



Board Informational Report

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CEO

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First, I want to say a big thank you to our entire team including our physicians for the tremendous work and long hours in many cases to serve our communities and a very large increase in our local population due to great snow this winter. A lot of extra time has been expended even on Holidays to care for the healthcare needs of a greatly enlarged community. Our local area and our state badly need above average moisture for several years.

Important update from the Tahoe Institute for Rural Health Research, LLC (TIRHC).

The board of this LLC met, regarding cash call funding which is needed no later than 2/29/16 for one of the product innovations that the district owns a 49% interest in. I as CEO of TFHD recommended to this board that the hospital district not be asked to participate in this late February cash call. The LLC board voted to not ask TFHD for cash call funding which will lower the TFHD interest in this innovation several percentage points. This does not imply that this new healthcare tool that is being developed to improve rural and urban healthcare isn't a wonderful tool.

Important Objective – getting to know the TFHD team and the Community.

I continue to meet with many individuals in our community in one on one and in large group settings as we work to listen to their views of our strengths and weaknesses and to share that we are committed to the highest ethics, quality and compassion in all we do and to hear gaps or opportunities to improve in serving the healthcare needs of our community. We are also meeting with other healthcare providers/healthcare systems to contemplate areas of collaboration as well.

I have also met with the Health Department leadership this week from both Nevada and Placer Counties to discuss opportunities to work together to better meet healthcare needs in our region.

I'm actively going out to all of our care sites to visit our teams and have a bit more to do in this area, in addition to weekly rounding in our organization.

This objective will remain a very high priority for me as long as I work here at Tahoe Forest.

Strategic Initiative 5.3: Explore potential opportunities to collaborate with local medical providers to improve healthcare delivery.

I have met with ECG Consulting to review their work on a new and improved, more aligned vertically integrated healthcare system, which in my view is an imperative for success in the years ahead even if the Affordable Care Act is repealed or if it moves forward to many new versions of care. This is a foundational model that will work well in all of these settings.

In addition late this week we are beginning a medical staff assessment of our strengths and weaknesses, as developing the “very best practice model” for Tahoe Forest Health System in our physician services programs is truly the most important strategy we can undertake and it has a very high urgency.

Also coupled very closely to working on our physician serviceline is developing rapidly a multi-year master plan for all of the clinical, physician and overhead services and parking needs that presently exist or will exist in the near future.

Strategic Initiative 4.1 & 4.3:

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

I continue to work with our CIO and others on our team, and I want to thank our CIO for also stepping in and leading out in our physician service line as our Director of that area left a few weeks ago and we are actively looking for new interim to permanent, very experienced leadership in our physician services.

In IT we have many software applications in the works that are critical to our operations but most importantly we continue to work very hard on the very best electronic medical record with the lowest possible price that can seamlessly reach across our physician services, and any OP or IP hospital services. This area also remains a top priority.

Improvement Opportunities:

To follow up on a request by the board last month, we have reviewed best practices in our industry in the area of Compliance. We strongly believe, based on best practice information out there that the Compliance Committee as a critical multidisciplinary committee across system, should not have Board of Director membership on it and that the best practice role of the Board of Directors is to make sure that we spend sufficient time in our Governance Committee to cover any and all Compliance matters for the system.

My comfort level is really growing with the ongoing Compliance program here at TFHS and I’m pleased to see our Corporate Compliance Plan for 2016 as well. I also believe in a small system it’s optimal to have outsourced Compliance expertise where they are really staying up with all of the latest changes in rules and regulation in CA and across the country coupled with strong support staff here within our system. I believe this gives us a very strong program at an efficient cost level. The next few years will see the fast market force changes and possibly a quickened pace of regulatory changes as well.

We have had turnover in our Contracts oversight area and we have a new team member assisting in that area.

We have turnover in our medical staff so we are actively looking to recruit right now in Pediatrics and in ENT and we are also looking for a Urologist as well, a service gap we've had for many years.

Areas of Innovation:

Innovation and revolutionary change will be the key words to best describe the next 4 to 10 years in healthcare. So it's critical that we remain nimble, and fully willing to reinvent ourselves each and every year to provide optimal compassionate care for our patients and to be sustainable. I've seen many innovations over the years come from small settings that greatly assisted in improving the healthcare of that local region but also made a positive impact on healthcare nationwide. I believe our affiliation with UC Davis is very important, that our Rural Health Research Institute is very important and there are many dividends from having this affiliation with UC Davis only one of which that we are afforded an option to build a model of care with our physicians in a more aligned model of care based solely on the fact we have this relationship. I remain truly excited by the rare talent that exists in this community to pursue thoughtful innovations in healthcare.

Partial list of other activities in the weeks ahead:

CA has a new WAIVER agreement with the Centers for Medicare and Medicaid Services (CMS) that extends from 2016 to 2020 and we will rapidly learning as a team how we can participate in this as a District Hospital in CA. This is very important for us and for the UC Hospitals in CA, for County safety net hospitals in CA and for District hospitals in CA.

We will provide some education on this topic in the future as well as we are spending time to learn all of the attributes of this new program.

We have many more activities that have been noted in other sections above.