



TAHOE FOREST HOSPITAL DISTRICT

2015-09-29 Regular Meeting of the Board of Directors

Sep 29, 2015 at 04:00 PM - 09:00 PM

Tahoe Truckee Unified School District (TTUSD)

11603 Donner Pass Rd, Truckee, CA

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Meeting Book - 2015-09-29 Regular Meeting of the Board of Directors

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REGULAR MEETING OF THE BOARD OF DIRECTORS

REVISED AGENDA

(Revised on 09/25/2015 at 1:56pm)

Tuesday, September 29, 2015 at 4 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 Board Clerk 24 hours prior to the meeting to allow for distribution.

5. **CLOSED SESSION:**

5.1. Conference with Legal Counsel; Anticipated Litigation (Gov. Code § 54956.9(d)(2) & (d)(3)) (1 matter)

A point has been reached where, in the opinion of the 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))

5.2. Trade Secrets (Health & Safety Code § 32106)

Proposed New Services or Programs: One (1) item

5.3. Medical Staff Credentials (Health & Safety Code § 32155)

5.4. Approval of Closed Session Minutes of:

07/28/2015, 08/25/2015, 09/10/2015

6. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**

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

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
September 29, 2015 AGENDA– Continued

9. 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.

10. 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.

11. ACKNOWLEDGMENTS

11.1. CEP Patient Satisfaction Survey Results

12. MEDICAL STAFF REPORT ♦

12.1. Medical Staff Report ATTACHMENT

13. CONSENT CALENDAR ♦

These items are expected to be routine and non-controversial. They will be acted upon by the Board at one time 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.

13.1. Approval of Minutes of Meetings ♦

08/25/2015, 09/10/2015 ATTACHMENT

13.2. Financial Report ♦

Financial Report- Preliminary August 2015 ATTACHMENT

14. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

14.1. Quarterly Facilities Update ATTACHMENT

The quarterly update of the Facilities Development Plan (FDP) will be provided; includes updates pertaining to the Measure C Projects and related Owner and Regulatory Scope Modifications.

14.2. CEO Search

A verbal update will be provided related to the status of the CEO Search.

14.3. Contracts ♦ ATTACHMENT

14.3.1. New Radiation Oncology Medical Directorship Agreement

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

15.1. Governance Committee Meeting– 09/11/2015 ATTACHMENT

15.1.1. AGOV-xx Physician Non- Monetary Compensation Policy ♦ ATTACHMENT

15.1.2. ABD-13 Innovation Policy removal ♦

15.1.3. Board Education

The Board will review conference options from Governance Institute, Estes Park and CSDA.

15.1.4. Board Retreat Update from Ted Owens

15.1.5. Future Board Meeting at a North Lake Tahoe location

15.2. Finance Committee Meeting – 09/23/2015 ATTACHMENT

15.2.1. Annual Audited Financial Statements Format ♦ ATTACHMENT

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
September 29, 2015 AGENDA– Continued

- 15.3. Community Benefit Committee – 09/09/2015** ATTACHMENT
15.4. Personnel/Retirement Plan Committee – 09/09/2015 ATTACHMENT

16. 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.

- 16.1. Strategic Initiatives Updates** ATTACHMENT
Staff reports will provide updates related to key strategic initiatives.

17. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

18. ITEMS FOR NEXT MEETING

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

20. CLOSED SESSION CONTINUED, IF NECESSARY

21. OPEN SESSION

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

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

24. ADJOURN

The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is October 27, 2015, 11603 Donner Pass Rd., Truckee, CA. A copy of the Board meeting agenda is posted on the District’s web site (www.tfhd.com) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.

◆ Denotes Action Item

*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.

**MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS FOR APPROVAL BY THE BOARD OF DIRECTORS - OPEN MEETING
September 29, 2015**

CONSENT AGENDA ITEM	REFERRED BY:	RECOMMEND/ ACTION
Consent Approval Items		
1. P&T Committee	The P&T Committee recommended approval via email on 8/28/15 of the following Orders: <ul style="list-style-type: none"> ➤ <u>Anesthesia - Continuous Epidural Infusion</u> - Major revision to organize, categorize and fill in many of the blanks with set doses for medications, includes RASS for sedation monitoring ➤ <u>Anesthesia - Continuous Nerve Block</u> - Minor revision to include option for OnQ pump or D/C nerve block on discharge ➤ <u>Anesthesia - On-Q Pump Discharge Orders</u> - NEW order set to facilitate TKA discharges ➤ <u>OB – OB Controlled Epidural Analgesia (PCEA)/Continuous Epidural Anesthesia (CEA)</u> - Major revision, blanks filled in and re-organized 	Approval
2. Department of OB/PEDS	The Department of OB/PEDS recommended approval via email on 8/19/15 of the following Standardized Procedures (annual review): <ul style="list-style-type: none"> ➤ Standardized Procedure –Healthy Newborn Admission – Annual review, 1 change noted: Cord gases clarified under special circumstances. ➤ Standardized Procedure - Perinatal Screening by RN – Annual review, no changes made. 	Approval
3. Quality Assurance Committee	The Quality Assurance Committee recommended approval at their meeting on 6/11/15 of the following: <ul style="list-style-type: none"> ➤ Surgery Consent Form – DNR language changed. ➤ Anesthesia Consent Form – DNR language changed. Final review completed at Department of Anesthesia meeting on 8/21/15. 	Approval
4. Information Technology/ Medical Staff Services	The Information Technology Policy for electronic signature was amended to allow for use of the electronic signature for credentialing purposes	Approval



REGULAR MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Tuesday, August 25, 2015 at 4 p.m.

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

1. CALL TO ORDER

The Meeting was called to order at 4:01pm.

2. ROLL CALL

Board: Karen Sessler, President; Chuck Zipkin, Vice President; Greg Jellinek, Secretary; Dale Chamblin, Treasurer; John Mohun, Director (5).

Staff: Jake Dorst, Interim CEO; Crystal Betts, CFO; Sarah Jackson, Executive Assistant; Dr. Jeff Dodd, Chief of Staff;

Other: Steve Gross, General Counsel

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

None.

4. INPUT AUDIENCE:

None.

5. CLOSED SESSION:

Open Session was recessed at 4:02 pm.

Closed Session was called to order at 4:02 pm.

5.1. Trade Secrets (Health & Safety Code § 32106)

Discussion was held on a privileged matter.

5.2. Quality Report (Health & Safety Code § 32155)

Discussion was held on a privileged matter.

5.3. Conference with Legal Counsel; Anticipated Litigation (Gov. Code § 54956.9(d)(2) & (d)(3)) (6 matters)

Discussion was held on privileged matters.

5.4. Medical Staff Credentials (Health & Safety Code § 32155)

Discussion was held on a privileged matter.

5.5. Approval of Closed Session Minutes of:

Discussion was held on a privileged matter.

Closed Session was recessed at 5:52 pm.

6. DINNER BREAK

APPROXIMATELY 6:00 P.M.

7. OPEN SESSION – CALL TO ORDER

Meeting was called to order at 6:03pm.

Board: Karen Sessler, President; Chuck Zipkin, Vice President; Greg Jellinek, Secretary; Dale Chamblin, Treasurer; John Mohun, Director (5).

Staff: Jake Dorst, Interim CEO; Crystal Betts, CFO; Sarah Jackson, Executive Assistant; Dr. Jeff Dodd, Chief of Staff; Ted Owens, Director of Community Development; Barbara Wong, EA Representative; Stephanie Hanson, Compliance Department; Catherine Hammond, Interim Director of Medical Staff Services; Don Whiteside, HFS Consultant

Other: Steve Gross, General Counsel; Jayne O’Flanagan; Jaye Chasseur; Dr. Larry Heifetz; Max Hambrick; Hilary Ward; John Rust; Jay O’Hanlon; Alex MacLennan; Jeff Rosenfeld; Larry Larson; Dr. Chris Arth; Jim Hook, Consultant Fox Group; Dr. Nina Winans; Gaylan Larson; Lynne Larson; other community members.

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

A request came from the audience to move item #22 to an earlier time. Director Sessler reported that there were no reportable items from closed session.

9. INPUT – AUDIENCE

None.

10. INPUT FROM EMPLOYEE ASSOCIATIONS

Barbara Wong, President of EA for non-licensed professionals addressed the Board regarding an expressed interest of employees to talk with Board of Directors directly. She encouraged Board Members to come to member meetings, or make themselves available otherwise.

11. ACKNOWLEDGMENTS

Director Sessler acknowledged Mr. Gross by proclamation and appreciation for his years of service to THFD as District Counsel. A certificate was presented to Mr. Gross.

Mr. Dorst acknowledged the ECC staff for passing recent surveys with flying colors.

12. MEDICAL STAFF REPORT

12.1. Medical Staff Report

Dr. Dodd presented the MEC Report with his recommendation for approval.

ACTION: Motion made by Director Jellinek, seconded by Director Chamblin to approve the MEC report as presented. Roll call vote was taken. Approved unanimously.

13. CONSENT CALENDAR

13.1. Approval of Minutes of Meetings

07/28/2015

13.2. Financial Report

Financial Report- Preliminary July 2015

13.3. Contracts

13.3.1. Koch_IVCH_Medicine_Coverage_Agreement_2007

13.3.2. Lee_Surgery_Coverage_Agreement_2012

13.3.3. North_Tahoe_Family_Care_IVCH_Medicine_Coverage_Agreement-2007

13.3.4. Samelson_TFH_Hospitalist_Services_Agreement_2013

13.3.5. Winans_TFHD_Tahoe_Center_for_Health_and_Sports_Performance_MDA_2009

ACTION: Motion made by Director Zipkin, seconded by Director Chamblin to approve the consent items as presented. Roll call vote was taken. Approved unanimously.

14. ITEMS FOR BOARD DISCUSSION AND ACTION

14.1. CEO Search

A written update was provided related to the status of the CEO Search. Mr. Whiteside reviewed the provided report.

Public comment was received, Board comments were received. No actionable items.

14.2. Quarterly Compliance Report

Mr. Hook of the Fox Group provided a verbal update and the Compliance Committee provided the Board of Directors with a report of the 2nd Quarter 2015 Corporate Compliance Program activities.

There were no comments from the public, Board, or staff.

14.3. Contracts

14.3.1. Kitts_Amendment_to_Agreement_to_Provide_Coverage_of_Emergency_Department_Professional_Services_2015

Mr. Dorst introduced the amendment to Dr. Kitts' PSA. This contract is being provided for approval upon review. Director Zipkin questioned a typo on section 5.1. Clarification was provided on the typo.

ACTION: Motion made by Director Zipkin, seconded by Director Mohun to approve the amendment with the corrections noted. Roll call vote was taken. Approved unanimously.

14.3.2. Sierra_Nevada_Oncology_Fourth_Amendment_to_TFH_PSA_2015

Mr. Dorst introduced the amendment to Sierra Nevada Oncology. This amendment will include the Medical Director of Radiation Oncology duties and that separate agreement will be eliminated.

Board discussion was held as follows: Dr. Jellinek questioned rolling a supervisory roll into a PSA. Mr. Hook said there was not a known prohibited reason not to do this. This

has been vetted by HLB. Director Mohun questioned the validity of this amendment due to previous signature date issues.

Public comment was taken. Discussion was held.

Direction to staff was given, no approval was given for this amendment.

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

15.1. Governance Committee Meeting– 08/12/2015

15.1.1. Committee Goals

15.1.2. Possible Board Meeting at North Tahoe

15.2. Quality Committee – 08/20/2015

15.3. Finance Committee Meeting – 08/20/2015

15.4. Community Benefit Committee – No meeting

ACTION: Motion made by Director Zipkin, seconded by Director Jellinek to approve the Governance Committee Goals as presented. Roll call vote was taken. Approved unanimously.

Discussion was held regarding the other Committee Meetings listed.

16. INFORMATIONAL REPORTS

16.1. Strategic Initiatives Update

17. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

Upcoming meetings are: Governance Committee meeting with an emphasis on policies, Community Benefit Committee Meeting, Personnel / Retirement Committee Meeting, and Finance Committee Meeting where pre-audit numbers should be presented.

18. ITEMS FOR NEXT MEETING

Director Zipkin requested the Wellness Neighborhood presentation be added to a future board meeting. It is approximately 45 minutes for the presentation.

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

Director Chamblin noted that at the most recent TFHS Foundation Board Meeting there had been a restructuring in how the meeting was run and financials were presented by Ms. Betts, CFO. He felt this was a positive shift in the Foundation Board Meetings and was well received by the Foundation Board Members.

Open session recessed at 7:31 pm.

20. CLOSED SESSION CONTINUED, IF NECESSARY

Discussion was held on a privileged matter.

Closed session adjourned at 8:38 pm.

21. OPEN SESSION

Open session resumed at 8:38 pm.

22. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

None.

23. MEETING EFFECTIVENESS ASSESSMENT

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

24. ADJOURN

The Meeting was adjourned at 8:38pm.



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

DRAFT MINUTES

Thursday, September 10, 2015 at 1:00 p.m.
Eskridge Conference Room,
Tahoe Forest Hospital, 10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting was called to order at 1:03 p.m.

2. ROLL CALL

Board: Karen Sessler, President; Charles Zipkin, Vice President; Greg Jellinek, Secretary;
Dale Chamblin, Treasurer; John Mohun, Director

Staff: Crystal Betts, Chief Financial Officer; Judy Newland, Chief Nursing/Operations Officer;
Jayne O'Flanagan, Chief Human Resources Officer; Shawni Coll, DO, Medical Director of Strategic
Planning; Martina Rochefort, Clerk of the Board

Other: Don Whiteside, HFS Consultants

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

None.

4. INPUT – AUDIENCE

None.

5. INPUT FROM EMPLOYEE ASSOCIATIONS

None.

Open session recessed at 1:04 p.m.

6. CLOSED SESSION:

6.1. Public Employee Appointment (Gov. Code § 54957)

Title: Chief Executive Officer Candidate Evaluation
Discussion held on a privileged matter.

7. OPEN SESSION

Open session reconvened at 4:40 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

Director Sessler reported that the Board has chosen a number of excellent and well qualified candidates to interview at TFHD for the CEO position. The next phase in the process will be onsite interviews in the coming weeks.

9. ITEMS FOR NEXT MEETING

Develop process and procedure for board member to get access to sensitive materials.
Process for requesting items to be on agenda.
Possible policy for timing of board member's request to receive information.
Discuss a study for out migration of services.

Don Whiteside departed the meeting at 4:47 p.m.

10. BOARD MEMBERS REPORTS/CLOSING REMARKS

None.

11. MEETING EFFECTIVENESS ASSESSMENT

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

12. ADJOURN

Meeting adjourned at 5:00 p.m.

**TAHOE FOREST HOSPITAL DISTRICT
AUGUST 2015 FINANCIAL REPORT
INDEX**

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Board of Directors
Of Tahoe Forest Hospital District

AUGUST 2015 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the two months ended August 31, 2015.

Activity Statistics

- ❑ TFH acute patient days were 273 for the current month compared to budget of 398. This equates to an average daily census of 8.81 compared to budget of 12.84.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Oncology Lab, Oncology procedures, Radiation Oncology, Oncology Drugs, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Home Health visits, Surgical cases, Diagnostic Imaging, Mammography, MRI exams, Ultrasounds, Cat Scans, PET CT, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 56.4% in the current month compared to budget of 53.4% and to last month's 58.2%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 57.3%, compared to budget of 53.4% and prior year's 57.4%.
- ❑ EBIDA was \$1,839,240 (10.1%) for the current month compared to budget of \$925,556 (4.8%), or \$913,684 (5.2%) above budget. Year-to-date EBIDA was \$3,762,629 (10.0%) compared to budget of \$1,792,759 (4.7%) or \$1,969,870 (5.4%) over budget.
- ❑ Cash Collections for the current month were \$10,080,268 which is 87% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 54.6, compared to the prior month of 58.1. Gross Accounts Receivables are \$31,399,650 compared to the prior month of \$32,477,468. The percent of Gross Accounts Receivable over 120 days old is 21.4%, compared to the prior month of 21.0%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 41.9 days. S&P Days Cash on Hand is 173.2. Working Capital cash increased \$2,951,000. Accounts Payable and Accrued Payroll & Related Costs increased \$1,378,000 and \$388,000, respectively. The District received \$525,000 from the State on its SNF Supplemental Reimbursement, Property Tax revenue in the amount of \$216,000 and various rebates and refunds totaling \$191,000.
- ❑ Net Patients Accounts Receivable decreased approximately \$768,000. Cash collections were at 87% of target and days in accounts receivable were 54.6 days, a 3.5 days decrease.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased a net \$460,000 after recording the receipt of the Medi-Cal SNF Supplemental Reimbursement.
- ❑ G.O. Bond Tax Revenue Fund increased \$176,491. Final payment of the FY2015 property tax revenues were received during the month.
- ❑ Accounts Payable increased \$1,378,000 due to the timing of the final check run in August.
- ❑ Accrued Payroll & Related Costs increased \$388,000 due to an increase in payroll days to accrue at month's end.

Operating Revenue

- ❑ Current month's Total Gross Revenue was \$18,292,665, compared to budget of \$19,113,136 or \$820,471 below budget.
- ❑ Current month's Gross Inpatient Revenue was \$4,553,428, compared to budget of \$5,950,829 or \$1,397,401 below budget.
- ❑ Current month's Gross Outpatient Revenue was \$13,739,237, compared to budget of \$13,162,307 or \$576,930 above budget. Volumes were up in some departments and down in others. See TFH Outpatient Activity Statistics above.
- ❑ Current month's Gross Revenue Mix was 38.4% Medicare, 15.9% Medi-Cal, .0% County, 3.0% Other, and 42.7% Insurance compared to budget of 36.2% Medicare, 18.6% Medi-Cal, .0% County, 3.8% Other, and 41.4% Insurance. Last month's mix was 38.2% Medicare, 16.4% Medi-Cal, .0% County, 4.8% Other, and 40.6% Insurance.
- ❑ Current month's Deductions from Revenue were \$7,980,969 compared to budget of \$8,911,482 or \$930,512 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 2.22% increase in Medicare, a 2.70% decrease to Medi-Cal, a .02% decrease in County, a .82% decrease in Other, and Commercial was above budget 1.32%, 2) revenues fell short of budget by 4.3%, and 3) we continue to see a pickup in Bad Debt as Self-Pay accounts are worked.

Operating Expenses

DESCRIPTION	August 2015 Actual	August 2015 Budget	Variance	BRIEF COMMENTS
Salaries & Wages	3,531,711	3,741,654	209,942	
Employee Benefits	1,029,940	1,164,304	134,364	We saw a positive variance in PL/SL due to fewer vacation days taken than anticipated and Employer payroll taxes were under budget due to the decrease in Salaries, Wages, and PL/SL.
Benefits – Workers Compensation	44,869	60,541	15,672	
Benefits – Medical Insurance	483,108	750,099	266,991	Positive variance is due to a decrease in paid claims.
Professional Fees	1,603,266	1,429,328	(173,938)	Legal services provided to TIRHR and the Compliance Department and higher volumes in Neurology and Nephrology which are tied to physician compensation created a negative variance in Professional Fees.
Supplies	1,345,381	1,363,323	17,942	Oncology Pharmacy revenues exceeded budget by 3.18%, creating a negative variance in Pharmacy Supplies. This was offset, in part, by Surgical Services and Medical Supplies Sold to Patients revenues coming in below budget by 16.28% and creating a positive variance in Patient & Other Medical Supplies.
Purchased Services	787,512	887,986	100,473	Lower volumes in Diagnostic Imaging – All, Patient Accounting collection agency fees, and services provided to Information Technology for Software and Network Maintenance came in below budget, creating a positive variance in Purchased Services.
Other Expenses	331,074	491,288	160,214	Controllable expenses are being monitored closely by Senior Leadership creating positive variances in most of the Other Expenses section.
Total Expenses	9,156,862	9,888,523	731,661	

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
AUGUST 2015

	Aug-15	Jul-15	Aug-14	
ASSETS				
CURRENT ASSETS				
* CASH	\$ 13,009,477	\$ 10,058,866	\$ 8,289,521	1
PATIENT ACCOUNTS RECEIVABLE - NET	15,306,144	16,074,308	19,082,442	2
OTHER RECEIVABLES	4,323,038	3,697,227	3,895,021	
GO BOND RECEIVABLES	398,788	179,492	798,005	
ASSETS LIMITED OR RESTRICTED	5,143,103	4,926,489	5,666,962	
INVENTORIES	2,312,070	2,331,950	2,510,313	
PREPAID EXPENSES & DEPOSITS	1,638,053	1,695,976	2,050,760	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	3,899,303	4,359,408	3,265,292	3
TOTAL CURRENT ASSETS	46,029,976	43,323,717	45,558,316	
NON CURRENT ASSETS				
ASSETS LIMITED OR RESTRICTED:				
* CASH RESERVE FUND	40,759,110	40,759,110	40,655,350	1
BANC OF AMERICA MUNICIPAL LEASE	979,068	976,584	2,291,388	
TOTAL BOND TRUSTEE 2002	2	2	2	
TOTAL BOND TRUSTEE 2006	382,220	239,109	2,459,893	
TOTAL BOND TRUSTEE GO BOND	29,818	29,818	-	
GO BOND PROJECT FUND	11,639,767	11,639,898	19,261,009	
GO BOND TAX REVENUE FUND	662,645	486,154	44,944	4
BOARD DESIGNATED FUND	2,297	2,297	2,297	
DIAGNOSTIC IMAGING FUND	2,971	2,971	2,963	
DONOR RESTRICTED FUND	1,157,248	1,114,450	805,658	
WORKERS COMPENSATION FUND	10,613	6,241	18,660	
TOTAL	55,625,757	55,256,633	65,542,163	
LESS CURRENT PORTION	(5,143,103)	(4,926,489)	(5,666,962)	
TOTAL ASSETS LIMITED OR RESTRICTED - NET	50,482,654	50,330,143	59,875,201	
NONCURRENT ASSETS AND INVESTMENTS:				
INVESTMENT IN TSC, LLC	324,395	324,395	496,395	
PROPERTY HELD FOR FUTURE EXPANSION	836,353	836,353	836,353	
PROPERTY & EQUIPMENT NET	130,297,190	130,820,592	115,915,487	
GO BOND CIP, PROPERTY & EQUIPMENT NET	21,246,865	20,110,541	28,145,561	
TOTAL ASSETS	249,217,433	245,745,740	250,827,313	
DEFERRED OUTFLOW OF RESOURCES:				
DEFERRED LOSS ON DEFEASANCE	575,363	578,595	614,151	
ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	1,774,439	1,774,439	1,710,011	
DEFERRED OUTFLOW OF RESOURCES ON REFUNDING	2,001,044.98	2,008,682.56	-	
GO BOND DEFERRED FINANCING COSTS	310,281.44	311,465.72	-	
DEFERRED FINANCING COSTS	222,619	223,660	-	
TOTAL DEFERRED OUTFLOW OF RESOURCES	\$ 4,883,747	\$ 4,896,842	\$ 2,324,162	
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 5,554,035	\$ 4,176,283	\$ 4,145,292	5
ACCRUED PAYROLL & RELATED COSTS	7,614,695	7,226,455	7,263,029	6
INTEREST PAYABLE	227,023	125,570	269,898	
INTEREST PAYABLE GO BOND	358,673	(2,352)	389,737	
ESTIMATED SETTLEMENTS, M-CAL & M-CARE	366,399	366,399	1,112,494	
HEALTH INSURANCE PLAN	1,307,731	1,307,731	997,635	
WORKERS COMPENSATION PLAN	404,807	404,807	1,006,475	
COMPREHENSIVE LIABILITY INSURANCE PLAN	824,203	824,203	890,902	
CURRENT MATURITIES OF GO BOND DEBT	530,000	530,000	315,000	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	2,323,994	2,323,994	2,300,830	
TOTAL CURRENT LIABILITIES	19,511,559	17,283,090	18,691,292	
NONCURRENT LIABILITIES				
OTHER LONG TERM DEBT NET OF CURRENT MATURITIES	30,630,641	30,732,986	34,085,186	
GO BOND DEBT NET OF CURRENT MATURITIES	100,032,917	100,036,860	98,130,000	
DERIVATIVE INSTRUMENT LIABILITY	1,774,439	1,774,439	1,710,011	
TOTAL LIABILITIES	151,949,556	149,827,374	152,616,489	
NET ASSETS				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED	100,994,377	99,700,758	99,729,327	
	1,157,248	1,114,450	805,658	
TOTAL NET POSITION	\$ 102,151,625	\$ 100,815,208	\$ 100,534,986	

* Amounts included for Days Cash on Hand calculation

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF NET POSITION
AUGUST 2015

1. Working Capital is at 41.9 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 173.2 days. Working Capital cash increased \$2,951,000. Accounts Payable increased (See Note 5) by \$1,378,000, Accrued Payroll & Related Costs increased (See Note 6) \$388,000, the District received payment in the amount of \$525,000 on its SNF Supplemental Reimbursement (See Note 3), final payment of FY2015 property tax revenues in the amount of \$216,000, and various rebates and refunds totaling \$191,000.
2. Net Patient Accounts Receivable decreased approximately \$768,000. Cash collections were 87% of target. Days in Accounts Receivable are at 54.6 days compared to prior months 58.1 days, a 3.5 days decrease.
3. Estimated Settlements, Medi-Cal and Medicare decreased a net \$460,000 after recording the receipt of the SNF Supplemental Reimbursement.
4. GO Bond Tax Revenue Fund increased \$176,491. Final payment of the FY2015 property tax revenues were received in August.
5. Accounts Payable increased \$1,378,000 due to the timing of the final check run in the month.
6. Accrued Payroll & Related Costs increased \$388,000 due to an increase in payroll days to accrue at month's end.

**Tahoe Forest Hospital District
Cash Investment
August 2015**

WORKING CAPITAL			
US Bank	\$ 12,947,695		
US Bank/Kings Beach Thrift Store	37,436		
US Bank/Truckee Thrift Store	67,144		
Wells Fargo Bank			
Local Agency Investment Fund	<u>-</u>	0.330%	
Total			\$ 13,052,275
 BOARD DESIGNATED FUNDS			
US Bank Savings	\$ 2,297	0.03%	
Capital Equipment Fund	<u>-</u>		
Total			\$ 2,297
 Building Fund			
Cash Reserve Fund	\$ -		
Local Agency Investment Fund	<u>40,759,110</u>	0.330%	
			\$ 40,759,110
 Banc of America Muni Lease			
			\$ 979,068
Bonds Cash 2002			
			\$ 2
Bonds Cash 2006			
			\$ 316,038
Bonds Cash 2008			
			\$ 12,302,412
 DX Imaging Education			
Workers Comp Fund - B of A	\$ 2,971	0.330%	
	10,613		
 Insurance			
Health Insurance LAIF	-	0.330%	
Comprehensive Liability Insurance LAIF	<u>7,249</u>	0.330%	
Total			<u>\$ 20,832</u>
TOTAL FUNDS			\$ 67,432,033
 RESTRICTED FUNDS			
Gift Fund			
US Bank Money Market	\$ 8,368	0.03%	
Foundation Restricted Donations	\$ 226,677		
Local Agency Investment Fund	<u>879,405</u>	0.330%	
TOTAL RESTRICTED FUNDS			<u>\$ 1,114,450</u>
TOTAL ALL FUNDS			<u><u>\$ 68,546,483</u></u>

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AUGUST 2015

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	AUG 2014	
\$ 18,292,665	\$ 19,113,136	\$ (820,471)	-4.3%		\$ 37,475,170	\$ 38,392,739	\$ (917,569)	-2.4%	1	\$ 38,964,424
OPERATING REVENUE										
Total Gross Revenue					\$ 37,475,170	\$ 38,392,739	\$ (917,569)	-2.4%	1	\$ 38,964,424
Gross Revenues - Inpatient										
\$ 1,499,311	\$ 1,883,988	\$ (384,677)	-20.4%		\$ 3,158,469	\$ 3,734,268	\$ (575,799)	-15.4%		\$ 3,947,621
3,054,117	4,066,841	(1,012,724)	-24.9%		6,213,696	8,376,764	(2,163,068)	-25.8%		8,693,383
4,553,428	5,950,829	(1,397,401)	-23.5%		9,372,165	12,111,032	(2,738,867)	-22.6%	1	12,641,004
Total Gross Revenue - Inpatient					9,372,165	12,111,032	(2,738,867)	-22.6%	1	12,641,004
Gross Revenue - Outpatient										
13,739,237	13,162,307	576,930	4.4%		28,103,005	26,281,707	1,821,298	6.9%		26,323,420
13,739,237	13,162,307	576,930	4.4%		28,103,005	26,281,707	1,821,298	6.9%	1	26,323,420
Deductions from Revenue:										
Contractual Allowances					15,121,410	15,704,265	582,854	3.7%	2	15,064,197
7,627,198	7,822,959	195,761	2.5%		1,153,824	1,254,988	101,164	8.1%	2	1,294,191
603,690	624,636	20,946	3.4%		-	-	-	0.0%	2	-
-	-	-	0.0%		-	-	-	0.0%	2	-
(249,919)	463,886	713,805	153.9%		(282,318)	933,854	1,216,172	130.2%	2	258,155
-	-	-	0.0%		-	-	-	0.0%	2	-
7,980,969	8,911,482	930,512	10.4%		15,992,916	17,893,106	1,900,190	10.6%		16,616,543
38,970	59,785	(20,815)	-34.8%		88,600	120,217	(31,616)	-26.3%		154,403
645,436	552,639	92,797	16.8%		1,200,512	1,088,714	111,798	10.3%	3	1,242,356
10,996,102	10,814,079	182,023	1.7%		22,771,366	21,708,563	1,062,803	4.9%		23,744,640
TOTAL OPERATING REVENUE					22,771,366	21,708,563	1,062,803	4.9%		23,744,640
OPERATING EXPENSES										
Salaries and Wages					7,036,632	7,437,393	400,761	5.4%	4	6,862,112
3,531,711	3,741,654	209,942	5.6%		2,791,648	2,435,726	(355,921)	-14.6%	4	2,499,030
1,029,940	1,164,304	134,364	11.5%		91,477	121,082	29,604	24.4%	4	124,350
44,869	60,541	15,672	25.9%		774,238	1,500,197	725,960	48.4%	4	1,472,208
483,108	750,099	266,991	35.6%		3,045,812	2,819,203	(226,609)	-8.0%	5	3,308,397
1,603,266	1,429,328	(173,938)	-12.2%		2,872,085	2,792,632	(79,453)	-2.8%	6	2,844,792
1,345,381	1,363,323	17,942	1.3%		1,682,499	1,833,080	150,581	8.2%	7	1,812,018
787,512	887,986	100,473	11.3%		714,345	976,490	262,145	26.8%	8	960,236
331,074	491,288	160,214	32.6%		19,008,737	19,915,804	907,068	4.6%		19,883,143
9,156,862	9,888,523	731,661	7.4%		TOTAL OPERATING EXPENSE					19,883,143
1,839,240	925,556	913,684	98.7%		3,762,629	1,792,759	1,969,870	109.9%		3,861,497
NON-OPERATING REVENUE/(EXPENSE)										
413,237	392,422	20,816	5.3%		815,814	784,197	31,617	4.0%	9	741,613
392,691	392,691	-	0.0%		785,383	785,383	-	0.0%		787,807
27,884	20,678	7,207	34.9%		51,653	40,642	11,011	27.1%	10	46,723
3,100	1,887	1,214	64.3%		6,109	3,773	2,336	61.9%		6,915
-	34,671	(34,671)	-100.0%		14,157	69,342	(55,185)	-79.6%	11	66,437
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	12	-
-	-	-	0.0%		-	-	-	0.0%	13	-
-	-	-	0.0%		-	-	-	0.0%	14	-
(856,217)	(855,178)	(1,039)	-0.1%		(1,711,427)	(1,710,356)	(1,070)	-0.1%	15	(1,618,132)
(117,615)	(116,211)	(1,404)	-1.2%		(237,148)	(232,543)	(4,605)	-2.0%	16	(282,472)
(365,904)	(362,660)	(3,244)	-0.9%		(731,808)	(705,697)	(26,111)	-3.7%		(779,626)
(502,823)	(491,701)	(11,122)	-2.3%		TOTAL NON-OPERATING REVENUE/(EXPENSE)					(1,030,735)
\$ 1,336,417	\$ 433,855	\$ 902,562	-208.0%		\$ 2,755,361	\$ 827,499	\$ 1,927,862	-233.0%		\$ 2,830,762
NET POSITION - BEGINNING OF YEAR					99,396,265					
NET POSITION - AS OF AUGUST 31, 2015					\$ 102,151,625					
10.1%	4.8%	5.2%			10.0%	4.7%	5.4%			9.9%
RETURN ON GROSS REVENUE EBIDA					10.0%					

TAHOE FOREST HOSPITAL DISTRICT
NOTES TO STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
AUGUST 2015

	Variance from Budget	
	Fav / <Unfav>	
	AUG 2015	YTD 2016
1) Gross Revenues		
Acute Patient Days were below budget 31.41% or 125 days. Swing bed days were under budget 26.09% or 6 days. We also saw a lower acuity level in our patients which created a negative variance in IP Ancillary revenues.	Gross Revenue -- Inpatient	\$ (1,397,401) \$ (2,738,867)
	Gross Revenue -- Outpatient	576,930 1,821,298
	Gross Revenue -- Total	\$ (820,471) \$ (917,569)
Outpatient volumes were above budget in the following departments: Endoscopy procedures, Laboratory tests, Oncology Lab, Oncology procedures, Radiation Oncology procedures, Nuclear Medicine, Oncology Drugs, Physical Therapy, PET CT, Pharmacy units, Oncology Pharmacy units, Physical Therapy, and Occupational Therapy.		
2) Total Deductions from Revenue		
The payor mix for August shows a 2.22% increase to Medicare, a 2.70% decrease to Medi-Cal, .82% decrease to Other, a .02% decrease to County, and a 1.32% increase to Commercial when compared to budget. Contractual Allowances were under budget due to revenues falling short of budget by 4.3%.	Contractual Allowances	\$ 195,761 \$ 582,854
	Managed Care Reserve	- -
	Charity Care	20,946 101,164
	Charity Care - Catastrophic	- -
	Bad Debt	713,805 1,216,172
	Prior Period Settlements	- -
	Total	\$ 930,512 \$ 1,900,190
We continue to see a positive pickup in Bad Debt as work continues in the Business Office on Self Pay accounts.		
3) Other Operating Revenue		
Retail Pharmacy revenues fell short of budget by 20.23%.	Retail Pharmacy	\$ (45,851) \$ (85,836)
	Hospice Thrift Stores	21,159 30,758
	The Center (non-therapy)	(11,449) (3,382)
Hospice Thrift Stores revenues exceeded budget by 23.63%.	IVCH ER Physician Guarantee	1,918 15,817
	Children's Center	12,284 30,121
Occupational Health testing and Gym memberships fell below budget creating a negative variance in The Center (non-therapy).	Miscellaneous	115,986 126,820
	Oncology Drug Replacement	- -
	Grants	(1,250) (2,500)
	Total	\$ 92,797 \$ 111,798
Rebates and refunds from BETA Insurance and AT&T created a positive variance in Miscellaneous.		
4) Salaries and Wages	Total	\$ 209,942 \$ 400,761
Employee Benefits	PL/SL	\$ 99,512 \$ (246,463)
Positive variance in PL/SL is a result of fewer vacation days taken.	Nonproductive	(16,813) (30,818)
	Pension/Deferred Comp	372 (8,571)
Positive variance in Other related to employer payroll taxes due to the decrease in Salaries, Wages, and PL/SL.	Standby	(1,285) (41,350)
	Other	52,579 (28,719)
	Total	\$ 134,364 \$ (355,921)
Employee Benefits - Workers Compensation	Total	\$ 15,672 \$ 29,604
Employee Benefits - Medical Insurance	Total	\$ 266,991 \$ 725,960
Positive variance in Medical Insurance related to a decrease in paid claims.		
5) Professional Fees	Miscellaneous	\$ (120,603) \$ (147,376)
Legal services provided to TIRHR created a negative variance in Miscellaneous.	TFH/IVCH Therapy Services	(8,677) (51,203)
	Corporate Compliance	(41,000) (37,724)
Legal services provided to the Corporate Compliance department created a negative variance in this category.	Multi-Specialty Clinics	(42,254) (36,845)
	Administration	(5,088) (27,752)
Higher volumes in Neurology and Nephrology created a negative variance in Multi-Specialty Clinics. These physician contracts are tied to WRVU's, which exceeded budget in August.	The Center (includes OP Therapy)	(4,582) (25,947)
	TFH Locums	(9,744) (6,356)
	Multi-Specialty Clinics Admin	(3,415) (4,032)
	Managed Care	(3,188) (3,303)
	Home Health/Hospice	(679) (79)
Positive variance in Information Technology due to a decrease in Consulting Services needed in August.	Patient Accounting/Admitting	- -
	Business Performance	- -
	Respiratory Therapy	200 400
Positive variance in Medical Staff Services is a result of decreased usage of Legal services.	IVCH ER Physicians	1,052 867
	Sleep Clinic	(65) 4,020
	Marketing	2,375 4,750
	Human Resources	6,196 8,392
Positive variance in Financial Administration related to budgeted professional fees for service line analyses that were not performed in August.	Information Technology	10,020 10,376
	Oncology	7,953 12,998
	Medical Staff Services	22,870 28,297
	Financial Administration	14,692 43,908
	Total	\$ (173,938) \$ (226,609)

6) Supplies

Oncology Drugs Sold to Patients revenues exceeded budget by 3.18%, creating a negative variance in Pharmacy Supplies.

Surgery and Medical Supplies Sold to Patients revenues fell short of budget by 16.28% creating a positive variance in Patient & Other Medical Supplies.

Pharmacy Supplies	\$ (88,453)	\$ (303,605)
Food	(4,322)	(16,310)
Office Supplies	5,063	50
Imaging Film	531	432
Other Non-Medical Supplies	2,026	12,955
Minor Equipment	16,267	19,794
Patient & Other Medical Supplies	86,830	207,231
Total	\$ 17,942	\$ (79,453)

7) Purchased Services

Negative variance in Department Repairs attributed to District wide building repairs and an increase in equipment maintenance costs.

Volumes fell below budget in the the Diagnostic Imaging Services - All, creating a positive variance in this category.

Collection Agency fees came in below budget estimations, creating a positive variance in Patient Accounting.

Positive variance in Information Technology related to a decrease in services provided for Software and Network Maintenance during the month.

Department Repairs	\$ (28,825)	\$ (17,018)
Laboratory	1,730	(10,509)
The Center	(7,553)	(2,020)
Community Development	392	783
Multi-Specialty Clinics	3,389	1,114
Medical Records	133	2,279
Hospice	(1,539)	2,466
Pharmacy IP	1,893	2,484
Miscellaneous	6,202	14,636
Human Resources	8,645	15,896
Diagnostic Imaging Services - All	24,395	22,588
Patient Accounting	17,970	35,941
Information Technology	73,642	81,942
Total	\$ 100,473	\$ 150,581

8) Other Expenses

CEO Recruitment fees came in below budget in August, creating a positive variance in Human Resources Recruitment.

Natural Gas and Electricity needs were less than budget estimations, creating a positive variance in Utilities.

Controllable costs are being monitored very closely by Senior Leadership, creating positive variances in the majority of the Other Expenses categories.

Other Building Rent	\$ (3,127)	\$ (5,554)
Multi-Specialty Clinics Equip Rent	(18)	(36)
Innovation Fund	-	-
Physician Services	4	8
Multi-Specialty Clinics Bldg Rent	524	1,002
Dues and Subscriptions	(801)	1,846
Marketing	(2,417)	6,286
Insurance	4,206	10,630
Equipment Rent	1,833	12,662
Outside Training & Travel	(2,690)	16,583
Human Resources Recruitment	13,616	19,449
Utilities	10,912	35,770
Miscellaneous	138,174	163,501
Total	\$ 160,214	\$ 262,145

9) District and County Taxes

Total	\$ 20,816	\$ 31,617
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10) Interest Income

Total	\$ 7,207	\$ 11,011
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11) Donations

IVCH	\$ (4,333)	\$ (8,667)
Operational	(30,338)	(46,518)
Capital Campaign	-	-
Total	(34,671)	(55,185)

12) Gain/(Loss) on Joint Investment

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

Total	\$ -	\$ -
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15) Depreciation Expense

Total	\$ (1,039)	\$ (1,070)
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16) Interest Expense

Total	\$ (1,404)	\$ (4,605)
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INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
AUGUST 2015

CURRENT MONTH				Note	YEAR TO DATE				PRIOR YTD	
ACTUAL	BUDGET	VAR\$	VAR%		ACTUAL	BUDGET	VAR\$	VAR%	AUG 2014	
OPERATING REVENUE										
\$ 1,808,862	\$ 1,489,972	\$ 318,890	21.4%	Total Gross Revenue	\$ 3,527,397	\$ 3,030,124	\$ 497,273	16.4%	1	\$ 2,983,679
Gross Revenues - Inpatient										
\$ 16,574	\$ 3,513	\$ 13,061	371.8%	Daily Hospital Service	\$ 16,574	\$ 3,513	\$ 13,061	371.8%		\$ 15,190
9,621	4,080	5,540	135.8%	Ancillary Service - Inpatient	24,146	6,535	17,611	269.5%		13,083
26,195	7,594	18,601	244.9%	Total Gross Revenue - Inpatient	40,720	10,048	30,672	305.2%	1	28,273
1,782,667	1,482,378	300,289	20.3%	Gross Revenue - Outpatient	3,486,677	3,020,076	466,601	15.4%		2,955,406
1,782,667	1,482,378	300,289	20.3%	Total Gross Revenue - Outpatient	3,486,677	3,020,076	466,601	15.4%	1	2,955,406
Deductions from Revenue:										
516,694	408,900	(107,794)	-26.4%	Contractual Allowances	1,048,161	832,810	(215,351)	-25.9%	2	806,455
63,392	51,883	(11,509)	-22.2%	Charity Care	120,571	105,703	(14,868)	-14.1%	2	101,445
-	-	-	0.0%	Charity Care - Catastrophic Events	-	-	-	0.0%	2	-
56,342	103,766	47,425	45.7%	Bad Debt	140,121	211,405	71,284	33.7%	2	122,178
-	-	-	0.0%	Prior Period Settlements	-	-	-	0.0%	2	-
636,428	564,550	(71,878)	-12.7%	Total Deductions from Revenue	1,308,853	1,149,918	(158,936)	-13.8%	2	1,030,078
65,052	62,985	2,067	3.3%	Other Operating Revenue	143,275	125,970	17,305	13.7%	3	167,249
1,237,485	988,407	249,079	25.2%	TOTAL OPERATING REVENUE	2,361,819	2,006,177	355,642	17.7%		2,120,850
OPERATING EXPENSES										
256,056	285,035	28,979	10.2%	Salaries and Wages	505,480	581,483	76,003	13.1%	4	520,662
8,833	85,206	76,373	89.6%	Benefits	139,282	179,354	40,072	22.3%	4	219,671
2,505	2,490	(15)	-0.6%	Benefits Workers Compensation	4,994	4,981	(14)	-0.3%	4	7,614
31,216	47,919	16,703	34.9%	Benefits Medical Insurance	50,341	95,838	45,497	47.5%	4	99,329
251,580	250,444	(1,135)	-0.5%	Professional Fees	504,707	491,979	(12,728)	-2.6%	5	400,980
57,568	59,464	1,896	3.2%	Supplies	120,696	120,303	(393)	-0.3%	6	104,809
46,926	41,011	(5,915)	-14.4%	Purchased Services	87,067	82,048	(5,020)	-6.1%	7	102,920
55,546	49,758	(5,789)	-11.6%	Other	107,821	101,211	(6,611)	-6.5%	8	107,179
710,231	821,327	111,097	13.5%	TOTAL OPERATING EXPENSE	1,520,390	1,657,197	136,807	8.3%		1,563,164
527,255	167,079	360,175	215.6%	NET OPERATING REV(EXP) EBIDA	841,428	348,980	492,449	141.1%		557,686
NON-OPERATING REVENUE/(EXPENSE)										
-	4,333	(4,333)	-100.0%	Donations-IVCH	-	8,667	(8,667)	-100.0%	9	-
-	-	-	0.0%	Gain/ (Loss) on Sale	-	-	-	0.0%	10	-
(58,359)	(58,359)	0	0.0%	Depreciation	(116,718)	(116,719)	1	0.0%	11	(107,202)
(58,359)	(54,026)	(4,333)	-8.0%	TOTAL NON-OPERATING REVENUE/(EXP)	(116,718)	(108,052)	(8,666)	-8.0%		(107,202)
\$ 468,896	\$ 113,053	\$ 355,843	314.8%	EXCESS REVENUE(EXPENSE)	\$ 724,710	\$ 240,927	\$ 483,783	200.8%		\$ 450,484
29.1%	11.2%	17.9%		RETURN ON GROSS REVENUE EBIDA	23.9%	11.5%	12.3%			18.7%

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
AUGUST 2015**

		<u>Variance from Budget</u>	
		<u>Fav<Unfav></u>	
		<u>AUG 2015</u>	<u>YTD 2016</u>
1) <u>Gross Revenues</u>			
Acute Patient Days were above budget by 1 at 2 and Observation Days were below budget by 2 at 0.	Gross Revenue -- Inpatient	\$ 18,601	\$ 30,672
	Gross Revenue -- Outpatient	300,289	466,601
		<u>\$ 318,890</u>	<u>\$ 497,273</u>
Outpatient volumes exceeded budget in Emergency Department visits, Laboratory tests, Diagnostic Imaging, Cat Scans, and Pharmacy units.			
2) <u>Total Deductions from Revenue</u>			
We saw a shift in our payor mix with an 8.40% increase in Commercial, Insurance, an 8.88% decrease in Medicare, a 3.44% increase in Medicaid, a 2.95% decrease in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 21.4% and a shift from Bad Debt.	Contractual Allowances	\$ (107,794)	\$ (215,351)
	Charity Care	(11,509)	(14,868)
	Charity Care-Catastrophic Event	-	-
	Bad Debt	47,425	71,284
	Prior Period Settlement	-	-
	Total	<u>\$ (71,878)</u>	<u>\$ (158,936)</u>
3) <u>Other Operating Revenue</u>			
	IVCH ER Physician Guarantee	\$ 1,918	\$ 15,817
	Miscellaneous	149	1,488
	Total	<u>\$ 2,067</u>	<u>\$ 17,305</u>
4) <u>Salaries and Wages</u>			
	Total	<u>\$ 28,979</u>	<u>\$ 76,003</u>
<u>Employee Benefits</u>			
Positive variance in PL/SL is the result of employees moving positions from IVCH to TFH and reclassifying these related expenses to the appropriate home departments.	PL/SL	\$ 70,023	\$ 44,440
	Standby	1,178	(1,454)
	Other	4,901	1,045
	Nonproductive	(100)	(4,884)
	Pension/Deferred Comp	371	926
	Total	<u>\$ 76,373</u>	<u>\$ 40,072</u>
<u>Employee Benefits - Workers Compensation</u>			
	Total	<u>\$ (15)</u>	<u>\$ (14)</u>
<u>Employee Benefits - Medical Insurance</u>			
Positive variance in Medical Insurance due to a decrease in claims paid.	Total	<u>\$ 16,703</u>	<u>\$ 45,497</u>
5) <u>Professional Fees</u>			
Negative variance in Foundation associated with services provided for fundraising activities.	Foundation	\$ (5,164)	\$ (8,261)
	Therapy Services	1,306	(7,491)
	Multi-Specialty Clinics	1,616	(2,866)
	Administration	-	-
	IVCH ER Physicians	1,052	867
	Miscellaneous	119	1,003
	Sleep Clinic	(65)	4,020
	Total	<u>\$ (1,135)</u>	<u>\$ (12,728)</u>
6) <u>Supplies</u>			
Medical Supplies Sold to Patients revenue exceeded budget by 80.93%, creating a negative variance in Patient & Other Medical Supplies	Patient & Other Medical Supplies	\$ (3,090)	\$ (4,600)
	Minor Equipment	(1,206)	(913)
	Imaging Film	187	(282)
	Food	(114)	489
	Non-Medical Supplies	(230)	494
	Office Supplies	66	515
	Pharmacy Supplies	6,283	3,903
Drugs Sold to Patients revenue fell short of budget by 7.84%, creating a positive variance in Pharmacy Supplies.	Total	<u>\$ 1,896</u>	<u>\$ (393)</u>

**INCLINE VILLAGE COMMUNITY HOSPITAL
NOTES TO STATEMENT OF REVENUE AND EXPENSE
AUGUST 2015**

		Variance from Budget	
		Fav<Unfav>	
		AUG 2015	YTD 2016
7) <u>Purchased Services</u>	Laboratory	\$ (905)	\$ (7,091)
A Stewardship event hosted by the Foundation created a negative variance in this category.	Foundation	(1,965)	(4,558)
	EVS/Laundry	(3,017)	(3,279)
	Surgical Services	-	-
Negative variance in EVS/Laundry attributed to stripping, scrubbing, and waxing the hospital's floors as well as an increase in laundry usage.	Pharmacy	307	307
	Department Repairs	(491)	486
	Multi-Specialty Clinics	(125)	940
Outsourced management of the Medically Managed Fitness program created a negative variance in Miscellaneous.	Miscellaneous	(2,945)	1,342
	Diagnostic Imaging Services - All	1,894	2,472
	Engineering/Plant/Communications	1,332	4,362
	Total	\$ (5,915)	\$ (5,020)
8) <u>Other Expenses</u>	Miscellaneous	\$ (1,637)	\$ (3,518)
Negative variance in Miscellaneous associated with sponsorships.	Utilities	(2,681)	(2,179)
	Equipment Rent	(834)	(1,699)
Utility increases in Electricity, Propane, and Telephone costs created a negative variance in this category.	Marketing	(1,079)	(1,446)
	Other Building Rent	(595)	(1,190)
	Dues and Subscriptions	(513)	(606)
	Physician Services	-	-
	Multi-Specialty Clinics Equip Rent	-	-
	Insurance	223	446
	Multi-Specialty Clinics Bldg Rent	595	1,190
	Outside Training & Travel	733	2,392
	Total	\$ (5,789)	\$ (6,611)
9) <u>Donations</u>	Total	\$ (4,333)	\$ (8,667)
10) <u>Gain/(Loss) on Sale</u>	Total	\$ -	\$ -
11) <u>Depreciation Expense</u>	Total	\$ -	\$ 1

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

	PRE-AUDIT FYE 2015	BUDGET FYE 2016	PROJECTED FYE 2016	ACTUAL AUG 2015	BUDGET AUG 2015	DIFFERENCE	PROJECTED 1ST QTR	BUDGET 2ND QTR	BUDGET 3RD QTR	BUDGET 4TH QTR
Net Operating Rev/(Exp) - EBIDA	\$ 7,190,440	\$ 2,054,135	\$ 4,022,376	\$ 1,839,240	\$ 925,556	\$ 913,684	\$ 3,895,811	\$ 2,218	\$ 1,133,045	\$ (1,008,698)
Interest Income	97,528	107,488	110,216	-	-	-	29,198	27,087	27,104	26,827
Property Tax Revenue	5,352,075	5,420,000	5,424,907	215,985	85,000	130,985	309,907	-	2,890,000	2,225,000
Donations	757,929	923,000	923,295	55,295	35,000	20,295	115,295	105,000	90,000	613,000
Debt Service Payments	(3,505,561)	(3,565,581)	(3,388,709)	(247,479)	(247,478)	(0)	(1,069,567)	(742,435)	(870,355)	(706,351)
Bank of America - 2012 Muni Lease	(1,243,531)	(1,243,644)	(1,243,645)	(103,637)	(103,637)	(0)	(310,912)	(310,911)	(310,911)	(310,911)
Copier	(8,962)	(8,760)	(8,760)	(730)	(730)	0	(2,190)	(2,190)	(2,190)	(2,190)
2002 Revenue Bond	(660,296)	(668,008)	(491,136)	-	-	-	(327,132)	-	(164,004)	-
2006 Revenue Bond	(1,592,771)	-	-	-	-	-	-	-	-	-
2015 Revenue Bond	-	(1,645,169)	(1,645,169)	(143,111)	(143,111)	(0)	(429,334)	(429,334)	(393,250)	(393,250)
Physician Recruitment	(155,902)	(311,000)	(310,807)	(205,609)	(205,500)	(109)	(220,807)	(30,000)	(30,000)	(30,000)
Investment in Capital										
Equipment	(2,491,260)	(1,418,900)	(1,418,900)	(64,597)	(69,550)	4,953	(328,378)	(443,250)	(647,272)	-
Municipal Lease Reimbursement	-	2,295,723	2,295,723	-	-	-	1,319,139	500,000	476,584	-
GO Bond Project Personal Property	(186,062)	(500,180)	(500,180)	(2,452)	(2,155)	(297)	(65,343)	(184,747)	(125,045)	(125,045)
IT	(1,394,200)	(559,300)	(559,300)	(23,573)	(26,352)	2,779	(101,800)	(222,500)	(130,000)	(105,000)
Building Projects	(2,218,063)	(4,487,480)	(4,487,480)	(239,194)	(542,914)	303,720	(1,113,721)	(2,687,759)	(301,000)	(385,000)
Health Information/Business System	(230,852)	(500,000)	(500,000)	-	-	-	(1,623)	-	(248,377)	(250,000)
Capital Investments										
Properties	(600,000)	-	-	-	-	-	-	-	-	-
Measure C Scope Modifications	-	(749,287)	(749,287)	-	-	-	(136,204)	(95,971)	(258,556)	(258,556)
Change in Accounts Receivable	2,648,682	282,832	N1 143,964	768,164	796,322	(28,158)	(329,000)	(180,204)	217,927	435,241
Change in Settlement Accounts	(2,438,657)	500,000	N2 1,438,667	460,105	-	460,105	623,667	1,065,000	-	(250,000)
Change in Other Assets	(1,519,421)	(768,000)	N3 (1,760,870)	(1,472,718)	(85,000)	(1,387,718)	(1,665,870)	125,000	(75,000)	(145,000)
Change in Other Liabilities	(30,538)	(71,000)	N4 (440,962)	1,867,444	1,125,000	742,444	155,038	(556,000)	(325,000)	285,000
Change in Cash Balance	1,276,138	(1,347,550)	242,653	2,950,611	1,787,929	1,162,682	1,415,742	(3,318,561)	1,824,055	321,418
Beginning Unrestricted Cash	50,951,760	52,227,898	52,227,898	50,817,976	50,817,976	-	52,227,898	53,643,640	50,325,079	52,149,134
Ending Unrestricted Cash	52,227,898	50,894,702	52,470,551	53,768,587	52,605,906	1,162,682	53,643,640	50,325,079	52,149,134	52,470,551
Expense Per Day	333,932	321,141	318,623	310,418	324,973	(14,556)	312,742	314,048	319,087	318,623
Days Cash On Hand	156	158	165	173	162	10	172	160	163	165

Footnotes:

N1 - Change in Accounts Receivable reflects the 30 day delay in collections. For example, in July 2015 we are collecting June 2015.

N2 - Change in Settlement Accounts reflect cash flows in and out related to prior year and current year Medicare and Medi-Cal settlement accounts.

N3 - Change in Other Assets reflect fluctuations in asset accounts on the Balance Sheet that effect cash. For example, an increase in prepaid expense immediately effects cash but not EBIDA.

N4 - Change in Other Liabilities reflect fluctuations in liability accounts on the Balance Sheet that effect cash. For example, an increase in accounts payable effects EBIDA but not cash.



Board Executive Summary

By: Rick McConn
Chief-Facilities Development

DATE: September 18, 2015

ISSUE:

At the request of the Board, an update pertaining to the Facilities Development Plan is provided on a quarterly basis.

BACKGROUND:

The quarterly update of the Facilities Development Plan (FDP) includes updates pertaining to the Measure C Projects and related Owner and Regulatory Scope Modifications.

See the attached 06/30/2015 FDP Status Summary for additional detail.

ACTION REQUESTED:

No action requested; provided as information only.

Alternatives:

Facilities Development Plan
Tahoe Forest Hospital District
June 30, 2015

STATUS SUMMARY

Measure C Projects	\$ 96,143,430
Owner Scope Modifications	\$ 4,922,984
Regulatory Scope Modifications	\$ 2,050,525
FDP with Scope Modifications / Total Projects Cost	\$ 103,116,939
Development Completed / Paid to Date (87%)	\$ (90,013,002)
Balance to Complete	\$ 13,103,937
Project Fund Balance	\$ (12,141,242)
Projected Interest Earned	TBD
Balance - TFHD Capital Budget	\$ 962,695

- 14 of 15 Measure C Projects complete.
 - o South Building complete Summer 2016
 - o Remaining Projects within budget
- Campus-wide seismic compliance as of August 26, 2014.
- 233 prime contracts for construction issued to date and at present we are working with zero contractors regarding change order requests that are in dispute.
- Permitting
 - (11) OSHPD permits issued to date
 - (5) Town of Truckee permits issued to date
 - No further permitting is required



CURRENT PROJECTS - NON QUALIFIED EXPENDITURES COST SUMMARY

PROJECTS (*)	Current Project Estimate	Owner / Regulatory Scope Modifications	Board Approved Bid / Budget	Variance	Footnotes	Total Amount PTD (***)	Balance to Complete	% Complete	QTR Actual (Q2 2015)	Current Projects with Scope Modifications	Status/Notes
Current Projects - Non Qualified Expenditures											
ICU Renovations											
HARD COSTS: Construction Costs	\$ 629,394		\$ 629,394	\$ -		\$ 618,141	\$ 11,253	98%	\$ 25,151	\$ 629,394	
SOFT COSTS	\$ 315,407		\$ 315,407	\$ -		\$ 315,407	\$ -	100%	\$ 12,709	\$ 315,407	
CONTINGENCY	\$ 89,374		\$ 89,374	\$ -		\$ 71,534	\$ 17,840	80%	\$ 4,392	\$ 89,374	
SUBTOTAL PROJECT COSTS	\$ 1,034,175	\$ -	\$ 1,034,175	\$ -		\$ 1,005,082	\$ 29,093	97%	\$ 42,252	\$ 1,034,175	Construction in Complete
CT Scanner Replacement											
HARD COSTS: Construction Costs	\$ 620,711		\$ 620,711	\$ -		\$ 537,417	\$ 83,294	87%	\$ 35,946	\$ 620,711	
SOFT COSTS	\$ 1,542,926		\$ 1,542,926	\$ -		\$ 534,695	\$ 1,008,231	35%	\$ 13,695	\$ 1,542,926	
CONTINGENCY	\$ 124,142		\$ 124,142	\$ -		\$ 79,330	\$ 44,812	64%	\$ 35,421	\$ 124,142	
SUBTOTAL PROJECT COSTS	\$ 2,287,779	\$ -	\$ 2,287,779	\$ -		\$ 1,151,442	\$ 1,136,337	50%	\$ 85,062	\$ 2,287,779	Construction in Progress
OR Exam Lights Replacement											
HARD COSTS: Construction Costs	\$ 651,766		\$ 651,766	\$ -			\$ 651,766	0%	\$ -	\$ 651,766	
SOFT COSTS	\$ 883,615		\$ 883,615	\$ -		\$ 532,148	\$ 351,467	60%	\$ 156,354	\$ 883,615	
CONTINGENCY COSTS	\$ 97,765		\$ 97,765	\$ -			\$ 97,765	0%	\$ -	\$ 97,765	
SUBTOTAL PROJECT COSTS	\$ 1,633,146	\$ -	\$ 1,633,146	\$ -		\$ 532,148	\$ 1,100,998	33%	\$ 156,354	\$ 1,633,146	Construction in Progress
NPC-2 Filings											
HARD COSTS: Construction Costs	\$ -		\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SOFT COSTS	\$ 100,000		\$ -	\$ -		\$ 66,418	\$ 33,582	66%	\$ 66,418	\$ 100,000	
CONTINGENCY COSTS	\$ -		\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SUBTOTAL PROJECT COSTS	\$ 100,000	\$ -	\$ -	\$ -		\$ 66,418	\$ 33,582	66%	\$ 66,418	\$ 100,000	Construction Complete
PROJECT SUMMARY COSTS (Hard Costs + Soft Costs + Contingency) ****	\$ 5,055,100	\$ -	\$ 4,955,100	\$ -		\$ 2,688,672	\$ 2,266,428	54%	\$ 283,668	\$ 4,955,100	

Definitions:

Hard Costs = Administrative Requirements, Temporary Facilities, Execution Requirements, Site Construction, Concrete Construction, Masonry, Metals, Woods & Plastics, Thermal/Moisture Protection, Doors, Windows, Glazing, Finishes, Specialties, Equipment, Furnishings, Special Construction, Conveying Systems, Plumbing/Mechanical, Electrical.

Soft Costs = Equipment, Furniture, Signage, Preconstruction Services, Construction Scheduling, Architectural, Engineering, Testing & Inspections, IOR Testing, Agency Fees, State Review Fees (OSHPD), CM Fee, Insurance, Performance/Payment Bonding, Administrative Bond Contingency

Contingency Costs = Inflation, Unforeseen Conditions & Events

Footnotes:

(2) Overage includes additional equipment costs, related OSHPD Fees and other fee reallocations.

** FDP Report dated 6/30/2015

*** Reconciled with TFHD General Ledger dated June 30, 2015. Reference Application for Payment SOV located within applicable project section.

On or under budget
1-5% over budget
6% or beyond over budget

MEASURE C PROJECTS COST SUMMARY

PROJECTS (*)	Current FDP Estimate (**)	Owner / Regulatory Scope Modifications	Board Approved Bid / Budget	Variance	Footnotes	Total Amount PTD (***)	Balance to Complete (****)	% Complete	QTR Actual (Q2 2015)	FDP with Scope Modifications	Status/Notes
Measure C Project Expenditures											
Cancer Center; Building + LINAC											
HARD COSTS: Construction Costs	\$ 10,217,781	\$ 151,973	\$ 10,369,754	\$ -		\$ 10,369,754	\$ -	100%	\$ -	\$ 10,369,754	
SOFT COSTS	\$ 6,124,371		\$ 6,449,302	\$ 324,931		\$ 6,124,371	\$ -	100%	\$ -	\$ 6,124,371	
CONTINGENCY	\$ 1,017,160		\$ 1,036,975	\$ -		\$ 1,017,160	\$ -	100%	\$ -	\$ 1,017,160	
SUBTOTAL PROJECT COSTS	\$ 17,359,312	\$ 151,973	\$ 17,856,031	\$ 324,931		\$ 17,511,285	\$ -	100%	\$ -	\$ 17,511,285	Construction Complete
Cancer Center; Sitework, Concrete Construction, Structural Steel											
HARD COSTS: Construction Costs	\$ 5,154,785		\$ 5,154,785	\$ -		\$ 5,139,922	\$ 14,863	100%	\$ -	\$ 5,154,785	
SOFT COSTS	\$ 4,421,594		\$ 5,018,684	\$ 597,090		\$ 4,440,146	\$ (18,552)	100%	\$ -	\$ 4,421,594	
CONTINGENCY	\$ 515,479		\$ 515,479	\$ -		\$ 511,790	\$ 3,689	99%	\$ -	\$ 515,479	
SUBTOTAL PROJECT COSTS	\$ 10,091,858	\$ -	\$ 10,688,948	\$ 597,090		\$ 10,091,858	\$ -	100%	\$ -	\$ 10,091,858	Construction Complete
Utility Bypass, Phase I											
HARD COSTS: Construction Costs	\$ 522,092		\$ 522,092	\$ -		\$ 522,092	\$ -	100%	\$ -	\$ 522,092	
SOFT COSTS	\$ 99,565		\$ 130,145	\$ 30,580		\$ 99,565	\$ -	100%	\$ -	\$ 99,565	
CONTINGENCY COSTS	\$ 78,314		\$ 78,314	\$ -		\$ 78,314	\$ -	100%	\$ -	\$ 78,314	
SUBTOTAL PROJECT COSTS	\$ 699,971	\$ -	\$ 730,551	\$ 30,580		\$ 699,971	\$ -	100%	\$ -	\$ 699,971	Construction Complete
Cancer Center; Utility Bypass, Phase II (Undergrounding)											
HARD COSTS: Construction Costs	\$ -	\$ 525,199	\$ 544,877	\$ (19,678)		\$ 520,660	\$ 4,539	99%	\$ -	\$ 525,199	
SOFT COSTS	\$ -	\$ 349,974	\$ 349,974	\$ -		\$ 354,513	\$ (4,539)	101%	\$ -	\$ 349,974	
CONTINGENCY COSTS	\$ -	\$ 31,437	\$ 31,437	\$ -		\$ 31,437	\$ -	100%	\$ -	\$ 31,437	
SUBTOTAL PROJECT COSTS (Hard Costs+Soft Costs+Contingency Costs)	\$ -	\$ 906,610	\$ 926,288	\$ 19,678		\$ 906,610	\$ -	100%	\$ -	\$ 906,610	Construction Complete
Cancer Center; Equipment Upgrades											
LINEAR ACCELERATOR EQUIPMENT		\$ 860,000	\$ 860,000	\$ -		\$ 860,000	\$ -	100%	\$ -	\$ 860,000	
CT SIMULATOR (Pet CT)		\$ -	\$ 82,528	\$ 82,528		\$ -	\$ -	0%	\$ -	\$ -	
CHILLER EQUIPMENT		\$ 111,536	\$ 143,679	\$ 32,143		\$ 111,536	\$ -	100%	\$ -	\$ 111,536	
IT EQUIPMENT		\$ 58,211	\$ 133,250	\$ 75,039		\$ 58,211	\$ -	100%	\$ -	\$ 58,211	
ADDITIONAL EQUIPMENT		\$ -	\$ 69,633	\$ 69,633		\$ -	\$ -	0%	\$ -	\$ -	
SNOW MELT SYSTEM		\$ 81,523	\$ 71,904	\$ (9,619)		\$ 81,523	\$ -	100%	\$ -	\$ 81,523	
SECURITY ACCESS SYSTEM		\$ 99,257	\$ 99,257	\$ -		\$ 99,257	\$ -	100%	\$ -	\$ 99,257	
SUBTOTAL PROJECT COSTS	\$ -	\$ 1,210,527	\$ 1,460,251	\$ 249,724		\$ 1,210,527	\$ -	100%	\$ -	\$ 1,210,527	Construction Complete
Cancer Center; CAC Recommended Upgrades											
HARD COSTS: Construction Costs	\$ -	\$ 838,256	\$ 847,281	\$ 9,025		\$ 838,256	\$ -	100%	\$ -	\$ 838,256	
SOFT COSTS	\$ -	\$ 54,568	\$ 59,864	\$ 5,296		\$ 51,626	\$ 2,942	95%	\$ -	\$ 54,568	
CONTINGENCY COSTS	\$ -	\$ 84,728	\$ 84,728	\$ -		\$ 87,670	\$ (2,942)	103%	\$ -	\$ 84,728	
SUBTOTAL PROJECT COSTS	\$ -	\$ 977,552	\$ 991,873	\$ 14,321		\$ 977,552	\$ -	100%	\$ -	\$ 977,552	Construction Complete
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 28,151,141	\$ 3,246,662	\$ 32,653,942	\$ 1,236,324		\$ 31,397,803	\$ -	100%	\$ -	\$ 31,397,803	
Office Relocations											
HARD COSTS: Construction Costs	\$ 109,691	\$ -	\$ 111,305	\$ 1,614		\$ 109,691	\$ -	100%	\$ -	\$ 109,691	
SOFT COSTS	\$ 281,988	\$ -	\$ 281,995	\$ 7		\$ 281,988	\$ -	100%	\$ -	\$ 281,988	
CONTINGENCY COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 391,680	\$ -	\$ 393,300	\$ 1,621		\$ 391,680	\$ -	100%	\$ -	\$ 391,680	Construction Complete
IT Data Center											
HARD COSTS: Construction Costs	\$ 899,833		\$ 903,465	\$ 3,632		\$ 899,833	\$ -	100%	\$ -	\$ 899,833	
SOFT COSTS	\$ 299,483		\$ 301,122	\$ 1,639		\$ 299,483	\$ -	100%	\$ -	\$ 299,483	
CONTINGENCY COSTS	\$ 116,754		\$ 121,740	\$ 4,986		\$ 116,754	\$ -	100%	\$ -	\$ 116,754	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 1,316,070	\$ -	\$ 1,326,327	\$ 10,257		\$ 1,316,070	\$ -	100%	\$ -	\$ 1,316,070	Construction Complete

MEASURE C PROJECTS COST SUMMARY

PROJECTS (*)	Current FDP Estimate (**)	Owner / Regulatory Scope Modifications	Board Approved Bid / Budget	Variance	Footnotes	Total Amount PTD (***)	Balance to Complete (****)	% Complete	QTR Actual (Q2 2015)	FDP with Scope Modifications	Status/Notes
Measure C Project Expenditures											
<i>Central Plant Upgrades & Relocations; Utility Spine</i>											
HARD COSTS: Construction Costs	\$ 2,640,481		\$ 2,642,537	\$ 2,056		\$ 2,640,481	\$ -	100%	\$ -	\$ 2,640,481	
SOFT COSTS	\$ 694,681		\$ 824,282	\$ 129,601		\$ 694,681	\$ -	100%	\$ -	\$ 694,681	
CONTINGENCY COSTS	\$ 657,714		\$ 658,011	\$ 297		\$ 657,714	\$ -	100%	\$ -	\$ 657,714	
SUBTOTAL PROJECT COSTS	\$ 3,992,876	\$ -	\$ 4,124,830	\$ 131,954		\$ 3,992,876	\$ -	100%	\$ -	\$ 3,992,876	Construction Complete
<i>Central Plant Upgrades & Relocations; Generator Building</i>											
HARD COSTS: Construction Costs	\$ 2,150,583	\$ 20,772	\$ 2,174,334	\$ 2,979		\$ 2,171,355	\$ -	101%	\$ -	\$ 2,171,355	
SOFT COSTS	\$ 1,612,171		\$ 1,655,159	\$ 42,988		\$ 1,612,171	\$ -	100%	\$ -	\$ 1,612,171	
CONTINGENCY COSTS	\$ 315,278		\$ 315,278	\$ -		\$ 315,278	\$ -	100%	\$ -	\$ 315,278	
SUBTOTAL PROJECT COSTS	\$ 4,078,032	\$ 20,772	\$ 4,144,771	\$ 45,967		\$ 4,098,804	\$ -	100%	\$ -	\$ 4,098,804	Construction Complete
<i>Central Plant Upgrades & Relocations; Modular Units, Phase I</i>											
HARD COSTS: Construction Costs	\$ 418,497		\$ 422,030	\$ -		\$ 418,497	\$ -	100%	\$ -	\$ 418,497	
SOFT COSTS	\$ 574,317		\$ 598,765	\$ 24,448		\$ 574,317	\$ -	100%	\$ -	\$ 574,317	
CONTINGENCY COSTS	\$ 245,335		\$ 245,887	\$ 552		\$ 245,335	\$ -	100%	\$ -	\$ 245,335	
SUBTOTAL PROJECT COSTS	\$ 1,238,149	\$ -	\$ 1,266,682	\$ 25,000		\$ 1,238,149	\$ -	100%	\$ -	\$ 1,238,149	Construction Complete
<i>Central Plant Upgrades & Relocations; Modular Units, Phase II</i>											
HARD COSTS: Construction Costs	\$ 4,800,719		\$ 4,800,719	\$ -		\$ 4,800,719	\$ -	100%	\$ -	\$ 4,800,719	
SOFT COSTS	\$ 1,083,872		\$ 1,189,314	\$ 105,442		\$ 1,083,872	\$ -	100%	\$ -	\$ 1,083,872	
CONTINGENCY COSTS	\$ 180,640		\$ 185,000	\$ 4,360		\$ 180,640	\$ -	100%	\$ -	\$ 180,640	
SUBTOTAL PROJECT COSTS	\$ 6,065,231	\$ -	\$ 6,175,033	\$ 109,802		\$ 6,065,231	\$ -	100%	\$ -	\$ 6,065,231	Construction Complete
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 15,374,288	\$ 20,772	\$ 15,711,316	\$ 312,723		\$ 15,395,060	\$ -	100%	\$ -	\$ 15,395,060	
<i>Skilled Nursing Facility</i>											
HARD COSTS: Construction Costs	\$ 3,372,928	\$ 8,466	\$ 3,422,324	\$ 40,930		\$ 3,381,394	\$ -	100%	\$ -	\$ 3,381,394	
SOFT COSTS	\$ 1,505,346		\$ 1,496,355	\$ -		\$ 1,505,346	\$ -	100%	\$ -	\$ 1,505,346	
CONTINGENCY COSTS	\$ 342,232		\$ 342,232	\$ -		\$ 342,232	\$ -	100%	\$ -	\$ 342,232	
SUBTOTAL PROJECT COSTS	\$ 5,220,506	\$ 8,466	\$ 5,260,911	\$ 40,930		\$ 5,228,972	\$ -	100%	\$ -	\$ 5,228,972	Construction Complete
<i>Skilled Nursing; Storage TI at '66 Bldg</i>											
HARD COSTS: Construction Costs	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SOFT COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
CONTINGENCY COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SUBTOTAL PROJECT COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	Conceptual Design in Progress
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 5,220,506	\$ 8,466	\$ 5,260,911	\$ 40,930		\$ 5,228,972	\$ -	100%	\$ -	\$ 5,228,972	
<i>ECC Flooring / Nurses Station</i>											
HARD COSTS: Construction Costs	\$ -	\$ 199,774	\$ 217,550	\$ 17,776		\$ 199,774	\$ -	92%	\$ -	\$ 199,774	
SOFT COSTS	\$ -		\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
CONTINGENCY COSTS	\$ -		\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ -	\$ 199,774	\$ 217,550	\$ 17,776		\$ 199,774	\$ -	92%	\$ -	\$ 199,774	Completed
<i>Infill Projects; Phase I Dietary / RT / MR / Dietary Office / Staff Lockers</i>											
HARD COSTS: Construction Costs	\$ 2,722,504		\$ 2,722,504	\$ -		\$ 2,665,549	\$ 56,955	98%	\$ -	\$ 2,722,504	
SOFT COSTS	\$ 1,699,858	\$ 13,970	\$ 1,713,828	\$ -		\$ 1,714,028	\$ (200)	100%	\$ -	\$ 1,713,828	
CONTINGENCY COSTS	\$ 898,541	\$ 29,052	\$ 272,250	\$ (655,343)		\$ 908,610	\$ 18,983	98%	\$ 363,428	\$ 927,593	
SUBTOTAL PROJECT COSTS	\$ 5,320,903	\$ 43,022	\$ 4,708,582	\$ (655,343)		\$ 5,288,187	\$ 75,738	99%	\$ 363,428	\$ 5,363,925	Construction Complete

MEASURE C PROJECTS COST SUMMARY

PROJECTS (*)	Current FDP Estimate (**)	Owner / Regulatory Scope Modifications	Board Approved Bid / Budget	Variance	Footnotes	Total Amount PTD (***)	Balance to Complete (****)	% Complete	QTR Actual (Q2 2015)	FDP with Scope Modifications	Status/Notes
Measure C Project Expenditures											
<i>Infill Projects; Interim Birthing at Western Addition</i>											
HARD COSTS: Construction Costs	\$ 1,309,206		\$ 1,309,206	\$ -		\$ 1,299,543	\$ 9,663	99%	\$ -	\$ 1,309,206	
SOFT COSTS	\$ 688,893		\$ 688,893	\$ -		\$ 660,737	\$ 28,156	96%	\$ -	\$ 688,893	
CONTINGENCY COSTS	\$ 130,921		\$ 130,921	\$ -		\$ 129,953	\$ 968	99%	\$ -	\$ 130,921	
SUBTOTAL PROJECT COSTS	\$ 2,129,020	\$ -	\$ 2,129,020	\$ -		\$ 2,090,233	\$ 38,787	98%	\$ -	\$ 2,129,020	Construction Complete
<i>Infill Projects; Pharmacy Relocation</i>											
HARD COSTS: Construction Costs	\$ 652,777		\$ 652,777	\$ -		\$ 652,777	\$ -	100%	\$ -	\$ 652,777	
SOFT COSTS	\$ 588,803		\$ 631,283	\$ 42,480		\$ 588,803	\$ -	93%	\$ -	\$ 588,803	
CONTINGENCY COSTS	\$ 95,724		\$ 127,292	\$ 31,568		\$ 95,724	\$ -	75%	\$ -	\$ 95,724	
SUBTOTAL PROJECT COSTS	\$ 1,337,304	\$ -	\$ 1,411,353	\$ 74,048		\$ 1,337,304	\$ -	95%	\$ -	\$ 1,337,304	Construction Complete
<i>Infill Projects; Medical Records at '66 Building</i>											
HARD COSTS: Construction Costs	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SOFT COSTS	\$ -		\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
CONTINGENCY COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	
SUBTOTAL PROJECT COSTS	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ -	Conceptual Design in Progress
<i>Infill Projects; Final Personnel Move TI Office Space</i>											
HARD COSTS: Construction Costs	\$ -	\$ 250,000	\$ 250,000	\$ -		\$ 238,327	\$ 11,673	95%	\$ -	\$ 250,000	
SOFT COSTS	\$ -	\$ 125,000	\$ 125,000	\$ -		\$ 122,808	\$ 2,192	98%	\$ -	\$ 125,000	
CONTINGENCY COSTS	\$ -	\$ 30,000	\$ 30,000	\$ -		\$ 24,718	\$ 5,282	82%	\$ -	\$ 30,000	
SUBTOTAL PROJECT COSTS	\$ -	\$ 405,000	\$ 405,000	\$ -		\$ 385,853	\$ 19,147	0%	\$ -	\$ 405,000	Ongoing
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 8,787,227	\$ 448,022	\$ 8,653,955	\$ (581,295)		\$ 9,101,577	\$ 133,672	105%	\$ 363,428	\$ 9,235,249	
<i>Emergency Department & Sterile Processing Department; Increment I</i>											
HARD COSTS: Construction Costs	\$ 2,593,743		\$ 2,593,743	\$ -		\$ 2,593,743	\$ -	100%	\$ -	\$ 2,593,743	
SOFT COSTS	\$ 2,898,599		\$ 2,907,826	\$ -		\$ 2,898,599	\$ -	100%	\$ -	\$ 2,898,599	
CONTINGENCY COSTS	\$ 236,999		\$ 236,999	\$ -		\$ 236,999	\$ -	100%	\$ -	\$ 236,999	
EQUIPMENT UPGRADES - ATS Upgrades		\$ 27,824	\$ 27,824	\$ -		\$ 27,824	\$ -	100%	\$ -	\$ 27,824	
SUBTOTAL PROJECT COSTS	\$ 5,729,341	\$ 27,824	\$ 5,766,392	\$ -		\$ 5,757,165	\$ -	100%	\$ -	\$ 5,757,165	Construction Complete
<i>Emergency Department & Sterile Processing Department; Increment II</i>											
HARD COSTS: Construction Costs	\$ 4,534,232		\$ 4,534,232	\$ -		\$ 4,436,341	\$ 97,891	98%	\$ 117,745	\$ 4,534,232	
SOFT COSTS	\$ 2,135,294		\$ 2,135,294	\$ -		\$ 2,135,294	\$ -	100%	\$ 183,351	\$ 2,135,294	
CONTINGENCY COSTS	\$ 1,725,651		\$ 453,423	\$ (1,272,228)		\$ 1,601,366	\$ 124,285	93%	\$ 4,134	\$ 1,725,651	
EQUIPMENT UPGRADES - Trump Exam Lights	\$ -	\$ 68,362	\$ 68,362	\$ -		\$ 68,362	\$ 68,362	100%	\$ -	\$ 68,362	
SUBTOTAL PROJECT COSTS	\$ 8,395,177	\$ 68,362	\$ 7,191,311	\$ (1,272,228)		\$ 8,241,363	\$ 222,176	115%	\$ 305,230	\$ 8,463,539	Construction Complete
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 14,124,518	\$ 96,186	\$ 12,957,703	\$ (1,272,228)		\$ 13,998,528	\$ 222,176	108%	\$ 305,230	\$ 14,220,704	
<i>Fluoroscopy / Nuc Med Upgrades / Diagnostic Imaging Equipment Replacement</i>											
HARD COSTS: Construction Costs	\$ 533,565		\$ 619,422	\$ 85,857		\$ 533,565	\$ -	100%	\$ -	\$ 533,565	
SOFT COSTS	\$ 1,616,669		\$ 1,575,493	\$ (41,176)		\$ 1,616,669	\$ -	100%	\$ -	\$ 1,616,669	
CONTINGENCY COSTS	\$ 92,913		\$ 92,913	\$ -		\$ 92,913	\$ -	100%	\$ -	\$ 92,913	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 2,243,147	\$ -	\$ 2,287,828	\$ 44,681	(2)	\$ 2,243,147	\$ -	100%	\$ -	\$ 2,243,147	Construction Complete

MEASURE C PROJECTS COST SUMMARY

PROJECTS (*)	Current FDP Estimate (**)	Owner / Regulatory Scope Modifications	Board Approved Bid / Budget	Variance	Footnotes	Total Amount PTD (***)	Balance to Complete (****)	% Complete	QTR Actual (Q2 2015)	FDP with Scope Modifications	Status/Notes
Measure C Project Expenditures											
South Building; Birthing / Dietary Phase II											
HARD COSTS: Construction Costs	\$ 13,033,262		\$ 13,033,262	\$ -		\$ 3,681,105	\$ 9,352,157	28%	\$ 1,032,400	\$ 13,033,262	
SOFT COSTS	\$ 5,355,106		\$ 5,355,106	\$ -		\$ 4,806,739	\$ 548,367	90%	\$ 867,744	\$ 5,355,106	
CONTINGENCY COSTS	\$ 1,262,026		\$ 1,262,026	\$ -		\$ 297,457	\$ 964,569	24%	\$ 215,049	\$ 1,262,026	
EQUIPMENT UPGRADES - Headwalls, Exam Lights, IT Equipment, A&E Fees	\$ -	\$ 349,950	\$ 349,950	\$ -		\$ -	\$ 349,950	0%	\$ -	\$ 349,950	
SUBTOTAL PROJECT COSTS	\$ 19,650,394	\$ 349,950	\$ 20,000,344	\$ -		\$ 8,785,301	\$ 11,215,043	44%	\$ 2,115,193	\$ 20,000,344	Construction in Progress
South Building; Birthing Fourth LDR											
HARD COSTS: Construction Costs	\$ -	\$ 286,428	\$ 286,428	\$ -		\$ -	\$ 286,428	0%	\$ -	\$ 286,428	
SOFT COSTS	\$ -	\$ 187,720	\$ 187,720	\$ -		\$ -	\$ 187,720	0%	\$ -	\$ 187,720	
CONTINGENCY COSTS	\$ -	\$ 42,964	\$ 42,964	\$ -		\$ -	\$ 42,964	0%	\$ -	\$ 42,964	
SUBTOTAL PROJECT COSTS	\$ -	\$ 517,112	\$ 517,112	\$ -		\$ -	\$ 517,112	0%	\$ -	\$ 517,112	Construction in Progress
South Building; Phase 5 Interim Birthing											
HARD COSTS: Construction Costs	\$ -	\$ 746,422	\$ 746,422	\$ -		\$ -	\$ 746,422	0%	\$ -	\$ 746,422	
SOFT COSTS	\$ -	\$ 172,765	\$ 172,765	\$ -		\$ -	\$ 172,765	0%	\$ -	\$ 172,765	
CONTINGENCY COSTS	\$ -	\$ 37,321	\$ 37,321	\$ -		\$ -	\$ 37,321	0%	\$ -	\$ 37,321	
SUBTOTAL PROJECT COSTS	\$ -	\$ 956,508	\$ 956,508	\$ -		\$ -	\$ 956,508	0%	\$ -	\$ 956,508	Construction in Progress
South Building; Continuity Phase											
HARD COSTS: Construction Costs	\$ -	\$ 996,982	\$ 996,982	\$ -		\$ 968,576	\$ 28,406	97%	\$ -	\$ 996,982	
SUBTOTAL PROJECT COSTS	\$ -	\$ 996,982	\$ 996,982	\$ -		\$ 968,576	\$ 28,406	97%	\$ -	\$ 996,982	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 19,650,394	\$ 2,820,552	\$ 22,470,946	\$ -		\$ 9,753,877	\$ 12,717,069	43%	\$ 2,115,193	\$ 22,470,946	
Master Planning											
SOFT COSTS	\$ 802,508		\$ 802,508	\$ -		\$ 802,508	\$ -	100%	\$ -	\$ 802,508	
CONTINGENCY COSTS	\$ 81,951		\$ 81,951	\$ -		\$ 77,193	\$ 4,758	94%	\$ -	\$ 81,951	
CAMPUS SIGNAGE PLAN	\$ -	\$ 78,075	\$ 85,000	\$ 6,925		\$ 78,075	\$ -	100%	\$ -	\$ 78,075	
SECURITY UPGRADES	\$ -	\$ 55,000	\$ 75,000	\$ 20,000		\$ 28,738	\$ 26,262	52%	\$ -	\$ 55,000	
TOTAL PROJECT COSTS (Hard Costs + Soft Costs + Contingency)	\$ 884,459	\$ 133,075	\$ 1,044,459	\$ 26,925		\$ 986,514	\$ 31,020	94%	\$ -	\$ 1,017,534	Ongoing
PROJECT SUMMARY COSTS (Hard Costs + Soft Costs + Contingency) ****	\$ 96,143,430	\$ 6,973,509	\$ 102,978,237	\$ (162,286)		\$ 90,013,002	\$ 13,103,937	87%	\$ 2,783,851	\$ 103,116,939	

Definitions:

Hard Costs = Administrative Requirements, Temporary Facilities, Execution Requirements, Site Construction, Concrete Construction, Masonry, Metals, Woods & Plastics, Thermal/Moisture Protection, Doors, Windows, Glazing, Finishes, Specialties, Equipment, Furnishings, Special Construction, Conveying Systems, Plumbing/Mechanical, Electrical.

Soft Costs = Equipment, Furniture, Signage, Preconstruction Services, Construction Scheduling, Architectural, Engineering, Testing & Inspections, IOR Testing, Agency Fees, State Review Fees (OSHPD), CM Fee, Insurance, Performance/Payment Bonding, Administrative Bond Contingency

Contingency Costs = Inflation, Unforeseen Conditions & Events

Footnotes:

(2) Overage includes additional equipment costs, related OSHPD Fees and other fee reallocations.

* Project Descriptions located within applicable project section.

** FDP Report dated 6/30/2015

*** Reconciled with TFHD General Ledger dated June 30, 2015. Reference Application for Payment SOV located within applicable project section.

**** Total Owner Scope Modifications \$4,922,984 Regulatory Scope Modification \$2,050,525

*****Balance to Finish is calculated from FDP with Scope Modifications less Total Amount PTD

On or under budget

1-5% over budget

6% or beyond over budget

MEASURE C PROJECTS - NON QUALIFIED EXPENDITURE COST SUMMARY

PROJECTS (*)	Current FDP Estimate (**)	Owner / Regulatory Scope Modifications	Board Approved Bid / Budget	Variance	Footnotes	Total Amount PTD (***)	Balance to Complete	% Complete	QTR Actual (Q2 2015)	FDP with Scope Modifications	Status/Notes
<i>Measure C Projects - Non Qualified Expenditures</i>											
<i>Cancer Center; Building + LINAC</i>											
PERSONAL PROPERTY	\$ -	\$ 1,281,523	\$ 1,246,012	\$ (35,511)		\$ 1,281,523	\$ -	100%	\$ -	\$ 1,281,523	
SUBTOTAL PROJECT COSTS	\$ -	\$ 1,281,523	\$ 1,246,012	\$ (35,511)		\$ 1,281,523	\$ (35,511)	100%	\$ -	\$ 1,281,523	Complete
<i>Skilled Nursing Facility</i>											
PERSONAL PROPERTY	\$ -	\$ 56,582	\$ 391,614	\$ 335,032		\$ 56,582	\$ -	100%	\$ -	\$ 56,582	
TOTAL PROJECT COSTS	\$ -	\$ 56,582	\$ 391,614	\$ 335,032		\$ 56,582	\$ -	100%	\$ -	\$ 56,582	Complete
<i>Infill Projects; Phase I Dietary / RT / MR / Dietary Office / Staff Lockers</i>											
PERSONAL PROPERTY	\$ -	\$ 116,280	\$ 116,280	\$ -		\$ 145,973	\$ (29,693)	126%	\$ 46,743	\$ 116,280	
SUBTOTAL PROJECT COSTS	\$ -	\$ 116,280	\$ 116,280	\$ -		\$ 145,973	\$ (29,693)	126%	\$ 46,743	\$ 116,280	
<i>Infill Projects; Interim Birthing at Western Addition</i>											
PERSONAL PROPERTY	\$ -	\$ 49,180	\$ 15,396	\$ (33,784)		\$ 49,180	\$ -	319%	\$ -	\$ 49,180	
SUBTOTAL PROJECT COSTS	\$ -	\$ 49,180	\$ 15,396	\$ (33,784)		\$ 49,180	\$ -	319%	\$ -	\$ 49,180	
<i>Infill Projects; Pharmacy Relocation</i>											
PERSONAL PROPERTY	\$ -	\$ 5,477	\$ 2,372	\$ (3,105)		\$ 5,477	\$ (3,105)	100%	\$ -	\$ 5,477	
SUBTOTAL PROJECT COSTS	\$ -	\$ 5,477	\$ 2,372	\$ (3,105)		\$ 5,477	\$ (3,105)	100%	\$ -	\$ 5,477	
TOTAL PROJECT COSTS	\$ -	\$ 170,937	\$ 134,048	\$ (36,889)		\$ 200,630	\$ (32,798)	117%	\$ 46,743	\$ 170,937	Complete
<i>Emergency Department & Sterile Processing Department; Increment 2</i>											
PERSONAL PROPERTY	\$ -	\$ 753,881	\$ 708,123	\$ (45,758)		\$ 754,184	\$ (46,061)	107%	\$ 303	\$ 753,881	
TOTAL PROJECT COSTS	\$ -	\$ 753,881	\$ 708,123	\$ (45,758)		\$ 754,184	\$ (46,061)	107%	\$ 303	\$ 753,881	
<i>Fluoroscopy / Nuc Med Upgrades / Diagnostic Imaging Equipment Replacement</i>											
PERSONAL PROPERTY	\$ -	\$ 5,500	\$ 5,500	\$ -		\$ 5,500	\$ -	100%	\$ -	\$ 5,500	
TOTAL PROJECT COSTS	\$ -	\$ 5,500	\$ 5,500	\$ -		\$ 5,500	\$ -	100%	\$ -	\$ 5,500	Complete
<i>South Building / Birthing / Dietary Phase II</i>											
PERSONAL PROPERTY	\$ -	\$ 750,272	\$ 973,312	\$ 973,312		\$ 17,380	\$ 955,932	2%	\$ 17,380	\$ 750,272	
TOTAL PROJECT COSTS	\$ -	\$ 750,272	\$ 973,312	\$ 973,312		\$ 17,380	\$ -	0%	\$ 17,380	\$ 750,272	
<i>Non-Measure C Design Contingency</i>											
PERSONAL PROPERTY	\$ -	\$ 150,000	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ 150,000	
TOTAL PROJECT COSTS	\$ -	\$ 150,000	\$ -	\$ -		\$ -	\$ -	0%	\$ -	\$ 150,000	
PROJECT SUMMARY COSTS	\$ -	\$ 2,414,814	\$ 2,750,486	\$ 1,235,944	\$ -	\$ 1,561,615	\$ (68,309)	57%	\$ 64,123	\$ 2,414,814	

* Project Descriptions located within applicable project section.

** FDP Report dated 6/30/2015

*** Reconciled with TFHD General Ledger dated June 30, 2015. Reference Application for Payment SOV located within applicable project section.

On or under budget
1-5% over budget
6% or beyond over budget

14.3 Contracts

Contract redacted.

Available for public viewing via a Public Records Request.



GOVERNANCE COMMITTEE

AGENDA

Friday, September 11, 2015 at 12:00 p.m.
Foundation Conference Room - Tahoe Forest Health System Foundation
10976 Donner Pass Rd, Truckee, CA.

1. **CALL TO ORDER**
2. **ROLL CALL**
Karen Sessler, M.D., Chair; Greg Jellinek, M.D., Board Member
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
4. **INPUT – AUDIENCE**
5. **APPROVAL OF MINUTES OF: 08/12/2015**
6. **CLOSED SESSION**
 - 6.1. **Approval of Closed Session Minutes: 08/12/15**
 - 6.2. **Conference with Legal Counsel; Initiation of Litigation (Gov. Code § 54956.9(d)(4)): Exposure to Litigation (Number of Potential Cases: 1)**
7. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 7.1. **Policies ATTACHMENT**

Committee will review the proposed project plan for completion of annual review of board policies and discuss potential updates to various policies.

 - 7.1.1. AGOV-xx Physician Non-Monetary Compensation Policy
 - 7.1.2. ABD-3 Board Compensation and Reimbursement
 - 7.1.3. ABD-4 Board of Director’s Qualifications
 - 7.1.4. ABD-10 Emergency On Call Policy
 - 7.1.5. ABD-12 Guidelines for the Conduct of Business by the TFHD Board of Directors
 - 7.1.6. ABD-13 Innovation Policy
 - 7.1.7. ABD-16 Malpractice Policy
 - 7.2. **Board Education Program**

The Committee will discuss topics and options for future board education.
 - 7.3. **Retreat Planning**

The Committee will discuss agenda for follow-up retreat.
8. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**


9. **NEXT MEETING DATE**

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.

	Tahoe Forest Health System				
	Title: Physician Non-Monetary Compensation, Incidental Benefits		Policy/Procedure #: AGOV-1502		
	Responsible Department: Administration				
Type of policy		Original Date:	Reviewed Dates:	Revision Dates:	Page 1 of 10
<input checked="" type="checkbox"/>	Administrative	3/15		8/15	
<input type="checkbox"/>	Medical Staff				
<input type="checkbox"/>	Departmental				
Applies to: <input checked="" type="checkbox"/> System <input type="checkbox"/> Tahoe Forest Hospital <input type="checkbox"/> Incline Village Community Hospital					

PURPOSE:

The purpose of this policy is to provide guidelines to Tahoe Forest Hospital District (“TFHD”) outlining:

- 1.0 How compensation in the form of certain items and services is treated under the non-monetary compensation exception and the medical staff incidental benefits exception of the Federal “Stark” law,
- 2.0 How compensation to physicians for services, meetings, activities, etc., where the service, meeting or activity provides a benefit to TFHD is documented and recorded, and
- 3.0 Additionally, to incorporate relevant guidance issued by the Office of Inspector General (“OIG”) with respect to certain arrangements that may potentially implicate the Federal “Anti-Kickback” Statute.

OVERVIEW:

- 1.0 Pursuant to federal law, if a hospital has a financial relationship with a physician, the physician may not refer to the hospital for the provision of "designated health services" (including inpatient and outpatient hospital services), and the hospital may not bill for such services, unless an exception is met. There are exceptions to regulations prohibiting non-monetary compensation and medical staff incidental benefits.
- 2.0 Generally, the Non-Monetary Compensation exception may be used to protect items or services up to a limited value that are provided to a physician such as entertainment, meals, and other non-cash equivalent benefits.
- 3.0 The exception for Medical Staff Incidental Benefits applies only to non-cash items and services provided while the physician is on campus.
- 4.0 As TFHD is a not-for-profit government entity governed by statutes and regulations as well as by federal and state governmental agencies that regulate how a tax exempt healthcare organization may direct its resources, it must carefully monitor and control the manner and amount of any award, benefit, or gift (collectively “benefits”) given to members of the Medical Staff.

POLICY:

It is the policy of TFHD that compensation provided to physicians must be carefully evaluated and undertaken, and that TFHD will make every effort to develop practices that provide non-

monetary or incidental benefits consistent with its tax exempt/regulated status, and to firmly establish the direct benefit to TFHD when providing compensation to physicians for services, meetings, and activities.

- 1.0 Except for bona fide employment/personal services arrangements with Physicians, all non-monetary compensation or incidental benefits offered to Physicians and/or their immediate family members must meet the guidelines stated in this policy. Nothing in this policy permits the use of a non-monetary compensation or incidental benefit that is intended to induce or reward the referrals of patients or that is intended to induce or reward the purchasing, leasing, ordering, or arranging for any good, facility, service, or item, nor may a non-monetary compensation or incidental benefit be extended to a potential referral source who solicits it.
- 2.0 The federally calculated compensation limits are adjusted each calendar year to the nearest whole dollar as designated by the increase in the Consumer Price Index-Urban All Item (CPI-U) for the 12-month period ending the preceding September 30, in accordance with federal regulations. For the calendar year beginning January 1, 2015, the non-monetary compensation limit is \$392 per year ("**Annual Limit**"), and the value of any Medical Staff incidental benefits to be furnished remains less than \$33 per occurrence of the benefit (the "**Cap**"). This policy shall incorporate and apply annual threshold changes, and all other regulatory amendments, as applicable. The table in Exhibit B displays historical update amounts for past calendar years.

The compensation limit each year is available on the CMS website at: http://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/CPI-U_Updates.html.

For purposes of external review and TFHD's internal accounting, TFHD will keep a log of Non-Monetary Compensation, Excess Incidental Benefits, and Compensation for Services, Meetings, and Activities which provide benefit to TFHD.

DEFINITIONS

1.0 Non-Monetary Compensation

- 1.1. Compensation from TFHD in the form of items or services (not including cash or cash equivalents) that does not exceed an annual aggregate of the defined threshold (the Annual Limit) if *all* of the following conditions are satisfied:
 - 1.1.1 The compensation is not determined in any manner that takes into account the volume or value of referrals or other business generated by the referring physician.
 - 1.1.2 The compensation may not be solicited by the physician or the physician's practice (including employees and staff members).
 - 1.1.3 The compensation arrangement does not violate the Anti-Kickback Statute or any Federal or State law or regulation governing billing or claims submission.
- 1.2. Where TFHD has inadvertently provided non-monetary compensation to a physician in excess of the Annual Limit, such compensation is deemed to be within the Annual Limit if:
 - 1.2.1 The value of the excess non-monetary compensation is no more than 50 percent of the Annual Limit; and
 - 1.2.2 The physician returns to TFHD the excess non-monetary compensation (or an amount equal to the value of the excess non-monetary compensation) by the end of the calendar year in which the excess non-

monetary compensation was received or within 180 consecutive calendar days following the date the excess non-monetary compensation was received by the physician, whichever is earlier.

- 1.2.3 This "return" option may be used by TFHD only once every 3 years with respect to the same referring physician.
 - 1.3 In addition to non-monetary compensation up to the Annual Limit, TFHD may provide one local Medical Staff appreciation event per year for the entire Medical Staff. Any gifts or gratuities provided in connection with the Medical Staff appreciation event are subject to the Annual Limit.
 - 1.4 EXAMPLES of non-monetary compensation that must be tracked by TFHD on an annual basis per physician include, but are not limited to:
 - 1.4.1 Events including staff events such as picnics or golf tournaments, meals, gift baskets, birthday movie tickets, "Doctor Day" gifts, food items such as holiday turkeys, tickets to cultural or sporting events, TFHD or TFHD Foundation or Auxiliary functions, concerts, performances, coffee certificates, service awards, and thank you gifts. Gift certificates generally are considered cash equivalents, and therefore, will not fall within the non-monetary compensation exception;
 - 1.4.2 CME seminars held off-campus and all CME seminars held on-campus if the value of the on-campus CME seminar is greater than the Cap per invited physician per occurrence;
 - 1.4.3 Gift certificates that are redeemable for a significant variety of items are considered cash equivalent (prohibited), i.e., a \$10 Wal-Mart gift card may be used to purchase a variety of items, and therefore, it is cash equivalent and does not fall within the non-monetary compensation exception. A punch card worth ten free coffees only redeemable for those ten coffees is not considered cash equivalent, and therefore, may be considered non-monetary compensation.
 - 1.4.4 Non-monetary compensation given to physicians or their immediate family members by TFHD's Foundation or Auxiliary must be reported and tracked as a physician's non-monetary compensation.
- 2.0 **Medical Staff Incidental Benefits**
- 2.1. Compensation in the form of items or services (not including cash or cash equivalents) from the TFHD to a member of the Medical Staff when the item or service is used on the Health System's campus, if *all* of the following conditions are met:
 - 2.1.1. The compensation is offered to all members of the Medical Staff practicing in the same specialty (but not necessarily accepted by every member to whom it is offered) without regard to the volume or value of referrals or other business generated between the parties.
 - 2.1.2. Except with respect to identification of Medical Staff on the TFHD web site or in TFHD advertising, the compensation is provided only during periods when the Medical Staff members are making rounds or are engaged in other services or activities that benefit TFHD or its patients. See Exhibit A for additional provisions related to TFHD advertising.
 - 2.1.3. The compensation is provided by TFHD and used by the Medical Staff members only on the THFD campus. Compensation, including, but not

- limited to, internet access, pagers, or two-way radios, used away from the campus only to access hospital medical records or information or to access patients or personnel who are on the hospital campus, as well as the identification of the Medical Staff on a hospital web site or in hospital advertising, meets this "on campus" requirement.
- 2.1.4. The compensation is reasonably related to the provision of, or designed to facilitate directly or indirectly the delivery of, medical services at the hospital or at one of the Health System locations.
 - 2.1.5. The compensation is of low value (that is, less than the Cap) with respect to each occurrence of the benefit (for example, each meal given to a physician while he or she is serving patients who are hospitalized must be of low value).
 - 2.1.6. The compensation is not determined in any manner that takes into account the volume or value of referrals or other business generated between the parties.
 - 2.1.7. The compensation arrangement does not violate the Anti-Kickback Statute or any Federal or State law or regulation governing billing or claims submission.
- 2.2. Examples of Medical Staff Incidental Benefits exceptions that meet the exception and do not need to be tracked include, but are not limited to, the following:
- 2.2.1. Free or discounted meals (such as served in the physician's lounge), parking and computer/internet access provided in the Hospital, as long as they are provided to all members of the Medical Staff without regard to the volume or value of referrals;
 - 2.2.2. CME seminars held on campus provided the value of the CME seminar is less than the Cap per invited physician per occurrence, or is compliance training held in the local service area regardless of cost;
 - 2.2.3. Governing board or Hospital retreats where the Hospital pays for travel, food and lodging for all its governing board members and the benefit is included as compensation in the member's appointment letter. In addition, the Hospital may pay for leisure activities of its physician governing board members, if applicable, and the physician's spouse provided the benefit is provided to all governing board members and the benefit is included as compensation in the member's agreement;
 - 2.2.4. Meals served at governing board meetings, whether held on-campus or off-campus;
 - 2.2.5. Meals and necessary expenses directly related to a TFHD business activity such as educational service, meeting, activity, and site visit, etc. in which TFHD will realize a benefit from the physician's participation.
 - 2.2.6. Meals provided to an existing member of the Medical Staff and their spouse where the purpose of the meal is to recruit a physician or other provider to the community and the meal is attended by a Hospital representative, the existing physician member and the recruit candidate and is pursuant to an executed agreement furnished by the Health System's Legal Counsel;
 - 2.2.7. Business related meals where the purpose is to discuss the physician's duties under a services agreement with the Hospital where

2.2.7.1.the agreement specifically contemplates such business meals;
and

2.2.7.2.the meal is modest as judged by local standards and occurs in a
venue conducive to conducting a meeting;

2.2.8. A holiday party for the Hospital's employees and their spouses where all
the physicians on the Hospital's Medical Staff are invited; or

2.2.9. A potential referral source who is also the spouse of a facility
administrator may attend facility social events in his or her capacity as the
administrator's spouse and such events do not count toward the Cap and
do not need to be tracked.

3.0 **Physician Compensation for Services, Meetings, and Activities Providing Benefit to TFHD**

3.1. Compensation from TFHD to a physician (excluding compensation arising out of
employment relationships/a bona fide personal service arrangement) when the
physician participates in a service, meeting, activity, etc., in which TFHD benefits
from the physician's participation. With proper documentation and justification of
the physician compensation associated with services, meetings, or activities that
benefit TFHD, the physician compensation does not have to be recorded as non-
monetary compensation and incidental medical staff benefits.

3.2. EXAMPLES include TFHD assuming the physician's cost of participation in a
national credentialing program, Medical Staff leadership education, etc.

4.0 **"Solicit"**

4.1. To request or ask for any form of non-monetary compensation or incidental
benefit. It does not include a situation in which a physician asks for something
that is commonly known to be available.

PROCEDURE:

1.0 Tracking and Documentation

1.1. Non-monetary Compensation

1.1.1. All benefits for non-monetary compensation to physicians must be
recorded in a physician benefit documentation log ("Physician Benefit
Log") maintained by the Medical Staff Department.

1.1.2. Individual or Department providing physician non-monetary compensation
will provide in advance to Medical Staff Director all supporting
documentation and actual cost of benefit. Medical Staff Director or
designee will enter individual physician information and compensation
into tracking data base, the Physician Benefit Log, and determine if the
amount will exceed either the Annual Limit or Cap. If the Annual Limit or
Cap will be exceeded as a result of the benefit, Medical Director will notify
individual or Department, and the benefit may not be given or provided.

1.1.3. TFHD will communicate to physicians whether Non-Monetary
Compensation constitutes reportable income.

1.1.4. TFHD may not give the Non-Monetary Compensation for no purpose
other than to ensure that the physician receives the entire annual amount.

1.1.5. The Compliance Officer or designee will periodically audit expenditures
for appropriateness, monitor that thresholds (per incident and in the
aggregate) are not exceeded, and to meet reporting obligations.

- 1.2. Medical Staff Incidental Benefits
 - 1.2.1. Medical Staff Incidental Benefits do not need to be tracked.
 - 1.2.2. Incidental Benefit in excess of the annually adjusted Cap amount must be reported as Non-Monetary Compensation.
 - 1.2.3. The Compliance Officer or designee will periodically audit expenditures for appropriateness.
- 1.3. Compensation for Services, Meetings, and Activities providing Benefit TFHD
 - 1.3.1. All benefits for monetary compensation to physicians (excluding those arising out of personal service arrangements) for services, meetings, and activities that provide benefit to TFHD must be recorded in the Physician Benefit Log.
 - 1.3.2. All persons providing benefits must provide detailed information to, and obtain approval from, the CEO or the CFO about the benefit of the service, meeting, or activity provided to TFHD prior to the provision of Benefits.
- 2.0 Access to Physician Benefit Log
 - 2.1. Access to the Physician Benefit Log shall be limited to the Medical Staff Director or designee, the TFHD CEO, CFO, and COO or their designees, the Education Department Clinical Instructor, and the Compliance Officer or designee.
- 3.0 Professional Courtesy
 - 3.1. Professional courtesy discounts, reduced rates, or free care to physician members and their immediate family members for any inpatient admission or outpatient procedure are prohibited.
 - 3.2. Forgiveness or waiver of insurance copayments is prohibited.

Related Policies/Forms:
References: Section 1877 of the Social Security Act (the Act) (42 U.S.C. 1395nn) ; 42 U.S.C. § 1320a-7b(b); 42 C.F.R. § 411.357; Cal Business & Professions Code §§650-650.1; Non-Monetary Compensation and Incidental Benefits: http://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/CPI-U_Updates.html
Physician Self Referral: http://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/index.html?redirect=/PhysicianSelfReferral/10_CPI-U_Updates.asp#TopofPage
Policy Owner: Compliance Officer
Approved by: Chief Financial Officer

Physician Non-Monetary Compensation, Incidental Benefits

Exhibit A

Advertising by TFHD that includes Physicians or other Providers

1. This Exhibit establishes parameters for marketing and advertising related to TFHD physicians and their practices and to provide guidelines for TFHD staff whose responsibilities include such marketing and advertising.
2. TFHD will only pay the entire cost of advertising that mentions TFHD physicians, or provides marketing services to TFHD physicians when one of the following is true:
 - (i) a contract specifying the services to be provided is signed by TFHD and the physician(s) agrees to pay fair market value for the services he/she receives, or
 - (ii) the advertisement or marketing primarily benefits the community or TFHD.
3. An advertisement or promotion may include communication through any medium, including but not limited to print, digital or social media, video, or speaking events.
4. **Advertisements with no contract that promote TFHD or its services.**
 - A. For the purposes of this policy, an advertisement which primarily promotes TFHD or services or procedures offered by TFHD, or community health awareness events does not specifically promote the physician or a private practice. In such cases, TFHD may still pay for the advertisement, even if it includes the image, name and specialty of a physician. The physician is not required to sign a contract or to make any payments in such cases. Such an advertisement should not include the phone number of the physician or physician practice, or encourage viewers to contact the physician.
 - B. TFHD must consider all qualified TFHD physicians for participation in an advertisement, and must use an objective selection process. The selection process should emphasize variety where certain physicians have already participated in previous such advertisements. In no event should a physician's referral value or volume influence TFHD's decision whether to include that physician in the advertisement.
 - C. TFHD will adhere to a consistent method of determining whether an advertisement primarily benefits TFHD, a physician(s), or a private practice. The following guidelines should be used to determine whether an advertisement primarily benefits TFHD or the physician.
 - (1) It always benefits TFHD if (i) the only mention of any physician(s) is no more than a name, title and image, (ii) those items are not the majority of the advertisement, and (iii) the advertisement is intended to promote TFHD or the community, not the physician.
 - (2) It usually primarily benefits the *physician* if the *majority* of the advertisement references the physician or the physician group, including any image, contact information and credentials.
 - (3) It usually primarily benefits the *physician* if the physician's educational history or work history is included in the advertisement, unless the advertisement is a new physician announcement, as further explained below.
 - (4) It may primarily benefit the physician if the physician's office address is included in the advertisement and/or viewers are encouraged to contact the physician for

services. Further analysis and context of the address would have to be considered.

5. If TFHD and a TFHD physician jointly pay for the advertisement and/or marketing, the advertisement must primarily benefit TFHD in a proportion equal to the percentage of the payment made by TFHD, of the total cost of the advertisement.
6. No advertisement funded by TFHD may include specific language that instructs the reader to call a particular physician/physician group, or provide directions to a physician's office. Advertising funded by TFHD may encourage viewers to call TFHD for a list of physicians who may be associated with the service being advertised by TFHD. Callers must be given information on all physicians who have privileges related to the service being advertised by TFHD.
7. Some or all of the cost of advertising to be paid by the physician under a contract or in a non-contract situation, may be counted against the annual non-monetary compensation limit for the physician, up to the remaining non-monetary compensation limit for the year in which the advertising is issued.
8. Examples of circumstances where TFHD may advertise for a physician or physician group without a contract and payment for advertising or marketing services include:
 - a. **Directories.** TFHD may publish and distribute for the community a listing of its medical staff and other physicians credentialed and practicing at TFHD. Distribution may be through a website developed and owned by TFHD, through conventional mail systems to current and new residents in the market area, or through other deliveries to members of the medical staff, directors and administrators. Such listings may include the name, office address, office phone number, education, work history, awards, languages, gender, specialties and managed care plan(s) of each physician listed.
 - b. **New Physician Announcements.** TFHD may send formal announcements to its medical staff, the community, or other interested physicians when new physicians affiliate with TFHD. It should be clearly apparent to the average reader that the purpose of such announcements is to benefit TFHD and the community by notifying them of new physician resources available to assist in patient care. Such announcements should be limited in content to the physician's name, specialty, office address and phone number, and educational/work history. In addition, the announcement should not be published with such frequency that it appears to benefit the physician more than TFHD. The size, frequency, content and medium of the announcement should be consistent for all new physicians.

Exhibit B

http://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/CPI-U_Updates.html.

Calendar Year	Non-monetary compensation limit in accordance with §411.357(k)	Medical staff incidental benefit in accordance with §411.357(m)(5)	Percentage Change in the CPI-U
CY 2004	\$300	Less than \$25	N/A
CY 2005	\$308	Less than \$26	+2.5%
CY 2006	\$322	Less than \$27	+4.7%
CY 2007	\$329	Less than \$28	+2.1%
CY 2008	\$338	Less than \$29	+2.8%
CY 2009	\$355	Less than \$30	+4.9%
CY 2010	\$355	Less than \$30	-1.3%
CY 2011	\$359	Less than \$30	+1.1%
CY 2012	\$373	Less than \$31	+3.9%
CY 2013	\$380	Less than \$32	+2.0%
CY 2014	\$385	Less than \$32	+1.2%
CY 2015	\$392	Less than \$33	+1.7%

Exhibit C

Tahoe Forest Hospital District
Non-Monetary Compensation Form

PHYSICIAN NON-MONETARY COMPENSATION REPORTING FORM

Date provided:

Description of Item/Service:

Value of Item/Service:

Describe how the value was determined:

Recipient:

Physician's Name: _____

Requested By:	
Date Requested:	
Approved By:	
Date Approved:	



TAHOE
FOREST
HEALTH
SYSTEM

FINANCE COMMITTEE AGENDA

(Revised on 09/21/2015 at 10:56 a.m.)

Wednesday, September 23, 2015 at 9:00 a.m.

Foundation Conference Room, Tahoe Forest Health System Foundation
10976 Donner Pass Road, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL

Dale Chamblin, Committee 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: 8/20/2015 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Financial Reports:

- 6.1.1. Financial Report- Pre-Audit FYE 2015 ATTACHMENT
- 6.1.2. Financial Report- Pre-Audit FYE 2015 Separate Entities..... ATTACHMENT
- 6.1.3. Financial Report- Pre-Audit FYE 2015 Multi-Specialty Clinics ATTACHMENT
- 6.1.4. Financial Report – August 2015 ATTACHMENT

6.2. Board Updates

- 6.2.1. FYE 2015 Financial Audit

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 Executive Summary

By: Crystal Betts
Chief Financial Officer

DATE: September 23, 2015

ISSUE:

The District's fiscal year 2015 audit has been concluded and the audited financial statements are soon to be presented. Does the Board of Director's want to continue to elect not to include the financial data for the District's legally separate component units (Tahoe Forest Health System Foundation and Incline Village Community Hospital Foundation) in the audited financial statements of the District, which is the basis for the qualified opinion in the Independent Auditors' Report?

BACKGROUND:

Governmental Accounting Standards Board (GASB) issued GASB 14, 39, and 61, all of which outline when a governmental entity should include financial data for legally separate component units, including presentation within the financial statements. District Hospitals, as a governmental entity, are subject to GASB. For the last 4 fiscal years, the District's audited financial statements have had qualified opinions due to the decision by the Board of Directors to not include the Foundations (both Tahoe Forest Health System Foundation and Incline Village Community Hospital Foundation) as component units. The Board has the option to elect to follow GASB and change the presentation of the audited financial statements, therefore eliminating the qualified opinion. However, if the Board elects to include the Foundations as component units, the presentation of the financials will be delayed until the Foundation audits are complete, which should be late November, early December.

In speaking with Bill Peterson, our audit Partner with Kcoe & Isom, most of his District hospitals do not face this issue as their foundations raise minimal dollars. Most large Districts, like El Camino and Palomar, have several other entities including foundations, and present a consolidated financial statement including all entities. TFHD lands in the middle regarding this as we are a smaller District, with much larger Foundations.

ACTION REQUESTED:

Elect to follow GASB and include the Foundations as Component Units (Blended or Discretely), as recommended by our audit firm, for fiscal year 2015 and forward, therefore eliminating the Qualified Opinion related to not reporting the component units. However, this will delay the completion and presentation of the audited financial statements, as the audit of the Foundations will have to be completed first. Presentation would move to November or December 2015.

Alternatives:

Elect to continue not reporting the Foundations as a component unit and continue with the Qualified Opinion. The audit presentation will remain on track for October. Note that the Qualified Opinion has not created any issues for the District in any debt financing, reporting requirement, or with bond rating agencies or banks.



MATSON
& ISOM

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tahoe Forest Hospital District
Truckee, California

We have audited the accompanying financial statements of Tahoe Forest Hospital District, a California political subdivision (the District), which comprise the statements of net position as of June 30, 2013 and 2012; the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The financial statements do not include financial data for the District's legally separate component units, which should have been presented as discretely presented component units. Accounting principles generally accepted in the United State of America require the financial data for those component units to be reported with the financial data of the primary government unless the District also issues financial statements for the financial reporting entity that includes the financial data for its component units. The District has not issued such reporting entity financial statements. Donations from the component units are disclosed in note 13 to the financial statements.

INDEPENDENT AUDITORS' REPORT

Continued

Qualified Opinion

In our opinion, except for the effects of not discretely presenting component units as described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2013 and 2012, and the results of their operations, changes in net position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Matson and Isom

November 22, 2013
Chico, California



COMMUNITY BENEFIT COMMITTEE AGENDA

Wednesday, September 9, 2015 at 1:00 p.m.
Eskridge Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA.

1. **CALL TO ORDER**

2. **ROLL CALL**

Charles Zipkin, M.D., Chair; Karen Sessler, M.D., Board Member

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

4. **INPUT – AUDIENCE**

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

5. **APPROVAL OF MINUTES OF: 05/04/2015** ATTACHMENT

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

6.1. **Community Health Presentation at Board of Directors Retreat**

The Committee will discuss and give consideration to a Community Health presentation to be made at 10/06/2015 Board of Directors Retreat.

6.2. **Community Collaborative**

The Committee will discuss participation of subgroup of community stakeholders at future meetings.

6.3. **Committee Charter and Goals Update**

An update will be given on the Committee’s charter and board approved goals identified through the community needs assessment.

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

8. **AGENDA INPUT FOR NEXT COMMITTEE 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.

9. **NEXT MEETING DATE**

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.



**TAHOE
FOREST
HEALTH
SYSTEM**

**PERSONNEL/
RETIREMENT PLAN COMMITTEE**

REVISED AGENDA (Revised on 09/08/2015 at 1:57pm)

Wednesday, September 9, 2015 at 2:30 p.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL

Charles Zipkin, M.D., Chair; Dale Chamblin, Board Member

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

4. INPUT – AUDIENCE

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: 06/18/2015..... ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Fiduciary Education and Communication Plan Update

An update will be provided related to the education and communication plan to inform the Plan’s participants about the new fund changes as well as the change in the way fees are paid.

- 6.1.1. Executive Summary of Investment Review *ATTACHMENT
- 6.1.2. Investment Performance Review *ATTACHMENT
- 6.1.3. Plan Document Amendment Update

6.2. Fidelity Investments Retirement Plan Review ATTACHMENT

An update will be provided on the Fidelity Investments Retirement Plan.

6.3. Local SEIU Activity Update

An update will be provided related to the local Service Employees International Union activity.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. NEXT MEETING DATE

The next scheduled meeting of the Personnel Committee is tentatively scheduled to take place Thursday, October 8, 2015.

9. ADJOURN

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

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

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



Board Informational Report

By: Jake Dorst
CEO/CIO

DATE:9/22/2015

STRATEGIC INITIATIVE 2.1

Develop an accountable and fully engaged team / establish a formal system of communication and feedback with the medical staff organization and medical staff leadership to optimize medical staff involvement in strategic planning, projects and program innovation.

- CEO continues to round and host open table lunches.
- Rounding log books are being checked on a regular basis and issues found in them are being acted upon.
- CEO has directed staff to work with the TFHD general counsel to come up with a program for discussion at the board retreat surrounding the dissemination of documents and information to include the timeliness and security of this information.

STRATEGIC INITIATIVE 5.3

Explore potential opportunities to collaborate with local medical providers to improve health delivery

- ECG is starting to interview the physicians that were identified during the selection process. The project is going along well and all deliverables should be available on time.
- Kaufman Hall has begun working on studying the possibility of a holistic orthopedic and sports medicine center in Truckee in late August. This study will help the district decide what type of partnership, if any, is viable in the future.
- The space planning presentation is complete from Freeman-White and recommend no decisions are made until the new CEO is seated.

STRATEGIC INITIATIVE 4.1 & 4.3

Develop a long-range IT EMR plan (3-10 years) to optimize potential strategic technology investments and execute after approval from the Board of Directors.

- TFHD has reduced its viable candidates to Cerner and EPIC
 - Renown is working on getting us a final price for implementing EPIC
 - Cerner is working on their pricing to submit to TFHD
 - OCHIN has recently received permission from EPIC to resell their acute care product and we are working on getting a price from them as well.

- ICD-10 training is being completed and we are working with our vendors to make sure their software is capable of billing correctly in October.
- Meditract is an electronic contract tracking software that will give reminders when contracts are becoming due and will track hours worked by contracted workers for electronic signatures and hours. Contracts have been scanned and training will start in October.

STRATEGIC INTATIVE 1

Patients Service and Quality

- A MSC wide meeting is occurring on the evening of October 7th to discuss customer service and how we can improve upon it. This meeting will have 10-12 different breakout tables that will be staffed by a management member to better understand the needs of the MSC staff and patients. Board members are welcome to join us on October 7th.



Board CNO/COO Report

By: **Judith Newland**

DATE: **September 21, 2015**

Strategic Initiative 1. Patient Safety and Quality

- Tahoe Forest Hospital District has been recognized by Sierra Donor Services for their life-saving work to promote enrollment in the Donate Life California organ, eye and tissue donor registry. The District activities through communication and outreach efforts called attention to the critical need for donors and assisted in an increase to organ, eye and tissue donors.
- Tahoe Forest Hospital District has implemented an antimicrobial stewardship program. Antimicrobial stewardship refers to coordinated interventions designed to improve and measure the appropriate use of antimicrobials by promoting the selection of the optimal antimicrobial drug regimen, dose, duration of therapy, and route of administration. Dr. Tom Hovenic, an Infectious Disease Specialist and a member of Sierra Infections Disease out of Reno will be the Medical Director of the program. Dr. Hovenic will be working closely with Hilary Ward, Director of Surgery and Dr. Tim Lombard, Chair of Infection Control on this program.

Strategic Initiative 3.5. Improve the continuity, effectiveness and efficiency of care delivery in clinical services.

- Tahoe Forest Hospital District has nearly completed the preparation to perform electroencephalograms (EEG) tests. EEG is a standard piece of diagnostic equipment for neurologists. This will be a new service for the community and patients will no longer need to drive to Reno to complete the test. The tests will be completed within the hospital by the experienced Respiratory Therapy Department.

Strategic Initiative 7.3. Develop and expand philanthropic and volunteer services.

- The Incline Village Community Hospital Foundation (IVCHF) had a successful Donor Appreciation Event on August, 2015. The event was held August 25th at the Kern Schumacher estate In Incline Village. There were approximately 100 guests in attendance. The IVCH Foundation is initiating a new campaign to support IVCH in the improvement of the laboratory space to improve delivery of service.
- The North Tahoe Women's Health Care Auxiliary has purchased Cardiac Science/Quinton Stress Test equipment for use by Dr. Scholnick at IVCH. This equipment will now allow Dr. Scholnick to perform stress testing at Incline Village. Thank you to the auxiliary for this generous purchase.

Tahoe Forest Hospital District

Board of Directors Meeting Evaluation Form

Date: September 29, 2015

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

Please provide further feedback here:
