



Board Informational Report

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We want to wish all residents, guests in our region, our physicians, staff and our Board the very best of “safe and fun” Happy Holidays in the weeks ahead!

Calendar year 2016 has gone by very quickly!

We as a healthcare team are focusing in new ways on the spirit of “giving” as our entire team gives of their professional talents every day in service to our patients; we are now speaking of giving financially to save lives, too. We have reactivated our annual Employee Giving Campaign and I am and will be inviting all staff, all physicians, and all Board members to give financially to help us have and enlarge the much needed capacity as to tools, space and programs to save more lives in the days and years ahead.

Related to philanthropy, strategically we are looking to really grow the fundamentals of philanthropy with our Truckee and Incline Village Foundations as we develop new friends and donors each year growing Philanthropy as a source of funding for critical healthcare services or capital items.

Our leadership team is actively working to bring the offsite telephone answering function team onsite as quickly as possible. We need to install some software and hire the team to make this happen to further improve our telephone communications with our region. It's been an offsite program for more than a year. We will provide more updates in the next 6 weeks or so as we get close to naming the switch over date for this improved service.

We have been busier YTD this fiscal year than we were last year and we are honored that patients are choosing us in greater numbers when they do have choices for their healthcare.

Our leadership team has an intense focus and consideration on our Master Plan, one of top 6 Critical Strategies, as we examine location, function, legal structure and our estimates of future needs of current or critical missing services. We are examining all noted needs at Incline, Truckee and other operational sites including what is happening outside of our campus footprints as well.

Relative to our Critical Strategy of Physician Services makeover, we are reexamining our HPSA application filing completed last year which is a Health Professional Shortage Area designation application in our region and how this designation is relevant to the proper development of Rural Health Clinics to optimally serve as a backdrop for physician services in our system.

We are actively recruiting for a full time Family Practice Physician for Incline Village and we are actively recruiting for a full time GI Specialist for our health system. More to come on this as this directly relates to our Critical Strategy on Physician Services.

Tahoe Forest Healthcare Services, our management services organization is moving forward with two board meetings so far during the month of November and critical operational documents for your Board to consider on 12/15 regarding services the District provides to this entity and also in the reverse, services this entity will provide to the District.

Our Friendly Professional Corporation proposed to be named Tahoe Forest Medical Group continues to move forward as I have a meeting with a physician later this month to talk about the custodial duties of being the shareholder for this critical resources for our medical staff members who desired to be employed vs join us via independent contractor agreements.

We are performing the research to begin an evolving set of discussions with two physician groups on our medical staff who presently operate independent medical group practices in our district; as these groups are very important to us and all patients in our region, we'll examine how we can closely align in a win/win manner.

Our Health System team had a great annual Christmas Party on 12/3 with good attendance and it's really important in the life of any organization to have these types of events which are not focused on work. We reintroduced several prior year Annual Employees of the Year who were in attendance. We introduced all of the Employees of the Month for calendar year 2016 and we named the Employee of the Year for 2016 as well.

On the regulatory front we are monitoring a lot of healthcare literature as estimates are being made about many possibilities that might occur as to structural changes in the US healthcare system and relative to levels of Medicare and Medicaid funding across America. The tilt of most articles leans towards reduced funding from Medicaid and Medicare in the future and a possible repeal of the Affordable Care Act.

Speaking objectively on all types of healthcare providers across America and regarding what is estimated to be over 1000 administrative bureaucracies across America which would include all of the health insurers, all of the county, state and federal bureaucracies in America that touch healthcare; my personal estimate is that nearly 1 trillion of the current 3.6 trillion spent on healthcare in 2016 never touches a hospital, physician, home health agency, ambulance company, prescriptions, etc. The greatest difference in the total cost of healthcare in America vs. any other country in the world is the amount that is spent in here in America on administration and profit retainage by these estimated to be 1000 administrative bureaucracies that touch healthcare. So any new structural changes to healthcare from a federal level perspective that do not address this huge difference vs. any other country in the world is a material misdirected set of strategies. I'm willing to speak about strengths or weaknesses in any sector of healthcare providers and what will help or harm high quality healthcare, lower cost healthcare in America. Further, if major positive structural reforms can be had at a state or federal level, the actual providers of care can be more efficient in their required models of care as well.

We all need to buckle our seat belts as there will be a long series of rapid regulatory and market forces changes over the next 4+ years. Many wrong actions are likely too, which will require urgent corrective measures due to major unintended consequences as well.