



TAHOE FOREST HOSPITAL DISTRICT

Regular Meeting of the Board of Directors

Aug 25, 2015 at 04:00 PM - 10:00 PM

TTUSD

,

Meeting Book - 2015 Aug 25 Regular Meeting of the Board of Directors

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Contracts are available for Board review at:
Resource Library > CONTRACTS > 2015 August Board
Public may request to review contracts by contacting the Clerk of the Board.

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14.3. Contracts

Contracts are available for Board review at:
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16. INFORMATIONAL REPORTS

16.1. Strategic Initiatives Update

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23. MEETING EFFECTIVENESS ASSESSMENT

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REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

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**

2. **ROLL CALL**

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

4. **INPUT AUDIENCE:**

5. **CLOSED SESSION:**

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

Proposed New Services or Programs: One (1) item
Estimated Date of Public Disclosure: 12/31/15

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

Number of items: three (3)

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

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))

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

5.5. Approval of Closed Session Minutes of:

07/28/2015

6. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**

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

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.

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
August 25, 2015 AGENDA – Continued

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

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 ◆

07/28/2015 ATTACHMENT

13.2. Financial Report ◆

Financial Report- Preliminary July 2015 ATTACHMENT

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

14. ITEMS FOR BOARD DISCUSSION AND ACTION

14.1. CEO Search ATTACHMENT

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

14.2. Quarterly Compliance Report ATTACHMENT

The Compliance Committee is providing the Board of Directors with a report of the 2nd Quarter 2015 Corporate Compliance Program activities.

14.3. Contracts ◆ ATTACHMENT

14.3.1. Kitts_Amendment_to_Agreement_to_Provide_Coverage_of_Emergency_Department_Professional_Services_2015

14.3.2. Sierra_Nevada_Oncology_Fourth_Amendment_to_TFH_PSA_2015

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

15.1. Governance Committee Meeting – 08/12/2015 ATTACHMENT

15.1.1. Committee Goals ◆

15.1.2. Possible Board Meeting at North Tahoe

15.2. Quality Committee – 08/20/2015 ATTACHMENT

15.3. Finance Committee Meeting – 08/20/2015 ATTACHMENT

15.4. Community Benefit Committee – No meeting

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.

Regular Meeting of the Board of Directors of Tahoe Forest Hospital District
August 25, 2015 AGENDA – Continued

16.1. Strategic Initiatives Update 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 September 29, 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.

DATE: August 19, 2015
 PAGE NO. 1

MEDICAL EXECUTIVE COMMITTEE'S
RECOMMENDATIONS FOR APPROVAL BY THE BOARD OF DIRECTORS - OPEN MEETING
August 19, 2015

| CONSENT AGENDA ITEM | REFERRED BY: | RECOMMEND/ ACTION |
|------------------------------------|---|----------------------|
| Consent Approval Items | | |
| 1. P&T Committee | Recommended approval via email on 8/19/15 of the following: ➤ Therapeutic Hypothermia Physician Orders | Approval |
| 2. Infection Control Committee | Recommended approval via email on 8/5/15 of the following: ➤ Surveillance and Reporting Policy – Minor changes to address the ECC | Approval |
| 3. The Department of Medicine | Recommended approval of the following: Ventilator Associated Event (VAE) surveillance and reporting – RT verbiage added. | Approval |
| 4. OB Nurse Override List | Addition of Nifedipine for emergent use in pre-term labor (approved by OB/PED Dept. in June but had not been approved by P&T. Final approval has been made by P&T via email) | Approval |
| 5. The Quality Assurance Committee | Recommended approval of the following policies via e-mail 7/30/15: ➤ Disclosure of Error or Unanticipated Adverse Outcome to Patients/Families – Wording and minor additions ➤ Root Cause Analysis - Wording and minor additions ➤ Sentinel/Adverse Events – Wording and minor additions Recommended 8/19/2015 ➤ Patient/Family Complaints/Grievance - wording and minor additions | Approval |



SPECIAL MEETING OF THE BOARD OF DIRECTORS

DRAFT Minutes

Tuesday, July 28, 2015 at 1:00 p.m.

Eskridge Conference Room,
Tahoe Forest Hospital, 10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting called to order at 1:00 p.m.

2. ROLL CALL

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

Staff: Jake Dorst, Interim Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Nursing/Operations Officer; Patricia Barrett, Clerk of the Board

Other: Steve Gross, General Counsel

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 1:01 p.m.

6. CLOSED SESSION:

Closed session called to order at 1:01 p.m.

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

Discussion held on a privileged matter.

Closed session adjourned at 2:32 p.m.

7. OPEN SESSION

Open session reconvened at 2:32 p.m.

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION

None.

9. ITEMS FOR NEXT MEETING

None.

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 2:32 p.m.

DRAFT



REGULAR MEETING OF THE BOARD OF DIRECTORS

DRAFT MINUTES

Tuesday, July 28, 2015 at 4 p.m.

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

1. **CALL TO ORDER**

Meeting called to order at 4:00 p.m.

2. **ROLL CALL**

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

Staff: Jake Dorst, Interim Chief Executive Officer; Crystal Betts, Chief Financial Officer; Judy Newland, Chief Nursing/Operations Officer; Patricia Barrett, Clerk of the Board

Other: Steve Gross, General Counsel

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

None

4. **INPUT AUDIENCE:**

None.

General Counsel read the Board into Closed Session.

Open session recessed at 4:01 p.m.

5. **CLOSED SESSION:**

Discussion held on privileged matters.

6. **DINNER BREAK**

APPROXIMATELY 6:00 P.M.

7. **OPEN SESSION – CALL TO ORDER**

Meeting called to order at 6:01 p.m.

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

None.

9. **INPUT – AUDIENCE**

Barbara Widder shared her experience as a patient at TFH and acknowledged the hospital staff and physicians for their kindness, care and support.

10. **INPUT FROM EMPLOYEE ASSOCIATIONS**

Barbara Wong addressed the Board and expressed appreciation of the Board’s encouragement of staff to speak their minds without going through management channels.

11. ACKNOWLEDGMENTS

Jake Dorst, interim CEO, acknowledged the staff involved in orchestrating the meaningful use attestation.

12. MEDICAL STAFF REPORT

12.1. Medical Staff Report ATTACHMENT

Dr. Dodd presented the MEC report.

ACTION: Motion made by Director Zipkin, seconded by Director Jellinek, to approved MEC consent items. Roll call vote taken. Approved unanimously.

Catherine Hammond, interim Director of Medical Staff services, was introduced.

13. CONSENT CALENDAR

13.1. Approval of Minutes of Meetings

05/26/2015 and 06/30/2015

13.2. Financial Report

June 2015 Preliminary Financials

13.3. Contracts

13.3.1. Tahoe_Infectious_Disease_TFHD_MDA_For_Antimicrobial_Stewardship_Program_2015

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

14. ITEMS FOR BOARD DISCUSSION AND ACTION

14.1. Facilities Operating Room (OR) Light Project Update and Recommendation For Award of Bid

Scheduled item commenced at 6:30 p.m.

Rick McConn and Mike Genet provided an update related to the operating room light project. Bids were received on July 14, 2015 with 18 contracts vying for the 6 contracts being awarded.

Discussion took place related to the work involving gas line relocation. Services for the hospital will be back fed during this anticipated 8 month process.

ACTION: Motion made by Director Chamblin, seconded by Director Mohun, to award operating room light project bids as recommended. Roll call vote taken. Approved unanimously.

14.2. Resolution Directing Placer And Nevada Counties, California, To Levy a Tax To Pay The Principal of and Interest on The District’s General Obligation Bonds for Fiscal Year 2015-16 ◆

Topic taken out of order to accommodate timed item 14.1.

The CFO provided a review of the GO Bond and process for levying tax.

ACTION: Motion made by Director Chamblin, seconded by Director Jellinek to approved Resolution 2015-05 Directing Placer And Nevada Counties, California, To Levy a Tax To Pay The Principal of and Interest on The District’s General Obligation Bonds for Fiscal Year 2015-16. Roll call vote taken. Approved unanimously.

14.3. Contracts

14.3.1. NTRMG_TFHD_Diagnostic_Imaging_PSA_2015

Topic taken out of order to accommodate scheduled item 14.1.

The interim CEO provided a review of the agreement noting it is needed to start recruitment for a radiologist to replace the one that is leaving the area in October.

ACTION: Motion made by Director Zipkin, seconded by Director Sessler, to approve the contract as presented. Roll call vote taken. Approved unanimously.

14.4. ABD-21 Physician and Professional Service Agreements Policy

Jim Hook provided a review of the work done by the Compliance Committee that further edited the Physician And Professional Services Agreements policy approved by the board at the June board meeting.

Following discussion and direction by the Board, a change to the policy will be made to reflect an addition on page 2, as section 1.1 to read, “Health professionals are not permitted to provide professional services under any professional services agreement until the agreement has been fully signed and executed prior to the effective date by the parties. Agreements containing amendments to the terms and conditions of the agreement must also be executed prior to the effective date and prior to the provision of professional services under the amended agreement.”

ACTION: Motion made by Director Jellinek, seconded by Director Zipkin, to accept the amendment to the policy as designated and approve the policy. Roll call vote taken. Approved unanimously.

14.5. Board Goals

14.5.1. Six-month Check-in/Update

A review of each of the board goals was facilitated by Director Sessler and confirmation of current course and status was provided.

Goal 5 related to Mission and Vision will be agendized for a future meeting or retreat. Recommendation made to include additional ethics training at the retreat.

14.5.2. Meeting Minutes Format

The interim CEO made a recommendation to change the format of minutes to help accommodate the Board’s goal to reduce the length of meetings by moving to action minutes only.

Videographer Rory O’Farrell provided a review of the archived meetings accessible via the TTCTV website.

It was noted that the Board can request expanded minutes be included for topics they believe require greater narrative.

ACTION: Motion made by Director Sessler, seconded by Director Zipkin, to transition to an action based minute format as recommended. Roll call vote taken. Approved unanimously.

14.5.3. Board Retreat Date

The follow up retreat for the board is tentatively scheduled to take place on October 6 or 7 and will be held in Truckee.

It was noted that the intent is to conduct a regular retreat on an annual basis in or around February.

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

15.1. Finance Committee Meeting – 07/23/2015

Director Chamblin provided a summary from the July 23 meeting.

Preliminary June financials reflected an outstanding month in terms of volumes and earnings.

15.2. Community Benefit Committee – No meeting

15.3. Governance Committee Meeting – No meeting

15.4. Personnel/Retirement Committee Meeting – No meeting

15.5. Quality Committee – No meeting

16. INFORMATIONAL REPORTS

16.1. Strategic Initiatives Update ATTACHMENT

Staff reports providing updates related to key strategic initiatives were provided as part of the agenda packet. No questions to staff were presented.

16.2. CEO Search ATTACHMENT

A written update related to the CEO search was provided as part of the agenda packet.

16.3. Marketing Update ATTACHMENT

Staff report providing updates related to marketing was provided as part of the agenda packet. No questions to staff were presented.

17. AGENDA INPUT FOR UPCOMING COMMITTEE MEETINGS

Governance Committee will be extended by 30-60 minutes

18. ITEMS FOR NEXT MEETING

Special meeting of the Board will take place on September 10th.

CLOSED session topic not heard at today’s meeting will be rescheduled as a special meeting during the next week if agreeable to presenters.

19. BOARD MEMBERS REPORTS/CLOSING REMARKS

None.

Open session recessed at 7:19 p.m.

20. CLOSED SESSION CONTINUED, IF NECESSARY

Discussion held on a privileged matter.

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

Meeting adjourned at 8:20 p.m.

DRAFT

**TAHOE FOREST HOSPITAL DISTRICT
JULY 2015 FINANCIAL REPORT
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| 13 | STATEMENT OF CASH FLOW |

Board of Directors
Of Tahoe Forest Hospital District

JULY 2015 FINANCIAL NARRATIVE

The following is a financial narrative analyzing financial and statistical trends for the one month ended July 31, 2015.

Activity Statistics

- ❑ TFH acute patient days were 355 for the current month compared to budget of 409. This equates to an average daily census of 11.46 compared to budget of 13.20.
- ❑ TFH Outpatient volumes were above budget in the following departments by at least 5%: Home Health visits, Laboratory tests, Oncology Lab, Mammography, Oncology procedures, Nuclear Medicine, Ultrasounds, PET CT, Oncology Pharmacy units, Physical Therapy, and Occupational Therapy.
- ❑ TFH Outpatient volumes were below budget in the following departments by at least 5%: Endoscopy procedures, MRI exams, Cat Scans, Respiratory Therapy, and Speech Therapy.

Financial Indicators

- ❑ Net Patient Revenue as a percentage of Gross Patient Revenue was 58.2% in the current month compared to budget of 53.4% and to last month's 63.2%. Current year's Net Patient Revenue as a percentage of Gross Patient Revenue is 58.2%, compared to budget of 53.4% and prior year's 54.1%.
- ❑ EBIDA was \$1,936,537 (10.1%) for the current month compared to budget of \$867,203 (4.5%), or \$1,069,335 (5.6%) above budget. Year-to-date EBIDA was \$1,936,537 (10.1%) compared to budget of \$867,203 (4.5%) or \$1,069,335 (5.6%) over budget.
- ❑ Cash Collections for the current month were \$8,977,784 which is 76% of targeted Net Patient Revenue.
- ❑ Gross Days in Accounts Receivable were 58.1, compared to the prior month of 60.2. Gross Accounts Receivables are \$32,477,468 compared to the prior month of \$31,478,908. The percent of Gross Accounts Receivable over 120 days old is 21.0%, compared to the prior month of 23.4%.

Balance Sheet

- ❑ Working Capital Days Cash on Hand is 31.3 days. S&P Days Cash on Hand is 158.2. Working Capital cash decreased \$1,438,000 and cash collections fell short of target by 24%. Accounts Payable decreased \$1,472,000 and Accrued Payroll & Related Costs also decreased \$942,000. These outflows in cash were offset, in part, by receipt of the Municipal Reimbursement Request in the amount of \$1,319,139.
- ❑ Net Patients Accounts Receivable increased approximately \$1,220,000. Cash collections were at 76% of target and days in accounts receivable were 58.1 days, a 2.10 days decrease.
- ❑ Estimated Settlements, Medi-Cal and Medicare decreased \$140,000 after recording the receipt of the Medicare FY2013 settlement due the District after the desk audit was finalized.
- ❑ Banc of America Municipal Lease decreased \$1,319,139 after recording the receipt of funds received from the reimbursement request submitted at the beginning of the month.
- ❑ GO Bond Project Fund decreased \$508,593 after remitting payment to the District for funds advanced on the June Measure C projects.
- ❑ G.O. Bond Tax Revenue Fund decreased \$2,353,049. The District moved funds back into its Operating account to cover the debt services payments made on G.O. Bond Series A, B, and C at the end of July.
- ❑ Accounts Payable decreased \$1,472,000 due to the timing of the final check run in June.
- ❑ Accrued Payroll & Related Costs decreased \$942,000. The month of July had three pay periods which required fewer accrual days at month's end.

July 2015 Financial Narrative

- Interest Payable G.O. Bond decreased \$1,697,197 after remitting interest payments due on the G.O. Bond Series A, B, and C.

Operating Revenue

- Current month's Total Gross Revenue was \$19,182,505, compared to budget of \$19,279,603 or \$97,098 below budget.
- Current month's Gross Inpatient Revenue was \$4,818,737, compared to budget of \$6,160,203 or \$1,341,466 below budget.
- Current month's Gross Outpatient Revenue was \$14,363,768, compared to budget of \$13,119,400 or \$1,244,368 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 38.2% Medicare, 16.4% Medi-Cal, .0% County, 4.8% Other, and 40.6% Insurance compared to budget of 36.2% Medicare, 18.4% Medi-Cal, .1% County, 4.8% Other, and 40.5% Insurance. Last month's mix was 37.9% Medicare, 16.6% Medi-Cal, .0% County, 5.0% Other, and 40.5% Insurance.
- Current month's Deductions from Revenue were \$8,011,947 compared to budget of \$8,981,625 or \$969,678 below budget. Variance is attributed to the following reasons: 1) Payor mix varied from budget with a 1.98% increase in Medicare, a 2.07% decrease to Medi-Cal, a .07% decrease in County, a .01% decrease in Other, and Commercial was above budget .16%, 2) revenues fell short of budget by .50%, and 3) Self Pay accounts receivable decreased \$762,000 over June 2015.

Operating Expenses

| DESCRIPTION | July 2015 Actual | July 2015 Budget | Variance | BRIEF COMMENTS |
|---------------------------------|------------------|------------------|-----------|---|
| Salaries & Wages | 3,504,921 | 3,695,740 | 190,819 | |
| Employee Benefits | 1,761,708 | 1,271,422 | (490,285) | Negative variance related to PL/SL which was offset, in part, by a positive variance in Salaries & Wages. The District also had large payouts of PL/SL as well as increased usage of Sick Leave in July. |
| Benefits – Workers Compensation | 46,609 | 60,541 | 13,932 | |
| Benefits – Medical Insurance | 291,130 | 750,099 | 458,969 | Positive variance is due to a decrease in paid claims. |
| Professional Fees | 1,412,212 | 1,389,875 | (22,338) | An increase in IP and OP Therapies volumes, services provided to Nursing Case Management and Legal fees provided to TIRHR created a negative variance in Professional Fees. |
| Supplies | 1,526,704 | 1,429,309 | (97,395) | Oncology Pharmacy revenues exceeded budget by 21.06%, 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 20.32% and creating a positive variance in Patient & Other Medical Supplies. |
| Purchased Services | 912,170 | 945,094 | 32,924 | Patient Accounting collection agency fees, department repairs, and services provided to Information Technology, Human Resources, The Center, and Hospice came in below budget, creating a positive variance in Purchased Services. |
| Other Expenses | 383,273 | 485,202 | 101,929 | Controllable expenses are being monitored closely by Senior Leadership creating positive variances in all but two categories in the Other Expense section. |
| Total Expenses | 9,838,727 | 10,027,282 | 188,555 | |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF NET POSITION
JULY 2015

| | Jul-15 | PRELIMINARY Jun-15 | Jul-14 | |
|--|----------------------|-----------------------|----------------------|---|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| * CASH | \$ 10,058,866 | \$ 11,497,296 | \$ 10,753,484 | 1 |
| PATIENT ACCOUNTS RECEIVABLE - NET | 16,074,308 | 14,854,694 | 17,649,151 | 2 |
| OTHER RECEIVABLES | 3,622,696 | 3,153,625 | 3,752,626 | |
| GO BOND RECEIVABLES | 76,922 | (222,840) | 531,954 | |
| ASSETS LIMITED OR RESTRICTED | 4,926,489 | 5,479,161 | 5,729,204 | |
| INVENTORIES | 2,331,950 | 2,317,563 | 2,506,138 | |
| PREPAID EXPENSES & DEPOSITS | 1,695,976 | 1,454,115 | 1,969,754 | |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE | 2,006,080 | 2,146,016 | 3,235,364 | 3 |
| OTHER CURRENT ASSETS | - | - | - | |
| TOTAL CURRENT ASSETS | <u>40,793,287</u> | <u>40,679,631</u> | <u>46,127,675</u> | |
| NON CURRENT ASSETS | | | | |
| ASSETS LIMITED OR RESTRICTED: | | | | |
| * CASH RESERVE FUND | 40,759,110 | 40,730,601 | 40,655,350 | 1 |
| BANC OF AMERICA MUNICIPAL LEASE | 976,584 | 2,295,723 | 2,291,388 | 4 |
| TOTAL BOND TRUSTEE 2002 | 2 | 2 | 2 | |
| TOTAL BOND TRUSTEE 2006 | 3,170,694 | 3,346,143 | 2,300,616 | |
| TOTAL BOND TRUSTEE GO BOND | - | - | - | |
| GO BOND PROJECT FUND | 11,632,649 | 12,141,242 | 19,840,876 | 5 |
| GO BOND TAX REVENUE FUND | 486,154 | 2,839,203 | 44,944 | 6 |
| BOARD DESIGNATED FUND | 2,297 | 2,297 | 2,297 | |
| DIAGNOSTIC IMAGING FUND | 2,971 | 2,969 | 2,963 | |
| DONOR RESTRICTED FUND | 1,114,450 | 1,081,058 | 783,690 | |
| WORKERS COMPENSATION FUND | 6,241 | 12,798 | 30,756 | |
| TOTAL | 58,151,151 | 62,452,035 | 65,952,882 | |
| LESS CURRENT PORTION | (4,926,489) | (5,479,161) | (5,729,204) | |
| TOTAL ASSETS LIMITED OR RESTRICTED - NET | <u>53,224,661</u> | <u>56,972,875</u> | <u>60,223,678</u> | |
| 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 | 130,774,226 | 131,382,104 | 116,317,329 | |
| GO BOND CIP, PROPERTY & EQUIPMENT NET | 20,156,477 | 19,266,118 | 27,681,987 | |
| TOTAL ASSETS | <u>246,109,400</u> | <u>249,461,475</u> | <u>251,683,416</u> | |
| DEFERRED OUTFLOW OF RESOURCES: | | | | |
| DEFERRED LOSS ON DEFEASANCE | 578,595 | 581,827 | 617,383 | |
| ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE | 1,774,439 | 1,774,439 | 1,710,011 | |
| TOTAL DEFERRED OUTFLOW OF RESOURCES | <u>\$ 2,353,034</u> | <u>\$ 2,356,266</u> | <u>\$ 2,327,394</u> | |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| ACCOUNTS PAYABLE | \$ 3,928,983 | \$ 5,401,316 | \$ 6,385,829 | 7 |
| ACCRUED PAYROLL & RELATED COSTS | 6,858,305 | 7,799,831 | 8,335,905 | 8 |
| INTEREST PAYABLE | 697,195 | 595,742 | 145,867 | |
| INTEREST PAYABLE GO BOND | 251,569 | 1,948,767 | - | 9 |
| ESTIMATED SETTLEMENTS, M-CAL & M-CARE | 885,106 | 861,480 | 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 | 315,000 | 315,000 | 315,000 | |
| CURRENT MATURITIES OF OTHER LONG TERM DEBT | 2,299,911 | 2,299,911 | 2,294,267 | |
| TOTAL CURRENT LIABILITIES | <u>17,772,809</u> | <u>21,758,787</u> | <u>21,484,374</u> | |
| NONCURRENT LIABILITIES | | | | |
| OTHER LONG TERM DEBT NET OF CURRENT MATURITIES | 32,653,763 | 33,079,411 | 34,148,125 | |
| GO BOND DEBT NET OF CURRENT MATURITIES | 97,750,000 | 98,130,000 | 98,130,000 | |
| DERIVATIVE INSTRUMENT LIABILITY | 1,774,439 | 1,774,439 | 1,710,011 | |
| TOTAL LIABILITIES | <u>149,951,011</u> | <u>154,742,637</u> | <u>155,472,510</u> | |
| NET ASSETS | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 97,396,972 | 95,994,047 | 97,754,611 | |
| RESTRICTED | 1,114,450 | 1,081,058 | 783,690 | |
| TOTAL NET POSITION | <u>\$ 98,511,422</u> | <u>\$ 97,075,105</u> | <u>\$ 98,538,301</u> | |

* Amounts included for Days Cash on Hand calculation

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

1. Working Capital is at 31.3 days (policy is 30 days). Days Cash on Hand (S&P calculation) is 158.2 days. Working Capital cash decreased \$1,438,000. Cash collections fell short of target by 24%, Accounts Payable decreased (See Note 7) by \$1,472,000 and Accrued Payroll & Related Liabilities (See Note 8) decreased \$942,000. These outflows in cash were offset, in part, by the receipt of our Municipal Lease reimbursement (See Note 4) in the amount of \$1,319,139.
2. Net Patient Accounts Receivable increased approximately \$1,220,000. Cash collections were 76% of target. Days in Accounts Receivable are at 58.1 days compared to prior months 60.2 days, a 2.10 days decrease.
3. Estimated Settlements, Medi-Cal and Medicare decreased a net \$140,000 after recording the receipt of the Medicare FY2013 settlement due to the District after the desk audit was finalized.
4. Banc of America Municipal Lease decreased \$1,319,139 after recording the receipt of funds from the reimbursement request filed at the beginning of the month.
5. G.O. Bond Project Fund decreased \$508,593 after reimbursing the District for funds advanced on Measure C projects.
6. G.O. Bond Tax Revenue Fund decreased \$2,353,049. The District moved funds back into its Maintenance & Operating account to cover the principal and interest payments made at the close of July on the G.O. Bond Series A, B, and C.
7. Accounts Payable decreased \$1,472,000 due to the timing of the final check run in the month.
8. Accrued Payroll & Related Costs decreased \$942,000. July had three pay periods which created fewer payroll days to accrue at month's end.
9. Interest Payable G.O. Bond decreased \$1,697,198 after remitting interest payments due on the G.O. Bond Series A, B, and C.

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

WORKING CAPITAL

| | | | |
|----------------------------------|--------------|--------|---------------|
| US Bank | \$ 9,171,874 | | |
| US Bank/Kings Beach Thrift Store | 256,532 | | |
| US Bank/Truckee Thrift Store | 630,460 | | |
| Wells Fargo Bank | | | |
| Local Agency Investment Fund | <u>-</u> | 0.320% | |
| Total | | | \$ 10,058,866 |

BOARD DESIGNATED FUNDS

| | | | |
|------------------------|----------|-------|----------|
| US Bank Savings | \$ 2,297 | 0.03% | |
| Capital Equipment Fund | <u>-</u> | | |
| Total | | | \$ 2,297 |

| | | | |
|------------------------------|-------------------|--------|---------------|
| Building Fund | \$ - | | |
| Cash Reserve Fund | <u>40,759,110</u> | 0.320% | |
| Local Agency Investment Fund | | | \$ 40,759,110 |

| | | | |
|----------------------------|--|--|---------------|
| Banc of America Muni Lease | | | \$ 976,584 |
| Bonds Cash 1999 | | | \$ 2 |
| Bonds Cash 2002 | | | \$ - |
| Bonds Cash 2006 | | | \$ 3,170,694 |
| Bonds Cash 2008 | | | \$ 12,118,803 |

| | | | |
|----------------------------|----------|--------|--|
| DX Imaging Education | \$ 2,971 | 0.320% | |
| Workers Comp Fund - B of A | 6,241 | | |

Insurance

| | | | |
|--|----------|--------|-----------------|
| Health Insurance LAIF | - | 0.320% | |
| Comprehensive Liability Insurance LAIF | <u>-</u> | 0.320% | |
| Total | | | <u>\$ 9,212</u> |

| | | | |
|--------------------|--|--|----------------------|
| TOTAL FUNDS | | | \$ 67,095,567 |
|--------------------|--|--|----------------------|

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> | 0.320% | |
| TOTAL RESTRICTED FUNDS | | | <u>\$ 1,114,450</u> |

| | | | |
|------------------------|--|--|------------------------------------|
| TOTAL ALL FUNDS | | | <u><u>\$ 68,210,017</u></u> |
|------------------------|--|--|------------------------------------|

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

| CURRENT MONTH | | | | Note | YEAR TO DATE | | | | PRIOR YTD JULY 2014 | |
|--|-------------------|---------------------|----------------|------|----------------------|-------------------|---------------------|----------------|------------------------|-------------------|
| ACTUAL | BUDGET | VAR\$ | VAR% | | ACTUAL | BUDGET | VAR\$ | VAR% | | |
| \$ 19,182,505 | \$ 19,279,603 | \$ (97,098) | -0.5% | | \$ 19,182,505 | \$ 19,279,603 | \$ (97,098) | -0.5% | 1 | \$ 19,864,820 |
| OPERATING REVENUE | | | | | | | | | | |
| Total Gross Revenue | | | | | \$ 19,182,505 | \$ 19,279,603 | \$ (97,098) | -0.5% | 1 | \$ 19,864,820 |
| Gross Revenues - Inpatient | | | | | | | | | | |
| \$ 1,659,158 | \$ 1,850,280 | \$ (191,122) | -10.3% | | \$ 1,659,158 | \$ 1,850,280 | \$ (191,122) | -10.3% | | \$ 2,033,722 |
| 3,159,579 | 4,309,924 | (1,150,344) | -26.7% | | 3,159,579 | 4,309,924 | (1,150,344) | -26.7% | | 4,462,815 |
| 4,818,737 | 6,160,203 | (1,341,466) | -21.8% | | 4,818,737 | 6,160,203 | (1,341,466) | -21.8% | 1 | 6,496,537 |
| Total Gross Revenue - Inpatient | | | | | 4,818,737 | 6,160,203 | (1,341,466) | -21.8% | 1 | 6,496,537 |
| Gross Revenue - Outpatient | | | | | | | | | | |
| 14,363,768 | 13,119,400 | 1,244,368 | 9.5% | | 14,363,768 | 13,119,400 | 1,244,368 | 9.5% | | 13,368,283 |
| 14,363,768 | 13,119,400 | 1,244,368 | 9.5% | | 14,363,768 | 13,119,400 | 1,244,368 | 9.5% | 1 | 13,368,283 |
| Total Gross Revenue - Outpatient | | | | | 14,363,768 | 13,119,400 | 1,244,368 | 9.5% | 1 | 13,368,283 |
| Deductions from Revenue: | | | | | | | | | | |
| Contractual Allowances | | | | | 7,494,212 | 7,881,306 | 387,094 | 4.9% | 2 | 8,259,733 |
| 550,134 | 630,352 | 80,218 | 12.7% | | 550,134 | 630,352 | 80,218 | 12.7% | 2 | 660,380 |
| - | - | - | 0.0% | | - | - | - | 0.0% | 2 | - |
| (32,400) | 469,968 | 502,367 | 106.9% | | (32,400) | 469,968 | 502,367 | 106.9% | 2 | 196,693 |
| - | - | - | 0.0% | | - | - | - | 0.0% | 2 | - |
| 8,011,947 | 8,981,625 | 969,678 | 10.8% | | 8,011,947 | 8,981,625 | 969,678 | 10.8% | | 9,116,806 |
| Total Deductions from Revenue | | | | | 8,011,947 | 8,981,625 | 969,678 | 10.8% | | 9,116,806 |
| Property Tax Revenue- Wellness Neighborhood | | | | | | | | | | |
| 49,631 | 60,432 | (10,801) | -17.9% | | 49,631 | 60,432 | (10,801) | -17.9% | | 64,760 |
| 555,075 | 536,074 | 19,001 | 3.5% | | 555,075 | 536,074 | 19,001 | 3.5% | 3 | 635,339 |
| Other Operating Revenue | | | | | 555,075 | 536,074 | 19,001 | 3.5% | 3 | 635,339 |
| 11,775,265 | 10,894,485 | 880,780 | 8.1% | | 11,775,265 | 10,894,485 | 880,780 | 8.1% | | 11,448,112 |
| TOTAL OPERATING REVENUE | | | | | 11,775,265 | 10,894,485 | 880,780 | 8.1% | | 11,448,112 |
| OPERATING EXPENSES | | | | | | | | | | |
| Salaries and Wages | | | | | 3,504,921 | 3,695,740 | 190,819 | 5.2% | 4 | 3,392,653 |
| 1,761,708 | 1,271,422 | (490,285) | -38.6% | | 1,761,708 | 1,271,422 | (490,285) | -38.6% | 4 | 1,049,433 |
| Benefits | | | | | 46,609 | 60,541 | 13,932 | 23.0% | 4 | 88,345 |
| 46,609 | 60,541 | 13,932 | 23.0% | | 46,609 | 60,541 | 13,932 | 23.0% | 4 | 88,345 |
| Benefits Workers Compensation | | | | | 291,130 | 750,099 | 458,969 | 61.2% | 4 | 834,201 |
| 291,130 | 750,099 | 458,969 | 61.2% | | 291,130 | 750,099 | 458,969 | 61.2% | 4 | 834,201 |
| Benefits Medical Insurance | | | | | 1,412,212 | 1,389,875 | (22,338) | -1.6% | 5 | 1,696,680 |
| 1,412,212 | 1,389,875 | (22,338) | -1.6% | | 1,412,212 | 1,389,875 | (22,338) | -1.6% | 5 | 1,696,680 |
| Professional Fees | | | | | 1,526,704 | 1,429,309 | (97,395) | -6.8% | 6 | 1,573,509 |
| 1,526,704 | 1,429,309 | (97,395) | -6.8% | | 1,526,704 | 1,429,309 | (97,395) | -6.8% | 6 | 1,573,509 |
| Supplies | | | | | 912,170 | 945,094 | 32,924 | 3.5% | 7 | 973,631 |
| 912,170 | 945,094 | 32,924 | 3.5% | | 912,170 | 945,094 | 32,924 | 3.5% | 7 | 973,631 |
| Purchased Services | | | | | 383,273 | 485,202 | 101,929 | 21.0% | 8 | 512,825 |
| 383,273 | 485,202 | 101,929 | 21.0% | | 383,273 | 485,202 | 101,929 | 21.0% | 8 | 512,825 |
| Other | | | | | 9,838,727 | 10,027,282 | 188,555 | 1.9% | | 10,121,276 |
| 9,838,727 | 10,027,282 | 188,555 | 1.9% | | 9,838,727 | 10,027,282 | 188,555 | 1.9% | | 10,121,276 |
| TOTAL OPERATING EXPENSE | | | | | 9,838,727 | 10,027,282 | 188,555 | 1.9% | | 10,121,276 |
| 1,936,537 | 867,203 | 1,069,335 | 123.3% | | 1,936,537 | 867,203 | 1,069,335 | 123.3% | | 1,326,836 |
| NET OPERATING REVENUE (EXPENSE) EBIDA | | | | | | | | | | |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | | |
| 402,576 | 391,775 | 10,801 | 2.8% | | 402,576 | 391,775 | 10,801 | 2.8% | 9 | 383,248 |
| 392,691 | 392,691 | - | 0.0% | | 392,691 | 392,691 | - | 0.0% | | 393,903 |
| District and County Taxes | | | | | 22,074 | 19,965 | 2,109 | 10.6% | 10 | 23,728 |
| 22,074 | 19,965 | 2,109 | 10.6% | | 22,074 | 19,965 | 2,109 | 10.6% | 10 | 23,728 |
| Interest Income | | | | | 3,009 | 1,887 | 1,122 | 59.5% | | 3,350 |
| 3,009 | 1,887 | 1,122 | 59.5% | | 3,009 | 1,887 | 1,122 | 59.5% | | 3,350 |
| Interest Income-GO Bond | | | | | 14,157 | 34,671 | (20,514) | -59.2% | 11 | 43,228 |
| 14,157 | 34,671 | (20,514) | -59.2% | | 14,157 | 34,671 | (20,514) | -59.2% | 11 | 43,228 |
| Donations | | | | | - | - | - | 0.0% | 12 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 12 | - |
| Gain/ (Loss) on Joint Investment | | | | | - | - | - | 0.0% | 12 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 12 | - |
| Loss on Impairment of Asset | | | | | - | - | - | 0.0% | 13 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 13 | - |
| Gain/ (Loss) on Sale of Equipment | | | | | - | - | - | 0.0% | 14 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 14 | - |
| Impairment Loss | | | | | (854,169) | (855,178) | 1,009 | 0.1% | 15 | (809,066) |
| (854,169) | (855,178) | 1,009 | 0.1% | | (854,169) | (855,178) | 1,009 | 0.1% | 15 | (809,066) |
| Depreciation | | | | | (119,533) | (116,332) | (3,201) | -2.8% | 16 | (141,259) |
| (119,533) | (116,332) | (3,201) | -2.8% | | (119,533) | (116,332) | (3,201) | -2.8% | 16 | (141,259) |
| Interest Expense | | | | | (361,025) | (343,037) | (17,988) | -5.2% | | (389,889) |
| (361,025) | (343,037) | (17,988) | -5.2% | | (361,025) | (343,037) | (17,988) | -5.2% | | (389,889) |
| Interest Expense-GO Bond | | | | | (500,220) | (473,559) | (26,661) | -5.6% | | (492,758) |
| (500,220) | (473,559) | (26,661) | -5.6% | | (500,220) | (473,559) | (26,661) | -5.6% | | (492,758) |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) | | | | | (500,220) | (473,559) | (26,661) | -5.6% | | (492,758) |
| \$ 1,436,318 | \$ 393,644 | \$ 1,042,674 | -264.9% | | \$ 1,436,318 | \$ 393,644 | \$ 1,042,674 | -264.9% | | \$ 834,077 |
| INCREASE (DECREASE) IN NET POSITION | | | | | \$ 1,436,318 | \$ 393,644 | \$ 1,042,674 | -264.9% | | \$ 834,077 |
| NET POSITION - BEGINNING OF YEAR | | | | | 97,075,105 | | | | | |
| NET POSITION - AS OF JULY 31, 2015 | | | | | \$ 98,511,422 | | | | | |
| 10.1% | 4.5% | 5.6% | | | 10.1% | 4.5% | 5.6% | | | 6.7% |
| RETURN ON GROSS REVENUE EBIDA | | | | | 10.1% | 4.5% | 5.6% | | | 6.7% |

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

| | Variance from Budget | |
|---|----------------------------------|-------------------------------|
| | Fav / <Unfav> | |
| | JULY 2015 | YTD 2016 |
| 1) <u>Gross Revenues</u> | | |
| Acute Patient Days were below budget 13.20% or 54 days. Swing bed days were above budget 71.43% or 15 days. We also saw a lower acuity level in our patients which created a negative variance in IP Ancillary revenues. | Gross Revenue -- Inpatient | \$ (1,341,466) \$ (1,341,466) |
| | Gross Revenue -- Outpatient | 1,244,368 1,244,368 |
| | Gross Revenue -- Total | \$ (97,098) \$ (97,098) |
| Outpatient volumes were above budget in the following departments: Emergency Department visits, Home Health visits, Surgical cases, Laboratory tests, Oncology Lab, Mammography, Oncology procedures, Nuclear Medicine, Ultrasounds, PET CT, Pharmacy units, Oncology Pharmacy units, Physical Therapy, and Occupational Therapy. | | |
| 2) <u>Total Deductions from Revenue</u> | | |
| The payor mix for July shows a 1.98% increase to Medicare, a 2.07% decrease to Medi-Cal, .01% decrease to Other, a .07% decrease to County, and a .16% increase to Commercial when compared to budget. Contractual Allowances were under budget due to the shift in payor mix from Medi-Cal to Medicare. The Revenue per day in our Medicare population was lower than we have seen historical which created a pickup in our contractual allowance calculation. | Contractual Allowances | \$ 387,094 \$ 387,094 |
| | Managed Care Reserve | - |
| | Charity Care | 80,218 80,218 |
| | Charity Care - Catastrophic | - |
| | Bad Debt | 502,367 502,367 |
| | Prior Period Settlements | - |
| | Total | \$ 969,678 \$ 969,678 |
| Self Pay accounts receivable decreased \$762,000 over June 2015, creating a positive variance in Bad Debt. | | |
| 3) <u>Other Operating Revenue</u> | | |
| Retail Pharmacy revenues fell short of budget by 17.92%. | Retail Pharmacy | \$ (39,985) \$ (39,985) |
| | Hospice Thrift Stores | 9,599 9,599 |
| | The Center (non-therapy) | 8,067 8,067 |
| Hospice Thrift Stores revenues exceeded budget by 10.72%. | IVCH ER Physician Guarantee | 13,899 13,899 |
| | Children's Center | 17,836 17,836 |
| Sports Performance revenues exceeded budget by \$10,800, creating a positive variance in The Center (non-therapy). | Miscellaneous | 10,834 10,834 |
| | Oncology Drug Replacement | - |
| Child Care days exceeded budget by 12.81% or 185 days, creating a positive variance in Children's Center. | Grants | (1,250) (1,250) |
| | Total | \$ 19,001 \$ 19,001 |
| IVCH ER Physician Guarantee is tied to collections which exceeded budget estimations in July. | | |
| 4) <u>Salaries and Wages</u> | | |
| | Total | \$ 190,819 \$ 190,819 |
| <u>Employee Benefits</u> | | |
| Negative variance in Paid Leave/Sick Leave was offset, in part, by a positive pickup in Salaries and Wages. We also had some large payouts in PL and SL during the month of July and an increase in Sick Leaves. | PL/SL | \$ (345,974) \$ (345,974) |
| | Nonproductive | (14,005) (14,005) |
| | Pension/Deferred Comp | (8,943) (8,943) |
| | Standby | (40,065) (40,065) |
| | Other | (81,298) (81,298) |
| Negative variance in Other related to employer payroll taxes due to the increase in PL/SL paid in July. | Total | \$ (490,285) \$ (490,285) |
| <u>Employee Benefits - Workers Compensation</u> | | |
| | Total | \$ 13,932 \$ 13,932 |
| <u>Employee Benefits - Medical Insurance</u> | | |
| Positive variance in Medical Insurance related to a decrease in paid claims. | Total | \$ 458,969 \$ 458,969 |
| 5) <u>Professional Fees</u> | | |
| TFH IP, Tahoe City OP, and IVCH OP Therapies revenues exceeded budget by 33.11% in July. | TFH/IVCH Therapy Services | \$ (42,526) \$ (42,526) |
| | Miscellaneous | (24,772) (24,772) |
| | The Center (includes OP Therapy) | (21,365) (21,365) |
| | Administration | (2,663) (2,663) |
| Negative variance in Miscellaneous related to outsourced services provided to Nursing Case Management and Legal fees provided to TIRHR. | Multi-Specialty Clinics Admin | (617) (617) |
| | IVCH ER Physicians | (185) (185) |
| | Managed Care | (114) (114) |
| OP Therapies revenues exceeded budget by 19.58%, creating a negative variance in The Center (includes OP Therapy). | Patient Accounting/Admitting | - |
| | Business Performance | - |
| | Respiratory Therapy | 200 200 |
| Positive variance in Oncology due to Locums coverage budgeted and not used in July. | Information Technology | 356 356 |
| | Home Health/Hospice | 600 600 |
| | Human Resources | 2,196 2,196 |
| | Marketing | 2,375 2,375 |
| Positive variance in Financial Administration related to budgeted professional fees for service line analyses that were not performed in July. | Corporate Compliance | 3,276 3,276 |
| | TFH Locums | 3,387 3,387 |
| | Sleep Clinic | 4,084 4,084 |
| | Multi-Specialty Clinics | 5,409 5,409 |
| | Medical Staff Services | 5,427 5,427 |
| | Oncology | 13,378 13,378 |
| | Financial Administration | 29,217 29,217 |
| | Total | \$ (22,338) \$ (22,338) |

6) Supplies

Oncology Drugs Sold to Patients revenues exceeded budget by 21.06%, creating a negative variance in Pharmacy Supplies.

Surgery and Medical Supplies Sold to Patients revenues fell short of budget by 20.32%, creating a positive variance in Patient & Other Medical Supplies.

| | | | | |
|----------------------------------|-----------|-----------------|-----------|-----------------|
| Pharmacy Supplies | \$ | (215,152) | \$ | (215,152) |
| Food | | (11,988) | | (11,988) |
| Office Supplies | | (5,014) | | (5,014) |
| Imaging Film | | (99) | | (99) |
| Minor Equipment | | 3,527 | | 3,527 |
| Other Non-Medical Supplies | | 10,929 | | 10,929 |
| Patient & Other Medical Supplies | | 120,401 | | 120,401 |
| Total | \$ | (97,395) | \$ | (97,395) |

7) Purchased Services

Negative variance in Laboratory related to maintenance performed on the machines as well as newly acquired maintenance agreements that were an unknown expense at the time the budget was completed.

Services provided for Community Health and funds advanced on the GUGC created a negative variance in Miscellaneous.

Positive variance in Patient Accounting related to collection fees coming in below budget.

| | | | | |
|-----------------------------------|-----------|---------------|-----------|---------------|
| Laboratory | \$ | (12,239) | \$ | (12,239) |
| Miscellaneous | | (8,750) | | (8,750) |
| Multi-Specialty Clinics | | (2,275) | | (2,275) |
| Diagnostic Imaging Services - All | | (1,807) | | (1,807) |
| Community Development | | 392 | | 392 |
| Pharmacy IP | | 591 | | 591 |
| Medical Records | | 2,147 | | 2,147 |
| Hospice | | 4,005 | | 4,005 |
| The Center | | 5,533 | | 5,533 |
| Human Resources | | 7,251 | | 7,251 |
| Information Technology | | 8,301 | | 8,301 |
| Department Repairs | | 11,807 | | 11,807 |
| Patient Accounting | | 17,972 | | 17,972 |
| Total | \$ | 32,924 | \$ | 32,924 |

8) Other Expenses

Electricity, Water/Sewer, and Telephone costs were below budget, District wide, in the month of July.

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

| | | | | |
|------------------------------------|-----------|----------------|-----------|----------------|
| Other Building Rent | \$ | (2,427) | \$ | (2,427) |
| Multi-Specialty Clinics Equip Rent | | (18) | | (18) |
| Innovation Fund | | - | | - |
| Physician Services | | 4 | | 4 |
| Multi-Specialty Clinics Bldg Rent | | 478 | | 478 |
| Dues and Subscriptions | | 2,647 | | 2,647 |
| Human Resources Recruitment | | 5,833 | | 5,833 |
| Insurance | | 6,423 | | 6,423 |
| Marketing | | 8,703 | | 8,703 |
| Equipment Rent | | 10,829 | | 10,829 |
| Outside Training & Travel | | 19,273 | | 19,273 |
| Utilities | | 24,858 | | 24,858 |
| Miscellaneous | | 25,325 | | 25,325 |
| Total | \$ | 101,929 | \$ | 101,929 |

9) District and County Taxes

| | | | | |
|--------------|-----------|---------------|-----------|---------------|
| Total | \$ | 10,801 | \$ | 10,801 |
|--------------|-----------|---------------|-----------|---------------|

10) Interest Income

| | | | | |
|--------------|-----------|--------------|-----------|--------------|
| Total | \$ | 2,109 | \$ | 2,109 |
|--------------|-----------|--------------|-----------|--------------|

11) Donations

| | | | | |
|------------------|----|-----------------|----|-----------------|
| IVCH | \$ | (4,333) | \$ | (4,333) |
| Operational | | (16,181) | | (16,181) |
| Capital Campaign | | - | | - |
| Total | | (20,514) | | (20,514) |

12) Gain/(Loss) on Joint Investment

| | | | | |
|--------------|-----------|----------|-----------|----------|
| Total | \$ | - | \$ | - |
|--------------|-----------|----------|-----------|----------|

13) Gain/(Loss) on Sale

| | | | | |
|--------------|-----------|----------|-----------|----------|
| Total | \$ | - | \$ | - |
|--------------|-----------|----------|-----------|----------|

15) Depreciation Expense

| | | | | |
|--------------|-----------|--------------|-----------|--------------|
| Total | \$ | 1,009 | \$ | 1,009 |
|--------------|-----------|--------------|-----------|--------------|

16) Interest Expense

| | | | | |
|--------------|-----------|----------------|-----------|----------------|
| Total | \$ | (3,201) | \$ | (3,201) |
|--------------|-----------|----------------|-----------|----------------|

INCLINE VILLAGE COMMUNITY HOSPITAL
STATEMENT OF REVENUE AND EXPENSE
JULY 2015

| CURRENT MONTH | | | | Note | YEAR TO DATE | | | | PRIOR YTD JULY 2014 | |
|--|-------------------|-------------------|--------------|------|-------------------|-------------------|-------------------|--------------|------------------------|-------------------|
| ACTUAL | BUDGET | VAR\$ | VAR% | | ACTUAL | BUDGET | VAR\$ | VAR% | | |
| OPERATING REVENUE | | | | | | | | | | |
| \$ 1,718,536 | \$ 1,540,153 | \$ 178,383 | 11.6% | | \$ 1,718,536 | \$ 1,540,153 | \$ 178,383 | 11.6% | 1 | \$ 1,514,657 |
| Gross Revenues - Inpatient | | | | | | | | | | |
| \$ - | \$ - | \$ - | 0.0% | | \$ - | \$ - | \$ - | 0.0% | | \$ 15,815 |
| 14,526 | 2,455 | 12,071 | 491.7% | | 14,526 | 2,455 | 12,071 | 491.7% | | 17,413 |
| 14,526 | 2,455 | 12,071 | 491.7% | | 14,526 | 2,455 | 12,071 | 491.7% | 1 | 33,228 |
| Gross Revenue - Outpatient | | | | | | | | | | |
| 1,704,010 | 1,537,698 | 166,313 | 10.8% | | 1,704,010 | 1,537,698 | 166,313 | 10.8% | | 1,481,429 |
| 1,704,010 | 1,537,698 | 166,313 | 10.8% | | 1,704,010 | 1,537,698 | 166,313 | 10.8% | 1 | 1,481,429 |
| Deductions from Revenue: | | | | | | | | | | |
| 531,467 | 423,909 | (107,557) | -25.4% | | 531,467 | 423,909 | (107,557) | -25.4% | 2 | 403,047 |
| 57,179 | 53,819 | (3,360) | -6.2% | | 57,179 | 53,819 | (3,360) | -6.2% | 2 | 51,498 |
| - | - | - | 0.0% | | - | - | - | 0.0% | 2 | - |
| 83,780 | 107,639 | 23,859 | 22.2% | | 83,780 | 107,639 | 23,859 | 22.2% | 2 | 52,416 |
| - | - | - | 0.0% | | - | - | - | 0.0% | 2 | - |
| 672,425 | 585,368 | (87,058) | -14.9% | | 672,425 | 585,368 | (87,058) | -14.9% | 2 | 506,961 |
| 78,223 | 62,985 | 15,238 | 24.2% | | 78,223 | 62,985 | 15,238 | 24.2% | 3 | 114,464 |
| 1,124,334 | 1,017,770 | 106,564 | 10.5% | | 1,124,334 | 1,017,770 | 106,564 | 10.5% | | 1,122,160 |
| OPERATING EXPENSES | | | | | | | | | | |
| 260,486 | 296,448 | 35,962 | 12.1% | | 260,486 | 296,448 | 35,962 | 12.1% | 4 | 282,159 |
| 130,449 | 94,148 | (36,301) | -38.6% | | 130,449 | 94,148 | (36,301) | -38.6% | 4 | 88,445 |
| 2,489 | 2,490 | 1 | 0.0% | | 2,489 | 2,490 | 1 | 0.0% | 4 | 3,072 |
| 19,125 | 47,919 | 28,794 | 60.1% | | 19,125 | 47,919 | 28,794 | 60.1% | 4 | 57,243 |
| 253,128 | 241,535 | (11,593) | -4.8% | | 253,128 | 241,535 | (11,593) | -4.8% | 5 | 203,405 |
| 63,129 | 60,840 | (2,289) | -3.8% | | 63,129 | 60,840 | (2,289) | -3.8% | 6 | 50,144 |
| 40,141 | 41,036 | 896 | 2.2% | | 40,141 | 41,036 | 896 | 2.2% | 7 | 40,738 |
| 52,275 | 51,453 | (822) | -1.6% | | 52,275 | 51,453 | (822) | -1.6% | 8 | 50,602 |
| 821,222 | 835,870 | 14,648 | 1.8% | | 821,222 | 835,870 | 14,648 | 1.8% | | 775,808 |
| 303,112 | 181,900 | 121,211 | 66.6% | | 303,112 | 181,900 | 121,211 | 66.6% | | 346,352 |
| NON-OPERATING REVENUE/(EXPENSE) | | | | | | | | | | |
| - | 4,333 | (4,333) | -100.0% | | - | 4,333 | (4,333) | -100.0% | 9 | - |
| - | - | - | 0.0% | | - | - | - | 0.0% | 10 | - |
| (58,359) | (58,359) | 0 | 0.0% | | (58,359) | (58,359) | 0 | 0.0% | 11 | (53,601) |
| (58,359) | (54,026) | (4,333) | -8.0% | | (58,359) | (54,026) | (4,333) | -8.0% | | (53,601) |
| \$ 244,753 | \$ 127,874 | \$ 116,878 | 91.4% | | \$ 244,753 | \$ 127,874 | \$ 116,878 | 91.4% | | \$ 292,751 |
| 17.6% | 11.8% | 5.8% | | | 17.6% | 11.8% | 5.8% | | | 22.9% |

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

| | | <u>Variance from Budget</u> | |
|---|----------------------------------|-----------------------------|--------------------|
| | | <u>Fav<Unfav></u> | |
| | | <u>JULY 2015</u> | <u>YTD 2016</u> |
| 1) <u>Gross Revenues</u> | | | |
| Acute Patient Days were above budget by 4 at 4 and Observation Days were below budget by 2 at 1. | Gross Revenue -- Inpatient | \$ 12,071 | \$ 12,071 |
| | Gross Revenue -- Outpatient | 166,313 | 166,313 |
| | | <u>\$ 178,383</u> | <u>\$ 178,383</u> |
| Outpatient volumes exceeded budget in Emergency Department visits, Laboratory tests, Cat Scans, Pharmacy units, and Physical Therapy. | | | |
| 2) <u>Total Deductions from Revenue</u> | | | |
| We saw a shift in our payor mix with a 4.39% increase in Commercial, Insurance, a 8.62% decrease in Medicare, a .68% decrease in Medicaid, a 4.92% increase in Other, and a .01% decrease in County. Negative variance in Contractual Allowances is a result of revenues exceeding budget by 11.6% and a shift from Bad Debt. | Contractual Allowances | \$ (107,557) | \$ (107,557) |
| | Charity Care | (3,360) | (3,360) |
| | Charity Care-Catastrophic Event | - | - |
| | Bad Debt | 23,859 | 23,859 |
| | Prior Period Settlement | - | - |
| | Total | <u>\$ (87,058)</u> | <u>\$ (87,058)</u> |
| 3) <u>Other Operating Revenue</u> | | | |
| IVCH ER Physician Guarantee is tied to collections which exceeded budget in July. | IVCH ER Physician Guarantee | \$ 13,899 | \$ 13,899 |
| | Miscellaneous | 1,339 | 1,339 |
| | Total | <u>\$ 15,238</u> | <u>\$ 15,238</u> |
| 4) <u>Salaries and Wages</u> | | | |
| | Total | <u>\$ 35,962</u> | <u>\$ 35,962</u> |
| <u>Employee Benefits</u> | | | |
| Negative variance in Paid Leave/Sick Leave was offset by a positive variance in Salaries and Wages. | PL/SL | \$ (25,583) | \$ (25,583) |
| | Standby | (2,633) | (2,633) |
| | Other | (3,856) | (3,856) |
| | Nonproductive | (4,784) | (4,784) |
| | Pension/Deferred Comp | 555 | 555 |
| | Total | <u>\$ (36,301)</u> | <u>\$ (36,301)</u> |
| Negative variance in Nonproductive related to a longevity retention bonus. This was an unknown expense during the budgeting process. | | | |
| <u>Employee Benefits - Workers Compensation</u> | Total | <u>\$ 1</u> | <u>\$ 1</u> |
| <u>Employee Benefits - Medical Insurance</u> | Total | <u>\$ 28,794</u> | <u>\$ 28,794</u> |
| Positive variance in Medical Insurance due to a decrease in claims paid. | | | |
| 5) <u>Professional Fees</u> | | | |
| IVCH OP Physical Therapy revenues exceeded budget by 10.94%, creating a negative variance in Therapy Services. | Therapy Services | \$ (8,797) | \$ (8,797) |
| | Multi-Specialty Clinics | (4,483) | (4,483) |
| | Foundation | (3,097) | (3,097) |
| | IVCH ER Physicians | (185) | (185) |
| | Administration | - | - |
| | Miscellaneous | 884 | 884 |
| | Sleep Clinic | 4,084 | 4,084 |
| | Total | <u>\$ (11,593)</u> | <u>\$ (11,593)</u> |
| Negative variance in Multi-Specialty Clinics related to the transfer of physician RVUs for time worked in the MSC IM/Peds clinic. | | | |
| Negative variance in Foundation associated with services provided for fundraising activities. | | | |
| 6) <u>Supplies</u> | | | |
| Pneumococcal vaccines purchased for the MSC IM/Peds clinic created a negative variance in Pharmacy Supplies. | Pharmacy Supplies | \$ (2,379) | \$ (2,379) |
| | Patient & Other Medical Supplies | (1,510) | (1,510) |
| | Imaging Film | (469) | (469) |
| | Minor Equipment | 293 | 293 |
| | Office Supplies | 450 | 450 |
| | Food | 603 | 603 |
| | Non-Medical Supplies | 724 | 724 |
| | Total | <u>\$ (2,289)</u> | <u>\$ (2,289)</u> |
| Surgery revenues exceeded budget by 21.47%, creating a negative variance in Patient & Other Medical Supplies. The supply cost overruns were primarily related to Implant purchases. | | | |

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

| | | Variance from Budget | |
|---|------------------------------------|-----------------------------|-------------------|
| | | Fav<Unfav> | |
| | | JULY 2015 | YTD 2016 |
| 7) <u>Purchased Services</u> | Laboratory | \$ (6,186) | \$ (6,186) |
| Negative variance in Laboratory related to outsourced laboratory testing which exceeded budget by 23.86%. | Foundation | (2,593) | (2,593) |
| | EVS/Laundry | (261) | (261) |
| | Pharmacy | - | - |
| | Surgical Services | - | - |
| | Diagnostic Imaging Services - All | 577 | 577 |
| | Department Repairs | 978 | 978 |
| | Multi-Specialty Clinics | 1,065 | 1,065 |
| | Engineering/Plant/Communications | 3,029 | 3,029 |
| | Miscellaneous | 4,287 | 4,287 |
| | Total | \$ 896 | \$ 896 |
| 8) <u>Other Expenses</u> | Miscellaneous | \$ (1,881) | \$ (1,881) |
| Negative variance in Miscellaneous associated with the transfer of labor costs for IVCH Laboratory tests performed in the TFH Laboratory. | Equipment Rent | (866) | (866) |
| | Other Building Rent | (595) | (595) |
| | Marketing | (367) | (367) |
| | Dues and Subscriptions | (93) | (93) |
| | Physician Services | - | - |
| | Multi-Specialty Clinics Bldg Rent | - | - |
| | Insurance | 223 | 223 |
| | Utilities | 502 | 502 |
| | Multi-Specialty Clinics Equip Rent | 595 | 595 |
| | Outside Training & Travel | 1,659 | 1,659 |
| | Total | \$ (822) | \$ (822) |
| 9) <u>Donations</u> | Total | \$ (4,333) | \$ (4,333) |
| 10) <u>Gain/(Loss) on Sale</u> | Total | \$ - | \$ - |
| 11) <u>Depreciation Expense</u> | Total | \$ - | \$ - |

TAHOE FOREST HOSPITAL DISTRICT
STATEMENT OF CASH FLOWS

| | PRELIMINARY FYE 2015 | BUDGET FYE 2016 | PROJECTED FYE 2016 | ACTUAL JULY 2015 | BUDGET JULY 2015 | DIFFERENCE | PROJECTED 1ST QTR | BUDGET 2ND QTR | BUDGET 3RD QTR | BUDGET 4TH QTR |
|------------------------------------|-------------------------|--------------------|-----------------------|---------------------|---------------------|--------------|----------------------|-------------------|-------------------|-------------------|
| Net Operating Rev/(Exp) - EBIDA | \$ 4,923,252 | \$ 2,054,135 | \$ 3,116,809 | \$ 1,936,537 | \$ 873,863 | \$ 1,062,674 | \$ 2,990,244 | \$ 2,218 | \$ 1,133,045 | \$ (1,008,698) |
| Interest Income | 97,528 | 107,488 | 110,216 | 29,198 | 26,470 | 2,728 | 29,198 | 27,087 | 27,104 | 26,827 |
| Property Tax Revenue | 5,352,075 | 5,420,000 | 5,363,922 | 93,922 | 150,000 | (56,078) | 178,922 | 70,000 | 2,890,000 | 2,225,000 |
| Donations | 757,929 | 923,000 | 903,000 | - | 20,000 | (20,000) | 95,000 | 105,000 | 90,000 | 613,000 |
| Debt Service Payments | (3,505,561) | (3,565,581) | (3,388,709) | (574,610) | (751,482) | 176,872 | (1,069,567) | (742,435) | (870,355) | (706,351) |
| Bank of America - 2012 Muni Lease | (1,243,531) | (1,243,644) | (1,243,644) | (103,637) | (103,637) | (0) | (310,911) | (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) | (504,004) | 176,872 | (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) | (310,697) | (5,197) | (5,500) | 303 | (220,697) | (30,000) | (30,000) | (30,000) |
| Investment in Capital | | | | | | | | | | |
| Equipment | (2,588,540) | (1,418,900) | (1,543,581) | (194,231) | (69,550) | (124,681) | (333,331) | (443,250) | (767,000) | - |
| Municipal Lease Reimbursement | - | 2,295,723 | 2,342,723 | 1,319,139 | 1,272,139 | 47,000 | 1,319,139 | 500,000 | 523,584 | - |
| GO Bond Project Personal Property | (186,062) | (500,180) | (500,180) | (736) | (41,682) | 40,946 | (125,045) | (125,045) | (125,045) | (125,045) |
| IT | (1,412,396) | (559,300) | (559,300) | (19,096) | (43,933) | 24,837 | (131,800) | (222,500) | (130,000) | (75,000) |
| Building Projects | (2,252,267) | (4,487,480) | (4,487,480) | (31,613) | (72,480) | 40,867 | (1,717,440) | (2,084,040) | (301,000) | (385,000) |
| Health Information/Business System | (230,852) | (500,000) | (500,000) | (1,623) | - | (1,623) | (1,623) | - | (248,377) | (250,000) |
| Capital Investments | | | | | | | | | | |
| Properties | (600,000) | - | - | - | - | - | - | - | - | - |
| Measure C Scope Modifications | - | (749,287) | (749,286) | - | - | - | (204,306) | (27,868) | (258,556) | (258,556) |
| Change in Accounts Receivable | 2,628,682 | 282,832 | N1 172,122 | (1,219,614) | (1,108,904) | (110,710) | 149,158 | (630,204) | 217,927 | 435,241 |
| Change in Settlement Accounts | 433,374 | 500,000 | N2 663,562 | 163,562 | - | 163,562 | 163,562 | - | 250,000 | 250,000 |
| Change in Other Assets | (1,898,723) | (768,000) | N3 (713,152) | (593,152) | (648,000) | 54,848 | (618,152) | 125,000 | (75,000) | (145,000) |
| Change in Other Liabilities | (86,400) | (71,000) | N4 (1,633,406) | (2,312,406) | (750,000) | (1,562,406) | (587,406) | (556,000) | (325,000) | (165,000) |
| Change in Cash Balance | 1,276,137 | (1,347,550) | (1,713,438) | (1,409,921) | (1,149,059) | (260,862) | (84,145) | (4,032,037) | 2,001,327 | 401,418 |
| Beginning Unrestricted Cash | 50,951,760 | 52,242,252 | 52,227,897 | 52,227,897 | 52,227,897 | - | 52,227,897 | 52,143,752 | 48,111,715 | 50,113,042 |
| Ending Unrestricted Cash | 52,227,897 | 50,894,702 | 50,514,459 | 50,817,976 | 51,078,838 | (260,862) | 52,143,752 | 48,111,715 | 50,113,042 | 50,514,459 |
| Expense Per Day | 332,285 | 321,141 | 320,584 | 321,234 | 327,791 | (6,557) | 320,520 | 317,937 | 321,699 | 320,584 |
| Days Cash On Hand | 157 | 158 | 158 | 158 | 156 | 2 | 163 | 151 | 156 | 158 |

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.

To: Tahoe Forest Hospital District Board of Directors

From: Donald J. Whiteside, Managing Director- Executive Search

Date: August 19, 2015

Subject: Update on Chief Executive Officer Search

We are now nearly four months along in our search for the next Chief Executive Officer for Tahoe Forest Hospital District (TFHD). We are making very good progress and I continue to be optimistic about the end result. The last two Board meetings have been shorter and productive, and the candidates that observe these online have commented positively on this.

In the last six (6) weeks, I have interviewed a dozen potential candidates, some in their own facilities. In these cases, I “walked the halls” with these CEOs, and observed their facilities and their interactions with staff, visitors, patients, and physicians. With several other candidates, I had visited them in their facilities in the past. We will continue to search and consider possible candidates until the very end, but at this point I am quite pleased at the excellent executives we already have in our process.

We are getting close to the most exciting part of our search: candidate selection and interviews. On September 10th, the Board and a group of advisors will review information on approximately eight (8) candidates for the CEO position. Presentation material will include a candidate summary, their original resume, and a letter expressing their ideas on why their experience and background will best serve TFHD. There may be other written information as well. The goal for this meeting will be to review each candidate for qualifications and experience. The top candidates will then come to TFHD for face to face interviews.

Each candidate, that the Board will consider, has substantial experience and a successful track record. Additionally, and importantly, they fit the criteria established in the CEO Job Specification. I am confident that the decision to choose the one future CEO for TFHD will be quite challenging because there will be a very strong group of excellent candidates.

The binders with this information will arrive at least a week prior to the meeting so that members will have time to review and evaluate the content. At the September 10th meeting, we will discuss the written material, as well as my impressions and evaluations from the face to face interviews I conducted. As a reminder, many of the candidate are currently working so all candidate material will remain **confidential** until a final candidate is chosen and an agreement for employment is reached.

I would be happy to answer any questions or hear any suggestions. We appreciate the opportunity to be of service to you.



Board Executive Summary

By: Jim Hook
Corporate Compliance
Consultant, The Fox Group

DATE: July 1, 2015

ISSUE:

2015 Compliance Program 2nd Quarter Report (Open Session)

The Compliance Committee is providing the Board of Directors with a report of the 2nd Quarter 2015 Corporate Compliance Program activities.

BACKGROUND:

The Board of Directors has overall responsibility for the TFHD Corporate Compliance Program. This report facilitates the Board's monitoring and oversight of the Corporate Compliance Program, according to the seven components of the Compliance Program.

Reviewing and updating the Corporate Compliance Program Policy and Procedure on an annual basis is a part of the responsibilities of the Compliance Committee.

ACTION REQUESTED:

None.

2015 Corporate Compliance Program Annual Report

OPEN SESSION

Period Covered by Report: **April 1 –June 30, 2015**

Completed by: James Hook, Compliance Consultant, The Fox Group

1. Written Policies and Procedures

1.1. The District's Corporate Compliance Policies and Procedures are reviewed and updated as needed. Policies have been adopted, revised, or are in development to meet regulatory changes or in response to compliance activities.

1.2. The Compliance Committee recommends changes to Physicians and Professional Services Policy/Procedure #ABD 21. These changes include:

1.2.1. Process for service agreement development and Board approval;

1.2.2. Use of agreement templates for all new and renewing agreements.

2. Compliance Oversight / Designation of Compliance Individuals

2.1. Corporate Compliance Committee:

2.1.1. Removal of member –Ginny Razo-Chief Operating Office

2.1.2. Additional member –Stephanie Hanson-Compliance Coordinator

3. Education & Training

3.1. New employee orientation training in Health Stream was updated based on recommendations from the Compliance Consultants.

3.2. All new employees are educated during orientation.

3.3. "Compliance Corner" continues in the monthly employee newsletter providing ongoing compliance education for staff.

3.4. A presentation on Corporate Compliance, fraud and abuse and other topics was made to the general meeting of the TFHD Medical Staff on May 14, 2015

4. Effective Lines of Communication/Reporting

4.1. A Compliance log is maintained for all calls to the Compliance Hotline and other reports made to the Compliance Officer. Three calls were received on the Hotline in the 2nd quarter.

4.2. HIPAA violations are reported to the Privacy Officer. Privacy Officer maintains a log of reported events.

5. Enforcing Standards through well-publicized Disciplinary Guidelines

5.1. Eighty-seven percent (87%) of Orientation and Health Stream annual training modules were completed for eligible employees in the 2nd quarter.

OPEN SESSION

- 5.2. All new staff hires, newly privileged physicians, and vendors registered with vendor credentialing program are screened by checking against the OIG and GSA exclusion lists and receive criminal background checks. Annually, ongoing monitoring continues at various intervals.
- 5.3. Posters regarding the Compliance Program were distributed “*If you see something, say something*”

6. Auditing & Monitoring

- 6.1. Two audits were completed during the 2nd quarter as part of the 2015 corporate compliance work plan. A total of seven additional audits are planned during the remainder of 2015.
 - 6.1.1. An audit of physician contracts executed between December 1, 2014 and February 28, 2015 revealed that all agreements were executed prior to the effective date of the agreements.
 - 6.1.2. An audit of payments to physicians providing on-call specialty coverage to the TFHD emergency Department revealed all payments were made correctly and based on invoices authenticated by each physician providing coverage.

7. Responding to Detected Offenses & Corrective Action Initiatives

- 7.1. Investigations of suspected and actual breach incidents were initiated. Several investigations revealed no violations. Remediation measures including, additional staff training, were implemented to prevent further violations.



GOVERNANCE COMMITTEE

AGENDA

Wednesday, August 12, 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:** 06/10/2015
6. **CLOSED SESSION**
 - 6.1. Health & Safety Code Section 32155: Quality Report (2 items)
 - 6.2. Government Code Section 54956.9(d)(2): Exposure to Litigation (5 matters)
7. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 7.1. **Compliance**
 - 7.1.1. **2015 Compliance Program 2nd Quarter Report** ATTACHMENT
2nd Quarter Report of compliance activities will be presented.
 - 7.2. **Policies** ATTACHMENT
Committee will review the proposed project plan for completion of annual review of board policies and discuss potential updates to various policies.
 - 7.2.1. ABD-12 Guidelines for the Conduct of Business by the TFHD Board of Directors
 - 7.2.2. ABD-17 Manner of Governance For The Tahoe Forest Hospital District Board of Directors
 - 7.3. **Committee Goals** ATTACHMENT
The Committee will review and update the status of its 2015 committee goals.
 - 7.3.1. **Advance Best Practices in Governance**
Committee will be provided an updated related to the TFHD application for certification by the Association of California Healthcare Districts (ACHD)
 - 7.4. **Board Education Program** *ATTACHMENT
The Committee will discuss topics and options for future board education.
 - 7.5. **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**

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2015 Governance Committee Goals - DASHBOARD

| Stated Goal: | Tactic | Measurement | Owner | Status |
|---|--|--|---|--------|
| 1. Advance best practices in governance | a. Gain ACHD Certification | Investigage the CAHD cerfication | Dir. Governance & Community Development | |
| | b. Evaluate CSDA certification | | | |
| | c. Develop and implement board order and decorum documents | Board policy review/update. Bylaw clarification related to committees | Chair / Dir. Governance & Community Development | |
| 2. Assure organization has an effective compliance program | Quarterly Reports from Compliance Committee | Quarterly | Committee | |
| | Annual Plan and Report | Annual | Compliance Committee | |
| | Committee Education | 2 times per year | Compliance Committee | |
| 3. Establish a board education program | Board Education | Regularly scheduled board presentations | | |
| | Conferences (e.g. Estes Park, ACHD, etc.) | Governance Institute | | |
| 4. Develop a board and committee leadership development program | Create outside resource calendar | | Committee | |
| | Create internal board meeting education calendar | | | |
| | 6 month retreat follow up | early to mid-september - 1 full day | Ted/Clerk to facilitate | |
| 5. Improve governance transparency | Identify specific goals from ACHD or CAHD. | | Committee | |
| | Develop process to Identify problems/issues for response | | Governance Committee | |
| | | | | |



QUALITY COMMITTEE AGENDA

Thursday, August 20, 2015 at 12:00 p.m.
Eskridge Lobby Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. **CALL TO ORDER**
2. **ROLL CALL**
Greg Jellinek, M.D., Chair; John Mohun, Board Member
3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**
4. **INPUT – AUDIENCE**
This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.
5. **APPROVAL OF MINUTES OF: 6/9/2015** ATTACHMENT
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. **Quality Committee Goals 2015** ATTACHMENT
Committee will review and provide updates related to 2015 committee goals.
 - 6.2. **Patient & Family Centered Care (PFCC)**
 - 6.2.1. **Patient & Family Advisory Council Update**
An update will be provided related to the activities of the Patient and Family Advisory Council (PFAC).
 - 6.3. **TFHS Web Site Quality Information Update**
Committee will review and provide input related to the Tahoe Forest Health System web site quality information.
 - 6.4. **Lean Training Program** ATTACHMENT
An update will be provided about the Lean training program that TFHD staff has been participating in. This has been funded through a grant from the National Rural Health Resource Center and the CHA Flex Grant.
 - 6.5. **Board Quality Education** ATTACHMENT
The committee will review and discuss topics for future Board quality education.
 - 6.5.1. **Patient Safety/Medication Error Reduction Program Survey**
The Committee will be provided education related to the General Acute Care Hospital (GACH) Relicensing Survey which incorporates elements of the former stand-alone Medication Error Reduction Plan (MERP) survey and Patient Safety Licensing Survey (PSLS).

6.5.2. National Quality Forum (2015) - Performance Measurement for Rural Low-Volume Providers.

A Department of Health and Human Services report for review to discuss key learning points for our organization.

7. INFORMATIONAL REPORTS/MATERIALS

7.1. Quality Committee Charter..... ATTACHMENT

8. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

9. NEXT MEETING DATE

The date and time of the next committee meeting will be proposed and/or confirmed.

10. ADJOURN

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FINANCE COMMITTEE AGENDA

Thursday, August 20, 2015 at 2:30 p.m.
Eskridge Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, 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: 7/23/2015 ATTACHMENT**
6. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 6.1. Financial Reports:
 - 6.1.1. Financial Report- Updated Preliminary FYE 2015..... ATTACHMENT
 - 6.1.2. Financial Report- Preliminary July 2015 ATTACHMENT
 - 6.1.3. Financial Update- Truckee Surgery Center LLC..... ATTACHMENT
7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
8. **AGENDA INPUT FOR NEXT FINANCE COMMITTEE MEETING..... ATTACHMENT**
9. **NEXT MEETING DATE ATTACHMENT**
10. **ADJOURN**

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Tahoe Forest Hospital District

Board of Directors Meeting Evaluation Form

Date: _____

| | | 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:
