Advisory Committees shall be subject to the supervision and control of the Board.

## **6.5 Audit Committee**

If revenues exceed \$2 million, the Board of Directors shall form an Audit Committee. At all times that this Corporation is required by applicable law to have an

independent audit, or at any time the Corporation voluntarily chooses to do so, the Corporation shall have an Audit Committee consisting of at least two Directors and which may include nonvoting advisors. Directors who are employees of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may not serve on the Audit Committee. The President and Treasurer, if also Directors, may serve on the Audit Committee only if such persons are volunteers and are not compensated by this Corporation. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to: (i) assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary, (ii) negotiating the auditor's compensation, (iii) conferring with the auditor regarding the Foundation's financial affairs, and (iv) reviewing and accepting or rejecting the audit. Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. If the Corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

## **6.6 Meeting and Action of Committees**

The Board of Directors may adopt rules for any committee not inconsistent with the provisions of these Bylaws.

## **ARTICLE VII: OFFICERS**

### **7.1 Officers**

(a) The Corporation shall have the following Officers: President, Secretary, and Treasurer, and such other Officers as the Board may designate by resolution and appoint pursuant to Section 7.3.

(b) The President shall be the Chief Executive Officer of the Tahoe Forest Hospital District. The Treasurer shall be the Chief Financial Officer of the Tahoe Forest Hospital District. The Secretary need not be a Director.

(c) One person may hold two or more offices, except no person serving as Secretary, Treasurer, or Chief Financial Officer may serve concurrently as President or Chair of the Board.

## **7.2 Election of Officers**

The Officers of the Corporation as of the initial meeting of the Board are shall be indicated in the list of those persons named as initial members of the Board of Directors attached to these Bylaws as Exhibit A. At the expiration of their terms as officers, the Officers of the Corporation, except those appointed in accordance with the provisions of Section 7.3 of this Article, shall be chosen by the Board of Directors subject to Section 7.1, and each shall serve at the pleasure of the Board, subject to the rights, if any, of any Officer under a contract of employment.

## **7.3 Subordinate Officers**

The Board of Directors may appoint, and may authorize the President or any other Officer to appoint, any other Officers that the business of the Corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified by the Bylaws or determined from time to time by the Board of Directors.

## **7.4 Removal of Officers**

Subject to rights, if any, under any contract of employment, any Officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board, or, except in the case of an Officer chosen by the Board of Directors, by an Officer on whom such power of removal has been conferred by the Board of Directors.

## **7.5 Resignation of Officers**

Any Officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any resignation shall take effect at the date of receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party.

## **7.6 Vacancies in Office**

A vacancy in any Office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that Office.

## 7.7 Responsibilities of Officers

(a) *President.* The President shall be the chief executive officer of the Corporation. He or she shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The President shall be responsible to the Board of Directors, shall see that the Board is advised on all significant matters of the Corporation's business, and shall see that all orders and resolutions of the Board are carried into effect. The President shall be empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board within the boundaries of policies and purposes established by the Board and as set forth in the Articles of Incorporation and these Bylaws. The President shall be responsible for keeping the Board informed at all times of staff performance as related to program objectives, and for implementing any personnel policies adopted by the Board.

(b) *Secretary.* The Secretary shall attend to the following:

(i) *Book of Minutes.* The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors and committees of Directors, with the time and place of holding regular and special meetings, and if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

(ii) *Notices and Other Duties.* The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws to be given. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

(c) *Treasurer.* The Treasurer shall be the chief financial officer of the Corporation and shall attend to the following:

(i) *Books of Account.* The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) *Deposit and Disbursement of Money and Valuables.* The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors; shall disburse



funds of the Corporation as may be ordered by the Board of Directors; shall render to the President and Directors, whenever they request it, an account of all financial transactions and of the financial condition of the Corporation; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

(iii) *Bond.* If required by the Board of Directors, the Treasurer shall give the Corporation a bond in the amount and with the surety specified by the Board for the faithful performance of the duties of his or her office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

## **ARTICLE VIII: RECORDS AND REPORTS**

### **8.1 Maintenance of Articles and Bylaws**

The Corporation shall keep at its principal executive office the original or a copy of its Articles and Bylaws as amended to date.

### **8.2 Maintenance of Other Corporate Records**

The accounting books, records, and minutes of the proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, or printed form.

### **8.3 Inspection by Directors**

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney; except that only a Director may inspect books, records, and other documents that are privileged and confidential, including documents covered by the attorney-client privilege or documents considered in closed session. The right of inspection does not include the right to copy and make extracts of, or to remove documents.

#### **8.4 Annual Report**

Within 120 days after the end of the Corporation's fiscal year, the President shall furnish or cause to be furnished a written report to all directors containing the following information:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any transaction during the previous fiscal year involving more than \$50,000 in which the Corporation (or its parent or subsidiaries, if any) was a party and in which any director or officer of the Corporation has a direct or indirect financial interest, or any of a number of such transactions in which the same person had a direct or indirect financial interest and which transactions in the aggregate involved more than \$50,000; and
- (f) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of the Corporation pursuant to Article 9 of these Bylaws, unless such indemnification has already been approved pursuant to Section 9.1.

For each transaction, the report must disclose the names of the interested persons involved in such transaction and state such person's relationship to the Corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The report shall be accompanied by any report of independent accountants or, if there is no such report, by the certificate of an authorized officer of this Corporation that such statements were prepared without an audit from the books and records of this Corporation. Such report may be furnished to the directors by electronic transmission in accordance with Section 16.2 of these Bylaws and will be reviewed at the regular meeting of the Board of Directors held in October of each year.

## **8.5 Financial Audit**

The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within 9 months after the close of the fiscal year to which the statements relate. For 3 years, such statements (a) shall be available at the Corporation's principal, regional, and district offices during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

## **ARTICLE IX: INDEMNIFICATION OF DIRECTORS AND OFFICERS**

### **9.1 Right to Indemnification**

This Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding by reason of the fact that such person is or was an Officer, Director, or agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the California Nonprofit Corporation Law.

In determining whether indemnification is available to the Director, Officer, or agent of this Corporation under California law, the determination as to whether the applicable standard of conduct set forth in Corporations Code § 5238 has been met shall be made by a majority vote of a quorum of Directors who are not parties to the proceeding. If the number of Directors who are not parties to the proceeding is less than two-thirds of the total number of Directors seated at the time the determination is to be made, the determination as to whether the applicable standard of conduct has been met shall be made by the court in which the proceeding is or was pending.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

## **9.2 Insurance**

This Corporation shall have the power and shall use its best efforts to purchase and maintain insurance on behalf of any Director, Officer, or agent of the Corporation, against any liability asserted against or incurred by the Director, Officer, or agent in any such capacity or arising out of the Director's, Officer's, or agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under Section 9.1 of these Bylaws; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any Director, Officer, or agent of the Corporation for any self-dealing transaction, as described in Corporations Code § 5233.

## **ARTICLE X: CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS**

### **10.1 Contracts with Directors and Officers**

(a) No Director or Officer of this Corporation, nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors or Officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation, unless (i) the material facts regarding such Director's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction; (ii) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s); (iii) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (iv) this Corporation enters into the transaction for its own benefit, and the transaction is fair and reasonable to this Corporation at the time the transaction is entered into.

(b) The provisions of this Section do not apply to a transaction which is part of an educational or charitable program of the Corporation if it: (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and (ii) results in a benefit to one or more Directors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

## **10.2 Loans to Directors and Officers**

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General of the State of California; provided, however, that the Corporation may advance money to a Director or Officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, provided that in the absence of such advance such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

## **ARTICLE XI: FISCAL YEAR**

The fiscal year of the Corporation shall end on June 30.

## **ARTICLE XII: AMENDMENTS**

These Bylaws may be adopted, amended, or repealed by a majority vote of the entire Board of Directors with the approval of the Membership at a meeting held pursuant to the provisions of Article 13; provided, however, that amendment or repeal of Sections 5.3, 5.4, 5.5, and this Article 12 shall require the unanimous approval of the Board of Directors and the Membership at a meeting held pursuant to the provisions of Article 13.

## **ARTICLE XIII: MEMBERS**

### **13.1 Sole Corporate Member**

The Tahoe Forest Hospital District shall be this Corporation's sole member within the meaning of Section 5056 of the California Corporation Code. A member of this Corporation is not personally liable for any debts, liabilities or obligations of the Corporation.

### **13.2 Voting**

Each member of the Corporation shall be entitled to cast one vote at any meeting of the membership.

### **13.3 Corporate Decisions**

Except as otherwise provided herein, the decisions and resolutions of the Corporation shall require approval by a majority of the Directors as provided in Article 5 above. When a quorum is present at the commencement of any membership meeting,

the unanimous vote of the membership present shall decide any matter brought before the membership meeting.

### **13.4 Membership Rights/Corporate Authority**

The member shall have the right to vote, as set forth in these Bylaws, on (1) the election of directors; (2) the dissolution of the Corporation; (3) the merger with another corporation; (4) amendment of the Articles of Incorporation or Bylaws; and (4) the disposition of corporate assets in excess of 50 percent of the total corporate value. The member shall have veto authority over such decisions of the Board of Directors. In addition, the member shall have those rights afforded members under the California Nonprofit Public Benefit Corporation Law.

### **13.5 Annual Meetings**

The annual meeting of the membership of the Corporation shall be held at such time and place as may be designated by the membership of the Corporation. The membership may also transact such other business of the Corporation as may properly come before it.

### **13.6 Special Meetings**

It shall be the duty of the President, Secretary or a majority of the Board of Directors to call a special meeting of the membership or upon a petition signed by the Member and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

### **13.7 Place of Meeting**

Meetings of the members shall be held at any place within or outside California designated by the Board of Directors or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Corporation's principal office. The Board of Directors may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

### **13.8 Notice of Meetings**

Notice of each annual or special meeting shall be given to the membership as directed by the membership. Notice shall be deemed to have been given if actual notice is received by the membership as evidenced by return receipt acknowledgement by

regular or electronic mail (email). All such notices shall be given not less than ten (10) nor more than ninety (90) days before each annual or special meeting, and shall specify the place, the day and the hour of such meeting, and shall state such other matters, if any, as may be expressly required by law.

### **13.9 Waiver of Notice or Consent**

The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Article 13 of these bylaws, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

### **13.10 Quorum, Eligibility to Vote, Manner of Voting, Number of Votes, Approval by Majority Vote**

One hundred percent of the voting power shall constitute a quorum for the transaction of business at any meeting of members. Subject to the California Nonprofit Public Benefit Corporation Law, Corporate members in good standing on the record date as determined under Article 13 of these bylaws shall be entitled to vote at any meeting of members. Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting. Each member entitled to vote may cast one vote on each matter submitted to a vote of the members. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law or by the articles of incorporation.

### **13.11 Adjourned Meetings**

Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the membership present either in person. When any membership meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, if the time and place thereof are announced at the meeting at which such adjournment is taken.

### **13.12 Action by Unanimous Written Consent**

Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members.

### **13.13 Members' Proxy Rights**

No proxy rights are extended to the membership under these bylaws.

### **13.14 Transfer of Membership**

No membership or right arising from membership shall be transferred. Subject to Article 13 of these bylaws, all membership rights cease on the member's death or dissolution.

## **ARTICLE XIV: EMERGENCY PROVISIONS**

(a) *Emergency.* The emergency bylaw provisions of this section are adopted in accordance with Corporations Code § 5151, subdivision (g). Notwithstanding anything to the contrary herein, this section applies solely during an emergency, which is the limited period of time during which a quorum cannot be readily convened for action as a result of the following events or circumstances until the event or circumstance has subsided or ended and a quorum can be readily convened in accordance with the notice and quorum requirements in Sections 5.10, 5.11, and 5.12 of these bylaws:

(i) A natural catastrophe, including, but not limited to, a hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or regardless of cause, any fire, flood, or explosion;



(ii) An attack on this state or nation by an enemy of the United States of America, or on receipt by this state of a warning from the federal government indicating that an enemy attack is probable or imminent;

(iii) An act of terrorism or other manmade disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the infrastructure, environment, economy, government function, or population, including, but not limited to, mass evacuations; or

(iv) A state of emergency proclaimed by the governor of the state in which one or more Directors are resident, or by the President of the United States.

(b) *Emergency Actions.* During an emergency, the board may

(i) Modify lines of succession to accommodate the incapacity of any director, officer, employee, or agent resulting from the emergency;

(ii) Relocate the principal office or authorize the officers to do so;

(iii) Give notice to a director or directors in any practicable manner under the circumstances, including, but not limited to, by publication and radio, when notice of a meeting of the board cannot be given to that director or directors in the manner prescribed by Section 5.10 of these bylaws; and

(iv) Deem that one or more officers present at a board meeting is a director, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

(c) During an emergency the board may not take any action that is not in the *Corporation's* ordinary course of business. Any actions taken in good faith during an emergency under this section may not be used to impose liability on a director, officer, employee, or agent.

## **ARTICLE XV: CONSTRUCTION AND DEFINITIONS**

### **15.1 Construction and Definitions**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

## 15.2 Electronic Transmission

Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms “written” and “in writing” as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or e-mail, provided (i) for electronic transmissions *from* the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions *to* the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

### CERTIFICATE OF SECRETARY

I, the undersigned, the duly elected Secretary of Tahoe Forest Healthcare Services, a California nonprofit public benefit corporation, do hereby certify:

That the foregoing Bylaws consisting of 22 pages were adopted as the Bylaws of the Corporation by the Incorporator of the Corporation on November 2, 2016 and the same do now constitute the Bylaws of said Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Jason Dorst  
Secretary

## EXHIBIT A

### Members of the Board of Directors and Officers of the Corporation

<u>Name</u>	<u>Term Expires Annual Meeting</u>
Harry Weis (CEO)	2018
Jason (Jake) Dorst (Secretary)	2019
Crystal Betts (CFO)	2020
Dr. Ellen Cooper	2018
Dr. Jeff Dodd	2019
Dr. Gina Barta	2020
Dr. Larry Heifetz	2018
Dr. Charles Zipkin	2019
Dr. Karen Sessler	2020

## **STRATEGIC INITIATIVE 4.0**

### **Health Information System Restructure**

- The Mercy Team arrived last week to start the kickoff meeting to install the Epic Electronic Health Record software for our organization
  - Meetings were very well attended and positive
  - Meetings with both TTMG and Dr. Koch were positive
  - Discovery will continue and a formal project plan and timeline will be created in the next few months

### **Retail Pharmacy**

- The point of sale system was upgraded in the retail pharmacy
- This allows for easier FSA usage by our customers

### **CancerLinQ**

- Kickoff was completed on October 24



## Board CNO Report

**By: Karen Baffone, RN, MS**  
Chief Nursing Officer

**DATE: November 2016**

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

Orthopedic Services: Collaborative efforts with Executive Director Physician Services to determine best practice for advancing the service line. These efforts will look for a strategy that involves our physicians and other providers that will best meet the needs of our community to decrease outmigration as well as increase in migration to the District.

The Care Coordination team is implementing the Annual Wellness Visits in the MSC that will enhance the overall coordination of our chronically ill population.

Patient education materials are completed for our Total Joint Camp Program and will be moving forward for physician approval and implementation of our first classes in December.

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

Blue Life: The CHSP leadership is working with both TTUSD and the Town of Truckee as potential new members to the Blue Life. The efforts are in part related to our strategy of making Truckee one of the top healthiest communities in the country.

Patient Safety: The safety committee as well as all directors in the acute and post-acute arena continue to plan efforts to keep both our employees safe as well as our patients. We continue to work with the Quality Department to create transparency related to safety issues. Safety rounding will be incorporated into our leader rounding. A tool was created for consistent reporting of outcomes

HFAP: Nursing and Post Acute areas have reviewed the HFAP mock survey outcomes. Plans of correction and updates of all HFAP regulatory requirements is underway.

PRIME: Issues surrounding the lack of Medi-CAL volume for million hearts has been clarified and we will proceed with that program as planned.



## Board COO Report

**By: Judith B. Newland**

**DATE: November 2016**

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**“Just Do It” – Demonstrate measurable improvements annually in both Quality and Patient Satisfaction.**

TFHD and IVCH staff participated in a HFAP Mock Life Safety Survey October 4-6 and a HFAP Mock Accreditation Survey October 25-27. The mock surveys assist leadership and staff in interpretation and evaluation of facility compliance with accreditation requirements. The surveyors were both expert in Critical Access Hospital Accreditation requirements and the HFAP manual itself. An educational session was provided by one of the surveyors to educate on the HFAP survey process. Both surveyors provided a deficiency report and staff are in the process of correcting those deficiencies. In the past HFAP has surveyed us in June but they do have a 6 month window and therefore TFHD and IVCH staff are preparing for potential early 2017 unannounced surveys.

To accommodate outpatient, emergency department, and inpatient needs our Cardiac Stress Testing program is being expanded. The Respiratory Therapy Department will provide stress testing in the morning 5 days per week and support the Diagnostic Imaging Department when Echo Stress Tests or Nuc Med Stress Tests are needed.

We are in the process of recruiting for a Director of Pharmacy. Hilary Ward, our current Director of Pharmacy, has resigned from the position and will be transitioning to a position in the department. Hilary has been a dedicated and committed leader in the organization. We are fortunate she will continue as the Oncology Pharmacist and oversee our Medication Safety Program.

Tahoe Forest Hospital recently purchase a new state of the art Transport Ventilator. This new piece of equipment now allows us to use it on infants and provides a safer supplemental ventilation while awaiting a transport team. It allows patients to be transported throughout the facility remaining on their current modality and reducing possible complications.

**Construction projects:**

1. At Incline Village Community Hospital (IVCH), the siding is near completion with project completion estimated end of November. The second floor improvement project of the Multispecialty Clinic space moves into Phase 3 with work being done on the new registration, waiting rooms and office areas.
2. At Tahoe Forest Hospital, the Measure C project for Dietary and Joseph Family Women and Newborn Care unit are nearing completion. Opening of the unit along with the expanded Dietary kitchen area is anticipated prior to holiday season. The Helipad will open once the Temporary Certificate of Occupancy from OSHPD is received.

**Develop solid connections and relationships within the communities we serve.**

Four employees and one physician participated at the STEAM (Science, Technology, Engineering, Art Mathematics)) Fair sponsored by Truckee Rotary Club at Truckee High School. The purpose of the fair is to introduce students to STEAM fields. Thank you to Ryan Solberg from Physical Therapy, Danny Buchanan, Surgical Assist PA, Dan Coll, Director of Orthopedic Service Line, Vanessa Childress, RN in Surgical Services and Dr. Brooks Rohlen, Anesthesiologist for volunteering their time at this important community event. At the TFHS station were demonstrations of epidurals, EKG rhythms, IV practice, suturing and explaining various orthopedic implants and procedures.



## Board Informational Report

**By: Jim Hook**  
Corporate Compliance  
Consultant, The Fox Group

**DATE:** October 27, 2016

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### **2016 Compliance Program 3rd Quarter Update (Open Session)**

The Compliance Committee is providing the Board of Directors (BOD) with a report of the 3rd 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 3rd Quarter

### OPEN SESSION

Period Covered by Report: **July 1, 2016 –September 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. Exclusion Screening and Review AGOV 1607.

#### **2. Compliance Oversight / Designation of Compliance Individuals**

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

2.1.1. The Fox Group – Compliance Consultants

2.1.2. Judy Newland, RN – Chief Operating Officer

2.1.3. Karen Gancitano - Chief Nursing Officer

2.1.4. Harry Weis – Chief Executive Officer

2.1.5. Crystal Betts – Chief Financial Officer

2.1.6. Denise Hunt – Director of Health Information Management/ Privacy Officer

2.1.7. Jake Dorst – Chief Information and Innovation Officer

2.1.8. Jayne O'Flanagan – Chief Human Resources Officer

2.1.9. Stephanie Hanson, RN – Compliance Analyst

2.1.10. HLB-Legal Counsel

#### **3. Education & Training**

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

3.1.1. Since July 1, 2016 the compliance analyst has been 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 **X** 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. No calls were received on the Hotline for the 3rd quarter of 2016.

4.1.2. Three reports were made directly to the Compliance Department for the 3rd 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. 66.5% of Health Stream corporate compliance modules were completed on time for eligible employees for the 3rd quarter of 2016. An additional 16.5% were completed after the end of the quarter.

5.2. All physicians not on staff are checked against the OIG, GSA, Medi-Cal and Medicaid list of exclusions prior to accepting orders for services to Medicare or Medi-Cal patients

**6. Auditing & Monitoring**

6.1. Three audits were started in the 3rd quarter as part of the 2016 corporate compliance work plan. All audits are still in process.

6.1.1. Patient admission Criteria/appropriate patient status (2 midnight rule).

6.1.2. Audit Skilled Nursing Facility Admission/Continued Stay Certification and documentation requirements.

6.1.3. Physician payment audit (ED on call).

**7. Responding to Detected Offenses & Corrective Action Initiatives**

7.1. Investigations of suspected and actual breach incidents were initiated. One investigation revealed no violation.

**Side Letter of Agreement with the  
Tahoe Forest Hospital District Employees' Association  
Gain Sharing Program**

**Purpose:**

There are two goals for this program: First, it is to incentivize Tahoe Forest Health System (TFHS) employees to work toward improving the overall patient experience (patient satisfaction survey scores); and to improve the positive difference where hospital total revenues exceed total expenses.

1. Gain Sharing Pool: A pool of monies will be created each year if the minimum net income terms are met and patient satisfaction scores remain the same or improve vs. the prior fiscal year. (See Criteria Below)
  - a. Net Income for the purposes of this proposal is defined as: Total revenues minus total expenses based on the District's final audited numbers, which are usually available by November.
  - b. Determination Period: Is defined as a Fiscal Year (July 1<sup>st</sup> – June 30<sup>th</sup>) payments would be paid out no later than December 31<sup>st</sup> of each year if the minimum requirements were met.
  - c. Patient Satisfaction Score: Is defined as the results of surveys sent to patients who have received services from six service lines-TFH Inpatient units, TFH Ambulatory Surgery, TFH Outpatient Services, TFH Emergency Department, IVCH Emergency Department, and Multispecialty Clinics. Base line patient satisfaction score will be set based on prior fiscal year scores. The base patient satisfaction score is set on the following:

Patient satisfaction scores

Fiscal year 2015-16

	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
In-patient	92.1	93.1	92.7	93.5	92.85
Out patient	93.1	93.6	92.8	94.9	93.60
Ambulatory	95.6	96.3	94.8	95.3	95.50
TFH ER	92.1	93.7	92.8	93	92.90
IVCH ER	95.5	97.9	95.1	99.2	96.93
MSC	90.1	91.4	90.9	90.6	90.75
					93.75

2. Participating employees: For the purposes of this plan eligible employees (represented and not represented) shall be defined as all TFHS employees (to include temporary & per-diem employees).

October 20, 2016

- a. Eligible Staff: All TFHS employees who have worked at least six consecutive months in the fiscal year from which the incentive is paid, have not been on an unpaid leave more than 60 days during the six month period, are employed on the payment date, and are not eligible for any other incentive program.

3. Program Criteria

- a. If the audited net Income of TFHS is at least \$4,000,000, 12% of the audited net income is set aside to create a gain sharing pool for all eligible staff. If patient satisfaction scores decline compared to prior year, than the gain sharing pool is reduced by 15%.
- b. If the audited net Income of TFHS is at least \$6,000,000, 13% of the audited net income is set aside to create a gain sharing pool for all eligible staff. If patient satisfaction scores decline compared to prior year, than the gain sharing pool is reduced by 15%.
- c. If the audited net Income of TFHS is at least \$8,000,000, 14% of the audited net income is set aside to create a gain sharing pool for all eligible staff. If patient satisfaction scores decline compared to prior year, than the gain sharing pool is reduced by 15%.
- d. If the audited net Income of TFHS is at least \$10,000,000, 15% of the audited net income is set aside to create a gain sharing pool for all eligible staff. If patient satisfaction scores decline compared to prior year, than the gain sharing pool is reduced by 15%.

4. Gain Sharing Payment Distribution:

- a. Payment Formula: The amount paid to each employee will be in the same ratio as their earnings against total salary dollars of all eligible employees. Total salary dollars for the purposes of this distribution will not include salary dollars for those employees excluded from this program. See 2a above.
- b. Other factors to include seniority, position, etc. will not be taken into account.

This agreement will remain in place for the fiscal year 2016-2017 and any payments due to employees will be made no later than December, 2017.

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Barbara Wong  
EA President

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Jayne O'Flanagan  
CHRO

October 20, 2016

**Side Letter of Agreement with the  
Tahoe Forest Hospital District Employees' Association of Professionals  
Gain Sharing Program**

**Purpose:**

There are two goals for this program: First, it is to incentivize Tahoe Forest Health System (TFHS) employees to work toward improving the overall patient experience (patient satisfaction survey scores); and to improve the positive difference where hospital total revenues exceed total expenses.

1. Gain Sharing Pool: A pool of monies will be created each year if the minimum net income terms are met and patient satisfaction scores remain the same or improve vs. the prior fiscal year. (See Criteria Below)
  - a. Net Income for the purposes of this proposal is defined as: Total revenues minus total expenses based on the District's final audited numbers, which are usually available by November.
  - b. Determination Period: Is defined as a Fiscal Year (July 1<sup>st</sup> – June 30<sup>th</sup>) payments would be paid out no later than December 31<sup>st</sup> of each year if the minimum requirements were met.
  - c. Patient Satisfaction Score: Is defined as the results of surveys sent to patients who have received services from six service lines-TFH Inpatient units, TFH Ambulatory Surgery, TFH Outpatient Services, TFH Emergency Department, IVCH Emergency Department, and Multispecialty Clinics. Base line patient satisfaction score will be set based on prior fiscal year scores. The base patient satisfaction score is set on the following:

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TFH ER	92.1	93.7	92.8	93	92.90
IVCH ER	95.5	97.9	95.1	99.2	96.93
MSC	90.1	91.4	90.9	90.6	90.75
					93.75

2. Participating employees: For the purposes of this plan eligible employees (represented and not represented) shall be defined as all TFHS employees (to include temporary & per-diem employees).

October 20, 2016

- a. Eligible Staff: All TFHS employees who have worked at least six consecutive months in the fiscal year from which the incentive is paid, have not been on an unpaid leave more than 60 days during the six month period, are employed on the payment date, and are not eligible for any other incentive program.

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- b. If the audited net Income of TFHS is at least \$6,000,000, 13% of the audited net income is set aside to create a gain sharing pool for all eligible staff. If patient satisfaction scores decline compared to prior year, than the gain sharing pool is reduced by 15%.
- c. If the audited net Income of TFHS is at least \$8,000,000, 14% of the audited net income is set aside to create a gain sharing pool for all eligible staff. If patient satisfaction scores decline compared to prior year, than the gain sharing pool is reduced by 15%.
- d. If the audited net Income of TFHS is at least \$10,000,000, 15% of the audited net income is set aside to create a gain sharing pool for all eligible staff. If patient satisfaction scores decline compared to prior year, than the gain sharing pool is reduced by 15%.

### 4. Gain Sharing Payment Distribution:

- a. Payment Formula: The amount paid to each employee will be in the same ratio as their earnings against total salary dollars of all eligible employees. Total salary dollars for the purposes of this distribution will not include salary dollars for those employees excluded from this program. See 2a above.
- b. Other factors to include seniority, position, etc. will not be taken into account.

This agreement will remain in place for the fiscal year 2016-2017 and any payments due to employees will be made no later than December, 2017.

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Stacey Tedsen  
EAP President

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Jayne O'Flanagan  
CHRO

October 20, 2016

November 9, 2016

Crystal Betts  
Chief Financial Officer  
Tahoe Forest Health System  
10121 Pine Avenue  
Truckee, CA 96161

Re: Audit and Nonattest Services

Dear Ms. Betts:

Thank you for the opportunity to provide services to Tahoe Forest Hospital District, Tahoe Forest Hospital System Foundation, and Incline Village Community Hospital Foundation. This engagement letter ("Engagement Letter") and the attached Professional Services Agreement, which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to Tahoe Forest Hospital District ("TFHD"), Tahoe Forest Hospital System Foundation ("TFHSF"), and Incline Village Community Hospital Foundation ("IVCHF") ("you," "your," and "Organizations").

#### **Scope of Services – Audit**

You have requested that we audit the TFHD's consolidated financial statements, which comprise the consolidated balance sheet as of June 30, 2017; June 30, 2018; and June 30, 2019, and the related consolidated statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

You have requested that we audit the TFHSF's consolidated financial statements, which comprise the consolidated balance sheet as of June 30, 2017; June 30, 2018; and June 30, 2019, and the related consolidated statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

You have requested that we audit the IVCHF's consolidated financial statements, which comprise the consolidated balance sheet as of June 30, 2017; June 30, 2018; and June 30, 2019, and the related consolidated statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the consolidated financial statements.



Tahoe Forest Health System  
November 9, 2016

Page 2 of 5

### **Scope of Services and Limitations – Nonattest**

We will provide the Organizations with the following nonattest services:

1. Assist you in drafting TFHD's consolidated financial statements and related footnotes as of and for the years ended June 30, 2017; June 30, 2018; and June 30, 2019.
2. Assist you in drafting TFHSF's consolidated financial statements and related footnotes as of and for the years ended June 30, 2017; June 30, 2018; and June 30, 2019.
3. Assist you in drafting IVCHF's consolidated financial statements and related footnotes as of and for the years ended June 30, 2017; June 30, 2018; and June 30, 2019.

Our professional standards require that we remain independent with respect to our attest clients, including those situations where we also provide nonattest services such as those identified in the preceding paragraphs. As a result, Organizations management must accept the responsibilities set forth below related to this engagement:

- Assume all management responsibilities.
- Oversee the service by designating an individual, preferably within senior management, who possesses skill, knowledge, and/or experience to oversee our nonattest services. The individual is not required to possess the expertise to perform or reperform the services.
- Evaluate the adequacy and results of the nonattest services performed.
- Accept responsibility for the results of the nonattest services performed.

It is our understanding that you have been designated by the Organizations to oversee the nonattest services and that in the opinion of the Organizations you are qualified to oversee our nonattest services as outlined above. If any issues or concerns in this area arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

### **Timing**

Ben Mack is responsible for supervising the engagement and authorizing the signing of the report. We expect to begin the audit fieldwork for this engagement at your offices in late May, 2017, and the audit engagement plan calls for two weeks of on-site procedures at year end in the fall during 8/28/ and 9/6/2017. As we reach the conclusion of the audit, we will coordinate with you the date the audited consolidated financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the consolidated financial statements are available for issuance, (2) you will disclose in the notes to the consolidated financial statements the date through which subsequent events have been considered, and (3) the subsequent event date



## MOSS ADAMS<sub>LLP</sub>

Tahoe Forest Health System  
November 9, 2016

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disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.

Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff's unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services.

### Fees

We estimate that our fees for the services will be as follows:

Entity	2017	2018	2019
Tahoe Forest Hospital District	\$60,270	\$63,580	\$67,080
Tahoe Forest Health System Foundation	\$17,920	\$18,910	\$19,950
Incline Village Community Hospital Foundation	\$14,930	\$15,750	\$16,620
Out-of-pocket Expenses	\$9,500	\$9,500	\$9,500
<b>Total</b>	<b>\$102,620</b>	<b>\$107,740</b>	<b>\$113,150</b>

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Organizations' records, and, for example, the number of general ledger adjustments required as a result of our work. To assist you in this process, we will provide you with a Client Audit Preparation Schedule that identifies the key work you will need to perform in preparation for the audit. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance will result in an increase of our fees.

### Reporting

We will issue a written report upon completion of our audit of the Organizations' consolidated financial statements. Our report will be addressed to the Audit Committee of the Organizations. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you

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of our report on your consolidated financial statements for the years ended June 30, 2017; June 30, 2018; and June 30, 2019.

**Additional Services**

You may request that we perform additional services not contemplated by this Engagement Letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. It is our practice to issue a separate agreement covering additional services. However, absent such a separate agreement, all services we provide you shall be subject to the terms and conditions in the Professional Services Agreement.

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We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in the Agreement, please sign the enclosed copy of this letter and return it to us with the Professional Services Agreement.

Very truly yours,



Ben Mack, Partner, for  
Moss Adams LLP

Enclosures



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**ACCEPTED AND AGREED:**

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of Tahoe Forest Hospital District, Tahoe Forest Hospital System Foundation, and Incline Village Community Hospital Foundation with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Client: #TBD  
v. 10/28/2016

## **PROFESSIONAL SERVICES AGREEMENT**

### **Audit and Nonattest Services**

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services that Moss Adams will provide to the Organizations. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

#### **Objective of the Audit**

The objective of our audit is the expression of an opinion on the financial statements and supplementary information. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). It will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

#### **Procedures and Limitations**

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and transaction details by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. The supplementary information will be subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. At the conclusion of our audit, we will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. Such material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws or regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws or regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, fraudulent financial reporting, misappropriation of assets, and noncompliance with the provisions of laws or regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Organizations and its environment, including its internal control sufficient to assess the risks of material misstatements of the financial statements whether due to error or fraud and to design the nature, timing, and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify deficiencies in the design or operation of internal control. However, if, during the audit, we become aware of any matters involving internal control or its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, we will communicate them in writing to management and those charged with governance. We will also identify if we consider any significant deficiency, or combination of significant deficiencies, to be a material weakness.

We may assist management in the preparation of the Organizations's financial statements and supplementary information. Regardless of any assistance we may render, all information included in the financial statements and supplementary information remains the representation of management. We may issue a preliminary draft of the financial statements and supplementary information to you for your review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced, or otherwise distributed without the written permission of Moss Adams.

## **Professional Services Agreement**

Audit and Nonattest Services

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### **Management's Responsibility for Financial Statements**

As a condition of our engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We may advise management about appropriate accounting principles and their application and may assist in the preparation of your financial statements, but management remains responsible for the financial statements. Management also acknowledges and understands that management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for informing us about all known or suspected fraud affecting the Organizations involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organizations received in communications from employees, former employees, regulators or others. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole. Management is also responsible for identifying and ensuring that the Organizations complies with applicable laws and regulations.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement management will provide us with:

- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the Organizations from whom we determine it necessary to obtain audit evidence.

### **Management's Responsibility for Supplementary Information**

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

### **Dissemination of Financial Statements**

Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

## **Professional Services Agreement**

Audit and Nonattest Services

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### **Offering of Securities**

This Agreement does not contemplate Moss Adams providing any services in connection with the offering of securities, whether registered or exempt from registration, and Moss Adams will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to reissue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. We will determine, at our sole discretion, whether we will reissue our report or provide written permission for the use of our report only after we have conducted any procedures we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where (a) our report is requested to be reissued, (b) our report is included in the offering document or referred to therein, or (c) reference to our firm is expected to be made. If we decide to reissue our report or provide written permission to the use of our report, you agree that Moss Adams will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to reissue our report or withhold our written permission to use our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

### **Changes in Professional or Accounting Standards**

To the extent that future federal, state, or professional rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

### **Representations of Management**

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Organizations's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Organizations's financial statements and supplementary information that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the Organizations's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, the Organizations further agrees to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the Organizations's financial statements and supplementary information resulting in whole or in part from knowingly false or misleading representations made to us by any member of the Organizations's management.

### **Fees and Expenses**

The Organizations acknowledges that the following circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;

## **Professional Services Agreement**

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- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing and copying, are passed through at our estimated clerical and equipment cost and may be charged as a flat fee. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

### **Limitation on Liability**

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

### **Subpoena or Other Release of Documents**

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

### **Document Retention Policy**

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your Organizations records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without

## **Professional Services Agreement**

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notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

### **Use of Electronic Communication**

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

### **Enforceability**

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

### **Entire Agreement**

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the Organizations. The Organizations agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which Moss Adams provides services to the Organizations, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written Agreement or terminate their relationship, whichever occurs first.

### **Use of Moss Adams' Name**

The Organizations may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

### **Use of Third-Party Service Providers**

We may use third party service providers in serving you, including software and data storage providers. You understand that Moss Adams does not control the providers' networks, security or availability of services.

### **Use of Nonlicensed Personnel**

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

### **Dispute Resolution Procedure and Venue**

This Agreement shall be governed by the laws of the state of Washington, without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon



## **Professional Services Agreement**

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mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

If the claim or dispute cannot be settled through mediation, each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in King County, state of Washington, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

### **Termination**

This Agreement may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will require any new accounting firm that you may retain to execute access letters satisfactory to Moss Adams prior to reviewing our files.



# GOVERNANCE COMMITTEE AGENDA

Wednesday, November 16, 2016 at 8:00 a.m.  
Tahoe Conference Room - Tahoe Forest Hospital  
10054 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**

2. **ROLL CALL**

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

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

4. **INPUT – AUDIENCE**

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

5. **APPROVAL OF MINUTES OF:**

5.1. **09/14/2016** ..... ATTACHMENT

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

6.1. **Walter Kopp, dba Medical Management Services** ..... ATTACHMENT

The Committee will review work and payments to date on this Independent Contractor Agreement.

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

8. **NEXT MEETING DATE**

The next Governance Committee meeting is scheduled for December 07, 2016 at 8:00 a.m.

9. **ADJOURN**



# FINANCE COMMITTEE AGENDA

Thursday, November 17, 2016 at 2:00 p.m.  
Eskridge Conference Room, Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA

1. **CALL TO ORDER**
2. **ROLL CALL**  
Dale Chamblin, Chair; John Mohun, Board Member
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
4. **INPUT – AUDIENCE**  
This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.
5. **APPROVAL OF MINUTES OF: 10/24/2016** ..... ATTACHMENT
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
  - 6.1. Financial Reports
    - 6.1.1. Multi-Specialty Clinics 1<sup>st</sup> Quarter FY 2017 Financial Statements ..... ATTACHMENT
    - 6.1.2. TFHD Financial Report – October 2016 ..... ATTACHMENT
    - 6.1.3. TFHSF Pre-Audit FY 2016 Financial Statements ..... ATTACHMENT
    - 6.1.4. TFHSF 1<sup>st</sup> Quarter FY 2017 Financial Statements ..... ATTACHMENT
    - 6.1.5. Truckee Surgery Center LLC July – September 2016 Financial Statements ..... ATTACHMENT
  - 6.2. DRAFT Contract – Moss Adams ..... ATTACHMENT
  - 6.3. Board Education and Updates
    - 6.3.1. Meaningful Use
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING** ..... ATTACHMENT
9. **NEXT MEETING DATE** ..... ATTACHMENT
10. **ADJOURN**

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

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

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



## Board Informational Report

**By: Harry Weis**  
CEO

**DATE: 11/8 & 9/2016**

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### **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 Orthopedist 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.

# Tahoe Forest Hospital District

## Board of Directors Meeting Evaluation Form

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

		Exceed Expectations	4	Meets Expectations	2	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:

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