



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

## RETREAT MINUTES

Tuesday, April 18, 2017 at 9:00 a.m. – 4:00 p.m.

Wednesday, April 19, 2017 at 9:00 a.m. – 4:00 p.m.

Cedar House Sport Hotel – Cervino Room  
10918 Brockway Road, Truckee, CA 96161

### Day 1 – Tuesday, April 18, 2017

#### 1. CALL TO ORDER

Meeting was called to order at 9:00 a.m.

#### 2. ROLL CALL

Board: Charles Zipkin, M.D., Board President; Gregory Jellinek, M.D., Vice President; Dale Chamblin, Treasurer; Randy Hill, Secretary; Alyce Wong, R.N., Board Member

Staff: Harry Weis, Chief Executive Officer; Ted Owens, Executive Director of Governance and Community Development; Martina Rochefort, Clerk of the Board

Other: Karma Bass and Erica Osborne of Via Healthcare Consulting

#### 3. INPUT – AUDIENCE

No public comment was received.

#### 4. RETREAT ITEMS FOR BOARD DISCUSSION

No formal action will be taken by the Board of Directors; only direction to staff. Any action items will be agendized for a Regular Meeting of the Board of Directors.

##### 4.1. Welcome and Opening Comments by Board President

Board President welcomed all attendees to the retreat.

Executive Director of Governance introduced retreat facilitators, Karma Bass and Erica Osborne of Via Healthcare Consulting.

##### 4.2. Retreat Objectives and Agenda

Retreat facilitators reviewed the overall goals and agenda for the Board of Directors' retreat.

Board members introduced themselves, stated why they chose to serve as board members and what they hoped to accomplish at the retreat.

It is healthy for a board to have split votes. It keeps from becoming a "rubber stamp" board.

Ground rules for the retreat were discussed.

There should be no surprises or “gotcha” moments.

#### **4.3. Report on Board Interviews**

Retreat facilitators reviewed the results from the interviews they conducted with board members.

Areas of opportunity were identified as:

- Governance-management distinction
- Focus on strategic issues
- Education and information
- Communication and trust

Discussion was held about communicating with the CEO and staff and the board’s role of oversight.

Discussion was held about the balance of board member responsibility to the hospital with the needs of the community.

**Meeting recessed at 10:52 a.m.**

**Meeting reconvened at 11:10 a.m.**

*Clerk of the Board returned to the meeting at 11:20 a.m.*

#### **4.4. The Board’s Responsibility for Strategic Direction**

The Board of Directors discussed its role in the District’s strategic direction.

Facilitators highlighted strategy “doing the right things” against tactics “doing things right”.

Facilitators outlined questions that define strategy, reviewed what the board does and what management’s role is.

The board is only one that is future focused. Management is steeped in day to day.

Discussion was held that a lay board relies on the CEO and Administration to be forward looking.

Key characteristics of a Visionary Board:

- Visionary and future focused
- Possess an entrepreneurial spirit
- Willing to take “acceptable” risks
- Effective communicators
- Open to new partnerships

Barriers to Visionary Leadership that were highlighted:

- Shortage of time
- Avoidance of risk

Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**April 18 & 19, 2017 RETREAT MINUTES – Continued**

---

- Tendency to “get into the weeds”
- Lack of knowledge
- Holding on to the “old ways”
- Lack of clarity roles

Facilitators recommended the board be intentional about education and make a calendar.

**Meeting recessed at 12:02 p.m.**

**Meeting reconvened at 12:46 p.m.**

*TFHD Administrative Council joined the retreat after lunch.*

#### **4.5. Measuring for Success in 2017 and Beyond**

CEO reviewed the District’s core strategies with the Board.

***Strategy: A complete makeover of our Physician service line with a strong focus of moving towards “best practices” as a more integrated and aligned true system of care, operating in a sustainable manner”***

- Recruitment of physicians for core services
- Development of Friendly PC program
- Affiliation with OB Group
- Affiliation with TTMG
- Develop Rural Health Clinics
- Ortho total joint program
- Develop and implement Palliative Care Program
- Develop behavioral health integration into the primary care clinics

***Strategy: Choosing and implementing the correct new Electronic Health Record for our system that spans all physician, OP and IP services. Plus acquiring any other critical companion business operations software.***

- Completed extensive RFP for new EHR Software
- Selected host for EPIC software from Mercy Technical Services
- Implement EHR software
- Completed RFP for Cost accounting and budget software
- Implement Kaufman Hall budget advisor and Aperek cost accounting software in parallel with EPIC EHR software

***Strategy: Create and Implement a New Master Plan***

- Meet with key hospital stakeholders and medical staff for input and review of draft master plan
- Rural Healthcare Centers included in master plan
- Evaluate new service lines and location within Master Plan
- Complete master plan with projected costs
- 10 year cash flow projections and balanced capital plan strategy to be created once projected costs of project known
- Complete and finalize Master Plan with Board of Directors

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

- Develop and implement a Navigation & Care Coordination Program

**Strategy: “Just Do It” – Ongoing improvement in our financial performance resulting in upgrades to our Investment Ratings.**

- Achieve at least A- Net Income Margin
- Produce labor productivity reports, departmental financial statements, ability to do adhoc data mining, analyze service line profitability, physician profitability, payor profitability, or other critical reports/analysis.

**Strategy: “Just Do It” - Demonstrate measureable improvements annually in both Quality and Patient Satisfaction.**

- Create the Perfect Care Experience
- Leader in patient safety and clinical metrics
- Increase employee engagement

**Strategy: “Just Do It” – Ongoing improvement in the organizational compliance program.**

- Expand activities related to compliance and privacy education, plus new employee/physician orientation and training.
- Evaluate membership of Compliance Committee in the compliance program.
- Institute departmental internal monitoring of corrective actions implemented after compliance investigations, with reporting to the Compliance Committee.
- Support Compliance audits of high-risk areas with adequate resources: Billing, physician arrangements, certification requirements, etc.
- Emphasize timely completion of investigations, especially those indicating potential for refunding payments to government payors.
- Reformat Compliance Investigation Log to include Plan of Correction and date for follow-up internal monitoring.
- Evaluate and update disciplinary policies related to employee lapses in following policies and procedures that are uncovered during investigations.
- Foster an environment of reporting issues for investigation and resolution without intimidation or retaliation.

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

- Continue and expand brand exposure through inter-governmental and service organization participation.
- Health Care 101 – Host on regular basis on and off campus.
- Mountain Health Today – TFHD produced television program. Broadcast area; South Lake Tahoe, West and North Shore, Truckee, Reno and Carson/Minden.
- Second Homeowner Outreach – “Get to Know Us Before You Have to”
- Event Participation
- Business Leader Engagement

**Meeting recessed at 1:30 p.m.**

**Meeting reconvened at 1:38 p.m.**

#### **4.6. Visioning Exercise**

The Board of Directors participated in an exercise to outline their future vision of Tahoe Forest Hospital District.

Board members shared their thoughts on the purpose of Tahoe Forest Hospital District.

Facilitators reviewed TFHD's Mission, Vision and Values.

Facilitators noted the work being done by TFHD and its Board is at a higher level than what other rural hospitals are doing. For example, gain sharing program for staff, core measures, cost accounting.

Director Zipkin would like to see Quadruple AIM added to the values.

Board members brainstormed ideas of what they would like to see in newspaper headlines about TFHD in five years.

Discussion was held about trust among board members, TFHD leadership and the community. Trust begins at the top. How the Board interacts with each person and how the CEO gets treated sends ripples through organization.

Facilitators recommended board members actively go out and demonstrate behaviors of a trustworthy person to build trust with each other, staff and the community.

Facilitator observed the Board has work to do to regain trust of the Executive Team.

CMO commented that the Board also has to rebuild trust with the medical staff.

**Meeting recessed at 2:53 p.m.**

**Meeting reconvened at 3:00 p.m.**

#### **4.7. Board Direction for TFHD's Future**

An uncertain future in healthcare is something all hospitals are facing now.

Facilitators posed the following critical questions for the board to ask itself:

- How can we master population health?
- Are we driving down costs and increasing efficiency fast enough?
- Are board members knowledgeable about the issues that matter?
- Has the board embraced physician partnerships as critical to our success?

Discussion about population health and reimbursement in the future.

Facilitators recommended the board take a survey following the retreat to ask what top 5 things board members would like to learn.

Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**April 18 & 19, 2017 RETREAT MINUTES – Continued**

---

Discussion was held about the board getting out of the minute details of physician contracts. The Board discussed its fiduciary duty and the “reasonable and prudent man” standard.

The traditional framework of roles that hospitals follow was reviewed. Board of Directors, Administration and Medical Staff make up the Hospital Triad of Authority.

Facilitators provided four Real-World Practices of Top Boards in Navigating Transformation:

- A Focus on Governing
- Strong Board-CEO Relationship
- Effective Board Meetings
- Healthy Board Culture

#### **4.8. Review of Day One and Next Steps**

Facilitators reviewed the work completed during day one of the retreat.

Next steps for the board were also reviewed.

Board members expressed their desire to continue the conversation about governance and foundation, to revisit board committee structure, and review their bylaws for consistency.

#### **5. PUBLIC COMMENT**

No public comment was received.

#### **6. ADJOURN**

**Meeting adjourned at 3:49 p.m.**

### **Day 2 – Wednesday, April 19, 2017**

#### **1. CALL TO ORDER**

**Meeting reconvened at 9:06 a.m.**

#### **2. ROLL CALL**

Board: Charles Zipkin, M.D., Board President; Gregory Jellinek, M.D., Vice President; Dale Chamblin, Treasurer; Randy Hill, Secretary; Alyce Wong, R.N., Board Member

Staff: Harry Weis, Chief Executive Officer; Ted Owens, Executive Director of Governance and Community Development; Martina Rochefort, Clerk of the Board

Other: Karma Bass and Erica Osborne of Via Healthcare Consulting; David Ruderman, Assistant General Counsel

### **3. INPUT – AUDIENCE**

No public comment was received.

### **4. RETREAT ITEMS FOR BOARD DISCUSSION**

No formal action will be taken by the Board of Directors; only direction to staff. Any action items will be agendaized for a regular meeting of the Board of Directors.

#### **4.1. Welcome and Review of Previous Day's Work**

Board Members reflected on their takeaways from the first day of the retreat.

The board would like to focus on governance versus management.

#### **4.2. Board Responsibilities and Fiduciary Duties**

The Board of Directors reviewed their roles and responsibilities as board members.

The definition of fiduciary was reviewed.

Fiduciary duty of oversight:

- Develop the mission and set strategic direction
- Establish policies, norms, and procedures
- Carefully select competent CEO
- Delegate work to CEO
- Monitor performance of organization and CEO

General Counsel noted board's fiduciary oversight comes during the budget process, review of audits, etc.

Director Chamblin asked about the depth into which the board can dive for oversight and when does the board stop asking questions with a desire to dig deeper.

The more information that is received the more questions are raised.

Discussion was held about medical staff credentialing. It is the job of the board to ask the Medical Executive Team if they did their due diligence in the credentialing process.

The board should provide guidance and evaluate the performance of the CEO but not the CEO's tactics.

Facilitators highlighted three important notes:

1. Boards only have authority when meeting as a board (not as individuals or sub-sets).
2. Boards must speak with one voice.
3. The Board's primary contact – and only employee – is the CEO.

The board's legally mandated fiduciary duties include:

- Care - The board must be knowledgeable of all reasonably available information and act with appropriate prudence and care. Have you asked questions a reasonable person would ask?
- Obedience - The board must ensure that the organization is obedient to its central purposes as described in its articles of incorporation and the mission.

Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**April 18 & 19, 2017 RETREAT MINUTES – Continued**

---

- Loyalty - Discharge duties unselfishly, to benefit only the corporate enterprise and not the directors personally.

This means board directors must:

1. Disclose situations with potential for conflicts.
2. Avoid competition with the organization.
3. Refrain from discussing confidential board business with others.

Discussion about held about how board members would not be held liable if their decision was made in good faith, board members were disinterested and reasonably informed, and believed their decision to be in the best interest of the organization.

Facilitators suggested the board start every meeting and conversation with a review of the mission.

General Counsel stated it is rare for individual board members to be held liable for acts of the District. More often than not, the board has immunity for acts taken as a board under the Government Code.

Healthcare business is not without risk.

Discussion was held about the board's relationship with medical staff. CEO stated medical staff wants to see through actions that there has been a transformation.

The board noted the importance of the CMO position for physician alignment.

The best way the board can serve its constituents is by providing a good hospital and providing a good place for physicians to work.

The board's actions over last few years have affected all relationships. The board needs to make decisions in the best interest of the hospital.

The board's primary roles are policy oversight, decision making and oversight.

A best practice on policy is to have a standing review of policy on an ongoing basis.

Staff was directed to start bringing policies to the board on a monthly basis.

Bylaws are required to be reviewed every two years. A review of the bylaws should start with the Governance Committee.

**Meeting recessed at 10:35 a.m.**

**Meeting reconvened at 10:45 a.m.**

Decision making is considered the most important role of governance. Decisions are based on policy. Boards can retain or delegate authority for making decisions.



Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**April 18 & 19, 2017 RETREAT MINUTES – Continued**

---

Board members expressed their desire to receive information in a timely manner from administration.

Preparation for board meetings requires a lot of time and effort.

Board members would like to avoid having to make rushed decisions.

Key responsibilities of the board are:

- Set Strategic Direction
- Quality and Safety Oversight
- Financial Oversight
- Management (CEO) Oversight
- Community relations/interactions
- Governance Effectiveness

Facilitators suggested developing a policy to address review of the strategic plan every two years.

Board and management work on the “what and why” and management does work on the “how”.

Discussion was held about developing a succession plan. The plan does not need to name specific people or positions but outlines a process.

Facilitators suggested asking ACHD and CHA for updates to stay up to speed on legislative issues.

Community Health Needs Assessment will allow the community to provide input on its needs.

Facilitators suggested using board “mentors” where new board members are paired with seasoned board member to check in.

#### **4.3. Group Exercise**

Discussion of Item 4.2 ran into timing of Item 4.3.

#### **4.4. Agree on Board Goals for 2017**

Facilitators distributed and reviewed draft board action and education plans.

#### **4.5. Agree on Next Steps / Facilitator Closing Comments & Meeting Evaluation**

Facilitators provided the following suggestions:

- Take out specific responsibilities of committees out of bylaws and have committee charters call out responsibilities. Charters are approved by full board.
- Call out board education on agendas.

Facilitators provided closing comments on their portion of the retreat.

Discussion was held on the effectiveness of the retreat.

**Meeting recessed at 12:27 p.m.**

**Meeting reconvened at 1:14 p.m.**

*TFHD Administrative Council joined the retreat after lunch.*

**4.6. Order & Decorum Reaffirmation/Amend**

Executive Director of Governance reviewed the current Order and Decorum policy.

Discussion took place about Item 5. Consent Calendar Procedure, specifically about the public asking a board member to pull an item. General Counsel advised it is up to the board's discretion to pull an item from the agenda. The board would like to keep it as a member of the public can request a board member to pull an item.

Discussion was held on Item 6. Requests for Input or Dialogue. It is a best practice for board members to receive acknowledgement by the Board President before speaking. This will allow a fair opportunity for all board members to speak.

Discussion was held on Item 10 and the distinction of a roll call vote versus voice vote. Board member can request a roll call vote. As a general rule, Board President will call for a roll call vote if it is not unanimous.

Executive Director was directed to reword the sentence about District Counsel managing closed session. It is not a best practice to not have counsel at closed sessions.

The Board will amend their Order and Decorum pledge at the May Regular Meeting of the Board of Directors.

**4.7. Administrative Signing Authority Discussion**

The Board of Directors discussed the signing authority of the Chief Executive Officer (CEO).

CEO asked the Board to contemplate increasing the signing authority to \$100,000 or more. TFHD receives advice of counsel on agreements.

Discussion was held about spending authority. The board approves the capital budget and Administration is directed to spend within the budget.

General Counsel advised there is no limit defined by law or Health and Safety Code on the CEO's signing authority. The limit is set by the Board of Directors.

Discussion was held about drafting a policy to address contracts for goods and services.

**4.8. Committee Structure Discussion**

Discussion was held on current board committee structure.

Committees are designed to make the jobs of board members easier.

All committees except Quality and Community Benefit are written to meet on an as needed basis.

Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**April 18 & 19, 2017 RETREAT MINUTES – Continued**

---

The Board has options on how committees can be structured.

Work on committee structure should start with the Governance Committee since it would be a revision to bylaws.

Facilitators had recommended the bylaws to outline committees and the committee charters to define their responsibilities.

CFO felt Finance Committee is a necessary venue for in-depth discussions to occur. Committee meetings do not necessarily have to be every month and could be paired down.

Combining the work of the Board Quality Committee and Medical Staff Quality Committee could lessen the redundancy of their meetings.

It was suggested that each committee chair submit a recommendation to Governance Committee.

Discussion was held about ad hoc committees. General Counsel clarified that an ad hoc committee is one of limited purpose and once it fulfills that purpose the committee is done.

**Meeting recessed at 2:36 p.m.**

**Meeting reconvened at 3:03 p.m.**

#### **4.9. Board Education**

*David Henninger of Hooper, Lundy and Bookman joined the meeting at 3:03 p.m.*

Mr. Henninger provided education to the Board of Directors on *U.S. ex rel. Drakeford v. Tuomey Healthcare System, Inc.* and *United States ex rel. Baklid-Kunz v. Halifax Hospital Medical Center, et al.*

**Open Session recessed at 2:27 p.m.**

### **5. CLOSED SESSION**

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

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

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

*(Gov. Code § 54956.9(e)(1))*

Discussion was held on a privileged item.

### **6. OPEN SESSION**

**Open Session reconvened at 3:58 p.m.**

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

Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**April 18 & 19, 2017 RETREAT MINUTES – Continued**

---

General Counsel advised there was no reportable action taken in closed session.

**8. PUBLIC COMMENT**

No public comment was received.

**9. ADJOURN**

**Open Session adjourned at 3:59 p.m.**